

GREATER MANCHESTER COMBINED AUTHORITY AUDIT COMMITTEE

DATE: Wednesday, 27th July, 2022

TIME: 10.30 am

VENUE: GMCA Offices, Broadhurst House, 56 Oxford Street,
Manchester M1 6EU

AGENDA

- 1. APOLOGIES FOR ABSENCE**
- 2. APPOINTMENT OF CHAIR 2022/2023**

To seek nominations for the appointment of Chair of the Committee for 2022/2023.

- 3. CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS (if any)**
- 4. MEMBERSHIP OF THE COMMITTEE 2022/2023**

To note the membership of the Committee for the Municipal Year 2022/23:-

Councillor Mary Whitby
Councillor Colin McLaren

Bury Council (Lab)
Oldham Council (Lab)

Councillor John Walsh
Councillor Sarah Russell
(Lab)

Bolton Council (Con)
Manchester City Council

*Councillor Christine Roberts
*Councillor Tracy Kelly

Wigan Council (Lab)
Salford (Lab)

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

Gwyn Griffiths
Grenville Page
Catherine Scivier
Susan Webster

Independent Member
Independent Member
Independent Member
Independent Member

*Substitute Members:

5. MEMBERS CODE OF CONDUCT AND ANNUAL DECLARATION OF INTEREST 1 - 10

To remind Members of their obligations under the Code of Conduct, and to complete their Annual Declaration of Interest form.

6. REVIEW OF AUDIT COMMITTEE TERMS OF REFERENCE 11 - 18

To note the Terms of Reference for the GMCA Audit Committee.

7. CODE OF CORPORATE GOVERNANCE 19 - 36

To note the Code of Corporate Governance as set out in Part 7 (Section E) of the GMCA Constitution.

8. DECLARATIONS OF INTEREST 37 - 40

To receive declarations of interest in any item for discussion at the meeting. A blank form for declaring interests has been circulated with the agenda; please ensure that this is returned to the Governance & Scrutiny Officer at least 48 hours in advance of the meeting.

9. MINUTES OF THE PREVIOUS AUDIT COMMITTEE MEETING 41 - 64

To consider the approval of the minutes of the previous meeting of the committee, held on 22nd April 2022, as a correct record.

10. UPDATE FROM THE JOINT AUDIT PANEL

To receive an update on the work of the Joint Audit Panel.

11. CONSTITUTION AND GOVERNANCE UPDATE (POLICE AUDIT

PANEL ETC)

To receive a verbal update from the GMCA Treasurer.

12.	SCRUTINY REVIEW RECOMMENDATIONS	65 - 88
	Report of the GMCA Treasurer.	
13.	RISK MANAGEMENT UPDATE	89 - 98
	Report of Head of Audit and Assurance, GMCA	
14.	HMICFRS ACTIONS UPDATE	99 - 106
	Report of Chief Fire Officer, GMFRS	
15.	INTERNAL AUDIT PROGRESS REPORT AND COUNTER FRAUD	107 - 188
	Report of Head of Audit and Assurance, GMCA.	
15.A	INTERNAL AUDIT ANNUAL OPINION 2021/22	189 - 206
	Report of Head of Audit and Assurance, GMCA	
15.B	AUDIT ACTION TRACKING (INCLUDING HISTORIC AUDIT ACTIONS)	207 - 222
	Report of Head of Audit and Assurance, GMCA.	
16.	FINANCIAL REPORTING	
	Reports of Treasurer, GMCA	
16.A	ASSESSMENT OF GOING CONCERN - To Follow	
16.B	DRAFT ANNUAL GOVERNANCE STATEMENT	223 - 260

Joint report of the Treasurer, GMCA and the Monitoring Officer
GMCA.

16.C UNAUDITED DRAFT STATEMENT OF ACCOUNTS - To Follow

To consider the unaudited draft statement of accounts.

16.D TREASURY MANAGEMENT ANNUAL REPORT - To Follow

To consider the Treasury Management Annual Report.

17. REPORT OF THE EXTERNAL AUDITOR

To receive a verbal update from the External Auditor, Mazars LLP.

**18. FORWARD PLANNING - AUDIT COMMITTEE WORK
PROGRAMME - To Follow**

19. DATE AND TIME OF THE NEXT MEETING

To note that the proposed dates for future meetings of the
Committee are:-

- Wednesday 19th October 2022, 10:00 am
- Wednesday 25th January 2023, 10:00 am
- Wednesday 15th March 2023, 10:00 am

Name	Organisation	Political Party
Grenville Page		
Susan Webster		
Councillor Sarah Russell	Manchester City Council	Labour
Councillor Mary Whitby	Bury Council	Labour
Gwyn Griffiths		
Catherine Scivier		
Councillor Peter Williams	Rochdale	Labour
Councillor John Walsh	Bolton	Conservative

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: Governance & Scrutiny



This agenda was issued on Date Not Specified on behalf of Julie Connor, Secretary to the
Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street,
Manchester M1 6EU

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GMCA AUDIT COMMITTEE

Date: 27 July 2022
Subject: Code of Conduct and Register of Interests
Report of: Liz Treacy, Monitoring Officer, GMCA

PURPOSE OF REPORT

To remind Members that the GMCA's Member Code of Conduct sets out high expectations with regard Members' conduct. As Members are co-opted on to a GMCA Committee, the GMCA's code applies to them when they are acting in this capacity.

RECOMMENDATIONS

Members are requested to:

Note the GMCA's Member Code of Conduct (Appendix A) and to complete an annual register of interest form (Appendix B).

CONTACT OFFICER

Paul Harris
GMCA Senior Governance & Scrutiny Officer
paul.harris@greatermanchester-ca.gov.uk

Risk Management – none

Legal Considerations – none

Financial Consequences – none

Financial Consequences – Capital – none

Number of attachments included in the report: 2
GMCA's Member Code of Conduct (Appendix A) and Annual Register of Interest Form (Appendix B).

BACKGROUND PAPERS

The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100D (1) of the Local Government Act 1972. It does not include documents, which would disclose exempt or confidential information as identified by that Act.

None.

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?	Yes/ 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
GM Transport Committee	N/A
Overview & Scrutiny Committee	N/A

LOCALISM ACT 2011
GREATER MANCHESTER COMBINED AUTHORITY
(GMCA)
CODE OF CONDUCT FOR MEMBERS

**REGISTER OF MEMBERS' AND SUBSTITUTE MEMBERS' DISCLOSABLE
PECUNIARY INTERESTS (IN ACCORDANCE WITH SECTIONS 30 AND 31 OF THE
LOCALISM ACT 2011 AND THE RELEVANT AUTHORITIES (DISCLOSABLE
PECUNIARY INTERESTS) REGULATIONS 2012 (S.I. 2012 No. 1464)), AND
MEMBERS' AND SUBSTITUTE MEMBER'S PERSONAL INTERESTS IN
ACCORDANCE WITH PARAGRAPH 2.1 OF THE GMCA'S CODE OF CONDUCT FOR
MEMBERS**

I,

Being a Member of the GMCA give notice that I have set out at PART 1 below under the appropriate heading the disclosable personal interests that I am required to notify to the GMCA's Monitoring Officer in accordance with Sections 30 and 31 of the Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and/or by virtue of Rule 16 of the GMCA's Procedure Rules and that I have set out at PART 2 below the personal interests which I am required to notify to the GMCA's Monitoring Officer under Paragraphs 7.1 and 7.2 of the Code of Conduct for Members adopted by the GMCA at its meeting on the 27 July 2012 and have put 'NONE' where I am not required to notify any disclosable personal interests or personal interests under any heading.

I am aware that in accordance with Section 30(3) of the Localism Act 2011, I am required to notify at PART 1 both my own disclosable personal interests and also any disclosable personal interests of

- (i) my spouse or civil partner,
 - (ii) a person with whom I am living as husband and wife, or
 - (iii) a person with whom I am living as if we were civil partners
- ("my Partner"), where I am aware that my Partner has the disclosable personal interest.

PART 1

DISCLOSABLE PECUNIARY INTERESTS

1. ANY EMPLOYMENT, OFFICE, TRADE, PROFESSION OR VOCATION CARRIED ON FOR PROFIT OR GAIN.

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NB: You need to include details of any employment or business in which you or your Partner are engaged. Employees should give the name of their employer. You should give the name of any company of which you or your Partner are a partner or remunerated director. Where you or your Partner hold an office, give the name of the person of the body which appointed you or your Partner (in the case of a teacher in a maintained school – the local education authority; in the case of an aided school – the school’s governing body)

2. SPONSORSHIP

--

NB You must declare any payment or provision of any other financial benefit (other than from the GMCA) made or provided to you in respect of any expenses incurred by you in carrying out your duties as a Member / Substitute Member of the GMCA, or towards your election expenses, within the period of 12 months ending with the day on which you give your notification to the GMCA’s Monitoring Officer for the purposes of Section 30(1) of the Localism Act 2011 and/or by virtue of Rule 18 of the GMCA’s Procedure Rules. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

3. CONTRACTS WITH THE GMCA

Member	Partner

NB You should describe all contracts of which you are aware, which are made between the GMCA and

- (i) either yourself or your Partner or
- (ii) a body in which you or your Partner have a beneficial interest (being a firm in which you or your Partner is a partner, or a body corporate of which you or your Partner is a director, or in the securities of which you or your partner have a beneficial interest),

which are not fully discharged and which are contracts under which goods or services are to be provided or works are to be executed.

Please note that the reference to "securities" means "shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

4. LAND IN THE AREA OF THE GMCA

Member	Partner

You should include any land (including houses, buildings or parts of buildings and any interests as mortgagee) within the GMCA's boundaries in which you or your Partner, either alone or jointly, have a proprietary interest for your or your Partner's benefit. You should give the address or brief description to identify it. **If you live within the GMCA's boundaries you should include your home under this heading** either as owner, lessee or tenant. You should also include any property from which you or your Partner receive rent, or of which you or your Partner are the mortgagee.

5. LICENCES TO OCCUPY LAND

Member	Partner

NB You should include any land (including buildings or parts of buildings) within the GMCA's boundaries which you or your Partner have a right to occupy for 28 days or longer (either alone or jointly with others). You should give the address or a brief description to identify it.

6. CORPORATE TENANCIES

Member	Partner

[NB You should list here any tenancies of properties of which you are aware, where the landlord is the GMCA and the tenant is a body in which you or your Partner have a beneficial interest (being a firm in which you or your Partner is a partner, or a body corporate of which you or your Partner is a director, or in the securities of which you or your partner have a beneficial interest).

Please note that the reference to “securities” means “shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

7. SECURITIES

Member	Partner

NB You should list here any beneficial interest of you or your Partner in securities of a body where –

- (a) that body (to your knowledge) has a place of business or land within the GMCA’s boundaries; and*
- (b) either –*
 - (i) the total nominal value of the securities held by you or your Partner exceeds £25,000 or one hundredth of the total issued share capital of that body; or*
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you or your Partner has a*

beneficial interest exceeds one hundredth of the total issued share capital of that class.

Please note that the reference to “securities” means “shares, debentures, debenture stock, Loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society

PART 2

PERSONAL INTERESTS

1. BODIES TO WHICH YOU ARE APPOINTED OR NOMINATED BY THE GMCA

NB You should record here details of your **position of general control or management**, in any –

- *Body to which you have been appointed or nominated by the GMCA as its representative.*

2. INTERESTS IN CHARITIES, SOCIETIES AND OTHER BODIES

NB You should record here details of your **position of general control or management**, in any –

- *Public authority or body exercising functions of a public nature;*
- *Company, industrial and provident society, charity, or body directed to charitable purposes. (Freemasons should include here membership of the Masonic Grand Charity)*
- *Body whose principal purposes include the influence of public policy, including party associations, trade union or professional association.*

3. GIFTS AND HOSPITALITY

You should list here any person from whom you have received a gift(s) or hospitality with an estimated value of at least £100 (including multiple gifts and/or hospitality with an aggregate value of at least £100 from the same person). You should provide a description of the gift(s) or hospitality and the person you believe to be the source of the gift(s) and hospitality (including accumulative gifts and/or hospitality).

You should list any such gifts or hospitality which you have received within whichever is the shortest of the period of 3 years or the period since you were first elected as a Member / Substitute Member of the GMCA.

I recognise that it can be a CRIMINAL OFFENCE under Section 34 of the Localism Act 2011 to:-

- i) fail to comply with the obligation to notify the GMCA's Monitoring Officer of any disclosable pecuniary interests as required by Section 30(1) of the Localism Act 2011;**
- ii) provide information in relation to disclosable pecuniary interests that is materially false or misleading, and**
- iii) fail to comply with the obligation to notify the GMCA's Monitoring Officer of any further disclosable pecuniary interests that require notification in accordance with Sections 30(2) and 30(3) of the Localism Act 2011.**

I authorise this information to be made available in the GMCA's Public Register of Member's / Substitute Member's Interests which will be published on the GMCA's website as required by Section 29(6)(b) of the Localism Act 2011.

Signed:

Date:

OFFICE USE ONLY

RECEIVED

Signed

GMCA

Date

GMCA AUDIT COMMITTEE

Date: 27 July 2022
Subject: Terms of Reference GMCA Audit Committee
Report of: Liz Treacy, Monitoring Officer, GMCA

PURPOSE OF REPORT

To set out the Terms of Reference for the GMCA Audit Committee.

RECOMMENDATIONS

Members are requested to:

Note the Terms of Reference of the Committee.

CONTACT OFFICER

Paul Harris
GMCA Senior Governance & Scrutiny Officer
paul.harris@greatermanchester-ca.gov.uk

Risk Management – none

Legal Considerations – none

Financial Consequences – none

Financial Consequences – Capital – none

Number of attachments included in the report: 1

BACKGROUND PAPERS

The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100D (1) of the Local Government Act 1972. It does not include documents, which would disclose exempt or confidential information as identified by that Act.

None.

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?	Yes/ 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
GM Transport Committee	N/A
Overview & Scrutiny Committee	N/A

B. Audit Committee

This GMCA Audit Committee oversees all aspects of GMCA including Mayoral functions. The Mayor has also established an Audit Panel which oversees the control environment of the Chief Constable.

1. Statement of purpose

- 1.1 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.
- 1.2 The Constitution makes the GMCA's Treasurer responsible for discharging the functions of the 'responsible financial officer' under the Accounts and Audit Regulations 2015, including ensuring risk is appropriately managed.

2. Composition and Procedure

2.1 Membership

The Audit Committee shall be appointed by the GMCA and shall have a total of eight members, comprising:

- Four co-opted elected members of the Constituent Councils of the GMCA (who are not also Members or Substitute Members of the GMCA or Assistant Portfolio Holders);
- The GMCA will also appoint two substitute co-opted elected members who may be invited to attend as full members of the Audit Committee when apologies have been received. Substitute members will be appointed from the nominations received from constituent councils following their annual meetings and will be politically inclusive.
- Four co-opted members, who are Independent Persons.

All members of the Committee will have voting rights.

2.2 Independent Person

For the purposes of paragraph 2.1 above an individual is an Independent Person if that person:

- (i) is not a member, substitute member, co-opted member or officer of the GMCA;

(ii) is not a relative, or close friend, of a person within (i) above; and

(iii) was not at any time during the 5 years ending with their appointment to the Audit Committee a member, substitute member, co-opted member or officer of the GMCA.

[For the purposes of paragraph 2.2(ii) above 'relative' has the meaning contained in Article 2(2) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.]

2.3 Political Balance

In appointing co-opted elected members to the Audit Committee the GMCA must ensure that the members of the committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the Constituent Councils when taken together, in accordance with Rule 15.3 of the GMCA Procedure Rules set out in Section A of Part 5 of this Constitution.

2.4 Chairing the Committee

The Audit Committee will be chaired as determined by the Committee.

2.5 Quorum

At least two-thirds of the total number of members of the Audit Committee (i.e. **six** members) must be present at a meeting of the Audit Committee before any business may be transacted, as required by the Scrutiny Order.

2.6 Voting

Each member to have one vote, no member is to have a casting vote.

3. Role and Function

The overarching functions of the GMCA's Audit Committee are:

- 3.1 Reviewing and scrutinising the GMCA's accounting framework.
- 3.2 Reviewing and assessing the GMCA's risk management, internal control and corporate governance arrangements.
- 3.3 Reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the GMCA's functions.
- 3.4 Making reports and recommendations to the GMCA in relation to reviews conducted under paragraphs 3.1 to 3.3 above.

- 3.5 To require Members, including the Mayor, of the GMCA or Transport for Greater Manchester Committee, or senior officers of the GMCA, Transport for Greater Manchester to attend before the Audit committee to answer questions on relevant items.

In particular the functions of the GMCA's Audit Committee are:

4. Approval of Accounts

- 4.1 Approve under delegated powers the annual statement of accounts for GMCA including consolidated figures for Transport for Greater Manchester (TfGM), NW Evergreen Holdings Limited, Greater Manchester Fund of Funds Limited , ~~Commission for New Economy~~ and Chief Constable of Greater Manchester Police.

5. Governance, Risk and Control

- 5.1 Review corporate governance arrangements against the Code of Corporate Governance and the good governance framework.
- 5.2 Review the Annual Governance Statement (AGS) prior to approval to ensure it properly reflects the risk environment and supporting assurances.
- 5.3 Review the effectiveness of arrangements to secure value for money.
- 5.4 Ensure the assurance framework adequately addresses risks and priorities including governance arrangements in significant partnerships.
- 5.5 Monitor the GMCA's risk and performance management arrangements including review of the risk register, progress with mitigating action and the assurance map.
- 5.6 Consider reports on the effectiveness of internal controls.
- 5.7 Monitor the anti-fraud strategy, risk-assessment and any actions.

6. Internal audit

- 6.1 Approve the Internal Audit Charter.
- 6.2 Oversee Internal Audit's effectiveness including strategy, planning and process and ensure conformance with Public Sector Internal Audit Standards (PSIAS).
- 6.3 Approve (but not direct) the risk-based internal audit plan including resources, the reliability of other sources of assurance and any significant in-year changes.
- 6.4 Consider reports and assurances from the **Head of Audit and Assurance** in relation to:-

- Internal Audit performance including key findings and actions from audit assignments, significant non-conformance with PSIAS and the Quality Assurance and Improvement Programme.
- Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control.
- Risk management and assurance mapping arrangements.
- Progress to implement recommendations including concerns or where managers have accepted risks.
- Provision of assurances over the effectiveness of internal audit functions assuring the internal control environments of TfGM, Chief Constable for Greater Manchester Police, NW Evergreen Holdings Limited and Greater Manchester Fund of Funds Limited.

6.5 Contribute to the Internal Audit Quality Assurance and Improvement Programme, including the external quality assessment of internal audit.

6.6 Consider and comment on the Treasurer's Annual Review of the Effectiveness of the System of Internal Audit.

6.7 Develop effective communication with the Head of Audit and Assurance and senior audit staff.

7. External audit

7.1 Consider reports including the Annual Audit Letter, assess the implications and monitor managers' response to concerns.

7.2 Comment on the nature and scope of work to ensure it gives value for money.

7.3 Advise on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

8. Financial reporting

8.1 Consider whether accounting policies were appropriately followed and any need to report concerns to the GMCA.

8.2 Consider the Treasurers arrangements for the maintenance of the Police Fund and the Mayoral General Fund

8.3 Consider any issues arising from external audit's audit of the accounts.

8.4 Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice.

8.5 Make recommendations to the Treasurer and Monitoring Officer in respect of Part 6 of the GMCA's Constitution (Financial Procedures).

9. Accountability arrangements

9.1 Report the Committee's findings, conclusions and recommendations to the GMCA and the Mayor, as appropriate, on the effectiveness of governance, risk management and internal controls, financial reporting and internal and external audit functions.

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GMCA AUDIT COMMITTEE

Date: 27 July 2022

Subject: GMCA Code of Corporate Governance

Report of: Liz Treacy, GMCA Monitoring Officer

PURPOSE OF REPORT

To provide the Committee with the GMCA Code of Corporate Governance as set out in Part 7 (Section E) of the GMCA Constitution

RECOMMENDATIONS:

The Audit Committee is requested to:

Note the GMCA Code of Corporate Governance.

CONTACT OFFICERS:

Liz Treacy, Monitoring Officer, GMCA,

l.treacy@greatermanchester-ca.gov.uk

Paul Harris, Senior Governance & Scrutiny Officer, GMCA,

paul.harris@greatermanchester-ca.gov.uk

Equalities Implications: N/A

Climate Change Impact Assessment and Mitigation Measures: N/A

Risk Management – The AGS forms part of GMCA’s risk management arrangements.

Legal Considerations – Legal requirements are referred to throughout the AGS.

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 (Annual Governance Statement)

BACKGROUND PAPERS: GMCA Constitution –

[FinalConstitution2020formattedHyperlinksAdded.docx.pdf \(greatermanchester-ca.gov.uk\)](#)

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	No

exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

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SECTION E CODE OF CORPORATE GOVERNANCE

1 INTRODUCTION

- 1.1 This Code of Corporate Governance sets out the Greater Manchester Combined Authority's (GMCA's) governance standards. 'Corporate governance' describes how the GMCA (the Authority) directs and controls what it does.
- 1.2 Good governance provides the conditions for the GMCA and its partners to work effectively, economically and ethically. The Authority should carry out its functions in a way that demonstrates accountability, transparency, effectiveness, integrity, and inclusivity. Good governance will support the Authority to pursue its vision and secure its agreed objectives.
- 1.3 The GMCA's governance framework comprises the legislative requirements, principles, management systems and processes – including the Authority's Constitution, Operating Agreement and Protocols – and cultures and values through which the Authority exercises its leadership, fulfils its functions, and by which it is held accountable for its decisions and activities.
- 1.4 This Code is a public statement that sets out the way in which the GMCA and its attendant structures will fulfil these principles in practice and demonstrate its commitment to good corporate governance. The business of the Authority will be conducted in accordance with the Seven Principles of Public Life identified in The Nolan Committee Report (1995), namely: selflessness; integrity; objectivity; accountability; openness; honesty; and leadership.
- 1.5 This Code will be reviewed annually to ensure it continues to be fit for purpose and relevant. The Authority will review the effectiveness of its governance arrangements and internal control systems and publish the review outcomes in an annual governance review. These standards ensure the Authority is doing the right things, in the right way in a timely, inclusive, open, effective, honest and accountable manner.
- 1.6 The governance of the combined area of Greater Manchester is subject to a series of Parliamentary orders which continue to provide the legislative framework in which the GMCA and the elected mayor operate.

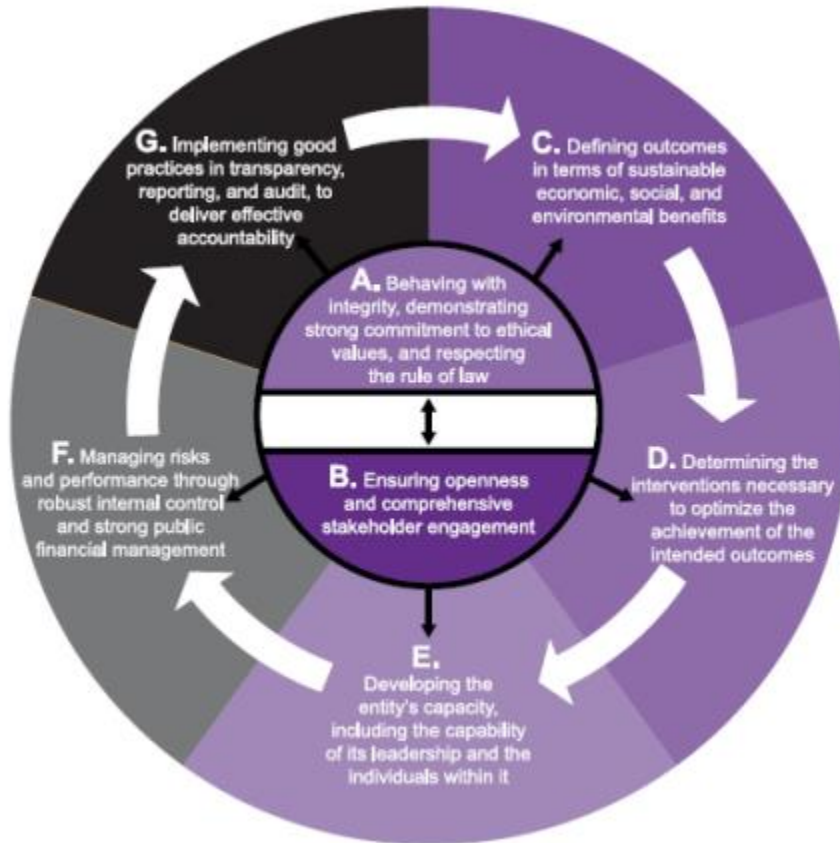
2 What is Good Governance

- 2.1 [International Framework: Good Governance in the Public Sector](#) (CIPFA/IFAC) describes governance as the:

arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved..... To deliver good governance in the public sector, both governing bodies and individuals working for

[an authority] must try and achieve their authority's objectives while acting in the public interest at all times.

2.2 The diagram below illustrates the principles of good governance, which is seen as dynamic process involving continuous evaluation and review and improvement. The following sections of this document describe how the GMCA fulfils the requirements set out in the seven principles good governance described in the diagram.



3 A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW.

- 3.1** The GMCA fosters a culture of behaviour based on shared values, ethical principles and good conduct that is put into practice by members and officers alike.
- 3.2** The leadership of the GMCA embodies these values and creates a climate of openness, support and respect that covers the whole organisation. It establishes, monitors and maintains the organisation's ethical standards and performance.
- 3.3** One of the challenges of working across the combined area of Greater Manchester is being clear about the relationships and roles between the districts and the GMCA. There is an operating agreement between each district and the GMCA which sets out their respective roles and also [governance protocols](#) developed as part of the first devolution agreement in November 2014.

Behaving With Integrity

- 3.4** The GMCA is committed to maintaining its values and integrity and operates a [whistle-blowing policy](#) to ensure that individuals who draw attention to factors that compromise the GMCA's integrity are adequately protected and supported in doing so. The Policy was updated in November 2020 to ensure that it remains up-to-date and compliant with legislation. Information on how to report concerns can be located on both the external facing GMCA website and the staff intranet.

Demonstrating Strong Commitment to Ethical Values

- 3.5** The leadership of the Combined Authority has put in place robust policies and procedures which put its values into practice; these include:
- 3.6** A voluntary Standards Committee, composed of elected Members and an independent co-opted member, with responsibility for promoting and maintaining high standards of conduct; assisting Members to observe the Member Code of Conduct; overseeing the Authority's Whistleblowing Policy and monitoring the Member/Officer Protocol.
- 3.7** A Member Code of Conduct and arrangements for determining allegations that a Member has acted in breach of the Authority's Member Code of Conduct as required by the Localism Act 2011. The Code of Conduct is reviewed annually by the Standards Committee.
- 3.8** A Code of Conduct for Officers which makes it clear what standards are expected from staff across the organisation in the performance of their duties.
- 3.9** A Register of Member's Interests records members' interests in other bodies or land or assets in the Combined Authority's area and also outlines the process

for registering gifts and hospitality. Each members recorded register of interests can be found on their individual member pages on the GMCA website.

- 3.10** Systems for reporting and dealing with any incidents of wrongdoing including fraud, corruption, bribery and money laundering.

Respecting the Rule of Law

- 3.11** The GMCA has a Monitoring Officer (the GMCA's Solicitor) who is a member of both the GMCA's Senior Management Team (SMT) and the Wider Leadership Team. The Monitoring Officer ensures that decisions are taken in a lawful and fair way and agreed procedures are followed and that all applicable statutes, regulations and procedure rules are complied with.
- 3.12** The GMCA uses its legal powers to promote its values and priorities to the full benefit of the citizens and communities across Greater Manchester. The GMCA has full regard to the extent of its powers and does not act beyond them, and will observe specific requirements in legislation as well as general responsibilities of public law.
- 3.13** The GMCA's decision making process will adhere to the principles of good administrative law, respect human rights and demonstrate rationality, legality and natural justice.

Dealing With Breaches of Legal and Regulatory Power

- 3.14** The GMCA appoints Statutory Officers that have the skills, resources and support necessary to perform effectively in their roles. These statutory officers include:
- Head of the Paid Service (Chief Executive)
 - Monitoring Officer
 - Chief Finance Officer (GMCA Treasurer - Section 73 officer)
- 3.15** The officers working on GMCA business support these statutory officers as well as other key post holders and elected members to fulfil their responsibilities within legislative and regulatory requirements.

4 B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Openness

- 4.1** The GMCA sets out its commitment to openness in this Code, the Constitution and Annual Governance Statement.
- 4.2** Decisions taken by the GMCA subject to limited exemptions, are made in public, [minuted](#) (alongside the reasons and the evidence considered) and information relating to those decisions is made available to the public. This includes access

through live webcasts of the public part only of the Authority, Police Fire and Crime Panel and Overview and Scrutiny meetings which remain online for six months.

- 4.3** The Authority ensures that, subject to limited exemptions, its most significant decisions are recorded and that information relating to such decisions is made available to the public. The Authority publishes its intention to take key decisions through the GMCA's Register of Key Decision's which is published monthly along with GMCA's papers. Decisions taken at each meeting of the GMCA and Transport for Greater Manchester Committee are published on the web page relating to that meeting and are also circulated by email to members of the GMCA Scrutiny Pool.
- 4.4** The GMCA has established three thematic overview and scrutiny committees. The overarching purpose of these new structure is to improve the quality of decisions made by the GMCA and elected Mayor. The committees will do this by:
- Reviewing the work and decisions of the GMCA and the elected Mayor, and
 - By acting as a critical friend in the development of policy and new work streams.

The three GM scrutiny committee are:

- Corporate Issues and Reform (GMCA as a corporate entity & pupil sector reform)
 - Economy, Business Growth and Skills
 - Housing, Planning and Environment (including transport and regeneration)
- 4.5** The GMCA's approach is consistent with the requirements of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The Authority holds its key meetings in public with the agenda and public reports available on the GMCA's website. However, certain exclusions apply where there is a need to comply with confidentiality laws. . The Authority informs, consults and involves residents in significant decisions and their views are submitted to those making decisions for consideration.
- 4.6** In May 2017 the Greater Manchester Combined Authority (Transfer of Police and Crime Commissioner Functions to the Mayor) Order 2017 transferred all property, rights and liabilities of the former Police and Crime Commissioner for Greater Manchester to the GMCA and made the functions of the police and crime commissioner in Greater Manchester, functions exercisable by the Mayor.
- 4.7** In accordance with the legislation, the Mayor has arranged for the Deputy Mayor for Policing and Crime to exercise PCC functions and he has made a Mayor's PCC Scheme of delegation as set out in the Police and Crime Commissioner Functions - Governance Documents contained in Part 9 of the GMCA Constitution.

- 4.8** The Police and Crime Panel, which is a joint committee of the Constituent Councils, was established in 2017. Following the passing in parliament of the the Greater Manchester Combined Authority (Fire and Rescue Functions) (Amendment) Order 2020 – the GM Mayor was permitted to incorporate fire and rescue into the functions exercised by the GM Deputy Mayor. As of June 2020, the Panel evolved into the Police, Fire & Crime Panel. Membership of the Police, Fire and Crime Panel may no longer include members or substitute members of the GMCA. The role of the GMPCP is to scrutinise and review decisions made or actions taken by the Mayor, the Deputy Mayor for Policing and Crime and any other person who exercises any PCC function of the Mayor.

Engaging Comprehensively with Institutional Stakeholders

- 4.9** The Authority develops and maintains relationships with leaders of other organisations across the private, public and voluntary sector. They to help deliver the shared vision for the city region through formal governance structures and through partnership working.

Engaging With Individual Citizens and Service Users Effectively

- 4.10** The GMCA consults communities, individuals, service users and other stakeholders whenever there is a legal duty to do so. The Authority informs, consults and involves residents on strategic matters and issues of interest to them. This dialogue is sustained and encouraging through a number of channels, including the live streaming of GMCA meetings and through an active social media presence on Facebook, and Twitter.
- 4.11** The Authority is committed to considering and acting upon feedback from residents and stakeholders. A transparent complaints handling procedure is in place which enables the Authority to learn effectively from the complaints it has received.

5 C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Defining Outcomes

- 5.1** The GMCA's strategic plan: the Greater Manchester Strategy [[About Greater Manchester](#)] is jointly owned by the GMCA and the GM Local Enterprise Partnership.
- 5.2** The Greater Manchester Strategy sets out Greater Manchester's ambitions for the conurbation and both bodies are jointly responsible for ensuring that the ambitions contained within these plans are delivered.

- 5.3** The Strategy 2021-2031 sets out a vision to make Greater Manchester a place where everyone can live a good life, growing up, getting on and growing old in a greener, fairer and more prosperous city region.

At the heart of the Strategy stood three shared outcomes:

People's Wellbeing: better homes, jobs, transport, and health, living in vibrant communities

- Thriving Organisations: which succeed and look after their people, places and planet
- Leading the UK and the World: in sectors including low carbon and digital

- 5.5** To enable the GMCA and GM LEP to understand performance across all strategic priorities, headline progress measures, targeted indicators and qualitative assessments will form the basis of the comprehensive performance framework and progress monitoring of the delivery of the Greater Manchester Strategy.

Sustainable Economic, Social and Environmental Benefits

- 5.7** The Greater Manchester Strategy's vision for the conurbation is predicated on developing a modern and productive economy, where residents are able to contribute to and benefit from growth, and where social and environmental objectives are delivered alongside GM's economic ambitions. All of its priorities are focused on delivering this vision and ensuring that everyone in GM realises their potential and all parts of Greater Manchester become thriving places.

- 5.8** An Equalities Impact Assessment has been undertaken for the new Greater Manchester Strategy and its Implementation Plan, with no significant adverse impacts identified against any groups with protected characteristics.

- 5.9** The leader portfolio for Equalities, Inclusion and Cohesion continues to ensure that all of the conurbation can play the fullest part and benefit from the growth of Greater Manchester.

- 5.10** The portfolio holder's work is informed in part, by the Equality Act (2010) and help work to ensure that:

-GM's key strategic initiatives proactively embed the principles of promoting equalities, inclusion and cohesion within their design (and in so doing fulfil the requirements of the general equality duty);

- As an employer the GMCA integrates the consideration of equalities, inclusion and cohesion into its day-to-day business and adopts best practice to fulfil the aims of the general equality duty.

- 5.11** Finally, the GMCA has been proactive in using Social Value as an enabler to deliver additional benefits for suppliers and partners across all procurement and commissioning activity. GM understands that social value can be used to reinforce the core objectives of the GM strategy and to increase the spending

power – in the widest sense of the word - of every pound spent in GM. The GMCA's funding is subject to the provisions of the Public Services (Social Value) Act 2012 and so has adopted a **Social Value Framework** whose objectives are:

- To provide the best employment that you can
- To keep the air clean in Greater Manchester
- To create the employment and skills opportunities that we need to build back better
- To be part of a strong local community
- To make your organisation greener
- To develop a local, GM based and resilient supply chain

6 Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes

Determining Interventions

- 6.1** The GMCA provides decision makers with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks supporting efficient service delivery.
- 6.2** Greater Manchester has invested heavily in developing the evidence base which underpins its policy interventions. This has been a distinctive feature of GM's approach to developing strategic interventions. High quality evidence (including a forecasting model) together with Treasury Green Book compliant techniques for undertaking cost benefit analysis on policy interventions have been developed over the last decade. Key aspects of GM's strategic approach to evidence include the MIER (2008) – the Manchester Independent Economic Review: a significant assessment of the opportunities and challenges faced by Greater Manchester; the Greater Manchester Forecasting Model – an externally commissioned model which provides a twenty year forward look; and the Greater Manchester 'Deep Dive' work – an assessment of sectoral growth opportunities and the driver and barriers to enhanced productivity and labour market participation performance.

Planning Interventions

- 6.4** The GMCA plans its activity through its budget and business planning cycle and does this in consultation with internal and external stakeholders to ensure that work delivered across different organisations and partners complement each other and avoid duplication.
- 6.5** This is facilitated by GM's [comprehensive governance structures](#) which support the delivery of GM's priorities across the conurbation and co-ordinate their activity. The effectiveness of interventions are monitored through the provision

of regular performance reports to thematic meetings such as the Low Carbon Hub and as well as the GMCA itself.

Optimising Achievement of Intended Outcomes

- 6.6** GMCA is required to secure value for money as set out in the Code of Audit Practice 2010. The GMCA has to put in place proper arrangements to:
- secure economy, efficiency and effectiveness in its use of resources
 - ensure proper stewardship and governance
 - review regularly the adequacy and effectiveness of these arrangements.
 - consider the GMCA's arrangements to secure economy, efficiency and effectiveness.
- 6.7** The GMCA's approach to investing in interventions which will deliver its intended outcomes is guided by its investment strategy, which focuses on maximising the uplift in jobs and GVA. GM's model was originally developed for transport investment but has since been expanded to include regeneration and economic development investment funds to support businesses and has been complemented by more recent work using cost benefit analysis in the development of public service reform interventions.
- 6.8** The Authority procures goods and services in compliance with UK and Authority regulations and ensure that value for money is obtained through a balanced consideration of social, economic and environmental impacts that can be derived from procurement spend.

7 E. DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Developing the Organisation's Capacity

- 7.1** The GMCA monitors its governance and staffing to support the delivery of planned work programme. The Authority ensures that resources are directed to those activities that will make the greatest contribution to the conurbation's vision through its budget and business planning process.
- 7.2** Where possible the Authority seeks information about functions, expenditure and performance from comparator organisations and uses these findings to inform its own work. Where intelligence suggests different ways of doing things will lead to improved value for money these options are explored.
- 7.3** The GMCA continues to develop all aspects of its approach to workforce planning and development.

Developing The Capability of the Organisation's Leadership and Other Individuals

- 7.4 The roles and responsibilities of members and senior officers are clearly defined within the GMCA Constitution, Operating Agreement and Protocols. The Constitution also sets out the GMCA's scheme of delegation (see part 3 section D) and a protocol governing member/officer relations so that elected members and senior officers have a shared understanding of their respective roles.
- 7.5 The GMCA is committed to developing the capability of people with governance responsibilities and ensuring that officers working on GMCA business understand the importance of governance within their role. An induction and training programme for members and officers is tailored to individual needs and provides an opportunity to learn about new developments as well as their governance responsibilities.
- 7.6 The Authority has an open approach to external and peer review and inspection and actively considers constructive feedback.

8 F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Managing Risk

- 8.1 The GMCA maintains a risk register, which supports the identification and management of key risks. The risk register is reviewed at every meeting of the [Audit Committee](#) and informs decision making, protects the Authority's reputation and other assets and is compliant with statutory and regulatory obligations. The GMCA's Corporate Risk Register names risk **owners** for each of its key strategic risks.

Managing Performance

- 8.2 Regular performance reports are provided to the GMCA's thematic meetings who manage the Authority's work programme as well as the GMCA itself.
- 8.3 Relevant, objective and reliable performance information is used to inform decision making, alongside the financial implications and risk information associated with each decision.

Effective Overview and Scrutiny

- 8.4 The Authority believes that effective overview and scrutiny of decisions leads to improved decision making and improved public services. The Authority has established and maintains an effective Scrutiny function as required by the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 which is able to constructively challenge decision-makers, including those who work in partnership with the Authority, and policy makers.

Robust Internal Control

- 8.5** Internal control systems support the Authority to achieve its objectives by managing its risks while complying with regulations and organisational policies. This safeguards the Authority's resources against loss, fraud, misuse and damage and safeguards the confidentiality and integrity of its ICT and information systems. The Authority maintains clear policies and arrangements in respect of counter fraud and anti-corruption.
- 8.6** The GMCA's [Audit Committee](#) provides a further source of assurance of the GMCA's approach to risk management and the control environment.

Managing Data

- 8.7** The Authority is committed to safeguarding the personal data it holds and sharing this data only in circumstances permitted by law. Its approach to data protection is set out in its publication scheme. The Authority is committed to the safe-sharing of data -where appropriate- with other agencies where this supports the delivery of the Greater Manchester Strategy's priorities and vision.
- 8.8** The GMCA complies with the [Local Government Transparency Code 2015](#) by publishing accurate data within appropriate time frames in the areas mandated by the Code on the [GMCA website](#). The Authority regularly reviews the quality and accuracy of the data it produces, and uses in decision making and performance monitoring.

Strong Public Financial Management

- 8.9** The Authority's approach to financial management ensures that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. Its approach supports both long term achievement of objectives and short term financial and operational performance.
- 8.10** The Section 73 Officer, the GMCA's Treasurer, ensures that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control. The Treasurer ensures well developed financial management is integrated at all levels of planning and control including management of financial risks and controls.
- 8.11** The GMCA maintains a prudential financial framework; keeps its commitments in balance with available resources; and monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action if necessary.

9. G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Implementing Good Practice in Transparency

- 9.1 The Authority is committed to publishing information including reports in a manner which is accessible to residents and other stakeholders. The publication of information will strike a balance between satisfying the demands of transparency and becoming too onerous for users to understand.

Implementing Good Practices in Reporting

- 9.2 The Authority seeks to demonstrate to its stakeholders that it has delivered its priorities. It publishes an Annual Report setting out how it has performed, charting the city region's progress towards delivering its vision. There is also an annual review of the effectiveness of its governance framework including its system of internal control and an Annual Governance Statement which is published alongside its accounts.

Assurance and Effective Accountability

- 9.3 The GMCA welcomes peer challenge, internal and external review and audit, and inspections from regulatory bodies. Officers and relevant member bodies consider any recommendations made and put in place arrangements for the implementation of actions agreed to be taken as a result. There is clear oversight from the GMCA and wider leadership team on the conclusions and resultant actions.

Monitoring and Review

- 9.4 This Code is reviewed on an annual basis to ensure it is kept up to date. Where the review identifies that changes to the Code are necessary, the revised Code will be submitted to Standards and Audit Committee for comments before being incorporated within the GMCA's Constitution.
- 9.5 The GMCA has two committees that are jointly responsible for monitoring and reviewing corporate governance arrangements. These committees are:
- Audit Committee – responsible for approving the GMCA's annual accounts and responding to the auditor's annual management letter. It also oversees the effectiveness of the GMCA's governance and risk management arrangements, the internal control environment and associated anti-fraud and anti-corruption arrangements
 - Standards Committee – responsible for promoting and maintaining high standards of conduct amongst Members, for advising the GMCA on the adoption and revision of the Code of Conduct for Members, and for monitoring the operation of the Code.
- 9.6 Full terms of reference for each of these Committees are included in the GMCA's Constitution. The GMCA's members are informed of the work of these Committees through minutes submitted to the GMCA.

9.7 The GMCA will ensure that corporate governance arrangements are kept under continual review by updating, as appropriate, these Committees on:

- The work of Internal and External Audit
- The opinion of other review agencies and inspectorates
- Opinions from the GMCA's Statutory Officers
- General matters relating to the implementation of the Code
- The production of the Annual Governance Statement and actions planned to address arising governance issues.

The Annual Governance Statement

9.8 Each year the GMCA publishes an Annual Governance Statement to accompany the Annual Accounts. The Statement provides an overall assessment of the GMCA's corporate governance arrangements and how it adheres to the governance standards set out in this Code. Evidence relating to the principles of this Code is reviewed and analysed to assess the robustness of the GMCA's governance arrangements.

9.9 The Statement includes an appraisal of the key controls in place to manage the GMCA's principal governance risks and the effectiveness of systems and processes governing decision making and financial control. The Statement also provides details of where improvements need to be made. Actions to address significant governance issues are identified and recorded in an action plan. The Annual Governance Statement is audited by the GMCA's external auditors as part of the audit of the annual accounts.

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AUDIT COMMITTEE – 27 July 2022

Declaration of Councillors' Interests in Items Appearing on the Agenda

NAME: _____

DATE: _____

Minute Item No. / Agenda Item No.	Nature of Interest	Type of Interest
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary

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Please see overleaf for a quick guide to declaring interests at GMCA meetings.

QUICK GUIDE TO DECLARING INTERESTS AT GMCA MEETINGS

This is a summary of the rules around declaring interests at meetings. It does not replace the Member’s Code of Conduct, the full description can be found in the GMCA’s constitution Part 7A.

Your personal interests must be registered on the GMCA’s Annual Register within 28 days of your appointment onto a GMCA committee and any changes to these interests must notified within 28 days. Personal interests that should be on the register include:

- Bodies to which you have been appointed by the GMCA
- Your membership of bodies exercising functions of a public nature, including charities, societies, political parties or trade unions.

You are also legally bound to disclose the following information called DISCLOSABLE PERSONAL INTERESTS which includes:

- You, and your partner’s business interests (eg employment, trade, profession, contracts, or any company with which you are associated)
- You and your partner’s wider financial interests (eg trust funds, investments, and assets including land and property).
- Any sponsorship you receive.

FAILURE TO DISCLOSE THIS INFORMATION IS A CRIMINAL OFFENCE

STEP ONE: ESTABLISH WHETHER YOU HAVE AN INTEREST IN THE BUSINESS OF THE AGENDA

If the answer to that question is ‘No’ – then that is the end of the matter. If the answer is ‘Yes’ or Very Likely’ then you must go on to consider if that personal interest can be construed as being a prejudicial interest.

STEP TWO: DETERMINING IF YOUR INTEREST PREJUDICIAL?

A personal interest becomes a prejudicial interest:

- where the well being, or financial position of you, your partner, members of your family, or people with whom you have a close association (people who are more than just an acquaintance) are likely to be affected by the business of the meeting more than it would affect most people in the area.
- the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.

FOR A NON PREJUDICIAL INTEREST

YOU MUST

- Notify the governance officer for the meeting as soon as you realise you

FOR PREJUDICIAL INTERESTS

YOU MUST

- Notify the governance officer for the meeting as soon as you realise you

have an interest

- Inform the meeting that you have a personal interest and the nature of the interest
- Fill in the declarations of interest form

TO NOTE:

- You may remain in the room and speak and vote on the matter
- If your interest relates to a body to which the GMCA has appointed you to you only have to inform the meeting of that interest if you speak on the matter.

have a prejudicial interest (before or during the meeting)

- Inform the meeting that you have a prejudicial interest and the nature of the interest
- Fill in the declarations of interest form
- Leave the meeting while that item of business is discussed
- Make sure the interest is recorded on your annual register of interests form if it relates to you or your partner's business or financial affairs. If it is not on the Register update it within 28 days of the interest becoming apparent.

YOU MUST NOT:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business,
- participate in any vote or further vote taken on the matter at the meeting

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GMCA Audit Committee

Date: 27th July 2022
Subject: Independent Review of the GMCA Scrutiny Function
Report of: Steve Wilson, GMCA Treasurer

Purpose of Report

The purpose of this report is to update the audit committee on the independent review of the GMCA scrutiny functions carried on by the Centre for Governance and Scrutiny (CfGS).

The report together with recommendations were received by the GMCA on 24th June 2022.

Recommendations:

Members are recommended

1. Note the contents of the independent review
2. Note the recommendations made and approved at the GMCA Meeting





Contact Officers

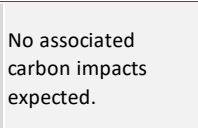
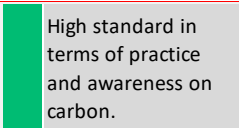
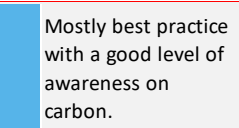
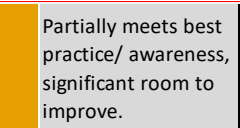
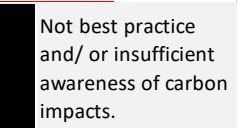
Steve Wilson – GMCA Treasurer

Julie Connor – Assistant Director, Governance and Scrutiny.

Julie.connor@greatermanchester-ca.gov.uk

Equalities Impact, Carbon, and Sustainability Assessment:

Impacts Questionnaire			
Impact Indicator	Result	Justification/Mitigation	
Equality and Inclusion	G	The new approach to scrutiny should strengthen the identification of and development of proposals concerning equality and inclusion.	
Health			
Resilience and Adaptation			
Housing			
Economy			
Mobility and Connectivity			
Carbon, Nature and Environment	G	The new approach to scrutiny should strengthen the identification of and development of proposals in relation reducing carbon emissions in GM.	
Consumption and Production			
Contribution to achieving the GM Carbon Neutral 2038 target			
Further Assessment(s):	N/A		
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.	 Negative impacts overall.

Carbon Assessment				
Buildings	Result	Justification/Mitigation		
New Build residential	N/A			
Residential building(s) renovation/maintenance	N/A			
New Build Commercial/Industrial	N/A			
Transport				
Active travel and public transport	N/A			
Roads, Parking and Vehicle Access	N/A			
Access to amenities	N/A			
Vehicle procurement	N/A			
Land Use				
Land use	N/A			
 No associated carbon impacts expected.	 High standard in terms of practice and awareness on carbon.	 Mostly best practice with a good level of awareness on carbon.	 Partially meets best practice/ awareness, significant room to improve.	 Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management

N/A

Legal Considerations

Legal advice has been taken on the proposals contained within the report.

Financial Consequences – Revenue

A decision to pay members allowances for the scrutiny committee will require budget to be identified.

Financial Consequences – Capital

N/A

Number of attachments to the report?

Appendix 1: Centre for Governance and Scrutiny, Greater Manchester Combined Authority: Scrutiny Evaluation

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

N/A

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No

Exemption from call in

Are there any aspects in this report which means it should be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

1. Introduction

- 1.1 In January 2022, the Combined Authority commissioned the Centre for Governance and Scrutiny (CfGS) to review the current scrutiny function. A members' task group (across all political parties) was established from existing GMCA scrutiny members which was Chaired by Clive Memmott OBE, Chief Executive of GM Chamber of Commerce and supported by Ed Hammond, Deputy Chief Executive, Centre for Governance and Scrutiny and Officers from the Combined Authority.

2. Main Findings, Conclusions and Recommendations to the GMCA

- 2.1 A copy of the full report is attached which sets out the review process, methodology, findings and recommendations. In summary the findings were:
- GMCA scrutiny faces many of the same challenges that face the scrutiny functions of other Combined Authorities, it does however, benefit from a better history of joint working between its constituent councils, more mature officer support arrangements and, most importantly, the ambition for scrutiny to be better, which was shared by all those to who contributed to the review.
 - A significant amount of time and effort had been used on making scrutiny as good as it can be, although, particularly latterly, too much officer time had been spent on the administrative needs of ensuring meeting quoracy, which remains high at two thirds of membership.
 - It was agreed there were opportunities for GMCA to do things differently, capturing the principle that “less is more” and that a more discriminating and self-critical approach, looking at fewer things but conducting scrutiny on those things in a more forensic and exacting way would improve outcomes.
- 2.2 The review identified three main areas where scrutiny could, by focusing on the right things at the right time, ensure that resources expended were commensurate with outcomes and impact. These were:

- Performance issues – for example, review and oversight of the authority’s performance against key indicators in the Greater Manchester Strategy.
 - Policy development issues – It was important that scrutiny involvement in decision making came earlier for this to be effective.
 - Cross-cutting issues – there will be issues which cut across a range of portfolios and across the CA and other organisation’s’ responsibilities.
- 2.3 Dealing with high profile, relevant topics in a compelling and relevant way would provide one way to engage, and keep engaged, scrutiny members. In addition to the above, acting on remuneration recognising members’ commitment of time and effort was an important part of making it clear that scrutiny was an important function of the CA, which needed to be taken seriously.
- 2.4 The task group concluded that the best way to bring about change was for scrutiny at GM to move to a “single committee” model for scrutiny, a reduction from the current three scrutiny committees.
- 2.5 Under this model some meetings would be designated to focus on budget development and the formal legal budget scrutiny requirements. The single committee would commission task and finish groups to work on policy development matters, and would meet frequently to consider ongoing performance, finance and risk issues emerging from the delivery of the Greater Manchester Strategy (GMS).
- 2.6 The single committee model would provide the flexibility and resilience necessary for scrutiny to work effectively. A single committee structure would be well-attuned to the cross-cutting nature of CA business, which the current three-committee model struggled to deal with.
- 2.7 The following recommendations were made to the GMCA:
1. To consider and comment on the findings set out in the independent evaluation report produced by the Centre for Governance and Scrutiny.
 2. To approve the establishment of 1 single overview and scrutiny committee with 20 members and 20 additional members in a substitute pool as

recommended by the Review and to disestablish the existing 3 overview and scrutiny committees.

3. To note that in accordance with legislation the Committee Chair and Vice Chair, will be members of an opposition party to the GM Mayor noting that the review report includes a role description for the Chair and Vice Chair of the Committee.
4. To endorse that Members should be nominated to the scrutiny committee and pool by districts based on their interests and skills, and with reference to the role description as appended to the Review report. Also noting that the role description should set out clear accountabilities to both the GMCA and to the nominating district, and that the length of term should be for 2 years (where possible) to ensure continuity.
5. To give approval for Scrutiny's role to be strengthened and recognised as threefold –
 - to review and evaluate the performance of the Mayor and GMCA, and the way they 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 more complex cross-cutting issues, with a particular focus on the GMCA's forthcoming responsibilities in respect of the "missions" in the Levelling Up Bill
6. To agree that training and support should be provided to scrutiny councillors and officers to strengthen their existing skills, covering the fundamentals of scrutiny as well as some of the substantive policy issues for which GMCA holds responsibility. This should be based on the new chair, vice chair and member role descriptions.
7. To note that the full package of measures detailed in the Independent Review when taken together aim to achieve a strengthened and more effective scrutiny function, recognising that there will need to be a transitional period of implementation in the first year and that this will be

monitored by the scrutiny function itself supported by the independent review group and reported back to the CA at an appropriate time.

8. To agree in principle that scrutiny committee members should be remunerated for their work and to request that the CA Independent Remuneration Panel be convened to consider the new approach including scrutiny member role description and to determine an appropriate level of allowance. Once the Panel has made its recommendation, officers will bring back options for how such an allowance can be paid, including back dating and any budget implications.
9. To amend the GMCA constitution as necessary to reflect the above recommendations.

3. Recommendations

- 3.1 The recommendations are set out at the beginning of the report.

APPENDIX 1



Centre for Governance and Scrutiny

GREATER MANCHESTER COMBINED AUTHORITY: SCRUTINY EVALUATION

REPORT

Final June 2022

Introduction

This is a paper setting out findings from CfGS's work on the evaluation of the GM scrutiny function.

At its meeting on 17 February the working group reviewed and agreed a plan from CfGS for how this work would be supported. This set out a number of objectives for scrutiny at GMCA which CfGS saw as presenting a guide for the development of actions. These objectives were that scrutiny should be:

- Robust and flexible enough to cope with a dynamic devolution environment, where the Mayor's powers, priorities and partnerships are likely to change;
- Highly focused;
- Central to the business of the authority;
- Reflective of members' needs, and informed by their interests and priorities;
- Manageable within a tight resource envelope.

This paper seeks to engage directly with these objectives, and the actions proposed are intended to support their delivery.

Method

The paper is based on the following evidence:

- A series of 28 interviews carried out between Clive Memmott (chair of the working group) Andy Fry and Ed Hammond over the course of February, March and April 2022. Those interviewed included the CA Mayor, members of the GMCA, GMCA scrutiny councillors (cross-party), chief executives and senior GMCA officers;
- A survey of all GMCA scrutiny councillors, which received 16 responses (13 Labour, 2 Conservative, 1 Liberal Democrat);
- A detailed desktop analysis, which involved:
- Review of agendas, minutes and reports of GMCA scrutiny committees going back around 15 months. Observation of a selection of scrutiny committee meetings was also carried out;
- Review of corporate GMCA paperwork, including paperwork relating to GMCA meetings and forward plans;

- Review of strategic documents, particularly the Greater Manchester Strategy, and the performance management and oversight systems associated with those documents;
- Review of priorities and core business undertaken by the scrutiny functions of the CA's constituent authorities.

Membership and dates of meetings of the working group

Membership

Clive Memmott – Independent Chair
 Councillor Barry Brotherton (Trafford, Labour)
 Councillor Barbara Brownridge (Oldham, Labour)
 Councillor Mike Glover (Tameside, Labour)
 Councillor Susan Haworth (Bolton, Labour)
 Councillor Michael Holly (Rochdale, Conservative)
 Councillor Jim King (Salford, Labour)
 Councillor Joanne Marshall (Wigan, Labour)
 Councillor John McGahan (Stockport, Conservative)
 Councillor Tom McGee (Stockport, Labour)
 Councillor Kallum Nolan (Rochdale, Labour)
 Councillor Tim Pickstone (Bury, Liberal Democrat)
 Councillor Mandie Shilton-Godwin (Manchester, Labour)
 Councillor Lisa Smart (Stockport, Liberal Democrat)
 Councillor John Walsh (Bolton, Conservative)

Meeting dates

17 February 2022
 22 March 2022
 08 April 2022
 20 May 2022

Support to the Working Group

Andy Fry, Ed Hammond, Meg Ingle: Centre for Governance and Scrutiny
 Julie Connor, Joanne Heron & Nancy Evans: GMCA Governance & Scrutiny

This paper provides an executive summary, which includes detail of the actions we propose. It then sets out findings in more detail, providing contextual information and evidence to support actions.

Main findings and recommendations

- GMCA scrutiny faces many of the same challenges that face the scrutiny functions of other CAs;
- GMCA scrutiny does however benefit from a better history of joint working between its constituent councils, more mature (and arguably, more effective) officer support arrangements and, most importantly, the ambition for scrutiny to be better;
- Many people have quite a clear sense about where the shortcomings and challenges lie – the difficulty lies in identifying solutions.
 10. There is real officer commitment to make things work.

There are opportunities for GMCA to do things differently. These boil down to the principle that “less is more” – that a more discriminating and self-critical approach, looking at fewer things but conducting scrutiny on those things in a more forensic and exacting way will yield dividends. The selection of the right topics, undertaken in the right way and at the right time, can only happen with a different approach to the sharing and use of information by members sitting on committee.

As things stand, the outcomes from the scrutiny process are not commensurate with the resource put in – this is not just a matter of efficiency, but about ensuring that a key element of the governance framework for the CA works as effectively as it should.

There are three main areas where scrutiny can, by focusing on the right things at the right time, ensure that resources expended are commensurate with outcomes and impact:

11. Performance issues;
12. Policy development issues (some months before decisions come to be made);
13. Cross-cutting issues.

A refocusing along these lines will support GM scrutiny to engage productively with some of the challenges and opportunities arising from the Government’s “levelling-up” agenda. Taken together the full package of recommendations should strengthen and increase the overall effectiveness of the scrutiny function to ensure better outcomes for GM residents.

We consider that a refocusing and redirection of member and officers resources on these core tasks will make greater demands on members – hence, we are also recommending that GM work with districts to bring forward plans for scrutiny committee members to be remunerated.

The principle that “less is more” should also directly influence the CA’s chosen structural model for scrutiny committees. Having considered a number of options, on balance we consider that a single-committee model holds the best opportunity for long-term success. The transition period for change is important and allowing sufficient time, monitoring and feedback is vital to ensuring longer term success for a better quality scrutiny function. The transition should be monitored and evaluated by scrutiny members and potentially independently.

The table below sets out a summary of the key recommendations

Recommendations

- (1) The number of scrutiny committees should be reduced to one.

(2) The scrutiny committee should have 20 members. 20 additional members should be nominated to serve as substitutes. This additional “pool” would be able to take part in task and finish groups alongside ordinary committee members. The Committee should have a Chair and Vice Chair, from an opposition party to the GM Mayor. The Chair’s role could potentially be rotated between the 2 main opposition parties in GM. There should be a clear role description for the Chair and Vice Chair of the Committee.

(3) Members should be nominated to committees by districts based on their interests and skills, and with reference to a clear role description for scrutiny members (see proposal appended to the report). The role description should set out clear accountabilities to both the GMCA and to the nominating district, and there should be appropriate remuneration for the role. Length of term should be for 2 years (where possible) to ensure continuity.

(4) The practice of bringing decisions to scrutiny shortly before they are submitted to the Mayor/GMCA should be avoided (while recognising that there may be a need for urgent exceptions, which will need to be agreed with the scrutiny chair).

(5) Scrutiny’s role should be strengthened and recognised as threefold –

- 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 more complex cross-cutting issues, with a particular focus on the GMCA’s forthcoming responsibilities in respect of the “missions” in the Levelling Up Bill.

(6) This new approach should be complemented by new rules about how information will be shared with members between meetings, informed by members’ existing rights of access to information, with an initial focus on performance against the GMS.

(7) Where conducted, task and finish working should result in a small number of focused, high impact recommendations, where implementation is then monitored.

(8) Discussion and debate in committee should be focused on delivering specific outcomes and therefore operate more effectively.

(9) Districts and the GMCA should bring forward proposals, during 2022/23, for the introduction of a proportionate package of remuneration for Chairs and members of GM’s overview and scrutiny committee, and their substitutes.

(10) Meetings where it is proposed to invite the Mayor need to be more rigorously planned by scrutiny members to ensure focused and effective sessions.

(11) Scrutiny members should be tasked (individually) to keep a watching brief on portfolio business to assist with performance monitoring and policy development.

(12) Scrutiny members should come together regularly, remotely and informally, to provide leadership and direction to the function and to direct and their own the ongoing scrutiny work programme.

(13) Scrutiny members and the scrutiny functions of the districts should work together to limit risks that work will duplicate effort.

- (14) Ongoing scrutiny improvement should be based on a better sense of where scrutiny’s strengths lie now, and where they will develop in the future, in part through the use of post-committee “washup” sessions.
- (15) Training and support should be provided to senior officers on scrutiny and its roles.
- (16) Training and support should be provided to scrutiny councillors to strengthen their existing skills, covering the fundamentals of scrutiny as well as some of the substantive policy issues for which GMCA holds responsibility. This should be based on new chair, vice chair and member role profiles.
- (17) Senior officers should feed back on where formal and informal interventions by scrutiny have led to changes in approach at the CA.
- (18) The scrutiny function itself should take the lead on monitoring and evaluating the effectiveness of new systems as they are introduced. It should be recognised that transition to the new arrangements will take time to properly implement and embed the changes outlined in the report.

Implementation plan

What and when	Timing
<p>A paper circulated to the meeting of the CA in June highlighting this shift in approach, accompanied by a formal proposal to change the committee structure and a commitment to focusing scrutiny on the three core areas set out in this paper.</p> <p>This paper would also contain a proposal that districts and the CA begin conversations on a possible approach to remuneration for the committee.</p>	(June and July 2022,
<p>A paper circulated to the first meeting of the new committee or committees, setting out resolutions on:</p> <ul style="list-style-type: none"> • Arrangements for the regular sharing of information (including what information, and how frequently); • Proposals to stop automatically bringing decisions to scrutiny shortly before they come to be made, to include future criteria to determine when and how such items may be brought. The scrutiny committee may wish to adopt a planned approach to the reduction in these items throughout 2022/23 rather than seeking to change working patterns and arrangements immediately; • Assignment of members to individually keep a watching brief on the transaction of business by portfolio holders (to be accompanied by agreements on how these arrangements would be supported). 	(July 2022)
<p>Following the first formal meeting of the committee, an informal meeting with senior officers to begin developing the work programme, and to agree practical arrangements for the sharing of information further to the committee’s earlier resolution. This informal meeting would also provide a washup opportunity from the first committee meeting, a practice to continue thereafter.</p>	(July into August 2022)

<p>Initial contact with districts, to share work programme priorities in draft and invite comment.</p> <p>Work programme development to be complete during July, and to include agreement on the number and topics of task and finish groups, and the scope and timetable for budget scrutiny task group working, with work on all of these activities to begin substantively in September. The work programme should also identify those subjects where members think debate would be assisted by the Mayor's involvement.</p>	
<p>Monthly, informal business planning meetings to begin. The first to cover and agree training and development arrangements (see below).</p>	<p>(September 2022)</p>
<p>Development and improvement plan for the scrutiny committee, and for scrutiny members and CA officers, to be developed, focusing on impact in committee and at task and finish groups.</p>	<p>(Beginning early autumn)</p>

Detailed findings

Structural change

1. The findings of the Review as set out in this paper lead to the conclusion that the interests of scrutiny of the Mayor and GMCA will be best served by the adoption of a structure involving **a single committee, supported by regularly convened task and finish groups (Action 1)**.
2. Structural change is necessary to release resource to carry out more effective scrutiny work in different ways and strengthen the quality of outcomes. As things stand, too much resource is being expended on a three-committee structure which is difficult to sustain – practically, because of quoracy arrangements, and more generally because it creates an industry of “activity”, rather than carrying out work of value. The amount of resource expended on scrutiny is not commensurate with its impact; change is necessary.
3. As part of this process the working group gave serious consideration to the appointment of an independent chair, who would lead the function for an initial period of two years. However, a consensus was reached that this would not be appropriate.
4. A single committee, meeting during the day, will ensure that only those members able to commit to playing an active part in the scrutiny function are involved in this way.
5. A single committee model would have the following features:

An ordinary membership of 20;

A substitute membership of a further 20. This would provide resilience in the face on ongoing quoracy requirements, and a pool of additional members to take part in task and finish groups;

Regular meetings set aside for ongoing scrutiny of the subject, supported by task and finish working on this subject;

A regular programme of task and finish groups to play an active part in policy development, especially on cross-cutting issues;

Role profiles for the chair and members, which will allow districts to nominate members in a way better reflective of necessary skills, expertise and capacity.

6. The format of task and finish working would need further clarity and focus under any model.
7. Task and finish groups provide an opportunity for a wider pool of members to be involved in scrutiny without sitting on a scrutiny committee; work programming will need to have regard to the interest and priorities of members more broadly. There are certain topics that will lend themselves best to deliberation in task and finish groups, which will be focused on teasing out new policy directions both to challenge and support the Mayor and CA, and some which are likely to be more appropriate to consider in the more formal environment of committee, where activity is likely to be focused more on holding the Mayor and CA to account.
8. Some overall principles for the operation of task and finish working (other than the selection of topics, which we talk about in more detail in the sections below) would cover:
 - Agreed approaches to evidence gathering. Task and finish working is often most valuable when it brings together stakeholders to discuss and debate complex topics. For some topics, scrutiny members might benefit from officers carrying out background research, from the advice of independent experts or technical advisers, or from site visits, or from broader public consultation – but this will have to be carefully balanced against the resourcing available to carry out scrutiny work more generally;
 - Ensuring that task and finish groups convene for only a handful of focused meetings before recommendations are prepared. Decision-making can be fast moving, and in order to be relevant task and finish groups may have to operate to short timescales. A group meeting three or four times over a two month period may be a sensible model for the bulk of work;
 - The extent to which meetings will be held in public. Meetings can be held remotely as they are not formal meetings, but could still be broadcast to maintain public confidence and provide transparency. Meetings held in public do require more resource to support;
 - The production of a small number of clear recommendations, to which the GMCA then responds. As a matter of course task group recommendations would be reported to the scrutiny committee and then on to the GMCA itself.

Relationships with other bodies

11. There are other formal bodies which play a role in providing member oversight. In particular, these include:
 - Greater Manchester Joint Health Scrutiny Committee;
 - Greater Manchester Transport Committee;
 - Greater Manchester Waste and Recycling Committee.
 - Greater Manchester Audit Committee
 - Greater Manchester Police, Crime & Fire Panel

12. These formal bodies have terms of reference and work programmes which could cut across the regular business of scrutiny committees. At the moment, there does not seem to be close alignment between the work of these bodies and the work of scrutiny committees, although overt duplication does seem to have been avoided. The scrutiny committee could see that it has a role in working alongside, and complementing the work of, these committees. New arrangements for work programming will need to take account of the terms of reference of these bodies, and the nature of business that they carry out, and what scrutiny can do to add value to that work and provide a whole system approach to accountability.

Member leadership

13. Member ownership and buy-in to scrutiny is not strong (this is not specific to a particular political party). Members need to take a stronger ownership of scrutiny – its role, priorities and activities. We think that sitting on scrutiny should be a responsibility for which there is positive competition in districts.
14. A small core of members have the skills and capacity to engage effectively with the operation of scrutiny, but across the three committees the CA struggles to consistently engage its wider scrutiny members. There are a number of reasons for this:
- A lack of priority – overwhelmingly, and understandably, members are focused on their duties in their districts. While they do not see their duties at the CA as unimportant they are low down on the list of priorities;
 - A perception that scrutiny is quite officer led – that councillors have little say in what issues come to committee, and how and why they are discussed;
 - A limited sense of team working, because members come together periodically for meetings and beyond committee have limited interactions;
 - Disengagement born of a lack of impact – some members have fallen out of regular involvement because they have grown dispirited in the face of the sense that scrutiny has little impact;
 - A perception that scrutiny is low profile – there is a sense that the CA does not take scrutiny especially seriously, and that scrutiny’s work is essentially invisible to the public. CA scrutiny’s work is not especially visible in GM’s districts – this risks overlap in work, and unnecessary duplication;
 - Weight of expected work – agendas are heavy, and often dense. Councillors have little time to stay abreast of CA business. Agendas are not always developed in a way that captures members’ interest. The current focus on “pre-decision” scrutiny is central to this challenge;
 - The overall calibre of scrutiny members. There are a large number of spaces on scrutiny committees that need to be filled. This results in some members being appointed who lack the skills, or interest, to be able to engage productively in CA scrutiny business.
15. Together, these issues are self-reinforcing. Members losing interest in scrutiny leads to difficulties building a function that is member-led, which leads to further disengagement. Despite the fact that scrutiny shadows CA decision-making quite closely (as we note below) the function feels semi-detached from the work of the CA and the lives of local people.
16. These issues also lead to problems with quoracy. Like other combined authorities GMCA operates under rules which require that two-thirds of the membership of a

scrutiny committee must be present in order for that meeting to be quorate. GMCA experiences ongoing problems in ensuring that meetings are quorate, despite significant effort being put in by officers to overcome this issue. An environment where many members are not especially engaged with scrutiny is one where these quoracy issues will continue, and possibly worsen.

Scrutiny's impact

17. Overall scrutiny itself, where of sufficient quality, serves to improve the effectiveness of the CA – although it is difficult to draw a consistent causal link between scrutiny's work and impact "on the ground". We have been told by some officers that scrutiny's input does lead to changes – and frequently. However, this view is not universal. Where it does exist it is premised on the view that bringing decisions into the public domain, and subjecting them to rigorous questioning, can lead overall to a tightening up of decision-making processes. It is difficult to evidence that this happens. There are certainly no consistent arrangements in place to actively monitor the implementation of scrutiny's recommendations, when they are made.

The work programme

23. Scrutiny's work programme feels quite officer led, driven as it is by the tempo of "pre-decision" scrutiny at the authority. This is also in part caused by the lack of member ownership – because members have not been able to clearly articulate what their collective priorities are, and the ways in which they see scrutiny as making a distinctive and relevant contribution to the life of the CA.
24. It is not entirely unproductive - evidence from observation demonstrates that members do use this form of scrutiny to ask probing questions. Discussion on pre-decision matters in committee often feels forensic, and brings interesting matters into the public domain which might not otherwise benefit from this form of transparency. But while interesting it does not deliver tangible impact, certainly not to the lives of local people. Furthermore, the significant resource expended on this way of working is not sustainable.
25. At the moment, scrutiny committee agendas feel traditional, and "heavy". A high volume of material is shared with members in this way. This is driven by officers' tendency to want to keep members informed and members' tendency to want to feel informed, but its unsystematic nature leads to too much, or too much irrelevant, information being shared.
26. While a lot of scrutiny work feels uncoordinated, there are examples of scrutiny being able to ask interesting and perceptive questions, which dig under issues. However, some members – particularly in the survey – highlighted worries that they were not sufficiently familiar with the core business of the CA to play an active part in scrutiny.
27. The fact that things are not working is generally understood but it has been difficult to chart a path forward. A lack of buy-in and engagement with scrutiny on the part of many members means a lack of serious thought about what scrutiny is "for", and what good scrutiny looks like – in particular, how CA scrutiny and district scrutiny need to operate differently from each other, and how they can complement each other. We have noted elsewhere in this paper that "less is more" – which is a mindset to which members need to shift swiftly – but this needs to be underpinned by a clearer sense of what the key focus areas ought to be.

28. We have concluded that the current way of doing things – pre-decision scrutiny on the bulk of decisions being brought to the Mayor and CA for decision-making – should end. There will still be a need for the scrutiny committee to review some decisions this way – high profile, complex decisions for example. Part of new arrangements for work programming will need to determine where decisions will demand this form of scrutiny – recognising that it is likely to be necessary for a minority of decisions in the future.

New focus areas

29. A shift away from pre-decision scrutiny in its current form demands a new focus. We have concluded that there should be three main areas of focus:
- Taking a more active role in the review of performance against key indicators in the Greater Manchester Strategy. While monitoring systems do exist, giving scrutiny a member-led role in performance management, in public, would provide more visible accountability for the CA as a whole. This might also provide the opportunity for more focused and robust accountability of the Mayor. ***Is there an ongoing performance issue which the Mayor and CA have not been able to resolve, or which is high profile and causing local contention?***
 - Action on policy development. This would see scrutiny taking a more active role earlier in the policy development process, in respect of a smaller range of higher profile issues. This could, potentially, provide a way to develop political debate on matters which are complex and important. The Mayor, others on the executive side of the CA and scrutiny members have all been keen to explore this. Scrutiny could, for example, play an active role in considering the implications of the Levelling Up and Regeneration Bill – considering the “missions” set out in the Bill and helping the CA to reflect on how those missions are likely to affect the plans in the Greater Manchester Strategy, and other plans for growth across GM. ***Is this a developing policy where scrutiny can contribute in a defined way – by collecting evidence which the CA does not already hold or by drawing out unique or distinctive perspectives on emerging issues?***
 - Proactively investigating issues of a cross-cutting nature which affect the whole of GM (which may well intersect with work on the levelling up “missions” as described above). Scrutiny has a unique ability to frame the study of topics as it wishes – the creative use of task and finish groups could lead to work looking holistically at issues such as (for example) climate change, or equalities – breaking down silos between the CA and its partners. ***Is this a cross-cutting issue whose boundaries are difficult to define, and/or where existing lines of accountability are unclear? Is this a cross-cutting area that demands action because of local need, and/or does it relate to GM’s ability to tackle one or more of the levelling-up “missions”?***
30. A longer horizon for determining when, where and how scrutiny work should be carried out (ie being able to do so several months in advance in some cases) will provide the opportunity to timetable meaningful, long term policy work, interspersed with more immediate interventions on performance issues – lending the work programme flexibility and variety. It will also result in work which dovetails better with ongoing executive activity.

31. Decisions on the work programme should be made by regular, but short, and informal meetings of the committee, or by a smaller subset of committee members. These meetings would provide an opportunity to review some of the information available to scrutiny about work being carried out by the CA, to reflect on the impact of recent work, and to look ahead to see what that meant for the work programme for the next few meetings.

Access to and use of information

32. Work programming would need to be supported with a rigorous approach to member access to information. It should be possible for topic selection to be taken forward by key members coming together periodically, to note where information and evidence suggests pressures and opportunities lie around the GMCA's plans for the coming months, and to consider where and how scrutiny should feed in. At the moment the management and use of information is scattergun – we have already noted the volume of material submitted for members to look at. Information is not used to prioritise and direct the work programme.
33. The primary way that members currently receive information is in the form of officer reports. The quality and detail of officer reports vary. Officers' approach to information provision to members is framed around safety – a tendency to want to share more rather than less, for fear of members missing important issues. It results in circumstances whereby some issues are considered, arguably unnecessarily, by all three committees. We have seen little evidence of chairs or ordinary members seeking to direct in detail what reports should contain.
34. With committee being the only place where information is shared, councillors have nothing to contextualise the reports they see – there is little hinterland of knowledge and experience which they can use to query what reports tell them.
35. The model we have outlined above – where the work programme is developed on the basis of information and evidence – is not possible to bring about without a significant overhaul in how information is shared and managed.

36. We consider that this would be best supported through two main measures:

Individual committee members taking responsibility for maintaining a watching brief over individual CA portfolios. Such arrangements would however need to be proportionate, and not impose an unrealistic burden on councillors selected to carry out this role.

Information brought regularly to scrutiny members outside committee. The exact way in which information is shared is moot – a regularly-produced digest of information provides one potential model. This could focus on the key performance indicators attached to the Greater Manchester Strategy, financial plans associated with performance and delivery, and possibly business cases / options appraisals for major forthcoming decisions.

37. Taken alongside the CA's key decision register, this would give the scrutiny committee enough insight into ongoing CA business to determine how the work programme should be framed.

Relationships with the GMCA and political accountability

38. As things stand the Mayor attends two meetings a year of each of the 3 scrutiny committees. These sessions can be quite wide-ranging, and do not come across as especially well planned, although as with committee sessions more generally

members are able to ask nuanced, forensic questions. Although the Mayor advises that he feels challenged by these sessions, on observation by CfGS their variable quality does suggest that improvements can be made to their focus.

39. This quality issue is not down to “poor questioning” per se. But a lack of planning on the part of scrutiny can lead to questioning feeling scattergun, with lines of inquiry not being followed up and members not acting together to tease out details.
40. Sessions with the Mayor could be planned better – by scrutiny members working together to develop lines of questioning, or at least by the chair understanding the issues that members want to address in the meeting, making it easier to manage the flow of conversation.

Remuneration

41. The review findings support Councillors being remunerated for the sacrifice of time that they make in engaging in formal business. Reading through paperwork, travelling to and from and attending meetings are likely to take up more than a day of a councillor’s time. For chairs, the burden will be more significant.
42. The facility does exist to agree a remuneration package for scrutiny members at GM level but it must be agreed by all ten districts. Up until now it has not proven possible to secure this agreement, meaning that scrutiny councillors are not compensated for their contribution.
43. While it is dangerous to see it as a panacea, proper remuneration would provide a clear indication that scrutiny is something that the CA takes seriously, and would recompense councillors for the time and effort expended in engaging with scrutiny. Under this model there could be a remuneration rate of main committee membership, and a different rate for those substitute members who may not ordinarily attend meetings but who may sit on task and finish groups.
44. The exact level of remuneration need not be especially high. The evidence gathered through this review leads to the conclusion that it is a necessary step towards building a scrutiny function which has the vigour and clout that GM requires, particularly in the context of the necessary demands on governance systems as a result of the Government’s “levelling up” agenda.

Ongoing improvement

45. The scrutiny function needs to have in place arrangements for the ongoing evaluation of how new arrangements are bedding in. The transition period in which this happens – which may last for a year or even two – is one during which the committee, and the CA at large, will need to maintain ongoing feedback arrangements to ensure that scrutiny is working effectively.
46. There are several elements to the effective monitoring of the transition, and of the effectiveness of new arrangements:

Providing time and space in informal monthly meetings of the committee to reflect on recent activities and performance;

Putting in place more rigorous arrangements to monitor the implementation of scrutiny recommendations;

Washup meetings after every committee meeting. These would allow for more immediate changes and improvements to be made;

Seeking feedback from officers on where interventions have led to change, even if no formal recommendations have been made.

We think that at least every quarter for the next twelve to eighteen months members should come together – possibly in committee itself – to examine what aggregated data based on the above tells them about the strength of new arrangements. This would also involve taking evidence from officers. The committee could then determine where improvements are needed – and who should own those actions to improve.

47. This does not mean that interventions to improve should not be taken between these quarterly meetings.
48. It should be noted that the appointment of an independent chair for the committee (as provided for in the legislation) was considered as a way to provide additional capacity and expertise in managing the transition. However, this proposal was ultimately rejected by the working group.
49. It should be noted that a structural model of 2 committees was also considered and supported by some members of the working group. However, it was considered that a single committee model supported by task and finish groups would enable a more integrated approach to scrutinising policy and performance and was, on balance, the best way forward. It was further agreed that the matter should be kept under review.

APPENDIX 2: GMCA SCRUTINY MEMBER ROLE AND RESPONSIBILITIES

This description provides information about the role and responsibilities of an overview and scrutiny committee member. It should be used by local authorities when deciding which members to nominate to the GMCA's overview and scrutiny committee. The information should also be used by overview and scrutiny committee members to understand their role and the responsibilities that they hold as members of the committee.

SKILLS AND EXPERIENCE

Overview and scrutiny committee members and substitute (pool) members should be able to:

Understand Greater Manchester's strategic priorities as set out in the Greater Manchester Strategy (GMS).

Think critically about the GMCA's proposed policies and its performance across a variety of measures.

Work constructively with public and/or private sector partners to drive improvement of both policy and performance.

Confidently scrutinise GMCA Members, officers, and the Greater Manchester Mayor.

RESPONSIBILITIES OF MEMBERS

Overview and scrutiny committee members and substitute (pool) members are expected to:

Attend any appropriate induction and training sessions for the role, which will develop members' knowledge of Greater Manchester's ambitions as well as the challenges that Greater Manchester faces.

Attend formal scrutiny meetings regularly, which will be held once a month during the day, for a minimum of nine meetings per year. There is also an expectation that members will take part in the work of task and finish groups.

Use their knowledge and experience to constructively scrutinise issues that come before the committee

Collaborate with other members to effectively scrutinise important matters in appropriate depth, including convening task and finish groups to investigate specific areas in more depth.

Engage with their respective local authorities to ensure that information is circulated between the local authorities and the GMCA.

Carry out their duties in accordance with the scrutiny rules of procedure and the members code of conduct as set out in the GMCA Constitution.

Remain a member of the committee for a minimum term of two years (wherever possible) to ensure the continuity of membership and the retention of expertise.

ADDITIONAL RESPONSIBILITIES OF THE CHAIR AND VICE-CHAIRS

The Chair and Vice-Chairs of the committee are expected to take on additional responsibilities, which include:

Working with officers to develop the work programme on behalf of the committee, taking into account the upcoming work of the GMCA and areas where scrutiny must be carried out (i.e. the annual GMCA budget).

Chairing committee meetings effectively so that members can carry out their roles efficiently.

Facilitating strong team-working between committee members during formal meetings, informal meetings and task group meetings.

Monitoring the progression of task and finish groups established by the committee.

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GMCA Audit Committee

Date: 27th July 2022
Subject: Independent Review of the GMCA Scrutiny Function
Report of: Steve Wilson, GMCA Treasurer

Purpose of Report

The purpose of this report is to update the audit committee on the independent review of the GMCA scrutiny functions carried on by the Centre for Governance and Scrutiny (CfGS).

The report together with recommendations were received by the GMCA on 24th June 2022.

Recommendations:

Members are recommended

1. Note the contents of the independent review
2. Note the recommendations made and approved at the GMCA Meeting





Contact Officers





Steve Wilson – GMCA Treasurer

Julie Connor – Assistant Director, Governance and Scrutiny.

Julie.connor@greatermanchester-ca.gov.uk

Equalities Impact, Carbon, and Sustainability Assessment:

Impacts Questionnaire			
Impact Indicator	Result	Justification/Mitigation	
Equality and Inclusion	G	The new approach to scrutiny should strengthen the identification of and development of proposals concerning equality and inclusion.	
Health			
Resilience and Adaptation			
Housing			
Economy			
Mobility and Connectivity			
Carbon, Nature and Environment	G	The new approach to scrutiny should strengthen the identification of and development of proposals in relation reducing carbon emissions in GM.	
Consumption and Production			
Contribution to achieving the GM Carbon Neutral 2038 target			
Further Assessment(s):	N/A		
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.	 Negative impacts overall.

Carbon Assessment				
Buildings	Result	Justification/Mitigation		
New Build residential	N/A			
Residential building(s) renovation/maintenance	N/A			
New Build Commercial/Industrial	N/A			
Transport				
Active travel and public transport	N/A			
Roads, Parking and Vehicle Access	N/A			
Access to amenities	N/A			
Vehicle procurement	N/A			
Land Use				
Land use	N/A			
No associated carbon impacts expected.	 High standard in terms of practice and awareness on carbon.	 Mostly best practice with a good level of awareness on carbon.	 Partially meets best practice/ awareness, significant room to improve.	 Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management

N/A

Legal Considerations

Legal advice has been taken on the proposals contained within the report.

Financial Consequences – Revenue

A decision to pay members allowances for the scrutiny committee will require budget to be identified.

Financial Consequences – Capital

N/A

Number of attachments to the report?

Appendix 1: Centre for Governance and Scrutiny, Greater Manchester Combined Authority: Scrutiny Evaluation

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

N/A

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No

Exemption from call in

Are there any aspects in this report which means it should be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

1. Introduction

- 1.1 In January 2022, the Combined Authority commissioned the Centre for Governance and Scrutiny (CfGS) to review the current scrutiny function. A members' task group (across all political parties) was established from existing GMCA scrutiny members which was Chaired by Clive Memmott OBE, Chief Executive of GM Chamber of Commerce and supported by Ed Hammond, Deputy Chief Executive, Centre for Governance and Scrutiny and Officers from the Combined Authority.

2. Main Findings, Conclusions and Recommendations to the GMCA

- 2.1 A copy of the full report is attached which sets out the review process, methodology, findings and recommendations. In summary the findings were:
- GMCA scrutiny faces many of the same challenges that face the scrutiny functions of other Combined Authorities, it does however, benefit from a better history of joint working between its constituent councils, more mature officer support arrangements and, most importantly, the ambition for scrutiny to be better, which was shared by all those to who contributed to the review.
 - A significant amount of time and effort had been used on making scrutiny as good as it can be, although, particularly latterly, too much officer time had been spent on the administrative needs of ensuring meeting quoracy, which remains high at two thirds of membership.
 - It was agreed there were opportunities for GMCA to do things differently, capturing the principle that “less is more” and that a more discriminating and self-critical approach, looking at fewer things but conducting scrutiny on those things in a more forensic and exacting way would improve outcomes.
- 2.2 The review identified three main areas where scrutiny could, by focusing on the right things at the right time, ensure that resources expended were commensurate with outcomes and impact. These were:

- Performance issues – for example, review and oversight of the authority’s performance against key indicators in the Greater Manchester Strategy.
 - Policy development issues – It was important that scrutiny involvement in decision making came earlier for this to be effective.
 - Cross-cutting issues – there will be issues which cut across a range of portfolios and across the CA and other organisation’s’ responsibilities.
- 2.3 Dealing with high profile, relevant topics in a compelling and relevant way would provide one way to engage, and keep engaged, scrutiny members. In addition to the above, acting on remuneration recognising members’ commitment of time and effort was an important part of making it clear that scrutiny was an important function of the CA, which needed to be taken seriously.
- 2.4 The task group concluded that the best way to bring about change was for scrutiny at GM to move to a “single committee” model for scrutiny, a reduction from the current three scrutiny committees.
- 2.5 Under this model some meetings would be designated to focus on budget development and the formal legal budget scrutiny requirements. The single committee would commission task and finish groups to work on policy development matters, and would meet frequently to consider ongoing performance, finance and risk issues emerging from the delivery of the Greater Manchester Strategy (GMS).
- 2.6 The single committee model would provide the flexibility and resilience necessary for scrutiny to work effectively. A single committee structure would be well-attuned to the cross-cutting nature of CA business, which the current three-committee model struggled to deal with.
- 2.7 The following recommendations were made to the GMCA:
1. To consider and comment on the findings set out in the independent evaluation report produced by the Centre for Governance and Scrutiny.
 2. To approve the establishment of 1 single overview and scrutiny committee with 20 members and 20 additional members in a substitute pool as

recommended by the Review and to disestablish the existing 3 overview and scrutiny committees.

3. To note that in accordance with legislation the Committee Chair and Vice Chair, will be members of an opposition party to the GM Mayor noting that the review report includes a role description for the Chair and Vice Chair of the Committee.
4. To endorse that Members should be nominated to the scrutiny committee and pool by districts based on their interests and skills, and with reference to the role description as appended to the Review report. Also noting that the role description should set out clear accountabilities to both the GMCA and to the nominating district, and that the length of term should be for 2 years (where possible) to ensure continuity.
5. To give approval for Scrutiny's role to be strengthened and recognised as threefold –
 - to review and evaluate the performance of the Mayor and GMCA, and the way they 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 more complex cross-cutting issues, with a particular focus on the GMCA's forthcoming responsibilities in respect of the "missions" in the Levelling Up Bill
6. To agree that training and support should be provided to scrutiny councillors and officers to strengthen their existing skills, covering the fundamentals of scrutiny as well as some of the substantive policy issues for which GMCA holds responsibility. This should be based on the new chair, vice chair and member role descriptions.
7. To note that the full package of measures detailed in the Independent Review when taken together aim to achieve a strengthened and more effective scrutiny function, recognising that there will need to be a transitional period of implementation in the first year and that this will be

monitored by the scrutiny function itself supported by the independent review group and reported back to the CA at an appropriate time.

8. To agree in principle that scrutiny committee members should be remunerated for their work and to request that the CA Independent Remuneration Panel be convened to consider the new approach including scrutiny member role description and to determine an appropriate level of allowance. Once the Panel has made its recommendation, officers will bring back options for how such an allowance can be paid, including back dating and any budget implications.
9. To amend the GMCA constitution as necessary to reflect the above recommendations.

3. Recommendations

- 3.1 The recommendations are set out at the beginning of the report.

APPENDIX 1



Centre for Governance and Scrutiny

GREATER MANCHESTER COMBINED AUTHORITY: SCRUTINY EVALUATION

REPORT

Final June 2022

Introduction

This is a paper setting out findings from CfGS's work on the evaluation of the GM scrutiny function.

At its meeting on 17 February the working group reviewed and agreed a plan from CfGS for how this work would be supported. This set out a number of objectives for scrutiny at GMCA which CfGS saw as presenting a guide for the development of actions. These objectives were that scrutiny should be:

- Robust and flexible enough to cope with a dynamic devolution environment, where the Mayor's powers, priorities and partnerships are likely to change;
- Highly focused;
- Central to the business of the authority;
- Reflective of members' needs, and informed by their interests and priorities;
- Manageable within a tight resource envelope.

This paper seeks to engage directly with these objectives, and the actions proposed are intended to support their delivery.

Method

The paper is based on the following evidence:

- A series of 28 interviews carried out between Clive Memmott (chair of the working group) Andy Fry and Ed Hammond over the course of February, March and April 2022. Those interviewed included the CA Mayor, members of the GMCA, GMCA scrutiny councillors (cross-party), chief executives and senior GMCA officers;
- A survey of all GMCA scrutiny councillors, which received 16 responses (13 Labour, 2 Conservative, 1 Liberal Democrat);
- A detailed desktop analysis, which involved:
- Review of agendas, minutes and reports of GMCA scrutiny committees going back around 15 months. Observation of a selection of scrutiny committee meetings was also carried out;
- Review of corporate GMCA paperwork, including paperwork relating to GMCA meetings and forward plans;

- Review of strategic documents, particularly the Greater Manchester Strategy, and the performance management and oversight systems associated with those documents;
- Review of priorities and core business undertaken by the scrutiny functions of the CA's constituent authorities.

Membership and dates of meetings of the working group

Membership

Clive Memmott – Independent Chair
 Councillor Barry Brotherton (Trafford, Labour)
 Councillor Barbara Brownridge (Oldham, Labour)
 Councillor Mike Glover (Tameside, Labour)
 Councillor Susan Haworth (Bolton, Labour)
 Councillor Michael Holly (Rochdale, Conservative)
 Councillor Jim King (Salford, Labour)
 Councillor Joanne Marshall (Wigan, Labour)
 Councillor John McGahan (Stockport, Conservative)
 Councillor Tom McGee (Stockport, Labour)
 Councillor Kallum Nolan (Rochdale, Labour)
 Councillor Tim Pickstone (Bury, Liberal Democrat)
 Councillor Mandie Shilton-Godwin (Manchester, Labour)
 Councillor Lisa Smart (Stockport, Liberal Democrat)
 Councillor John Walsh (Bolton, Conservative)

Meeting dates

17 February 2022
 22 March 2022
 08 April 2022
 20 May 2022

Support to the Working Group

Andy Fry, Ed Hammond, Meg Ingle: Centre for Governance and Scrutiny
 Julie Connor, Joanne Heron & Nancy Evans: GMCA Governance & Scrutiny

This paper provides an executive summary, which includes detail of the actions we propose. It then sets out findings in more detail, providing contextual information and evidence to support actions.

Main findings and recommendations

- GMCA scrutiny faces many of the same challenges that face the scrutiny functions of other CAs;
- GMCA scrutiny does however benefit from a better history of joint working between its constituent councils, more mature (and arguably, more effective) officer support arrangements and, most importantly, the ambition for scrutiny to be better;
- Many people have quite a clear sense about where the shortcomings and challenges lie – the difficulty lies in identifying solutions.
 10. There is real officer commitment to make things work.

There are opportunities for GMCA to do things differently. These boil down to the principle that “less is more” – that a more discriminating and self-critical approach, looking at fewer things but conducting scrutiny on those things in a more forensic and exacting way will yield dividends. The selection of the right topics, undertaken in the right way and at the right time, can only happen with a different approach to the sharing and use of information by members sitting on committee.

As things stand, the outcomes from the scrutiny process are not commensurate with the resource put in – this is not just a matter of efficiency, but about ensuring that a key element of the governance framework for the CA works as effectively as it should.

There are three main areas where scrutiny can, by focusing on the right things at the right time, ensure that resources expended are commensurate with outcomes and impact:

11. Performance issues;
12. Policy development issues (some months before decisions come to be made);
13. Cross-cutting issues.

A refocusing along these lines will support GM scrutiny to engage productively with some of the challenges and opportunities arising from the Government’s “levelling-up” agenda. Taken together the full package of recommendations should strengthen and increase the overall effectiveness of the scrutiny function to ensure better outcomes for GM residents.

We consider that a refocusing and redirection of member and officers resources on these core tasks will make greater demands on members – hence, we are also recommending that GM work with districts to bring forward plans for scrutiny committee members to be remunerated.

The principle that “less is more” should also directly influence the CA’s chosen structural model for scrutiny committees. Having considered a number of options, on balance we consider that a single-committee model holds the best opportunity for long-term success. The transition period for change is important and allowing sufficient time, monitoring and feedback is vital to ensuring longer term success for a better quality scrutiny function. The transition should be monitored and evaluated by scrutiny members and potentially independently.

The table below sets out a summary of the key recommendations

Recommendations

- (1) The number of scrutiny committees should be reduced to one.

(2) The scrutiny committee should have 20 members. 20 additional members should be nominated to serve as substitutes. This additional “pool” would be able to take part in task and finish groups alongside ordinary committee members. The Committee should have a Chair and Vice Chair, from an opposition party to the GM Mayor. The Chair’s role could potentially be rotated between the 2 main opposition parties in GM. There should be a clear role description for the Chair and Vice Chair of the Committee.

(3) Members should be nominated to committees by districts based on their interests and skills, and with reference to a clear role description for scrutiny members (see proposal appended to the report). The role description should set out clear accountabilities to both the GMCA and to the nominating district, and there should be appropriate remuneration for the role. Length of term should be for 2 years (where possible) to ensure continuity.

(4) The practice of bringing decisions to scrutiny shortly before they are submitted to the Mayor/GMCA should be avoided (while recognising that there may be a need for urgent exceptions, which will need to be agreed with the scrutiny chair).

(5) Scrutiny’s role should be strengthened and recognised as threefold –

- 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 more complex cross-cutting issues, with a particular focus on the GMCA’s forthcoming responsibilities in respect of the “missions” in the Levelling Up Bill.

(6) This new approach should be complemented by new rules about how information will be shared with members between meetings, informed by members’ existing rights of access to information, with an initial focus on performance against the GMS.

(7) Where conducted, task and finish working should result in a small number of focused, high impact recommendations, where implementation is then monitored.

(8) Discussion and debate in committee should be focused on delivering specific outcomes and therefore operate more effectively.

(9) Districts and the GMCA should bring forward proposals, during 2022/23, for the introduction of a proportionate package of remuneration for Chairs and members of GM’s overview and scrutiny committee, and their substitutes.

(10) Meetings where it is proposed to invite the Mayor need to be more rigorously planned by scrutiny members to ensure focused and effective sessions.

(11) Scrutiny members should be tasked (individually) to keep a watching brief on portfolio business to assist with performance monitoring and policy development.

(12) Scrutiny members should come together regularly, remotely and informally, to provide leadership and direction to the function and to direct and their own the ongoing scrutiny work programme.

(13) Scrutiny members and the scrutiny functions of the districts should work together to limit risks that work will duplicate effort.

- (14) Ongoing scrutiny improvement should be based on a better sense of where scrutiny’s strengths lie now, and where they will develop in the future, in part through the use of post-committee “washup” sessions.
- (15) Training and support should be provided to senior officers on scrutiny and its roles.
- (16) Training and support should be provided to scrutiny councillors to strengthen their existing skills, covering the fundamentals of scrutiny as well as some of the substantive policy issues for which GMCA holds responsibility. This should be based on new chair, vice chair and member role profiles.
- (17) Senior officers should feed back on where formal and informal interventions by scrutiny have led to changes in approach at the CA.
- (18) The scrutiny function itself should take the lead on monitoring and evaluating the effectiveness of new systems as they are introduced. It should be recognised that transition to the new arrangements will take time to properly implement and embed the changes outlined in the report.

Implementation plan

What and when	Timing
<p>A paper circulated to the meeting of the CA in June highlighting this shift in approach, accompanied by a formal proposal to change the committee structure and a commitment to focusing scrutiny on the three core areas set out in this paper.</p> <p>This paper would also contain a proposal that districts and the CA begin conversations on a possible approach to remuneration for the committee.</p>	(June and July 2022,
<p>A paper circulated to the first meeting of the new committee or committees, setting out resolutions on:</p> <ul style="list-style-type: none"> • Arrangements for the regular sharing of information (including what information, and how frequently); • Proposals to stop automatically bringing decisions to scrutiny shortly before they come to be made, to include future criteria to determine when and how such items may be brought. The scrutiny committee may wish to adopt a planned approach to the reduction in these items throughout 2022/23 rather than seeking to change working patterns and arrangements immediately; • Assignment of members to individually keep a watching brief on the transaction of business by portfolio holders (to be accompanied by agreements on how these arrangements would be supported). 	(July 2022)
<p>Following the first formal meeting of the committee, an informal meeting with senior officers to begin developing the work programme, and to agree practical arrangements for the sharing of information further to the committee’s earlier resolution. This informal meeting would also provide a washup opportunity from the first committee meeting, a practice to continue thereafter.</p>	(July into August 2022)

<p>Initial contact with districts, to share work programme priorities in draft and invite comment.</p> <p>Work programme development to be complete during July, and to include agreement on the number and topics of task and finish groups, and the scope and timetable for budget scrutiny task group working, with work on all of these activities to begin substantively in September. The work programme should also identify those subjects where members think debate would be assisted by the Mayor's involvement.</p>	
<p>Monthly, informal business planning meetings to begin. The first to cover and agree training and development arrangements (see below).</p>	<p>(September 2022)</p>
<p>Development and improvement plan for the scrutiny committee, and for scrutiny members and CA officers, to be developed, focusing on impact in committee and at task and finish groups.</p>	<p>(Beginning early autumn)</p>

Detailed findings

Structural change

1. The findings of the Review as set out in this paper lead to the conclusion that the interests of scrutiny of the Mayor and GMCA will be best served by the adoption of a structure involving **a single committee, supported by regularly convened task and finish groups (Action 1)**.
2. Structural change is necessary to release resource to carry out more effective scrutiny work in different ways and strengthen the quality of outcomes. As things stand, too much resource is being expended on a three-committee structure which is difficult to sustain – practically, because of quoracy arrangements, and more generally because it creates an industry of “activity”, rather than carrying out work of value. The amount of resource expended on scrutiny is not commensurate with its impact; change is necessary.
3. As part of this process the working group gave serious consideration to the appointment of an independent chair, who would lead the function for an initial period of two years. However, a consensus was reached that this would not be appropriate.
4. A single committee, meeting during the day, will ensure that only those members able to commit to playing an active part in the scrutiny function are involved in this way.
5. A single committee model would have the following features:

An ordinary membership of 20;

A substitute membership of a further 20. This would provide resilience in the face of ongoing quoracy requirements, and a pool of additional members to take part in task and finish groups;

Regular meetings set aside for ongoing scrutiny of the subject, supported by task and finish working on this subject;

A regular programme of task and finish groups to play an active part in policy development, especially on cross-cutting issues;

Role profiles for the chair and members, which will allow districts to nominate members in a way better reflective of necessary skills, expertise and capacity.

6. The format of task and finish working would need further clarity and focus under any model.
7. Task and finish groups provide an opportunity for a wider pool of members to be involved in scrutiny without sitting on a scrutiny committee; work programming will need to have regard to the interest and priorities of members more broadly. There are certain topics that will lend themselves best to deliberation in task and finish groups, which will be focused on teasing out new policy directions both to challenge and support the Mayor and CA, and some which are likely to be more appropriate to consider in the more formal environment of committee, where activity is likely to be focused more on holding the Mayor and CA to account.
8. Some overall principles for the operation of task and finish working (other than the selection of topics, which we talk about in more detail in the sections below) would cover:
 - Agreed approaches to evidence gathering. Task and finish working is often most valuable when it brings together stakeholders to discuss and debate complex topics. For some topics, scrutiny members might benefit from officers carrying out background research, from the advice of independent experts or technical advisers, or from site visits, or from broader public consultation – but this will have to be carefully balanced against the resourcing available to carry out scrutiny work more generally;
 - Ensuring that task and finish groups convene for only a handful of focused meetings before recommendations are prepared. Decision-making can be fast moving, and in order to be relevant task and finish groups may have to operate to short timescales. A group meeting three or four times over a two month period may be a sensible model for the bulk of work;
 - The extent to which meetings will be held in public. Meetings can be held remotely as they are not formal meetings, but could still be broadcast to maintain public confidence and provide transparency. Meetings held in public do require more resource to support;
 - The production of a small number of clear recommendations, to which the GMCA then responds. As a matter of course task group recommendations would be reported to the scrutiny committee and then on to the GMCA itself.

Relationships with other bodies

11. There are other formal bodies which play a role in providing member oversight. In particular, these include:
 - Greater Manchester Joint Health Scrutiny Committee;
 - Greater Manchester Transport Committee;
 - Greater Manchester Waste and Recycling Committee.
 - Greater Manchester Audit Committee
 - Greater Manchester Police, Crime & Fire Panel

12. These formal bodies have terms of reference and work programmes which could cut across the regular business of scrutiny committees. At the moment, there does not seem to be close alignment between the work of these bodies and the work of scrutiny committees, although overt duplication does seem to have been avoided. The scrutiny committee could see that it has a role in working alongside, and complementing the work of, these committees. New arrangements for work programming will need to take account of the terms of reference of these bodies, and the nature of business that they carry out, and what scrutiny can do to add value to that work and provide a whole system approach to accountability.

Member leadership

13. Member ownership and buy-in to scrutiny is not strong (this is not specific to a particular political party). Members need to take a stronger ownership of scrutiny – its role, priorities and activities. We think that sitting on scrutiny should be a responsibility for which there is positive competition in districts.
14. A small core of members have the skills and capacity to engage effectively with the operation of scrutiny, but across the three committees the CA struggles to consistently engage its wider scrutiny members. There are a number of reasons for this:
- A lack of priority – overwhelmingly, and understandably, members are focused on their duties in their districts. While they do not see their duties at the CA as unimportant they are low down on the list of priorities;
 - A perception that scrutiny is quite officer led – that councillors have little say in what issues come to committee, and how and why they are discussed;
 - A limited sense of team working, because members come together periodically for meetings and beyond committee have limited interactions;
 - Disengagement born of a lack of impact – some members have fallen out of regular involvement because they have grown dispirited in the face of the sense that scrutiny has little impact;
 - A perception that scrutiny is low profile – there is a sense that the CA does not take scrutiny especially seriously, and that scrutiny’s work is essentially invisible to the public. CA scrutiny’s work is not especially visible in GM’s districts – this risks overlap in work, and unnecessary duplication;
 - Weight of expected work – agendas are heavy, and often dense. Councillors have little time to stay abreast of CA business. Agendas are not always developed in a way that captures members’ interest. The current focus on “pre-decision” scrutiny is central to this challenge;
 - The overall calibre of scrutiny members. There are a large number of spaces on scrutiny committees that need to be filled. This results in some members being appointed who lack the skills, or interest, to be able to engage productively in CA scrutiny business.
15. Together, these issues are self-reinforcing. Members losing interest in scrutiny leads to difficulties building a function that is member-led, which leads to further disengagement. Despite the fact that scrutiny shadows CA decision-making quite closely (as we note below) the function feels semi-detached from the work of the CA and the lives of local people.
16. These issues also lead to problems with quoracy. Like other combined authorities GMCA operates under rules which require that two-thirds of the membership of a

scrutiny committee must be present in order for that meeting to be quorate. GMCA experiences ongoing problems in ensuring that meetings are quorate, despite significant effort being put in by officers to overcome this issue. An environment where many members are not especially engaged with scrutiny is one where these quoracy issues will continue, and possibly worsen.

Scrutiny's impact

17. Overall scrutiny itself, where of sufficient quality, serves to improve the effectiveness of the CA – although it is difficult to draw a consistent causal link between scrutiny's work and impact "on the ground". We have been told by some officers that scrutiny's input does lead to changes – and frequently. However, this view is not universal. Where it does exist it is premised on the view that bringing decisions into the public domain, and subjecting them to rigorous questioning, can lead overall to a tightening up of decision-making processes. It is difficult to evidence that this happens. There are certainly no consistent arrangements in place to actively monitor the implementation of scrutiny's recommendations, when they are made.

The work programme

23. Scrutiny's work programme feels quite officer led, driven as it is by the tempo of "pre-decision" scrutiny at the authority. This is also in part caused by the lack of member ownership – because members have not been able to clearly articulate what their collective priorities are, and the ways in which they see scrutiny as making a distinctive and relevant contribution to the life of the CA.
24. It is not entirely unproductive - evidence from observation demonstrates that members do use this form of scrutiny to ask probing questions. Discussion on pre-decision matters in committee often feels forensic, and brings interesting matters into the public domain which might not otherwise benefit from this form of transparency. But while interesting it does not deliver tangible impact, certainly not to the lives of local people. Furthermore, the significant resource expended on this way of working is not sustainable.
25. At the moment, scrutiny committee agendas feel traditional, and "heavy". A high volume of material is shared with members in this way. This is driven by officers' tendency to want to keep members informed and members' tendency to want to feel informed, but its unsystematic nature leads to too much, or too much irrelevant, information being shared.
26. While a lot of scrutiny work feels uncoordinated, there are examples of scrutiny being able to ask interesting and perceptive questions, which dig under issues. However, some members – particularly in the survey – highlighted worries that they were not sufficiently familiar with the core business of the CA to play an active part in scrutiny.
27. The fact that things are not working is generally understood but it has been difficult to chart a path forward. A lack of buy-in and engagement with scrutiny on the part of many members means a lack of serious thought about what scrutiny is "for", and what good scrutiny looks like – in particular, how CA scrutiny and district scrutiny need to operate differently from each other, and how they can complement each other. We have noted elsewhere in this paper that "less is more" – which is a mindset to which members need to shift swiftly – but this needs to be underpinned by a clearer sense of what the key focus areas ought to be.

28. We have concluded that the current way of doing things – pre-decision scrutiny on the bulk of decisions being brought to the Mayor and CA for decision-making – should end. There will still be a need for the scrutiny committee to review some decisions this way – high profile, complex decisions for example. Part of new arrangements for work programming will need to determine where decisions will demand this form of scrutiny – recognising that it is likely to be necessary for a minority of decisions in the future.

New focus areas

29. A shift away from pre-decision scrutiny in its current form demands a new focus. We have concluded that there should be three main areas of focus:
- Taking a more active role in the review of performance against key indicators in the Greater Manchester Strategy. While monitoring systems do exist, giving scrutiny a member-led role in performance management, in public, would provide more visible accountability for the CA as a whole. This might also provide the opportunity for more focused and robust accountability of the Mayor. ***Is there an ongoing performance issue which the Mayor and CA have not been able to resolve, or which is high profile and causing local contention?***
 - Action on policy development. This would see scrutiny taking a more active role earlier in the policy development process, in respect of a smaller range of higher profile issues. This could, potentially, provide a way to develop political debate on matters which are complex and important. The Mayor, others on the executive side of the CA and scrutiny members have all been keen to explore this. Scrutiny could, for example, play an active role in considering the implications of the Levelling Up and Regeneration Bill – considering the “missions” set out in the Bill and helping the CA to reflect on how those missions are likely to affect the plans in the Greater Manchester Strategy, and other plans for growth across GM. ***Is this a developing policy where scrutiny can contribute in a defined way – by collecting evidence which the CA does not already hold or by drawing out unique or distinctive perspectives on emerging issues?***
 - Proactively investigating issues of a cross-cutting nature which affect the whole of GM (which may well intersect with work on the levelling up “missions” as described above). Scrutiny has a unique ability to frame the study of topics as it wishes – the creative use of task and finish groups could lead to work looking holistically at issues such as (for example) climate change, or equalities – breaking down silos between the CA and its partners. ***Is this a cross-cutting issue whose boundaries are difficult to define, and/or where existing lines of accountability are unclear? Is this a cross-cutting area that demands action because of local need, and/or does it relate to GM’s ability to tackle one or more of the levelling-up “missions”?***
30. A longer horizon for determining when, where and how scrutiny work should be carried out (ie being able to do so several months in advance in some cases) will provide the opportunity to timetable meaningful, long term policy work, interspersed with more immediate interventions on performance issues – lending the work programme flexibility and variety. It will also result in work which dovetails better with ongoing executive activity.

31. Decisions on the work programme should be made by regular, but short, and informal meetings of the committee, or by a smaller subset of committee members. These meetings would provide an opportunity to review some of the information available to scrutiny about work being carried out by the CA, to reflect on the impact of recent work, and to look ahead to see what that meant for the work programme for the next few meetings.

Access to and use of information

32. Work programming would need to be supported with a rigorous approach to member access to information. It should be possible for topic selection to be taken forward by key members coming together periodically, to note where information and evidence suggests pressures and opportunities lie around the GMCA's plans for the coming months, and to consider where and how scrutiny should feed in. At the moment the management and use of information is scattergun – we have already noted the volume of material submitted for members to look at. Information is not used to prioritise and direct the work programme.
33. The primary way that members currently receive information is in the form of officer reports. The quality and detail of officer reports vary. Officers' approach to information provision to members is framed around safety – a tendency to want to share more rather than less, for fear of members missing important issues. It results in circumstances whereby some issues are considered, arguably unnecessarily, by all three committees. We have seen little evidence of chairs or ordinary members seeking to direct in detail what reports should contain.
34. With committee being the only place where information is shared, councillors have nothing to contextualise the reports they see – there is little hinterland of knowledge and experience which they can use to query what reports tell them.
35. The model we have outlined above – where the work programme is developed on the basis of information and evidence – is not possible to bring about without a significant overhaul in how information is shared and managed.

36. We consider that this would be best supported through two main measures:

Individual committee members taking responsibility for maintaining a watching brief over individual CA portfolios. Such arrangements would however need to be proportionate, and not impose an unrealistic burden on councillors selected to carry out this role.

Information brought regularly to scrutiny members outside committee. The exact way in which information is shared is moot – a regularly-produced digest of information provides one potential model. This could focus on the key performance indicators attached to the Greater Manchester Strategy, financial plans associated with performance and delivery, and possibly business cases / options appraisals for major forthcoming decisions.

37. Taken alongside the CA's key decision register, this would give the scrutiny committee enough insight into ongoing CA business to determine how the work programme should be framed.

Relationships with the GMCA and political accountability

38. As things stand the Mayor attends two meetings a year of each of the 3 scrutiny committees. These sessions can be quite wide-ranging, and do not come across as especially well planned, although as with committee sessions more generally

members are able to ask nuanced, forensic questions. Although the Mayor advises that he feels challenged by these sessions, on observation by CfGS their variable quality does suggest that improvements can be made to their focus.

39. This quality issue is not down to “poor questioning” per se. But a lack of planning on the part of scrutiny can lead to questioning feeling scattergun, with lines of inquiry not being followed up and members not acting together to tease out details.
40. Sessions with the Mayor could be planned better – by scrutiny members working together to develop lines of questioning, or at least by the chair understanding the issues that members want to address in the meeting, making it easier to manage the flow of conversation.

Remuneration

41. The review findings support Councillors being remunerated for the sacrifice of time that they make in engaging in formal business. Reading through paperwork, travelling to and from and attending meetings are likely to take up more than a day of a councillor’s time. For chairs, the burden will be more significant.
42. The facility does exist to agree a remuneration package for scrutiny members at GM level but it must be agreed by all ten districts. Up until now it has not proven possible to secure this agreement, meaning that scrutiny councillors are not compensated for their contribution.
43. While it is dangerous to see it as a panacea, proper remuneration would provide a clear indication that scrutiny is something that the CA takes seriously, and would recompense councillors for the time and effort expended in engaging with scrutiny. Under this model there could be a remuneration rate of main committee membership, and a different rate for those substitute members who may not ordinarily attend meetings but who may sit on task and finish groups.
44. The exact level of remuneration need not be especially high. The evidence gathered through this review leads to the conclusion that it is a necessary step towards building a scrutiny function which has the vigour and clout that GM requires, particularly in the context of the necessary demands on governance systems as a result of the Government’s “levelling up” agenda.

Ongoing improvement

45. The scrutiny function needs to have in place arrangements for the ongoing evaluation of how new arrangements are bedding in. The transition period in which this happens – which may last for a year or even two – is one during which the committee, and the CA at large, will need to maintain ongoing feedback arrangements to ensure that scrutiny is working effectively.
46. There are several elements to the effective monitoring of the transition, and of the effectiveness of new arrangements:

Providing time and space in informal monthly meetings of the committee to reflect on recent activities and performance;

Putting in place more rigorous arrangements to monitor the implementation of scrutiny recommendations;

Washup meetings after every committee meeting. These would allow for more immediate changes and improvements to be made;

Seeking feedback from officers on where interventions have led to change, even if no formal recommendations have been made.

We think that at least every quarter for the next twelve to eighteen months members should come together – possibly in committee itself – to examine what aggregated data based on the above tells them about the strength of new arrangements. This would also involve taking evidence from officers. The committee could then determine where improvements are needed – and who should own those actions to improve.

47. This does not mean that interventions to improve should not be taken between these quarterly meetings.
48. It should be noted that the appointment of an independent chair for the committee (as provided for in the legislation) was considered as a way to provide additional capacity and expertise in managing the transition. However, this proposal was ultimately rejected by the working group.
49. It should be noted that a structural model of 2 committees was also considered and supported by some members of the working group. However, it was considered that a single committee model supported by task and finish groups would enable a more integrated approach to scrutinising policy and performance and was, on balance, the best way forward. It was further agreed that the matter should be kept under review.

APPENDIX 2: GMCA SCRUTINY MEMBER ROLE AND RESPONSIBILITIES

This description provides information about the role and responsibilities of an overview and scrutiny committee member. It should be used by local authorities when deciding which members to nominate to the GMCA's overview and scrutiny committee. The information should also be used by overview and scrutiny committee members to understand their role and the responsibilities that they hold as members of the committee.

SKILLS AND EXPERIENCE

Overview and scrutiny committee members and substitute (pool) members should be able to:

Understand Greater Manchester's strategic priorities as set out in the Greater Manchester Strategy (GMS).

Think critically about the GMCA's proposed policies and its performance across a variety of measures.

Work constructively with public and/or private sector partners to drive improvement of both policy and performance.

Confidently scrutinise GMCA Members, officers, and the Greater Manchester Mayor.

RESPONSIBILITIES OF MEMBERS

Overview and scrutiny committee members and substitute (pool) members are expected to:

Attend any appropriate induction and training sessions for the role, which will develop members' knowledge of Greater Manchester's ambitions as well as the challenges that Greater Manchester faces.

Attend formal scrutiny meetings regularly, which will be held once a month during the day, for a minimum of nine meetings per year. There is also an expectation that members will take part in the work of task and finish groups.

Use their knowledge and experience to constructively scrutinise issues that come before the committee

Collaborate with other members to effectively scrutinise important matters in appropriate depth, including convening task and finish groups to investigate specific areas in more depth.

Engage with their respective local authorities to ensure that information is circulated between the local authorities and the GMCA.

Carry out their duties in accordance with the scrutiny rules of procedure and the members code of conduct as set out in the GMCA Constitution.

Remain a member of the committee for a minimum term of two years (wherever possible) to ensure the continuity of membership and the retention of expertise.

ADDITIONAL RESPONSIBILITIES OF THE CHAIR AND VICE-CHAIRS

The Chair and Vice-Chairs of the committee are expected to take on additional responsibilities, which include:

Working with officers to develop the work programme on behalf of the committee, taking into account the upcoming work of the GMCA and areas where scrutiny must be carried out (i.e. the annual GMCA budget).

Chairing committee meetings effectively so that members can carry out their roles efficiently.

Facilitating strong team-working between committee members during formal meetings, informal meetings and task group meetings.

Monitoring the progression of task and finish groups established by the committee.

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GMCA Audit Committee

Date: 27 July 2022
Subject: Risk Management Update Report
Report of: Sarah Horseman, Head of Audit and Assurance

PURPOSE OF REPORT:

The purpose of this report is to inform Members of the Audit Committee of the risk management activities undertaken since the last Meeting.

RECOMMENDATIONS:

Audit Committee is requested to note the report.

CONTACT OFFICERS:

Sarah Horseman, Head of Audit and Assurance - GMCA,
sarah.horseman@greatermanchester-ca.gov.uk

1.1 Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management

N/A

Legal Considerations

N/A

Financial Consequences - Capital

N/A

Financial Consequences - Revenue

N/A

Number of attachments included in the report:

BACKGROUND PAPERS: N/A

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

2 Introduction

This report provides an update on progress with the implementation of the GMCA Risk Management Framework since the last update to the Committee in April 2022.

3 Movements in risks Q1 2022/23

This section provides a summary of the movements in the Strategic and Escalated risks in the last quarter

Strategic Risks

- SR1 – Levelling up/devolution – given recent events in national politics the score associated with this has increased, the gross risk score is now 20 (previously 15) and the residual score is 15 (previously 10).

Escalated Risks

- There have been no new Organisational level risks identified in the period since the last update. Scores for the escalated organisational risks remain stable
- DIR-ENV-53 – Go Neutral Programme Delivery – score is now >16 reflecting challenges in delivery of the programme.
- DIR-ENV-20 – Green Homes Grant – review of the Environment risk register has led to the risk score being revised slightly from 20 previously to 16 (gross) and 12 (residual)
- One GMFRS risk has increased in score, increasing it to > 16. This relates to supply chain, pandemic and cost of living crisis.

De-Escalated Risks

Two risks within ESR have had their risk scores reduced which takes them below the escalation score of 16. These are:

- ESR-02: *The project selection and decision-making process GM puts in place for the Innovation Greater Manchester accelerator programme is challenged by organisations / individuals wishing to apply.* The gross score has been reduced to 15 from 16 and mitigations have been put in place reducing the residual score to 10
- ESR-04: *LEP Review (and Levelling Up White Paper).* Gross score reduced to 12 because of knowledge of the latest update in the LUWP, additional mitigations take the residual score down to 8.
- PCCJF: The Head of Audit and Assurance has placed “on hold” some of the PCCJF risks that had previously been escalated through this route. Upon further review some of these risks are owned by GMP. A review will take place to ensure they are correctly attributed to GMCA/GMP and are managed through the appropriate route. (See section 4)

4 Risk Management Action Plan 2022/23

Based on the results of the risk management maturity assessment and the experience of the Corporate Risk Manager, the following will be activities/areas of focus for 22/23.

- CEMT/SLT risk workshop to be held Q2/3 to review and refresh strategic and organisational risks
- Review of PCCJF risk register to identify which are GMCA and which are GMP risks and ensure that they fall within the appropriate governance and oversight arrangements.
- Identify and roll out appropriate risk management awareness training to all relevant staff
- Identify and roll out appropriate risk managers training to those within GMCA to risk owners
- Work with the People team to determine how risk management expectation can be built into role profiles
- Develop and communicate GMCA's risk appetite.
- Work with any Directorates that do not currently fall within the "Conforming" range to develop their risk management arrangements
- Support all directorates in the ongoing maintenance and development of risk registers and associated risk management activities.

Summary of Strategic Risks (July 2022)

Type	Ref	Risk Title	Description	Inherent			Residual		
				Likelihood	Impact	Score	Likelihood	Impact	Score
National political and economic environment	SR1	Levelling up/ devolution	National politics significantly impact the devolution agenda, funding and powers of GMCA.	4	5	20	3	5	15
	SR3	Brexit	The implications of Britain's future trading relationship with the EU will take time to emerge - with both threats and potential opportunities	5	2	10	5	2	10
	SR8	Climate Change and Carbon Reduction	Failure to deliver on GM climate change initiatives within the required timescales with consequent impacts on achieving GM's long term carbon reduction targets.	4	4	16	3	3	9
GM Operating Environment	SR2	GM operating environment	Failure to develop trust, cohesion and credibility with and between local GM system and partners	4	5	20	3	3	9
	SR5	Wider Impact on GMCA and GM District Finances of Covid-19	Covid 19 has had a major impact on the GM economy, population, and public services. Lack of certainty over the future of business rates growth retention scheme.	4	5	20	4	3	12

Type	Ref	Risk Title	Description	Inherent			Residual		
				Likelihood	Impact	Score	Likelihood	Impact	Score
	SR6	GMS does not deliver desired outcomes for GM	Outcomes defined within GMS are less achievable given COVID	3	5	15	2	4	8
	SR7	Transport - Metrolink	Significant loss of transport revenue due to Covid-19 and reduced patronage levels. Funding received for first six months of 22/23 but post-pandemic patronage may not recover to pre-pandemic levels, impacting the farebox revenue on which previous planning had taken place.	4	5	20	4	4	16
	SR9	Greater Manchester Police - governance, leadership and performance	Failure of leadership and/or governance to ensure that the force provides the desired level of service to GM residents and communities	4	5	20	4	5	20

Escalated Risks (July 2022)

Organisational Risks

Type	Ref	Risk Title	Description	Owner	Inherent			Residual		
					Likelihood	Impact	Score	Likelihood	Impact	Score
Operational	OR1	Covid-19 reduces staff availability through absence, sickness, self-isolation.	Increased risk of staff absence in GMCA/GMFRS due to Covid-19	SLT, GMFRS ET	4	5	20	2	4	8
People	OR4	Staff Mental and Physical Wellbeing	Altered working arrangements may affect staff health, wellbeing and morale.	SLT, GMFRS ET	4	4	16	2	3	6
Financial	OR9	Funding and grants not spent in line with timescales / conditions	Capital programme: Regeneration, infrastructure and investment funding (Growth Deal, Transport Grant etc.) awarded to GMCA is not spent in line with spending profile and this impacts future year financial awards. Grant Funding: Funding not spent in time/ in line with grant conditions	SLT	4	5	20	3	3	9
Governance, policy, leadership	OR10	Data Protection Act 2018 compliance	Failure to comply with the requirements of the Data Protection Act 2018 (Inc. GDPR).	Data Protection Officer	4	5	20	3	4	12
Operational	OR11	Unexpected, major or catastrophic events	Events that cannot be predicted that have a wide ranging impact on core services (eg Power Failures, natural disasters_	SLT	3	5	15	3	2	6
Operational	OR12	Information Security	Organisational arrangements are insufficient to deter, detect and prevent unauthorised access to ICT systems and to respond effectively as and when breaches do occur.	Director of Digital	4	5	20	3	5	15

Escalated / “Top” Directorate Risks

Directorate	Ref	Risk Title	Description	Owner	Inherent			Residual		
					Likelihood	Impact	Score	Likelihood	Impact	Score
GMFRS	RR22	Supply chain, pandemic and cost of living crisis	Due to current market conditions there is a risk that there may be significant delay or increase to the cost of goods in GMFRS’ supply chain, which may result in a pressure on contracts due to end and/or currently held stock leading to a restricted ability to deliver on a number of emergency response objectives.	Director, Corporate Services	4	4	16	4	4	16
Digital	DIR-DIG-04	Cyber security	GMCA is subject to a Cyber Attack	Director, Digital	5	5	25	4	5	20
Digital	DIR-GMD-03	Covid Impact on Finances	COVID related impacts on local finances impacting deliverability of key initiatives.	Director, Digital	5	5	25	4	4	16
Digital	DIR-GMD-02	Digital Inclusion Funding	Digital inclusion ambition is unfunded and fails to deliver on Manifesto ambitions due to resource limitations	Director, Digital	5	5	25	4	5	20
Environment	DIR-ENV-53	Go Neutral Programme Delivery	Failure to accelerate delivery	Director, Environment	4	4	16	3	3	9
Environment	DIR-ENV-20	Green Homes Grant	Unable to deliver in timescales	Director, Environment	4	4	16	3	4	12
Environment	DIR-ENV-28	Consequences of waste Feasibility Study	Cost implications to districts to deliver England’s waste strategy	Director, Environment	5	5	25	5	3	15
Place	DIR-PLA-02	Achievement of net zero.	Failure to achieve publicly stated strategic environmental targets.	Head of Housing Strategy	4	5	20	3	5	15
Place	DIR-PLA-03	Places for everyone resource capacity	Inability to efficiently process and deliver major actions for Places for Everyone.	Head of Planning Strategy	4	4	16	3	4	12
PCCJF	DIR-PCCJF-10	Records Management system	Procurement of a replacement records management system	Director, PCCJF	4	4	16	3	3	9
PCCJF	DIR-PCCJF-	Resourcing of Strategic priorities	Lack of alignment of funding to sufficiently resource strategic priorities	Director, PCCJF and	4	5	20	3	3	9

Directorate	Ref	Risk Title	Description	Owner	Inherent			Residual		
	11			GMCA Treasurer						
Waste	DIR-WR-01	GM Waste & Recycling Contract	(a) Contractor(s) fails to perform core devolved services as required by the Contract. (b) Construction of new facilities are delayed. (c) Recyclable materials value reduce as a result of global commodity trends or the quality of the material collected is not high enough (d) A no-delay Brexit affects services (e.g. fuel shortages, supplies import delays, loss of drivers etc.)	Executive Director Waste	4	4	16	3	3	9
Governance	GOV-8	Legal challenge	Successful legal challenge (eg judicial review) threatens delivery of a major programme (and outcomes).	GMCA Monitoring Officer	5	5	25	3	5	15
Governance	GOV-9	Major Inquiry	Inquiry / Inquest into GMCA (or related) activity requires major change within GMCA	GMCA Solicitor	4	5	20	3	5	15
HROD	DIR-HR-05	Talent management	Ability to ensure the potential and capability withing existing staff is nurtured and helps to address internal skills needs.	AD HROD	4	4	16	3	4	12
HROD	DIR-HR-03	Embedding new Employment Framework	Employment framework not fit for contemporary / post pandemic circumstances.	AD HROD	4	4	16	3	3	9
Public Sector Reform	DIR-PSR-01	Delivery of outcomes	Failure to achieve outcomes targeted across a range of strategies including Homelessness Prevention, Children & Young People, Ageing and other cross-cutting programmes.	Policy Leads, PSR	4	4	16	3	4	12
Education, Work and Skills	DIR-EWS-01	Continued impact of Covid 19 on the delivery of EWS' Externally Funded Programmes supporting GM Residents	Potential underspend in grant/contract for services funding and lower than expected performance against targets set by of funders.	Director, EWS	4	5	20	3	5	15
Education, Work and Skills	DIR-EWS-02	National legislative changes linked to Skills for Jobs White Paper will impact on GM's ability to deliver its devolved skills functions via programmes such as the Adult Education Budget (AEB)	The Skills for Jobs further education reform White Paper introduced new employer-led local skills planning functions which will be placed on a statutory footing, meaning that colleges and training providers will be legally obliged to respond to these new Local Skills Improvement Plans (LSIPs) which has potential to disrupt/undermine the exercise of the CA's devolved skills functions.	Director, EWS	4	4	16	3	4	12

Directorate	Ref	Risk Title	Description	Owner	Inherent			Residual		
Education, Work and Skills	DIR-EWS-03	Continued uncertainty around future devolution/levelling up of Education, Work and Skills responsibilities at the national level may negatively impact on GM's ambitions and delivery priorities.	As reported under Strategic Risks (SR1), ongoing delays to the publication of the Devolution White Paper, means GMCA and EWS cannot effectively plan for additional delegated responsibility, funding and local implementation.	Director, EWS	4	4	16	4	4	16
Education, Work and Skills	DIR-EWS-04	Lack of sufficient GMCA / LA capacity to support EWS' commissioning, procurement and implementation requirements	If multiple programmes are announced by HMG depts at the same time (as likely) then GMCA/LA resource will be significantly stretched	Director, EWS	4	4	16	4	4	16

GMCA Audit Committee

Date: 27 July 2022
Subject: HMICFRS Inspection Report Update
Report of: DCFO Ben Norman

PURPOSE OF REPORT

This paper provides a summary of Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Greater Manchester Fire & Rescue (GMFRS) 2021 round 2 inspection report published on 15th December 2021 and the ongoing improvement activities to address the findings in the report.

RECOMMENDATIONS:

Members are asked to:

- Note the contents of the summary report and the internal improvement action plan (Appendix A) and provide any feedback.

CONTACT OFFICERS:

DCFO Ben Norman – ben.norman@manchesterfire.gov.uk

Sarah Scoales, Head of Service Excellence – scoales@manchesterfire.gov.uk

Equalities Impact, Carbon, and Sustainability Assessment:

N/A

Risk Management

N/A

Legal Considerations

N/A

Financial Consequences - Capital

N/A

Financial Consequences - Revenue

N/A

Number of attachments included in the report:

BACKGROUND PAPERS:

[HMICFRS Tranche 1 Inspections](#)










[HMICFRS Annual State of Fire 2021 report](#)

[GMFRS Inspection Report](#)

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		Yes/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?		Yes/No
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

INTRODUCTION

1. GMFRS was formally notified on the 14th January 2021, that it had been placed in Tranche 1 of the 2021/22 inspection programme, with formal inspection activities commencing on the 7th June 2021, and concluded on the 23rd July 2021 with the CFO debrief.
2. GMFRS received a copy of the draft report for its Pre-Publication Check (PPC) in October 2021. Feedback and comments in response to the PPC were provided to the HMICFRS, and of the 8 comments submitted:
 - 6 were 'accepted' and changes made
 - 1 was 'partially accepted' and the respective narrative changed
 - 1 (MTA) was 'noted' and a 'separate email sent regarding this'
3. HMICFRS grades FRSs using the following categories of graded judgment:
 - Outstanding
 - Good
 - Requires Improvement
 - Inadequate
4. The table below details the comparisons between the two inspection outcomes:

Pillar	2020/21 Inspection	2018/19 Inspection
 Effectiveness	 Requires improvement	 Requires improvement
 Efficiency	 Requires improvement	 Requires improvement
 People	 Good	 Requires Improvement

5. Under these three pillars the inspection report gives a grading for each of the 11 areas;
 - Good (6)
 - Requires improvement (5)
 - Inadequate (0)

REPORT HEADLINES

6. The HMICFS found that GMFRS is good at:
 - Looking after its staff
 - Understanding fire and other risks
 - Responding to fires and other emergencies
 - Promoting its values throughout the organisation
 - The inspection report recognises the significant progress made in terms of equality, diversity, and inclusivity, but also the confidence that staff across the Service have in the new leadership team.

7. The inspection report identifies two areas of 'innovative practice', these are:
 - An app to display operational flashcards on both mobile data terminals and officers' mobile phones. This allows instant access to standard operating procedures. (pg.9)
 - The service has introduced a Freedom to Speak Guardian – an initiative used by the NHS – for staff to have an informal way to give feedback to the service. (pg.34).

8. Also recognised is the significant progress GMFRS has made under the People pillar, moving from Requires Improvement to Good. The HMICFRS have removed (resolved) the cause of concern for the People pillar issued in 2019 based on the evidence obtained and demonstrated during the 2021 inspection. We have also made substantial progress with regards ensuring fairness and promoting diversity, where we have moved from Inadequate to Good.

9. The report further contains **16 'areas for improvement'** and **one 'cause of concern'**. These are across all areas of inspection with the exception of two areas (Making the FRS affordable now and in the future, Getting the right people with the right skills) not containing any areas of improvement.

10. There are a number of reoccurring 'areas of improvement' that were originally identified during the 2019 inspection, these include, but not limited to;
 - **Effectiveness - Prevention** – *“The service needs to target its most vulnerable people for home fire safety visits”* (pg. 12)
 - **Effectiveness - Protection** – *“The service should ensure it allocates enough resources to a prioritised and risk-based inspection programme”*. (pg. 14)
 - **People** – *“The Service should put in place an open and fair process to identify, develop and support high-potential staff and aspiring leaders”* (pg. 36)

11. Also recognised is the significant progress GMFRS has made under the People pillar, moving from Requires Improvement to Good. The HMICFRS have removed (resolved) the cause of concern for the People pillar issued in 2019 based on the evidence obtained and demonstrated during the 2021 inspection. We have also made substantial progress with regards ensuring fairness and promoting diversity, where we have moved from Inadequate to Good.

CURRENT POSITION

12. Following the receipt of the report an internal improvement action plan was developed detailing all the activities that are being undertaken to respond to the finding of the inspection report. A copy of this is provided in Appendix A.

13. All areas for improvement have been incorporated into relevant directorate action plans and linked back to the priorities set out in the Annual Delivery Plan 22-23. Progress against these actions are monitored and tracked through our current governance arrangements - directorate functional boards, SLT meetings and Deputy Mayors Fire Executive meetings.

14. A dedicated Marauding Terrorist Attack (MTA) project team was established to progress the activities with regards the cause of concern. This team meets fortnightly and is supported from colleagues from across the Service and our trade union representatives.

15. The project is focused around three broad areas: 1) Training, 2) Appliances and Equipment, 3) Policies and Procedures.

16. Alongside the MTA project activities, discussions were ongoing with the Fire Brigades Union (FBU) regarding our proposals regarding the provision of an MTA capability for Greater Manchester. This was subject to a local ballot, but with a recommendation for members to accept.

17. The FBU ballot closed on 7th February with a positive result enabling GMFRS to progress activities to enhance our operating model. Following this the Collective Agreement with the FBU was signed on the 5th April.

18. MTA Training commenced on the 11th April. This training consists of two days of trauma training and one day MTA training and is supported by instructors from Greater Manchester Police Firearms Unit and colleagues from North West Ambulance Service. GMFRS NILO's also attend and participate in day 3 MTA training.

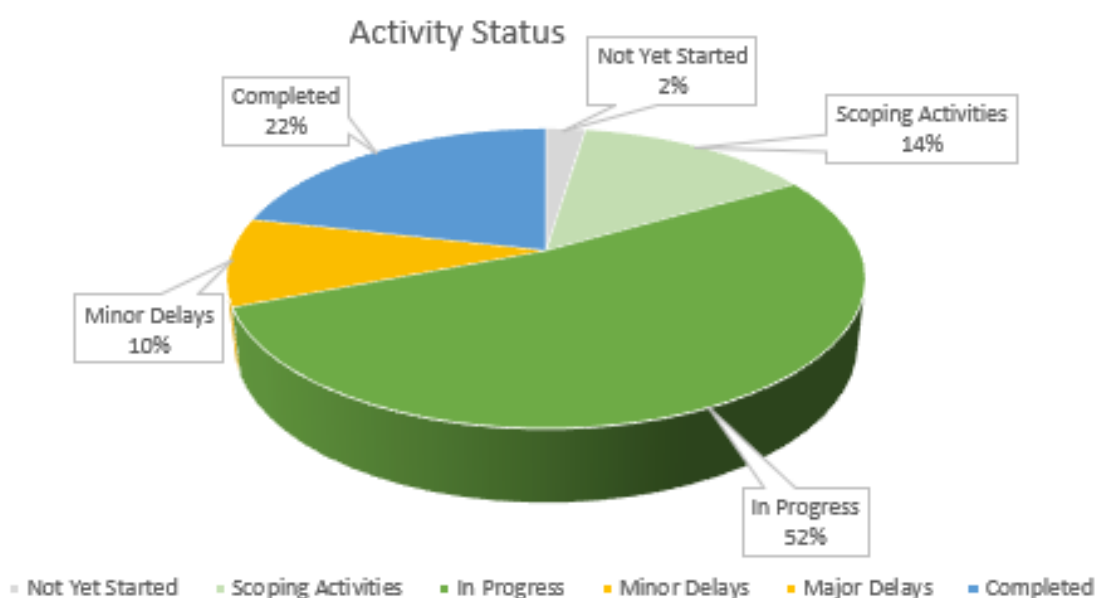
19. As of the 1st July, more than 270 staff members have taken part in the two-day trauma training, with just over 200 have completed the MTA (Day 3) practical training. Feedback from those who have attended the training has been positive and we remain on-track, to deliver all training by the expected completion date of April 2023.

20. HMICFRS require evidence of progress against the Cause of Concern and dialogue with HMICFRS on our progress has been regular and ongoing. Our Service Liaison Officer (SLO) ensures that they are kept fully updated on all activities and communications across the Service. The HMICFRS Service Liaison Lead (SLL) also has an open invite to the project meetings, providing them with access to all the relevant project documentation and the ability to ask any questions directly to the project team.

21. The feedback to-date from HMICFRS regarding the action we have taken has been positive and, whilst there has been no formal confirmation, we are anticipating that the Cause of Concern will be removed (resolved) in the coming weeks.

NEXT STEPS

22. Progress against the 71 activities set out in the internal improvement action plan is ongoing, with the chart below detailing the current status of the overall plan:



23. Our internal activities also include our own approach to 'Reality Testing', which builds on the approach taken by HMICFRS during the inspection. The GMFRS HMICFRS Team have developed a programme of visits across the Service that assesses key areas set out in the inspection report, our response to these, including how well new processes and procedures have been embedded.
24. To-date the internal HMICFRS Team have completed over 20 sessions of 'Reality Testing'. These have been undertaken with operational crews from firefighters to Group Managers, staff and specialists, and non-operational staff. Feedback from these sessions is being cross mapped against station and directorate reports, giving qualitative and quantitative data.
25. The findings are currently being collated and will be formulated into a report with key recommendations for consideration for each directorate. Individual meetings have also commenced with departmental heads to discuss initial findings.
26. Whilst we have not yet received any formal confirmation from HMICFRS, it is anticipated that our next full inspection will take place early 2023.

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GMCA Audit Committee

Date: 27 July 2022

Subject: Internal Audit Progress Report

Report of: Sarah Horseman, Head of Audit and Assurance, GMCA

PURPOSE OF REPORT

The purpose of this report is to inform Members of the Audit Committee of the progress made on the delivery of the Internal Audit Plan for Q1 2022/23 and the finalisation of outstanding reports from 2021/22. It is also used as a mechanism to approve and provide a record of changes to the internal audit plan.

RECOMMENDATIONS:

Audit Committee is requested to:

- Consider and comment on the progress report
- Approve the changes to the Audit Plan (Section 3)

CONTACT OFFICERS:

Sarah Horseman, Head of Audit and Assurance - GMCA,
sarah.horseman@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment:
N/A

Risk Management
N/A

Legal Considerations
N/A

Financial Consequences - Capital

N/A

Financial Consequences - Revenue

N/A

Number of attachments included in the report:

BACKGROUND PAPERS: N/A

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 Introduction

- 1.1 The Internal Audit strategic three-year plan for GMCA was presented to the Audit Committee in April 2022 and this set out the planned assurance activity to be conducted during 2022/23 based on our understanding of the organisation's strategic and operational risks.
- 1.2 The GMCA Internal Audit Plan comprises a range of audits agreed by the Senior Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and a target implementation date.
- 1.3 Separate plans are approved by Transport for Greater Manchester (TfGM) and Greater Manchester Police (GMP) / Police and Crime Functions with reporting to their respective Audit, Risk and Assurance Committee (ARAC) and Joint Audit Panel.
- 1.4 The purpose of this progress report is to provide Members with an update against the GMCA audit plan for 2022/23 and to report on the conclusion of outstanding work from the previous year.

2 Progress against the 2022/23 Internal Audit Plan

Internal Audit work completed since the last meeting of the Audit Committee

- 2.1 Since we last reported to Audit Committee in April 2022, we have issued six audit reports and certified two grants. The figures include outstanding audit reports from 2021/22 and these have been considered as part of the Head of Internal Audit's annual assurance opinion for 2021/22. The Executive Summaries from these reports are appended to this report.
- 2.2 Five of these reports have been finalised and agreed with Management, with one draft report awaiting a formal management response prior to publication.
- 2.3 **Fixed Asset Data Migration:** This audit sought to provide assurance over the process for migrating fixed asset data to the new CIPFA Fixed Asset Management system. The audit provided a **substantial assurance opinion**, over the data migration exercise ensuring that data transferred was valid, accurate and complete.
- 2.4 **GMFRS Fire safety Visits 7(2)d:** This report provided a **reasonable assurance opinion** over 7(2)d policy and procedural framework for undertaking these visits. Our work identified several amendments required to the Operational Intelligence Policy. These related to ensuring that external guidance was fully referenced in the policy in the relevant areas, ensuring that the new risk identification and ongoing risk identification sections of the policy were more detailed and prescriptive, and amending the expectations of risk footprint review visits to align this more effectively to risk. The

report identified five areas for improvement which were agreed by Management and is being reflected in policy updates.

- 2.5 **Grant Funding Management and Reporting:** This follow up report provided a **reasonable assurance opinion** over the design of the key processes to support the arrangements for grant management and reporting. This showed an improved position from the interim opinion given in November 2021. The opinion took into consideration the significant progress made to address previous findings including the creation of up-to-date Grant Registers for capital and revenue grants; the requirement for the completion of a Grant Checklist prior to receiving s151 Officer sign off; and training rolled out for the Finance Team on revised processes. We made no immediate recommendations, with the emphasis being on implementation and adoption of these revised processes across the organisation.
- 2.6 **Behavioural Policies and Codes (including Codes of Conduct and Gifts and Hospitality Registers):** This audit provided a **limited assurance opinion** over the effectiveness of GMCA behavioural policies, procedures and codes and demonstrating compliance with procedural requirements. The report found generally robust processes in place for Elected Members and for Committee agenda items, but further improvements were required at Officer level, where procedural requirements around declarations of interest and gifts and hospitality were less well formalised and understood across all areas. The report made five recommendations for improved control in the development of a more standardised and consistent approach.
- 2.7 **GMCA Estates – Premises Safety Checks:** We provided a **limited assurance opinion** over the control framework in place for the completion, recording and monitoring of Premises Safety Inspections across the GMCA Estate. This opinion was primarily due to delays in updating monitoring records and evidencing compliance. The Estates team are working to implement a new Estates Asset Management Module and are in the process of migrating data into the new system. Whilst it is envisaged that the new system will address some of the issues contained in the report, further work is required. Our report made five recommendations including one critical action. We are pleased to report that good progress has been made on bringing this information up to date.
- 2.8 **Grant Certifications –** Two grants were certified during the period with a further three grants nearing completion.
- 2.9 **BEIS Core Growth Hub Funding 2021/22 - £780k –** A written certification was provided in June 2022.
- 2.10 **Peer Networks – March 2022 £180k –** A written certification was provided in April 2022 to support this claim.

3 Internal Audit work in progress 2022/23

- 3.1 Several planned audits from the 2022/23 are underway, but the focus during quarter 1 has been the completion of outstanding audits from 2021/22.

A summary on the status of ongoing audit work is as follows:

Planning Stage	
Treasury Management (Q2).	The terms of reference for this audit was agreed in July 2022 and will provide assurance over the Governance and Control framework in place for the Treasury Management function following the decision to bring this in-house.
GMFRS Maintenance and Testing of Operational Equipment (Q2)	The terms of reference for this audit was issued in July 2022 and will primarily focus on maintenance and testing carried out on Station and compliance with Station Standards framework and relevant regulations.

Fieldwork Stage	
Budgetary Control Processes (Q1).	Fieldwork commenced on this audit which aims to provide assurance over the effectiveness of GMCA budgetary control arrangements which ensures financial resources are properly managed.
Peer Networks Grant (End of Scheme Sign Off)	Fieldwork nearing completion.
Public Sector Decarbonisation Scheme – Phase1 (Section 31):	Fieldwork is nearing completion on this £78.2m grant.

Reporting Stage	
GMFRS Fire fighter CPD and Training:	A Draft report was issued in July and we are awaiting a management response prior to finalisation.
Brownfield Housing Fund Grant (Section 31)	Agreement of certification underway on this £49m grant.

Anti-fraud Strategy 2022-2024	We have developed a draft Anti-fraud strategy which will sit alongside the existing Anti-fraud policy framework.
Anti-Fraud Policies	We have produced an draft Anti-Bribery Policy as part of our ongoing review and update of Corporate Fraud Policies.

Details of our progress in respect of the 2022/23 Audit Plan is shown in **Appendix B**.

4 Changes to the Internal Audit Plan

- 4.1 The internal audit plan is regularly reviewed and can be amended to reflect changing risks and/or objectives. In line with the Internal Audit Charter, any significant changes to the plan must be approved by the Audit Committee.
- 4.2 We are not proposing any changes to the plan at this time, however we will keep the plan under close review including the scheduling and timing of planned work.
- 4.3 A cumulative record of changes to the plan, with the rationale for each, is shown as an Appendix C to this report.

5 Other Activities

- 5.1 Aside from delivery of the internal audit plan, since the last meeting internal audit have undertaken the following additional activities.
- 5.2 **Whistleblowing and Counter Fraud Activities** – We received two whistleblowing reports during the quarter. Both were assessed when received. One was determined to be a misconduct matter as opposed to matter to be investigated under the Whistleblowing Policy and has been passed to HR. The other is being investigated. Details on the outcome of all cases received and investigated will be reported to Audit Committee in accordance with Whistleblowing procedures.
- 5.3 **Anti-Fraud Policies** – We have developed a GMCA Anti-Fraud Strategy and Anti-Bribery Policy and these are appended separately to this report. The policies are currently in draft and it is our intention to launch these during the next quarter alongside online training for staff. Both policies are shared with Audit Committee for review and comment.
 - **Anti-fraud Strategy 2022-24 (Draft)** - This strategy sets out GMCA’s approach to managing the risk of fraud and corruption and how an anti-fraud and corruption culture is established and promoted. The strategy incorporates the best practice guidance for combatting fraud in Local Government. It is based on the key

principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local Government (the Code) and Fighting Fraud Corruption Locally (FFCL) strategy as these represent best practice and compliance with these measures will enable GMCA to demonstrate effective stewardship of public funds.

- The strategy also sets out the key priorities and activities for Internal audit and other stakeholders over the next two years.
- **Anti-Bribery and Corruption Policy (Draft)** - This policy and procedural guidance is part of the corporate policy framework and will aim to ensure that Elected Members and Officers have access to the appropriate guidance and GMCA's stance on bribery is widely publicised.

5.4 **Boards and subgroups**

- The Head of Audit and Assurance is a member of the Information Governance Board and of the Serious Information Governance Incident (SIGI) Panel both of which are chaired by the Senior Information Risk Owner. The Boards meet on a regular basis. Progress has been made in identifying and managing IG risks and in developing formal mechanisms to record decisions made by SIGI in relation to specific incidents.
- Internal Audit also attend the Freedom of Information (FOI/EIR) and Transparency User Group to feed into the development of processes around statutory duties under the Freedom of Information and Environment Information Regulations. This group will provide assurance to the Information Governance Board
- Internal audit attends the North West Chief Audit Executive Meetings and the Counter Fraud subgroup which meets quarterly on fraud matters affecting the region, knowledge sharing and good practice.

6 **Internal Audit Performance and Development**

6.1 **Internal Audit Improvement Plan**

As the internal audit function within GMCA matures, areas for future development are identified through our internal and external quality assessments, the work we undertake and feedback from audit sponsors and the Committee. Areas for future development are included in the Internal Audit Improvement Plan.

The current status of the Plan is noted in Appendix D

6.2 Internal Audit Performance – Plan Delivery 2022/23

Activity	#	Performance Indicator	Target	Apr - Jun 22 (Qtr1)	Trend	Comments
Delivery of 2022/23 audit plan	1	Completion of 2022/23 audit plan	100% by year end	7%	↔	One audit and two grant certifications from the 2022/23 plan.
	2a	Elapsed time of audits (fieldwork to draft report)	<3 months	100%	↑	Completed within timescales
	2b	Elapsed time of audits (draft report to final)	< 1 month	100%	↑	Completed within timescales
Audit action implementation	3	Quality of agreed audit actions	90%			No feedback responses have been received this quarter to measure this KPI.
	4	Audit actions implemented (rolling 12 months)	85%	81%	↑	Slight improvement in audit action implementation rate since April 2022.
	5	Historic open audit actions	0	1	↑	One of the historic audit actions has been closed leaving only one relating to VAT treatment of employee expenses.
Internal Audit Effectiveness	6	Audit process	80%			No feedback responses have been received this quarter to measure this KPI.
	7	Customer satisfaction	80%			

Appendix A - Summary of Internal Audit Reports issued 2022/23

The table below provides a summary of the internal audit work completed. This will inform the annual Internal Audit opinion for the year 2022/23.

Audit	Assurance Level	Audit Findings					Coverage		
		Critical	High	Medium	Low	Advisory	GMCA	GMFRS	Waste
Grant Funding Management and Reporting	Reasonable	We made no recommendations in this audit.					✓	✓	✓

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Grant Certifications				
BEIS Growth Hub Funding 2021/22	Positive	✓		
Peer Networks March 2022 Claim	Positive	✓		

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

Assurance levels

	DESCRIPTION	SCORING RANGE	DESCRIPTION
	SUBSTANTIAL ASSURANCE	1-6	A sound system of internal control was found to be in place. Controls are designed effectively, and our testing found that they operate consistently. A small number of minor audit findings were noted where opportunities for improvement exist. There was no evidence of systemic control failures and no high or critical risk findings noted.
	REASONABLE ASSURANCE	7-19	A small number of medium or low risk findings were identified. This indicates that generally controls are in place and are operating but there are areas for improvement in terms of design and/or consistent execution of controls.
	LIMITED ASSURANCE	20-39	Significant improvements are required in the control environment. A number of medium and/or high-risk exceptions were noted during the audit that need to be addressed. There is a direct risk that organisational objectives will not be achieved.
	NO ASSURANCE	40+	The system of internal control is ineffective or is absent. This is as a result of poor design, absence of controls or systemic circumvention of controls. The criticality of individual findings or the cumulative impact of a number of findings noted during the audit indicate an immediate risk that organisational objectives will not be met and/or an immediate risk to the organisation's ability to adhere to relevant laws and regulations.

Audit Finding Classification

Risk Rating	Description/characteristics	Score
Critical	<ul style="list-style-type: none"> • Repeated breach of laws or regulations • Significant risk to the achievement of organisational objectives / outcomes for GM residents • Potential for catastrophic impact on the organisation either financially, reputationally or operationally • Fundamental controls over key risks are not in place, are designed ineffectively or are routinely circumvented • Critical gaps in/disregard to governance arrangements over activities 	40
High	<ul style="list-style-type: none"> • One or more breaches of laws or regulation • The achievement of organisational objectives is directly challenged, potentially risking the delivery of outcomes to GM residents • Potential for significant impact on the organisation either financially, reputationally or operationally • Key controls are not designed effectively, or testing indicates a systemic issue in application across the organisation • Governance arrangements are ineffective or are not adhered to. • Policies and procedures are not in place 	10
Medium	<ul style="list-style-type: none"> • Minor risk that laws or regulations could be breached but the audit did not identify any instances of breaches • Indirect impact on the achievement of organisational objectives / outcomes for GM residents • Potential for minor impact on the organisation either financially, reputationally or operationally • Key controls are designed to meet objectives but could be improved or the audit identified inconsistent application of controls across the organisation • Policies and procedures are outdated and are not regularly reviewed 	5
Low	<ul style="list-style-type: none"> • Isolated exception relating to the full and complete operation of controls (e.g. timeliness, evidence of operation, retention of documentation) • Little or no impact on the achievement of strategic objectives / outcomes for GM residents • Expected good practice is not adhered to (e.g. regular, documented review of policy/documentation) 	1
Advisory	Finding does not impact the organisation's ability to achieve its objective but represent areas for improvements in process or efficiency.	0

Appendix B – Progress against the Internal Audit Plan 2022/23

The table below shows progress made in delivery of the 2022/23 Internal Audit Plan.

Key: ○ Not Yet started ⊙ Scheduled ● In progress ● Complete

Directorate	Audit Area	Audit	Timing	Plan Days	Planning	Fieldwork	Draft Report	Final Report	Audit Committee	Comments
Corporate Services	Grants	Mandatory Grant Certifications	Q1-Q4	67	●	●	●	●		Ongoing
Corporate Services	Grants	BEIS Growth Hub Funding 2021/22	Q1		●	●	●	●	July 2022	Completed
Corporate Services	Grants	Peer Networks March claim	Q1		●	●	●	●	July 2022	Completed
Corporate Services	Finance	Grant Funding Management and Reporting	Q1	10	●	●	●	●	July 2022	Completed
ICT	Governance	ICT Audit Needs Assessment (External)	Q1	2	○	○	○	○		
Corporate Services	Finance	Budgetary Control	Q2	30	●	●	○	○		Fieldwork Stage
Corporate Services	Finance	Treasury Management	Q2	20	●	●	○	○		Fieldwork Stage

Directorate	Audit Area	Audit	Timing	Plan Days	Planning	Fieldwork	Draft Report	Final Report	Audit Committee	Comments
GMFRS	Front Line Services	Maintenance and Testing of Operational Equipment	Q2	20	●	●	○	○		Fieldwork Stage
GMCA	Governance	Whistleblowing	Q2	TBC	●	○	○	○		Planning
Waste	Assets	Waste Estates Management	Q2	15	○	○	○	○		
Environment	TBC	Capital Programme 'Deep Dive'	Q2	25	○	○	○	○		
Corporate Services	Governance	Performance Management (Follow Up)	Q2	15	○	○	○	○		
Education, Work and Skills	Contracts	AEB	Q2	20	○	○	○	○		
Corporate Services	Finance	BWO Access Rights	Q3	20	○	○	○	○		
ICT	Application management	User Acceptance Testing (External)	Q3	2	○	○	○	○		

Directorate	Audit Area	Audit	Timing	Plan Days	Planning	Fieldwork	Draft Report	Final Report	Audit Committee	Comments
Corporate Services	Procurement and Contracting	Commercial	Q3	20	○	○	○	○		
ICT	Information Systems	GM One	Q3	20	○	○	○	○		
People Services	Compliance	Investigation Processes	Q3	25	○	○	○	○		
ICT	Assets	IT Asset Management (External)	Q3	2	○	○	○	○		
Corporate Services	Finance	Non-AR Income	Q3	20	○	○	○	○		
GMFRS	Front Line Services	Safeguarding and DBS	Q3	20	○	○	○	○		
GMFRS	Front Line Services	Station Standards Framework	Q3	20	○	○	○	○		
Public Sector Reform	Compliance	Supporting Families Programme	Q3	10	○	○	○	○		
Governance and Scrutiny	Information Governance	CCTV	Q4	20	○	○	○	○		
Core Investment Team	Loans and Investments	External Loans	Q4	20	○	○	○	○		
GMFRS	Prevention and Protection	Road Safety Partnership	Q4	20	○	○	○	○		

Directorate	Audit Area	Audit	Timing	Plan Days	Planning	Fieldwork	Draft Report	Final Report	Audit Committee	Comments
People Services	Workforce	Use of Consultants	Q4	25	○	○	○	○		
Total Plan Days				468						

Other Audit Activity		Quarter
Information Governance	Head of IA is a member of the IG Board, ongoing advice, and oversight of IG risks through this forum.	All
Risk Management	Internal audit facilitates quarterly strategic risk register updates through the Senior Leadership Team and the ongoing development and implementation of a GMCA-wide risk management framework.	All
Audit action tracking	Internal audit will monitor and report on a quarterly basis the implementation of agreed audit actions	All
Whistleblowing investigations	Receipt and investigation of whistleblowing reports	As needed
Ad-hoc advice and support	Advice and reviews requested in-year in response to new or changing risks and activities.	As needed
Contingency days	Days reserved to address new or emerging risks	As needed

Appendix C - Changes to the Internal Audit Plan

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

This Section records any changes to the current internal audit plan since it was originally approved in April 2022.

There are no planned changes to the audit plan this time.

Audit Area	Audit	Timing	Days	Change requested	Rationale	Approved by Audit Committee

Appendix D - Internal Audit Improvement Plan

PSIAS Ref	Ref	Action Required	Responsible	Action	Target date	Status
1130	EQA1	In future, assurance arrangements over which the Head of Audit and Assurance also has operational responsibility should be overseen by somebody outside of the internal audit activity. This could be done via a peer review arrangement (NWCAE group members have undertaken these in the past) or external provider.	Head of Audit and Assurance	Assurance over risk management arrangements will be overseen by a party outside of the internal audit function. Consideration will be given to establishing arrangements for peer review from another local or combined authority. No assurance work over risk management is in the scope of the Audit Plan for 2021/22 so these arrangements will be sought to be effective for 2022/23 and beyond.	30/04/2022	Noted for future action when appropriate
2010	EQA7	A formal assurance framework should be developed in consultation with relevant stakeholders.	Head of Audit and Assurance	Develop and document Assurance framework for GMCA, in line with the "three lines" model	31/12/2021	In progress - Included in 2022/23 work programme
2050	EQA8	An assurance mapping exercise should be undertaken to identify and determine the extent to which the Head of Audit and Assurance can place reliance on other sources of assurance.	Internal Audit Manager	After the development of the Assurance Framework (7) an assurance mapping exercise will be undertaken. This can be used to inform HoIA opinion for 21/22 as well as the planning process for 22/23.	31/03/2022	In progress- included in 2022/23 work programme

PSIAS Ref	Ref	Action Required	Responsible	Action	Target date	Status
2050	AC1	When developing the assurance framework, consider the use of controls self assessments for areas of GMCA that are not subject to Internal Audit	Head of Audit and Assurance	Consider introducing controls self assessments as a line 2 assurance mechanism across GMCA. Will require some education and awareness activity to roll out.	1/4/23	For consideration if resources allow
1210	EQA18	The use of data analytical tools should be explored and introduced, with relevant training provided.	Head of Audit and Assurance	In line with the action from Recommendation 2 above. Data analytics skills will also be considered for development within the team and budget requested as necessary.	30/04/2022	c/f to 2022/23 development plan. Demo of analytics tool scheduled for August 2022.

Appendix E – FIXED ASSET DATA MIGRATION



INTERNAL AUDIT REPORT

Fixed Asset Data Migration

FINAL

Based on the audit work performed, this audit has been classified as	SUBSTANTIAL ASSURANCE
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Reference: Q42021/22

Draft Report Issued: 6 May 2022

Final Report Issued: 13 May 2022

Audit Sponsor: Steve Wilson, Treasurer

Lead Auditor: Stuart Richardson

EXECUTIVE SUMMARY

1. Background and Context

- 1.1 In August 2021, a business case was approved to migrate all GMCA's fixed asset data onto the CIPFA Asset Management System. Prior to approval, GMCA used three separate systems to hold information on non-current assets, which the finance team rely on to support key elements of the Combined Authority's financial statements. This is the result of the transfer of the Greater Manchester Fire and Rescue Service (GMFRS) and Greater Manchester Police and Crime Commissioner (GM PCC) into GMCA in 2017, and a further transfer of Greater Manchester Waste Disposal Authority (GMWDA) in 2018. As each organisation joined GMCA, the existing system used to record their fixed assets was retained.
- 1.2 GMFRS, ICT and Traffic Signal Information, such as asset life and asset value were held in the fixed asset module of the Business World On (BWO) system. BWO automatically calculates depreciation and other asset related transactions, and these are recorded to the general ledger. GM PCC information was held on the CIPFA Asset Management System with asset transactions input into BWO via year-end journals and GMWDA asset information was manually recorded on a spreadsheet with transactions journaled onto BWO as part of the year-end process.
- 1.3 The key reasons for migrating to a single fixed asset system were to make year-end accounting processes for fixed assets more efficient, to reduce the risk of error as some aspects of producing the year-end financial statements were heavily reliant on manual processes and to improve the consistency of financial information provided, in particular in relation to financial reporting.
- 1.4 In the business case, several limitations were identified with the BWO fixed asset system, such as the cost of obtaining technical support from BWO and issues with the range of reports that BWO produces. This resulted in the requirement for information to be summarised manually in Excel, which is both time and labour intensive, impacting on the final accounts production process. Issues with the production of the recording of transactions related to revaluations, capitalisation, disposals, depreciation and asset lives; and difficulty reconciling transactions on a monthly basis due to the volume of accounting entries for traffic signal assets and several other issues around key functionalities. It was concluded that the time and financial cost to resolve the issues identified above was not an efficient allocation of resources, therefore the decision was made to migrate to the CIPFA Fixed Asset System.
- 1.5 At the time of this audit, the finance team were in the process of finalising the data migration work. We have been informed that the data migration has been successful so far, with no major issues identified. Several amendments for GMWDA were processed as part of the data migration exercise and agreed with external audit. Sample testing over PPE balances following the data migration will be completed by External Audit as part of the final accounts audit.

2. Audit objective and scope

- 2.1 The overall objective of this audit was to provide assurance that the process for migrating fixed asset data to the CIPFA system was robust and would ensure that the data transferred is valid, accurate and complete and that the system has capabilities and functionalities to enable the finance team to fulfil their role both efficiently and effectively.
- 2.2 Specifically, the audit provides assurance over the following areas:
- The general process for managing the data transfer to the new CIPFA asset management system.
 - Controls to confirm the accuracy and completeness of data transferred.
 - Ongoing areas for system development and implementation and understood and risks managed.

Scope

- 2.3 The scope of this audit was to review data in the test system prior to the system going live.
- 2.4 Testing was completed on a sample basis across a range of assets classes across GMFRS, ICT, Traffic Signal Assets and Greater Manchester Waste to ensure that asset lives, and depreciation are recorded correctly.

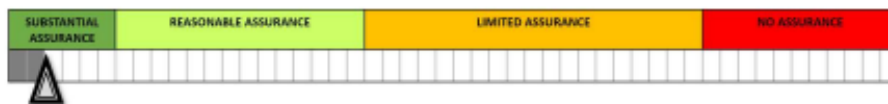
Limitations of Scope:

- 2.5 As testing for this audit was performed on a sample basis, this does not give absolute assurance over the entire population of records.
- 2.6 This audit did not seek to reperform the data migration exercise. The purpose of our work was to review the adequacy of underlying processes to determine whether this was sufficiently robust to ensure fixed asset information transferred is complete and accurate.
- 2.7 The scope of the work did not include a review of the CIPFA system or information relating to GM PCC, as this information was already contained in the CIPFA Asset Management System prior to the data migration exercise.

3. Audit Opinion

- 3.1 We provide **Substantial Assurance** opinion over the Fixed Asset Data Migration Exercise, as our review of the process and testing has confirmed that the migration exercise has ensured that data transferred is valid, accurate and complete. Our audit confirmed that the CIPFA Fixed Asset Management System has the capabilities and functionalities to enable the finance team to fulfil their role both efficiently and effectively.

- 3.2 We have noted that there are some areas where management continue to consult with GMCA’s External Auditors around fixed asset values. At the time of the conclusion of the audit fieldwork, there were several impairments under discussion with External Audit. Whilst this is outside of the scope of this review, we would recommend that the finance team resolves any queries with external audit around impairments. We also noted that for Traffic Signal Assets, due to the complex nature of addition and upgrades, depreciation is calculated on an aggregate basis for all assets, rather than in a straight-line manner for an individual asset. Whilst this difference is below the likely materiality threshold for External Auditors, the finance team should ensure that they are aware of this when completing procedures over fixed assets and depreciation.
- 3.3 As the system was still in the test stage at the time the audit was completed, we cannot provide assurance on the effectiveness of the system in practice. We recommend that the finance team continues to monitor this and raises any potential issues with CIPFA in a timely manner.



The scoring is based on the rating mechanism provided in Appendix 1

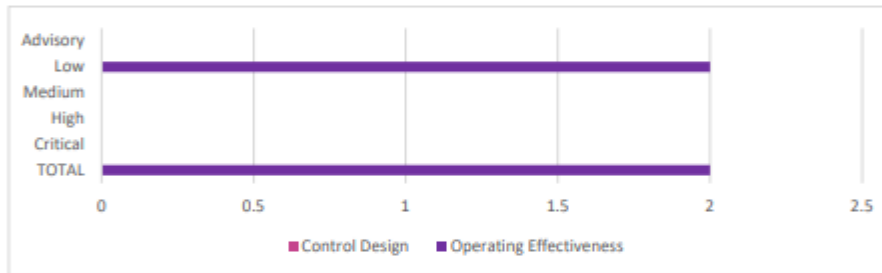
4. Summary of Exceptions/Areas for Improvement

Finding	Risk rating	Action	Target Date
1. PPE Accounting Issues to be raised with External Audit	LOW	Any adjustments identified as part of the data migration exercise have been discussed and agreed with external audit ahead of the final accounts audit, with working papers provided to reflect these changes.	31 May 2022
		A record of discussions and agreed adjustments is retained for future reference.	31 May 2022
2. Ongoing monitoring of the CIPFA Fixed Asset System	LOW	Produce process notes that document the operation of the CIPFA system to assist with production of the year-end accounts.	31 August 2022

		Perform proactive checks over key areas, such as depreciation, NBV, additions, disposals and asset lives as part of the final accounts process. Reviewed by a senior member of finance.	31 May 2022
		Ensure a timeline is in place with key milestones detailed ahead of the adoption of IFRS16 in 2024/25.	Advisory Only

Control design vs Operating effectiveness

The table below shows how many of the audit findings relate to issues in the design of controls (Control Design) and how many are as a result of controls not being applied effectively (Operating effectiveness).



5. Organisational implications

5.1 The Property, Plant and Equipment (PPE) Valuation Exercise is a significant area of focus for External Audit, with two significant risks included in the Audit Strategy Memorandum, relation to Valuation of PPE and the Fixed Asset Data Migration Exercise. The Financial Reporting Council (FRC) requires external auditors to perform enhanced procedures over this area as this represents a significant estimate as one of the largest values in the statement of financial position. As the audit of PPE requires consultation with and challenge of GMCA’s external experts for valuation, this can be a time-consuming process. Errors in the calculation of PPE balances can have a significant impact on timeliness of the delivery of local authority audits, as noted in the Redmond Review. Additional work arising from errors in PPE balances may potentially result in additional external costs being incurred due to further work being required.

6. Management Response

- 6.1 As stated in section 5, the area of Non-Current Assets has been a consistent focus of external auditor challenge in recent years due to the material impact the values can have on the Statement of Accounts. The standardisation into a single system from CIPFA provides benefits to the Authority including ease of producing Code compliant notes for the Statement of Accounts and automatic updates for any changes to the Code. Whilst this system is not new to GMCA it is important that learning and good practice from the data migration and consolidation onto the CIPFA system is now disseminated through the team.
- 6.2 Ensuring the correct balances are recorded in the CIPFA system and that they reconcile to the opening balances has been a key control in this process. Further assurance has been gained with the identification of a small number of errors that have been corrected as part of the transfer process to the CIPFA system.
- 6.3 The challenge that lies ahead is the introduction of the much delayed IFRS16. The CIPFA Asset Management System already has this functionality built in for the preparation of the Non-Current Assets Note should the Authority choose to adopt IFRS16 early.

GRANT MANAGEMENT PROCESSES



Internal Audit – Position Statement

To: Steve Wilson, Treasurer, Rachel Rosewell, Deputy Treasurer

From: Sarah Horseman, Head of Audit and Assurance, Damian Jarvis Audit Manager

CC: Eamonn Boylan, Chief Executive; Andrew Lightfoot, Deputy Chief Executive; Liz Treacy, GMCA Solicitor and Monitoring Officer; Mazars, External Audit; and the Chair and Members of the Audit Committee

Subject: Grant Funding – Management and Reporting (Final Assessment)

Date: 20 May 2022

1. Introduction

- 1.1 Government grant funding is crucial for sustaining essential services in the public sector and the Greater Manchester Combined Authority (GMCA) receives a range of grants from government departments which is used to fund GM strategic policy priorities in Transport, Placemaking, Environment and Education, Work and Skills.
- 1.2 These grants can be capital or revenue and are often issued at short notice, for specific purposes and come with certain grant terms and conditions which can make it difficult to plan strategically.
- 1.3 Whilst GMCA is frequently the accountable body for this funding, the responsibility for the actual delivery of strategic funded programmes often rests with delivery partners including GM Districts, GM Growth Hub and Transport for Greater Manchester.
- 1.4 There is often a requirement for Internal Audit and the Chief Executive Officer to certify back to Government departments that this funding has been spent in accordance with the relevant grant conditions to avoid the risk of clawback or loss of future funding.
- 1.5 The audit of GMCA grant funding management and reporting arrangements was included on the plan for 2021/22. Following discussions with the Deputy Treasurer, we undertook an interim assessment in November 2021 and reported on our initial findings.
- 1.6 This latest Position Statement provides an update on our previous assessment and takes into consideration revised procedures and processes recently introduced.

2. Scope

- 2.1 The Interim Assessment sought to gain an understanding of the current GMCA policies, systems, and processes for the receipt, recording, monitoring, and reporting of Grant funding.
- 2.2 As part of the scoping discussions, management identified several changes that were to be implemented to address known issues within the existing grant management process.
- 2.3 This latest position statement reflects on the initial work undertaken to address the issues outlined in the Interim Assessment.

Limitations

- 2.4 The interim assurance opinion was weighted toward feedback and discussion with the Deputy Treasurer and Finance Programme Board colleagues. This latest assessment included a desktop review of revised process documents and some initial walkthrough testing. At the time of reporting, it was not possible to assess the operating effectiveness of the revised processes as these were not yet properly embedded.
- 2.5 The audit did not seek to assess compliance of individual grants with specific grant conditions, however, understanding obtained from our regular grant certification work has contributed to our overall opinion.
- 2.6 While consideration was given to the arrangements for monitoring of grants which are 'passported' through to GM partner organisations, it was not intended to review the processes in place at those external bodies.

3. Background

- 3.1 GMCA is almost one hundred percent funded by Grant funding and details of GMCA capital and revenue funding is contained in Capital and Revenue outturn reports to CA Board. These include larger Section 31 grants and details of some of the smaller grants.
- 3.2 Most Government grants come with stipulations, conditions, and restrictions over how this money can be spent.
- 3.3 The GMCA/LEP single pot assurance framework does provide more control and flexibility on how certain grant funding can be spent and describes the expected process for decision making, and assurance and monitoring arrangements.
- 3.4 Responsibility for delivery of specific funded programmes and projects rests with Executive Directors or delivery partners. The GMCA Treasurer is responsible for ensuring the financial requirements for grant schemes and awards are implemented.

4.1 A national report by CIPFA in May 2021 concluded that although government grants played a significant role over how policy ambitions are achieved within local Government, the short timeframes make it inefficient and difficult to plan strategically and that accessing funds can be time-consuming, and fraught with inconsistencies. The CIPFA report also acknowledged that grant programmes would benefit from more consistency in how they are announced, recorded, monitored, and then evaluated as reporting and monitoring arrangements are resource intensive.

4. Assurance statement

4.2 We provide a **reasonable assurance opinion** on the design of the key processes to support the arrangements for grant management and reporting. This shows an improved position from the opinion given in November 2021.

4.3 The opinion takes into consideration the significant progress made to address previous findings including the creation of up-to-date Grant Registers for capital and revenue grants; the requirement for the completion of a Grant Checklist prior to receiving s151 Officer sign off; and training rolled out for the Finance Team on revised processes.

4.4 The implementation of these revised processes needs to be fully adopted and embedded across the organisation and as such we propose to conduct further work next year to assess compliance.

4.5 The table below provides a summary of the latest position against identified risks and issues from the Interim Position Statement in November 2021.

Area	Interim issue	Position Now
Grant Management Process	There is no single formalised grant management process which captures all bids for grant funding or details of government funding received. A bid management process was developed in 2019 to put more transparency and consistency in place, but this is not consistently used.	<p>A formal bid management process has not been implemented since the Interim statement. However, a 'rolling' Grant Register which captures all grants from the point they are offered to GMCA is now in place.</p> <p>The Deputy Treasurer has developed and is due to implement a policy on corporate recharges. This will allow the Finance and Commercial team to provide a consistent approach to recharging of overheads and recovery of costs incurred centrally in supporting individual grants, the aim being that these costs are incorporated into initial bids submitted to funding bodies.</p> <p>CONTROL: PARTIALLY ADDRESSED</p>

<p>Late Notification</p>	<p>In some cases, Finance only become aware of grant funding coming in when the funding is received in the GMCA Bank account. This can be because of last-minute government announcements or a lack of awareness of funding bid for. This late notification can mean funding is not properly allocated or budgeted for.</p>	<p>This is somewhat beyond the control of GMCA Finance; however, the new grant management process aims to capture full details of all grants at the point of offer and prior to the Treasurer as s151 officer acceptance. This should result in greater transparency on funding conditions at the earliest opportunity.</p> <p>CONTROL: IMPLEMENTED</p> <p>Effectiveness: Compliance testing to be conducted in early 2023/24.</p>
<p>Grant Funding Records</p>	<p>There can be uncertainty on how to treat funding coming through due to incomplete information and a lack of available grant documentation. This uncertainty over the precise nature of funding and conditions of spend can sometimes lead to accounting errors. External Audit have recently challenged the correct treatment of some grants as part of the final accounts process.</p>	<p>The new grant management process sees the introduction of a Grant Checklist for both revenue and capital grants which aims to capture all necessary information for each grant. The requirement to complete this ahead of formal acceptance of the grant should provide greater certainty over how grants should be accounted.</p> <p>CONTROL: IMPLEMENTED</p> <p>Effectiveness: Compliance testing to be conducted in early 2023/24.</p>
<p>Accountability</p>	<p>Ownership and responsibility for management of pots of funding is not always apparent. Including the governance, approval route and timescales for funding. This can create inconsistencies over how funding is accounted for and how assurances are provided over the use of this funding, delivery of programmes and projects and demonstrating compliance with funding conditions.</p>	<p>While ongoing programme assurance of grant projects was outside the scope of this audit, the Grant Register now captures the accountable Officer both within the Finance Team and Directorate with responsibility for managing the grant. The register also records any financial assurances that are required over the life of the grant and the period of funding.</p> <p>CONTROL: PARTIALLY IMPLEMENTED</p> <p>Effectiveness: 'Deep Dives' will be conducted on a sample of Capital Projects during 2022/23 audit plan to look at project governance.</p>

4

Approval	Properly evidencing approvals and authority to spend through the approved budget and grant sign off process. There is little in the constitution to support how this should be done.	<p>The GMCA Constitution and Financial Regulations is reviewed annually. Further work is required to describe financial procedures in relation to the award of grants.</p> <p>Grants are now incorporated into the quarterly budget monitoring process so any additional in-year funding should be identified and appropriate adjustments to the budget can be made and approved.</p> <p>CONTROL: PARTIALLY IMPLEMENTED (awaiting review of constitution)</p> <p>Effectiveness: Our Audit of Budgetary Control arrangements during Q1 2022/23 will provide assurance on this.</p>
Assurance Arrangements	Monitoring and assurance requirements are not always clear including assurance requirements to Government departments, and responsibilities for providing first, second- and third-line assurances.	<p>These are usually contained in the Grant Offer letters and MoU. Key requirements are now captured upfront within the Grant Checklist and Grant Register to ensure that these are fully understood. Responsibility for project level assurance remains with the Directorate managing the grant.</p> <p>CONTROL: IMPLEMENTED</p> <p>Effectiveness: 'Deep Dives' will be conducted on a sample of Capital Projects during 2022/23 audit plan to look at project governance.</p>

5. Next Steps

- 5.1 We make no immediate recommendations at this stage. The Finance Team will continue to monitor compliance with revised procedures and ensure the Grant Register remains up to date. Internal Audit will conduct further work in 2023/24 to assess compliance.

ESTATES PREMISES SAFETY CHECKS



INTERNAL AUDIT REPORT

GMCA Estate Statutory Premises Safety Checks

FINAL

Based on the audit work performed, this audit has been classified as LIMITED ASSURANCE.	LIMITED ASSURANCE
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Reference:

Draft Report Issued: 23 June 2022

Final Report Issued: 18 July 2022

Audit Sponsor: Malcolm Courtney, Head of Estates and Facilities, Strategy and Policy

Lead Auditor: Jessica Jordan

EXECUTIVE SUMMARY

1. Background and Context

- 1.1 Greater Manchester Combined Authority (GMCA) has a legal duty to ensure that all its premises are a safe place to work. In practice this means the completion of several statutory health and safety checks on gas and electricity, legionella, asbestos, fire safety; and premises maintenance and repair across the 78 properties in the portfolio (41 stations, 8 admin buildings, and 29 residential properties).
- 1.2 Most of these routine inspections and compliance checks are conducted by specialist contactors. There are currently 40 suppliers with 46 contracts in place to support this process, all of which are managed by the GMCA Estates and Facilities management Team.
- 1.3 At the time of the audit the Estates team were about to launch phase 2 of the BWO Estates module, this will allow the team to schedule when compliance checks are due across the Estate and raise purchase orders from within the Estates module. Before the audit commenced, we were made aware that there were some reservations about the ability of the new system to fully meet the needs of the service.

2. Audit objective and scope

- 2.1 The objective of this audit was to provide assurance that GMCA are acting in accordance with their statutory obligations in the completion of premises safety inspections set out in relevant health and safety legislation.
- 2.2 The scope of this audit included:
 - (i) Reviewing the mechanisms in place for the scheduling and delivery of statutory surveys and compliance checks across the estate. This included assurances provided to both GMFRS and GMCA.
 - (ii) Reviewing relevant records held in support of the inspections and conduct sample testing to ensure these are appropriate, evidence compliance with legislation and are accessible.
 - (iii) Considering how identified issues are managed and resolved by the Estates Team
- 2.3 Sample testing focused on the checks conducted from April 2020 onwards or earlier if that was in line with agreed maintenance and inspection schedules.

Limitations:

- 2.4 Testing for this audit was performed on a sample basis which does not give absolute assurance over the entire population of records.
- 2.5 This audit did not review the development and roll out of the new Estates management module, but we have considered any impact on the scope of this work in terms of revised systems and processes.

- 2.6 We have not provided opinion on the quality of the work undertaken by specialist providers and whether this meets all legal and technical requirements.

3. Key Compliance Metrics

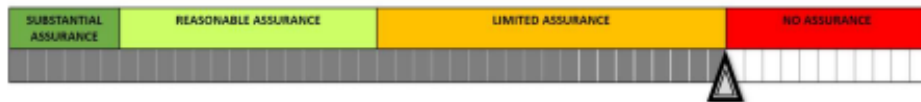
Number of Sites	78
Number of active Statutory Compliance Checks	727
Number of Statutory Compliance Checks per annum*	1360
Current Statutory Compliance Rate (based on spreadsheet record of active checks)	76%
Number of active Planned Preventative Maintenance Checks	530
Number of Planned Preventative Maintenance Checks per annum*	339
Current Planned Preventative Maintenance Compliance Rate (based on spreadsheet record of active checks)	46%
Current Overall Compliance Rate (based on spreadsheet record of active checks)	64%

*Checks are undertaken at different intervals dependent on subject matter only the most recent check is counted as the active check the per annum figure takes account of multiple checks taking place per year in some areas and checks happening less often than annually in others.

4. Audit Opinion

- 4.1 We provide a **limited assurance opinion** over the control framework in place for the completion, recording and monitoring of Premises Safety Inspections across the GMCA Estate.
- 4.2 Our audit testing found evidence that routine and statutory safety inspections and compliance checks are taking place. However, the manual spreadsheet that is currently used to record and monitor compliance is significantly out of date. As at 1 March 2022 the spreadsheet showed that GMCA was 76% compliant with Statutory inspections and 46% compliant with Operational Planned Preventative Maintenance inspections, putting overall compliance at 64%.
- 4.3 This figure is substantially below what we would expect. Currently, whilst there is some evidence to suggest that actual compliance levels may be significantly higher than those shown in monitoring records maintained by the Estates Team, and a view which is upheld by Estates Management, the inability to easily and accurately demonstrate this leaves the organisation open to risk.
- 4.4 Our audit testing of a 5% sample of inspections identified one breach of gas safety inspection requirements with a building not having been inspected in line with the 12-month requirement and a further four that had failed Statutory inspections but not been recorded as such.

- 4.5 An urgent action is needed to update the inspection records to be able to show a true picture of compliance and ensure there are no breaches of statutory requirements.
- 4.6 In addition to this key finding, the audit also identified some limitations in the quality of information currently held in the spreadsheet, namely:
- It only contains the date of the most recent check, so it is not possible to confirm that all checks have been undertaken at the correct intervals over a set timeframe.
 - It doesn't record whether any issues were reported as part of the inspection; and
 - Details of any required remedial works, advisory issues or action taken as a result is not shown.
 - Specialist Contract data - all contract agreements had expired by 2019. We understand that several contracts have since been extended, but work is required to re-procure these to ensure they represent value for money.
- 4.7 The Estates team are working to implement a new Estates Asset Management Module and are in the process of migrating data into the new system. Whilst the new system will address some of the issues contained in this report, the scope of planned project development work should be reviewed to establish further opportunities to meet functional business requirements.



The scoring is based on the rating mechanism provided in Appendix 1

Note: Basis of Audit Opinion Score: The existing scoring criteria applied at Appendix 1 would automatically provide a 'No Assurance' rather than 'limited' Assurance Opinion given the critical finding in this report. However, based on our underlying assessment and discussions with Estates Management, we have obtained some assurance that arrangements are in place to carry out the necessary inspections and saw evidence that they are performed via the documentation received from the appointed contractors. Notwithstanding that, the significance of these findings need to be acknowledged, and the actions implemented as a matter of priority.

5. Summary of Findings and Agreed Actions

Finding	Risk rating	Action	Target Date
1. Existing manual systems used for recording and monitoring Statutory Compliance and Safety checks are inadequate.	CRITICAL	As a matter of priority, an exercise to bring the monitoring spreadsheet up to date will be undertaken. This will include periodic reporting of compliance figures to Senior Management.	Head of Estates Completed

		The new BWO system will be assessed to ensure it can address all identified issues and an action plan put in place to address any issues which the new system does not address.	Head of Estates July 2022
2. There is a lack of assurance over the contract status and suitability of specialist contractors engaged to conduct relevant inspections.	HIGH	Re-procurement of key specialist contracts to be initiated with the Commercial Team.	Head of Estates March 2023
		Review of contractor qualifications to be undertaken.	As Above
		Contractor requirements in relation to system use will be identified and incorporated into the tender processes.	As Above
3. There is a lack of central assurance over the completion of Statutory Premises Fire alarm testing (and other site -specific fire testing).	LOW	To consider use of the Active Monitoring System (AMS) or BWO Estates Module for reporting of completion of premises Fire Alarm tests (and any other specific testing undertaken by onsite staff) as a means for central monitoring.	Head of Estates March 2023
4. Lack of documented procedures to support the process for conducting and recording Premises Safety Inspections.	LOW	Detailed procedural notes to be put in place to support the use of the BWO Estates Module and manual records for completion of Premises Safety Checks.	Head of Estates March 2023

6. Organisational implications

- 6.1 The reliance on manual records and lack of proper system in place means there is an increased risk of inspections being missed. It is vital that the new Estates Asset Management Module has the functionality to address these areas of concern and provide a more robust system for scheduling and reporting moving forward.
- 6.2 We are aware that improvements to the new BWO Estates Module are currently being considered and as such quotes for this are being obtained. To ensure that Value for Money is achieved it is recommended that the improvement work is not commissioned

until the results of this audit have been reviewed and any required changes incorporated into the relevant development proposals.

7. Management Response

- 7.1 Over the past five to ten years, the Estates and Facilities Department has had vacant management positions, high staff turnover and a reduction in staff numbers following the removal of the Deputy Head of Estates role. However, the service has continued to always manage statutory compliance, whilst taking on additional responsibilities, being restructured from Fire to the CA and working through Covid-19.
- 7.2 We are confident that the Statutory Compliance is managed correctly and there are no risks to people or property as a result. The issues are with the systems and procedures, or lack thereof, utilised to manage this process resulting in delays in reporting.
- 7.3 The true issue lies with the collation and recording of test certification which has always, and is still, undertaken manually. Compliance testing is carried out across all locations and is either i) left on station for collection, ii) posted by the contractor or iii) recorder on the contractor's web portal for recording purposes.
- 7.4 The recording of compliance test results is always in arrears of the true position and is labour intensive to record accurately.
- 7.5 Sample testing focused on the checks conducted from April 2020 onwards which coincided with the onset of Covid 19 and is not considered reflective of a true "Business as Usual" period. This unique period required changes in working practices, shortages in contractor's staff and working from home, impacting the opportunity to record posted certificates.
- 7.6 The new BWO Estates Asset Management tool will NOT provide any additional functionality in respect of compliance and is merely a scheduling tool to show when inspections are due.
- 7.7 Throughout the "Summary of audit results" that follows the following points should be noted:
- this figure is likely to be much lower than actual compliance due to the delays with updating the spreadsheet
 - On review of the full spreadsheet we found 41% of the checks were out of date (i.e. a subsequent check should have taken place). Given our sampling of these showed that these checks were being undertaken but not updated, and this indicates that the actual compliance rates may be significantly understated. **[finding 1]**
- 7.7 The proposed solution to the issues is one that has been identified in previous reviews of the E&F function that identifies a lack of resources to undertake a review of all policies and procedures and produce process mapping for all activities undertaken.
- 7.8 It is intended, therefore, to explore the option to appoint a single FM Contractor to undertake all Statutory Compliance and Planned Maintenance tasks rather than the current arrangement with 40 suppliers and 46 contracts.

- 7.9 The incumbent provider would be responsible for providing a suitable CAFM system as part of their appointment that would give an accurate, up to date, compliance position and a suitable dashboard to provide senior officers with the assurances required. This process will require a full procurement exercise hence the Target date of March 2023.
- 7.8 Without an adequate Computer Aided Facilities Management system to support the Estates and Facilities Department, we are reliant upon manual monitoring using a spreadsheet that is limited in its function. The Business World On! system has been adapted for our needs but falls short of the requirements to manage Compliance effectively and efficiently.

Immediate Actions Taken

- 7.9 Historically, the Estates Engineering Officer and Service Delivery Officer have been solely responsible for Statutory Compliance, including servicing and monitoring processes, but we are reorganising responsibilities to include the new FM and Compliance Manager along with the Admin Team to assist with data management and reporting.
- 7.10 Additionally, there have been delays in receiving some certificates from our servicing contractors – who often provide certification via an online web portal – which can cause issues with the dates in the spreadsheet being updated, sometimes weeks after the checks have been completed. This is exaggerated for the Monthly Legionella Checks which need updating on a much more frequent basis and could potentially be perpetually out of date on the spreadsheet. To counter this issue, we have started to receive scanned copies of the engineer’s test reports from Stations which should assist to keep these records more up to date whilst we work with the contractors directly to remedy the delays.
- 7.11 As a consequence of the above we are now able to demonstrate 100% compliance in many areas and in particular the area of Legionella Compliance.

BEHAVIOURAL POLICIES AND CODES



INTERNAL AUDIT REPORT

GMCA Behavioural Policies and Codes

FINAL

Based on the audit work performed, this audit has been classified as LIMITED ASSURANCE.	LIMITED ASSURANCE
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Reference: 2021/22Q2

Draft Report Issued: 5 April 2022

Final Report Issued: 18 July 2022

Audit Sponsor: Julie Connor, Assistant Director Governance and Scrutiny

Auditors: Jessica Jordan and Damian Jarvis

EXECUTIVE SUMMARY

1. Background and Context

- 1.1 The Greater Manchester Combined Authority (GMCA) promotes a culture of behaviour based on shared values, ethical principles and good conduct that is put into practice by Members and Officers alike. It expects that Members and Officers uphold high standards of conduct when undertaking work or representing the Authority in any capacity.
- 1.2 The GMCA Constitution (Part 7) contains the Code of Conduct for Members and Officers. It sets out the expectations and standards of professional and personal behaviour and is underpinned by the seven principles of Standards in Public Life known as the Nolan Principles which are: selflessness; integrity; objectivity; accountability; openness; honesty and leadership.
- 1.3 The GMCA Monitoring Officer assisted by the Governance and Scrutiny team have responsibility for managing declarations of interests for over 180 Elected Members and twelve Statutory GMCA meetings. GMCA Standards Committee in December 2021 received a report outlining details of the current processes within the GMCA to publish declarations of interest in line with the requirements of the Localism Act 2011.
- 1.4 This audit considers the effectiveness of existing arrangements and adherence to the general principles set out in GMCA 'Behavioural' Policies and Codes.

2. Audit Objective and Scope

- 2.1 The objective of this audit is to provide assurance over the effectiveness of GMCA 'Behavioural' Policies and relevant Codes and demonstrating compliance with procedural requirements. The audit focussed on the following control objectives:
 - Written Policies and Codes exist, and these are widely accessible
 - Policy requirements are understood, and compliance evidenced.
 - There is adequate training in place to support compliance.
 - Regular oversight, monitoring and reporting takes place.
- 2.2 The scope of the audit included the following Policies and Codes: Code of Conduct for Officers and Members; Gifts and Hospitality Registers; and Declarations of Interests.
- 2.3 The audit considered arrangements for each of the following:
 - (i) all GMCA Elected Members (including Co-opted Independent Members), and its Committee.
 - (ii) The Mayor, Deputy Mayor, and appointed Advisors.
 - (iii) Statutory Officers of the GMCA with delegated decision-making responsibilities.

(iv) Officers including, but not limited to GMCA Senior Leadership Team and GMFRS Leadership Team.

2.4 The audit relates to two distinct areas, Members (Political Governance) and Officers (Internal Governance).

Limitations:

2.5 Testing for this audit was performed on a sample basis which does not give absolute assurance over the entire population of records.

2.6 We do not provide opinion on the accuracy and completeness of records held or the value of entries in registers.

2.7 This audit did not review associated policies including GMCA Anti-Bribery Policy and Officer and Member Expenses Policy.

3. Audit Opinion

3.1 We provide a **limited assurance opinion** over the effectiveness of GMCA behavioural policies, procedures and codes and demonstrating compliance with key requirements. Our audit identified good opportunities for improvements in developing a standardised and consistent approach, particularly across employee areas that would push GMCA closer to best practice. Systems to strengthen practice across the Wider Leadership Teams and GMFRS is being supported by the People Services Directorate.

3.2 There was a generally robust process in place for the collation and management of annual declarations of interest returns for Elected Members and for Committee agenda items, and this information is openly available. However, there was some inconsistency in the quality and completeness of records held. Additionally, there is no centrally maintained gifts and hospitality register for GMCA Members.

3.3 At Officer level, the Statutory Officers of the GMCA, Chief Executive, Monitoring Officer and Treasurer complete annual declaration of interest forms held by the Chief Executive. Below this level, the GMCA Senior Leadership Team is in the process of systemising declarations of interests and gifts and hospitality registers as the Code of Conduct and procedural requirements around these were less well formalised and understood. Gifts and hospitality is being accepted, but this is not always being recorded on a formal register.

3.4 Further work is required to make policies and codes more accessible and provide greater internal guidance on the rules. This should be supported indirectly through the promotion of expected standards of conduct and ethical behaviour by all staff. We are pleased to report that there is planned work in GMFRS to address ethical behavioural standards and conflicts of interest requirements through the new Code of Ethics policy to be launched in 2022.

- 3.5 The creation, maintenance and publication of a Gifts and Hospitality register and Declaration of Interest register for GMCA and GMFRS Executive, Senior Leadership team, and functional Directorates will promote public accountability and provide greater confidence in decisions taken should any conflicts arise.



The scoring is based on the rating mechanism provided in **Appendix 2**

4. Summary of Findings and Agreed Actions

Finding	Risk rating	Action	Target Date
1. Codes of Conduct - Existing employee behavioural policies and Codes require review and update to address weaknesses in process and consistency.	High	Implement single overarching CoC policy plus specific rules for grey/green book staff.	December 2022
		Staff confirm compliance with this at regular intervals.	As Above
		Establishing ownership and responsibility for review and oversight.	As Above
		Roll out of GMFRS CoC and Ethics Policy.	July 2022
2. Gifts and Hospitality (Employees & Members) Registers are not maintained in all areas.	Medium	Create stand-alone Policy and process guidance including rules for acceptance of G&H (Employees).	December 2022 (Employees)
		Introduce standard format for recording G&H information across the Organisation (Employees & Members).	July 2022 (Members)
		Maintain oversight over appropriateness of accepted G&H and any trends.	December 2022
		Develop and publish protocol for International visits.	July 2022
3. Declarations of Interest (Employees) -There is no standardised or consistent approach for recording or managing declarations in compliance with the GMCA employee code of conduct.	Medium	Create stand-alone DOI Policy and process guidance.	December 2022
		Introduce annual requirement to complete annual DOI for all staff.	As Above
		SLT/ELN responsible for raising awareness amongst staff.	As Above

4. Promoting Awareness (Employees) - Further work is required to raise awareness of GMCA behavioural policies and codes to strengthen compliance with process and rules.	Medium	Officers and Operational Firefighters will be made aware of the relevant Code of Conduct.	December 2022
		SLT/ELN responsible for raising awareness amongst staff.	As Above
		Incorporate into new starter induction process and contracts of employment.	As Above
5. System & Process (Employees) - There is no single central repository for holding DoI and G&H information which would allow for easy access, monitoring and reporting.	Low	Develop a simple system which will allow for this information to be submitted and stored digitally. To consider the use of i-trent/MiPlace for this.	December 2022

Control design vs Operating effectiveness

The table below shows how many of the audit findings relate to issues in the design of controls (Control Design) and how many are as a result of controls not being applied effectively (Operating effectiveness).



5. Organisational implications

- 5.1 Without a standardised and consistent approach across the organisation for gathering holding and managing this information, there is a risk that staff, in the course of their duties, are unable to demonstrate that decisions taken to approve or authorise contracts or other transactions are not taken in line with personal interests and to avoid any future challenges or misunderstandings.
- 5.2 Within GMCA, there is an increasing amount of commissioning work, procurement and contracting activity and decisions taken to award grant and loan funding. This presents a significant risk but also a good opportunity to remind staff, consultants, and contractors of the code of conduct, ethics and behavioural expectations of staff including the concept of declaration of interests and gifts and hospitality rules.

6. Management Response

- 6.1 We have confidence in the arrangements in place for the Mayor, CA members, Chief Executive, Treasurer & Monitoring Officer as the key decision makers for the authority.
- 6.2 We are committed to strengthening arrangements for our senior leadership team and extended leadership team and eventually our whole workforce and to systemise this so that we can maintain up to date electronic records monitored as part of staff appraisals.
- 6.3 We will also include behavioural policies as a key part of our staff induction processes which are currently being re designed.

GMFRS 7(2)D FIRE SAFETY VISITS



INTERNAL AUDIT REPORT

GMFRS 7(2)d Fire Safety Visits

FINAL

Based on the audit work performed, this audit has been classified as REASONABLE ASSURANCE	REASONABLE ASSURANCE
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Reference:

Draft Report Issued: 30 June 2022

Final Report Issued: 20 July 2022

Audit Sponsor: Carlos Meakin, ACFO Director of Service Delivery

Lead Auditor: Stuart Richardson

EXECUTIVE SUMMARY

1. Background and Context

- 1.1 An audit of GMFRS approach to fulfilling its functions under the provisions of s7(2)d of the Fire and Rescue Services Act was included in the 2021/22 Internal Audit Plan as it was a key priority development area for Greater Manchester Fire and Rescue Service (GMFRS)
- 1.2 The provisions of the Fire and Rescue Services Act 2004 outline the requirements of GMFRS to fulfil its obligations in relation to Section 7(2)d in respect of 'making provision for obtaining information needed to extinguish fires and protect life and property in the event of fire'.
- 1.3 In practice, this means that GMFRS will keep and maintain operational intelligence records for only the most significant risks to firefighters, the environment, heritage, the economy, the public and the community.
- 1.4 Following on from the HMICFRS inspection in November 2018, several areas for improvement were identified relating to how effective the fire and rescue service is at keeping people safe and secure from fire and other risks. In the HMICFRS Improvement Action Plan published in October 2020, under the heading Understanding the risk of fire and other emergencies. A specific area for improvement was that 'The Service should ensure its firefighters have good access to relevant and up-to-date information', with one of the further activities planned as part of the action plan for 'Operational Crews to undertake 7(2)d visits'.
- 1.5 A revised Operational Intelligence Policy was approved in May 2022 as part of the action plan. In addition to this, other activities relating to this area have been considered such as a review of the Operational Intelligence System (OIS), which is the computer system where operational information is recorded and available to view at incidents; a review of the Risk Based Inspection Programme and a review of Site-Specific Risk Information Notes.

2. Audit objective and scope

- 2.1 The objective of this audit was to provide assurance that GMFRS is acting in accordance with their statutory obligations in relation to those set out in Section 7(2)d in the Fire and Rescue Services Act 2004. In order to do this, we have sought to:
 - Assess whether the new Operational Intelligence Policy is compliant with the obligations set out in Section 7(2)d of the Fire and Rescue Services Act 2004 and other statutory guidance
 - Review whether risks are identified, assessed, and reviewed in a systematic manner, in line with statutory guidance and internal policies and procedures
 - Assess whether information is added and removed from the OIS appropriately to determine whether information held is complete and accurate, and if risks are correctly classified as part of the risk assessment process.

- Assess the effectiveness of the internal quality assurance process to determine whether this is completed in a timely manner, is sufficient to ensure that data held is complete and accurate, and if the results of this process are fed back to staff via performance management or training.
 - Review the current technology infrastructure in place and assess whether this is currently fit for purpose and effective in ensuring operational intelligence is effectively disseminated to staff
 - Review the current arrangements for monitoring and reporting of performance against targets, and test data to ensure it is complete and accurate, reported at an appropriate level and whether underperformance against targets is monitored and addressed through this process.
- 2.2 The following systems and processes were covered:
- The Operational Intelligence Policy and related documents
 - Risk Footprint Reviews, Risk Identification, Site Inspections, Site Records and the approval and review of site records
 - The internal Quality Assurance Process
 - The OIS and existing technology infrastructure currently in place
 - Monitoring and reporting of performance in relation to operational intelligence

Limitations:

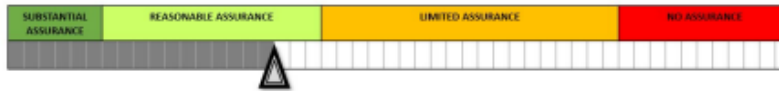
- 2.3 The scope of our work did not include reperformance or review of 7(2)d records, for example to assess completeness or accuracy. The purpose of our work was to review the adequacy of the underlying processes to determine whether the internal control environment is sufficiently robust to mitigate the risks identified in relation to 7(2)d.
- 2.4 The Operational Intelligence Policy was updated in May 2022. It is our understanding that the policy framework has been approved by Fire Executive and is intended to be implemented from 1 August 2022. Therefore, many of the controls and processes outlined in the policy were not fully implemented and/or embedded at the time of the completion of the audit fieldwork. Our work will focus on assessing internal controls and processes currently in place, and the suitability of the Operational Intelligence Policy.

3. Audit Opinion

- 3.1 We provide a **Reasonable Assurance opinion** over 7(2)d policy and procedural framework for undertaking these visits. Our work identified several amendments required to the OIS Policy. These related to ensuring that external guidance was fully referenced in the policy in the relevant areas, ensuring that the new risk identification and ongoing risk identification sections of the policy were more detailed and prescriptive, amending the expectations of risk footprint review visits to align this more effectively to risk and ensuring the audit and quality assurance process is supported by and refers to an underlying assurance programme which covers contemporary, thematic and recurring topics.
- 3.2 We have identified several other areas of consideration for management. These are around ensuring that there is a project in the Medium-term to replace to existing OIS

system, to ensure that there is the correct level of skills and experience around conducting 7(2)d visits across the GMFRS workforce and in using the OIS system. In addition, we have included a minor recommendation around ensuring that performance is managed consistently across station areas.

- 3.3 Management have already taken action to amend the OIS policy, with the amendments proposed by internal audit. The revised OIS policy was presented to SLT in May 2022. From the discussions that Internal Audit have had with Management over the revision of the policy, we are confident that the policy will be appropriately amended.



The scoring is based on the rating mechanism provided in Appendix 1

1.2 Summary of Exceptions/Areas for Improvement

Finding	Risk rating	Action	Target Date
1. Amendments to the Operational Intelligence Policy and Procedure.	Medium	These areas will be amended in the final published version of the policy.	August 2022
2. Underlying Assurance Strategy required	Medium	To implement and embed the quality assurance process for 7 (2)d visits as part of the policy roll out.	September 2022
		To produce an underlying assurance strategy or mapping process on an annual basis, where audit sampling is based on an assurance programme which covers contemporary, thematic, and recurring topics.	September 2022
3. Operational Intelligence System (OIS) future proofing and user familiarisation	Low	GMFRS will develop a medium-term plan to cover the next 3-5 years to replace the current OIS system to ensure this area is future proofed.	TBC (This is already a Project in the Digital Pipeline)

4. Utilisation of Resources	Medium	GMFRS to continue to review the utilisation of available resource to support successful implementation of the Operational Intelligence policy and key priorities.	TBC
5. Monitoring of Performance	Low	To ensure that guidance is updated to promote consistent management of performance across station areas	TBC

4. Organisational implications

- 4.1 The GMFRS Corporate Risk Register includes an amber rated operational risk around site specific risk information (RR43). The risk description is below:
- 4.2 *There is a risk that when operational crews attend incidents, they access Site Specific Risk Information (SSRI) that could be incorrect, insufficient, or not recorded, which may result in Incident Commanders not having the correct information to understand the complexities, risks and hazards associated with the premises. Incident Commanders without the correct information may develop tactical plans to resolve incidents with potential of not understanding the risk and threats, resulting in an incorrect tactical plan being developed and implemented and possibly endangering people or firefighters.*
- 4.3 The HMICFRS report issued in December 2021 reported that GMFRS is good at identifying risks in its communities and good at communicating risk information to its response staff, however the recording of relevant and up-to-date risk information to protect firefighters, the public and property during an emergency was identified as an area of improvement and sharing of information with prevention, protection, and response functions. In addition to this, areas for improvement were identified with regards to allocating sufficient resources to a prioritised and risk-based inspection programme and the number of resources required to achieve the new risk-based inspection programme.

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Anti-Fraud Strategy 2022-24

June 2022

DRAFT for Comment

Date: June 2022

Document Control

Title	Greater Manchester Combined Authority – Anti-Fraud Strategy
Policy	Anti-Fraud and Corruption Policy
Author	Damian Jarvis, Audit Manager
Owner	Sarah Horseman, Head of Audit and Assurance
Approver	GMCA Treasurer
Committee Approval	GMCA Audit Committee
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DRAFT FOR

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Foreword by Chief Executive

Greater Manchester is one of the most successful city-regions in the Country and is home to more than 2.8 million people. The **Greater Manchester Combined Authority (GMCA)** is made up of the ten Greater Manchester Councils and GM Mayor, who work with other local services, businesses, communities and other partners to improve the city-region.

The GMCA is run jointly by the **leaders of the ten councils** and the **Mayor of Greater Manchester, Andy Burnham**. We have responsibility for a variety of functions including Transport, Economic Development, Regeneration and Housing, Police and Crime, Fire and Rescue and Waste and Recycling. We employ almost 2,500 people, have a gross budget of over £x billion and take responsibility for a significant amount of assets through our corporate estate.

As the guardians of public money, we take our responsibilities very seriously which is why it is vital to have comprehensive governance arrangements in place, which includes our Anti-Fraud and Corruption Strategy and suite of anti-fraud policies, procedures and codes which seek to prevent and detect cases of fraud, corruption and wrongdoing.

All organisations face an increased risk economic fraud and cyber-crime, at a time when there are constraints on funding and the need to balance resources to support delivery of services. It is estimated that about one in three of all crimes committed nationally is fraud based, with fraudsters always seeking new ways to target Local Authorities and take money.

We have a zero-tolerance approach to tackling fraud and in tackling it we will do everything in our power to hold perpetrators to account and reduce any losses to an absolute minimum. It is important that we work in collaboration with our partners and seek to coordinate activities across these organisational boundaries.

All Elected Members and Employees of the GMCA have a responsibility for promoting an anti-fraud culture by ensuring that robust and effective control measures are in place to prevent fraud and corruption and by promptly identifying and reporting potential instances for investigation. I am pleased to support the roll out of the principles of this Anti-fraud and Corruption strategy as a key component in our fight against fraud and corruption.



Eamonn Boylan
GMCA Chief Executive

Introduction

Greater Manchester Combined Authority (GMCA) is committed to enabling and securing the highest standards of conduct, honesty, propriety and accountability from its staff and from individuals and organisations who conduct business with GMCA in delivering its services and the management of its resources and assets. This includes making sure that the opportunity for fraud, bribery and corruption is minimised and adopting a 'Zero Tolerance' approach to fraud and corruption. We will take decisive action where these offences are found to have been committed.

The range, nature, and size of GMCA activities, including Greater Manchester Fire and Rescue Service, means there is an ever-present risk of loss due to fraud and corruption from both internal and external sources. By putting in place effective measures to counter the risk of fraud and corruption, GMCA can reduce losses which undermine standards of service and reduce the resources available for the good of the Greater Manchester community.

GMCA will work collaboratively with government, the ten GM local authorities and other public bodies, including the Greater Manchester Police and National fraud agencies to minimise the impacts of fraud and corruption on the public purse.

Whilst it is difficult to fully quantify, fraud and corruption has been estimated by the National Fraud Authority as costing UK Local Government at least £2.2 billion a year. As such, it is vital that GMCA has a comprehensive strategy in place to guide our Anti-fraud and Corruption culture, prevention, and response. Through its Elected Members and officers, GMCA works hard to establish a reputation as a responsible guardian of public funds, but we need to be vigilant to ensure that this reputation is safeguarded.

We will endeavour to do our utmost to foster a culture in which fraud and corruption are kept to a minimum, and any attempt to conduct illegal activity, either internally or externally, against GMCA will be robustly investigated.

GMCA will seek to ensure this Anti-Fraud Strategy which outlines our corporate stance on tackling fraud, corruption and wrongdoing is widely publicised and that all stakeholders have access to the appropriate policy and procedural guidance and training.

Aim of the Anti-Fraud and Corruption Strategy

The aim of this strategy is to protect the public purse, GM residents and GMCA assets and ensure that fraud and corruption both within GMCA and perpetrated against GMCA are kept to an absolute minimum.

This strategy sets out GMCA's approach to managing the risk of fraud and corruption and how an anti-fraud and corruption culture is established and promoted. In all instances where fraud cannot be prevented, we will ensure that every effort will be made to conduct robust investigations and bring fraudsters to account. By adopting this strategy, we are committing to:

- Develop and maintain a culture within GMCA and GMFRS in which fraud and corruption are unacceptable.
- Continually assess and monitor our fraud risks and our internal control framework.
- Continually improve the effectiveness of fraud prevention including the use of technology.
- Share information effectively via data matching exercises and analysis to help prevent and detect instances of fraud and error.
- Confirm the responsibilities of Directors and Officers in managing the risk of fraud and corruption; and
- Demonstrate how GMCA meets best practice principles under the CIPFA guidance Managing the Risk of Fraud and Corruption in Local Government and Fighting Fraud and Corruption Locally (FFCL) Strategy.

This strategy is underpinned by other related anti-fraud policies and behaviour policies including the GMCA Whistleblowing Policy, Anti-Bribery and Corruption Policy; Anti-Money Laundering Policy; employee and Member Codes of Conduct and GMFRS Ethics Policy.

The effectiveness of this strategy will be subject to regular review, by the Head of Audit and Assurance, Section 73 Officer, and the Audit Committee. In the case of significant changes, the strategy will be presented for approval to the Audit Committee.

Scope

This strategy and associated Policies apply to all GMCA and GMFRS activities and covers all employees, Elected Members and Advisors. It also extends to Consultants, temporary agency staff, external persons working for GMCA such as contractors, delivery partner staff, and also suppliers, funded bodies and any other external agencies in their business dealings with GMCA.

What is Fraud?

Fraud

Fraud can be broadly described as acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another, including:

- Dishonestly making a **false representation**
- Dishonestly **failing to disclose** to another person, information which they are under a legal duty to disclose
- Committing fraud by **abuse of position**, including any offence as defined in the Fraud Act 2006

The **Fraud Act 2006** can be found here [Fraud Act 2006 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2006/35).

Bribery and Corruption

The Bribery Act 2010 defines bribery as “the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise”.

Corruption is the abuse of entrusted power for private gain. It affects everyone who depends on the integrity of people in a position of authority.

- **Section 7** of the Act created the offence of failure by an organisation to prevent a bribe being paid for or on its behalf. It is possible to provide a defence by implementing **adequate procedures** to prevent bribery occurring within the organisation. If these cannot be demonstrated and an offence of bribery is committed within the organisation senior officers of the County Council can be held accountable.

Roles and Responsibilities

The primary defence against fraud and corruption is the establishment of sound practices and systems that incorporate effective controls, which are subject to regular scrutiny and oversight.

Our staff also play a key role in the prevention and detection of attempts of fraud, corruption, or bribery. We expect and encourage them to be alert to the possibility of acts of fraud, corruption, or bribery and to raise any such concerns at the earliest opportunity.

Staff have a duty to protect the assets of the GMCA, including information, as well as property. When an employee suspects that there has been fraud or corruption, they must report the matter to the Head of Audit and Assurance.

Some individuals or groups of individuals have specific responsibilities, as follows:

- Collectively, the **Chief Executive**, **Chief Fire Officer** and **Senior Management Team** have responsibility for ensuring that GMCA and GMFRS has effective measures in place to identify, detect, and deal with matters of a fraudulent nature. The **Chief Executive’s Management Team** has a responsibility to support and promote an anti-fraud culture.
- The **GMCA Treasurer** and **Head of Audit and Assurance** have responsibility that there are proper arrangements in place to administer the GMCA’s financial affairs and for the promotion and delivery of the anti-fraud strategy and coordination key activities.
- **Directors** of functional areas and **Managers** contribute to the delivery of the strategy and have a responsibility for ensuring they are aware of the risks of fraud and irregularity, for obtaining assurance that these risks are being appropriately managed in their area and for raising risks or issues with Senior Management and Internal Audit.
- **All staff** are required to comply with GMCA’s policies and procedures, to be aware of the possibility of fraud, corruption and theft, to report any genuine concerns to management and to the Head of Audit and Assurance, and to ensure that internal controls, within their area of responsibility, for the prevention and detection of fraud, are rigorously observed and applied.

- Whistleblowing arrangements are in place to allow suppliers, contractors, and other stakeholders to report any concerns/suspicious to Internal Audit. These arrangements will provide protection for the complainant, as required, under the Public Interest Disclosure Act 1998 and GMCA's Whistleblowing Policy.
- **GMCA Mayor and Elected Member** roles and responsibilities in relation to the prevention of fraud and corruption are discharged through the Audit Committee in conjunction with Standards Committee and GMCA Executive Board. These roles are detailed within the Council's Anti-Fraud and Corruption Policy and the Council's Constitution

Appendix 1 sets out the key roles and responsibilities of stakeholders responsible for the delivery of this strategy.

Managing the Risk of Fraud and Corruption

Our strategy incorporates the best practice guidance for combatting fraud in Local Government and is based on the following publications:

- [Fighting Fraud Corruption Locally Strategy 2020 | Cifas](#)
- [Code of Practice on Managing the Risk of Fraud and Corruption | CIPFA](#)
- [Review into the risks of fraud and corruption in local government procurement | Local Government Association](#)

GMCA will adhere to the key principles set out in the **CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local Government (the Code)** and **Fighting Fraud and Corruption Locally strategy (FFCL) strategy** as these represent best practice and compliance with these measures will enable GMCA to demonstrate effective stewardship of public funds.

The FFCL highlights the following pillars of activity that local authorities should focus its efforts on to tackle the threat of Fraud.



GOVERN
<i>Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.</i>
<p>This strategy seeks to make sure that those who are charged with governance provide the necessary Executive support required to ensure that there are robust arrangements to embed counter fraud, bribery, and corruption measures throughout the GMCA and GMFRS.</p>
<p>GMCA is committed to the highest ethical standards; high standards of corporate and personal conduct are a requirement throughout the organisation.</p> <p>The Constitution also promotes the seven principles of public life put forward by the Committee on Standards in Public Life and expect all our staff, contractors, and Members to make themselves aware of and to follow these principles and all legal rules, procedures and practices, and to protect our legitimate interests at all times.</p>
GMCA Priorities for 2022-24
<ul style="list-style-type: none"> • Develop a Counter Fraud Strategy. • Review and update of the Policy Framework specifically Whistleblowing, Anti-Money Laundering and Anti-Bribery and Corruption. • GMFRS Freedom 2 Speak Up (F2SU) policy implementation. • Ensuring staff know how to report concerns and are aware of the Whistleblowing procedures and F2SU arrangements. • Conduct an Organisational Fraud Risk Assessment (Based on the CIPFA model). • Annual review and update of the GMCA Constitution including Financial and Procurement regulations.

- Review and update of GMCA behavioural policies including Elected Member and Officer Codes of Conduct, Gifts and Hospitality Policy, Declarations of Interest Policy and GMFRS Ethics Policy.
- Embed the GMCA and GMFRS Risk management Framework.
- Update IS Security Policy and Procedures.

ACKNOWLEDGE

Accessing and understanding fraud risks

Committing to the right support and tackling fraud and corruption

Demonstrating that it has a robust anti-fraud response

Communicating the risks to those charged with Governance

GMCA acknowledges that no organisation is free from the risk of fraud, corruption and wrongdoing.

GMCA Priorities for 2022-24

Anti-Fraud Response – Develop a fraud response plan and work programme based on the outcome of the fraud risk assessment. This will include a mix of proactive, preventative work and reactive fraud investigation work.

Training and Awareness - Internal Audit will help to develop and promote a strong anti-fraud culture. We will work in conjunction with other Directorates and services including People Services and Communications and Engagement Team to raise staff and public awareness.

Collaboration – We will collaborate with GM partners and the North West Chief Audit Executive Fraud Sub-Group in sharing understanding of emerging fraud risks and policies and plans.

Understanding Fraud Risks – Regularly review emerging fraud risks, our mitigations and exposure.

PREVENT

Making the best use of technology

Enhancing fraud controls and processes

Developing a more effective anti-fraud culture

Communicating its' activity and successes

Preventative measures help to make offences more difficult to carry out. Prevention establishes physical, logical, and procedural barriers to discourage fraud and corruption, by implementing proportionate and cost-effective countermeasures to prevent or reduce the identified fraud risk. This includes:

- Delivery of the Internal Audit Plan, which is informed by the organisations' risk registers, which include fraud risks.

- The effectiveness of the system of internal control in preventing and detecting fraud, bribery and corruption is reported upon in the GMCA Annual Governance Statement. This Statement is supported by the Head of Audit and Assurance Annual Opinion, expressed in the Annual Report.
- All GMCA's core financial systems and processes should be fully documented, the documentation kept up to date.
- Effective segregation of duties; a prerequisite of a sound system of control over financial transactions is the separation of duties. This principal is an essential preventative control over fraudulent and corruption practices.
- Recruitment and selection of employees is a key preventative measure in the fight against fraud and corruption and it is important to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of propriety and integrity.
- Potential conflicts of interest are flagged via the Declaration of Interest protocols at meetings where decisions are taken.
- Fraud awareness training is provided via e-learning. Managers are responsible for raising awareness of fraud risks in local induction and on-the-job training

GMCA Priorities for 2022-24

- **Internal Controls and processes** - Management at all levels within the organisations have a responsibility for the prevention of fraud and corruption. Internal Audit will work with Managers to ensure that a robust control framework is in place within GMCA. Audit improvement actions to systems and processes will be monitored via the Audit Tracking Process.
- **Data Analytics and Use of Technology** – we will adopt a collaborative approach working with colleagues in GM and Partner organisations to help prevent fraud. We will participate in the National Fraud Initiative (NFI) mandatory Data Matching exercise on a two-year basis to help identify fraud and error and subscribe to other local data analysis initiatives.
- **Fraud Awareness Training** – Developing corporate counter fraud training to be provided via Mi-learning and targeted training which is aligned to risks. Managers are responsible for raising awareness of fraud risks in local induction and on-the-job training.
- **Developing a more effective anti-fraud culture** – Promoting a culture of good governance and personal and ethical conduct through our organisational behavioural policies. Ensuring we have effective reporting arrangements and staff are encouraged to raise genuine concerns through the appropriate reporting channels including Whistleblowing. Roll out of the GMFRS F2SU policy and ensuring these concerns raised through this mechanism are adequately dealt with.
- **Publicising Successes** – communicating successful outcomes across the organisation to act as a deterrent. Proactively share fraud alerts and scams with staff and details of emerging fraud risks.

PURSUE
<p><i>Prioritising fraud recovery and use of civil sanctions</i></p> <p><i>Developing capability and capacity to punish offenders</i></p> <p><i>Collaborating across geographical and sectoral boundaries</i></p> <p><i>Learning lessons and closing the gaps</i></p>
<p>To develop a robust enforcement response to pursue fraudsters and deter others. GMCA has a range of measures in place to seek to deter employees from engaging in fraud, bribery, or corruption:</p> <p>(i) GMCA has well-established and fully implemented disciplinary process.</p> <p>It is important in maintaining an anti-fraud culture within the organisations, that all offences are dealt with in a consistent manner and that minor unethical practices are not overlooked (such as petty theft or small scale expenses fraud) or dealt with in a unduly lenient manner.</p>
GMCA Priorities for 2022-24
<p>There is a range of measures</p> <ul style="list-style-type: none"> • Internal Audit working closely with the Director of People Services to understand caseload, progress and outcomes. • Where there is evidence of fraud or corruption, the matter will be referred to the Police for investigation, who in turn may refer the matter to the Crown Prosecution Service to consider prosecution. It is recognised that it may not always be in the public interest to refer cases for criminal proceedings. • Where fraud and corruption is proved and a financial loss has been suffered, GMCA will seek to recover the full value of any loss from the perpetrators. This may involve civil proceedings being instigated through the courts. • We will make use of legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered where possible by the organisation. • GMCA will publicise successful actions it has taken against fraudsters on GMCA Intranet and Web pages. • GMCA Internal Audit Team will ensure it has the relevant qualifications, skills, and resources to investigate fraud. • Conducting Lessons Learned reviews where fraud and error has occurred and where improvements are required to strengthen the control framework and reduce the risk of reoccurrence.

Culture

GMCA is committed to the highest ethical standards of corporate and personal conduct. The three fundamental public service values of accountability, probity and openness and a strong anti-fraud culture are a key element of the defence against fraud, corruption, and bribery.

GMCA Behavioural policies and procedures including the Elected Member Code of Conduct, Officer Code of Conduct and GMFRS Code of Conduct and Ethics Policy for Operational Fire Fighters are consistent with the 'Principals of Public Life' put forward by the Nolan Committee and National Fire Council.

GMCA expects all staff, including contractors and Members to make themselves aware of and follow these principles.

Fraud Awareness and Training

GMCA is committed to providing all employees with sufficient training to enable them to identify and report fraud in a timely manner. This is achieved through a suite of counter fraud and corruption policies and guidance documents which staff are encouraged to read, e-learning packages delivered through the corporate Mi-Learning portal and specialist and bespoke counter fraud training for those individuals involved in delivering key activities or conducting investigations.

Directors and Managers are responsible for ensuring employees are made aware of this strategy and any training needs which may arise from this are fulfilled. The GMCA and GMFRS induction process shall also ensure that new employees complete the Fraud Prevention e learning.

All employees covered under this Policy's scope shall ensure that they read and understand this Policy and complete the Fraud Prevention e-learning.

The GMCA constitution and Member Code of Conduct also informs GM Mayor and Elected Members (including Co-opted Independent Members and appointed Advisors) of their responsibilities at the induction and reminds them of their responsibilities and update them on developments regularly. Details are also included within the documents published on the Members' portal. These include rules on declaring and registering any possible areas of conflict between a Members' duty in relation to GMCA activities and any other area of their personal or professional life.

Monitoring and Review

This strategy is owned and approved by GMCA Audit Committee and will be reviewed and approved on an annual basis alongside the Internal Audit Plan.

The effectiveness of the strategy will be reviewed by the Head of Audit and Assurance and the GMCA Audit Committee. The review will encompass a review of Anti-fraud arrangements against the key principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local

Government (the Code) and FFCL strategy as these represent best practice and compliance with these measures will enable GMCA to demonstrate effective stewardship of public funds.

Progress of fraud related activity will be reported to Audit Committee on a quarterly basis with an annual report presented on the outcome of fraud and whistleblowing referrals.

Other Relevant Policies

The following polices should be read in conjunction with this Anti-Fraud Strategy:

[hyperlink these when published on the intranet]

- Whistleblowing Policy
- Anti-Money Laundering Policy
- Fraud Response Procedures
- Code of Conduct for Members and Officers
- Gifts and Hospitality Policy
- Declaration of Interest Policy
- Risk Management Strategy

GMCA's Whistleblowing Policy – [gmca-whistleblowing-policy-november-2020.pdf](#)
([greatermanchester-ca.gov.uk](#))

Bribery Act 2010 - <https://www.legislation.gov.uk/ukpga/2010/23/contents>

Bribery Act 2010 Government Guidance - <https://www.gov.uk/government/publications/bribery-act-2010-guidance>

Government legislation and guidance for the corporate offence of failure to prevent the criminal facilitation of tax evasion –

<https://www.gov.uk/government/consultations/tackling-tax-evasion-a-new-corporate-offence-of-failure-to-prevent-the-criminal-facilitation-of-tax-evasion>

GMCA's Anti-Money Laundering Policy – Awaiting Approval

Appendix 1

Responsibilities	Stakeholders						
Key Activities	Chief Executive / Chief Fire Officer	Section 151 Officer	Monitoring Officer People Services	Internal Audit	Directors / Senior Leadership Team	Staff	Audit Cttee / Standards Cttee
Developing Anti-Fraud Culture (functional areas)	✓	✓			✓		
Counter Fraud Strategy				✓			✓
Fraud Risk Assessment				✓	✓		
Annual Fraud Report				✓			✓
Annual Internal Audit Plan				✓			✓
DETER							
Publicise Counter Fraud Strategy				✓			✓
Fraud awareness Training				✓	✓	✓	
Fraud Awareness Surveys				✓	✓	✓	
Publicising Case Outcomes		✓		✓			
Publicise Codes of Conduct and Ethical Standards			✓		✓		
PREVENT							
Review of Systems of Internal Control and key controls framework				✓	✓		✓
Must Comply with the control's framework (inc. Finance and Procurement Rules)	✓	✓	✓	✓	✓	✓	

GMCA Anti-Fraud and Corruption Strategy

Implementation of Internal Audit Actions		✓		✓	✓		✓
Responsibility to report suspected fraud /corruption	✓	✓			✓	✓	
Act as Anti-Money Laundering Reporting Officer		✓		✓			
DETECT							
Whistleblowing Policy Referrals	✓	✓		✓	✓		✓
GMFRS Speak Up Policy Referrals	✓			✓			✓
National Fraud Initiative (NFI) Data Matching Exercises		✓		✓			
Internal Data Matching / Duplicate Payment Testing				✓	✓		
Pursue							
Develop a Fraud Response plan		✓		✓			
Decision to Investigate / refer to GMP		✓		✓			
Decision to take Disciplinary action			✓				
Recovery of losses		✓		✓			

DRAFT for Comment

Appendix 2

How to Report a Whistleblowing Concern

Anybody who has a whistleblowing concern relating to the GMCA can use our Whistleblowing reporting procedures.

Any person reporting a concern should provide as much information as possible, including:

- Who the allegations are against?
- Full details on the nature of the alleged wrongdoing.
- Provide any evidence they have in support of the allegation.
- State if the person making the disclosure is an employee of GMCA.
- Whether the person is a member of the public or a member of staff; and
- Name and contact details (unless they wish to remain anonymous).

GMCA employees can report a concern through their manager if they feel confident to do so. The manager must follow the obligation of the confidentiality and reporting procedures in accordance with the relevant section of the Whistleblowing Policy.

For monitoring purposes, all whistleblowing cases referred to managers must be reported on receipt to Internal Audit. This may be done by the whistleblower, receiving manager or the senior manager investigating the allegations. Internal Audit will offer advice and support to the appointed investigator.

Alternatively, any person can report a concern regarding the GMCA in one of the following ways:

- E-mail to: internal.audit@greatermanchester-ca.gov.uk
- Telephone: **0161 788 7026**
- Concerns can also be reported in writing to:

Head of Audit and Assurance,
Confidential
Greater Manchester Combined Authority,
1st Floor, Churchgate House
56 Oxford Street
Manchester, M1 6EU

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Anti-Bribery Policy

June 2022

DRAFT for Review

Date: June 2022

Document Control

Title	Greater Manchester Combined Authority – Anti-Bribery Policy
Document Type	Anti-Fraud and Corruption Policy
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Owner	GMCA Head of Audit and Assurance
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Committee Approval	Audit Committee
Protective Marking	None
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Introduction

The UK Bribery Act 2010 came into force on 1 July 2011 and has been enacted to enable robust action to be taken against such activity. **Greater Manchester Combined Authority (GMCA)** (including **Greater Manchester Fire Service (GMFRS)**) is committed to protecting the public purse and ensuring the services we provide are free from abuse. We have a zero-tolerance approach to acts of bribery, fraud, and corruption.

The GMCA's Anti-Bribery Policy is a vital element of our governance arrangements and the policy should be read in conjunction with the GMCA Counter Fraud Strategy and other relevant policies and codes including Employee and Member Codes of Conduct.

GMCA will seek to ensure the corporate stance on bribery is widely publicised and that all employees and Members have access to the appropriate guidance. A failure to comply with the procedures set out in this policy document may result in disciplinary and/or criminal action.

What is Bribery?

Bribery is defined within the Bribery Act 2010 as the offering, promising, giving, receiving or soliciting of a financial or other advantage for the purpose of influencing the actions of an official or other person to perform improperly in the discharge of a public or legal duty. The act of bribery is the intention to gain a personal, commercial, regulatory, or contractual advantage. For example: giving someone money or offering a job in return for favours or special treatment.

Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions. These are not tolerated and are illegal.

Scope and Aims

This policy extends to all GMCA activities and personnel and applies to the GM Mayor and Elected Members (including Co-opted Independent Members and appointed Advisors), GMCA employees, including temporary and agency staff, contractors, consultants as well as volunteers. It contains specific sections to advise employees and Members of the types of offences within the Bribery Act 2010 and the process to be followed to enable the Authority to comply with its legal obligations.

HM Government published the UK Anti-Corruption Plan in December 2014, putting in place new arrangements requiring local authorities in England to adopt a Code of Conduct compliant with the seven 'Nolan' principles of standards of public life; selflessness, integrity, objectivity, accountability, openness, honesty and leadership. All local authorities are also required by the Localism Act 2011 to put in place arrangements for investigating allegations that Members have failed to comply with the GMCA Member Code. Failure to comply with the code could lead to the Member being censured.

GMCA has a Standards Committee which has put in place procedures and approved processes for dealing with matters of conduct and ethical standards of GMCA Members.

For all partner organisations, joint ventures, and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for GMCA or under its control. All staff are required to avoid activity that breaches this policy.

Aims

We expect that all employees and Members demonstrate the highest standards of honesty and integrity and this includes compliance with the relevant legislation. To do this **we require all staff to:**

- read, understand, and comply with this policy.
- act honestly and with integrity always and safeguard GMCA resources for which they are responsible.
- be vigilant and report any concerns of bribery as soon as possible if it is believed or suspected that a conflict with this policy has occurred or may occur in the future.
- undertake relevant anti-bribery training so that they can recognise and avoid the use of bribery by themselves and others.

GMCA will ensure that there are appropriate channels for reporting suspicions of bribery in a confidential manner. We will investigate any alleged instances of bribery and assist the police and any other appropriate authority where necessary.

As well as the possibility of civil and criminal prosecution, employees breaching this policy will face disciplinary action, which could result in dismissal in cases of gross misconduct.

The UK Bribery Act 2010

Key Points

Offences: There are four offences under the UK Bribery Act 2010, which are summarised below; further details are provided at Appendix 1:

- Offering, promising, or giving a bribe.
- Requesting, agreeing to receive, or accepting a bribe.
- Bribing a foreign public official; and
- Failure of commercial organisations to prevent bribery.

Section 1: Offence of Bribing another person

This makes it an offence to offer, promise or give a bribe to another person.

- Offers, promises, or gives a financial or other advantage to another person and intends the advantage to induce a person to perform improperly a relevant function or activity or to reward a person for the improper performance of such a function or activity. **Or**
- Offers, promises, or gives a financial or other advantage to another person and knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity

Section 2: To request, agree to receive, or accept a bribe.

This section makes it an offence when a person:

- Requests, agrees to receive, or accepts a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly
- Requests, agrees to receive, or accepts a financial or other advantage and the request, agreement, or acceptance itself constitutes the improper performance of the person of a relevant function or activity
- Requests, agrees to receive, or accepts a financial or other advantage as a reward for the improper performance of a relevant function or activity; or
- In anticipation of or in consequence of the person requesting, agreeing to receive, or accepting a financial or other advantage, a relevant function or activity is performed improperly

Section 6: Offence to Bribe a foreign public official in order to obtain or retain business.

- Under this section an offence is committed where a person:
- Intends to influence a foreign official in their official capacity and intends to obtain or retain business or an advantage in the conduct of business; or
- Offers, promises, or gives any financial or other advantage to a foreign public official

Section 7: Failure by a commercial organisation to prevent bribery in the course of business – corporate offence.

- A relevant commercial organisation is guilty of an offence:
- If a person associated with the organisation bribes another person intending to obtain or retain business for the organisation or to obtain or retain an advantage in the conduct of business for the organisation and the organisation fails to take reasonable steps to implement adequate procedures to prevent such activity

For the purposes of the Bribery Act 2010, GMCA is considered a commercial organisation.

Prohibited Actions

The GMCA prohibits the offering, giving, promising, solicitation or the acceptance of any bribe, whether cash or other inducement, specifically:

- to or from any person or company, wherever they are situated and whether they are: a public official or body, a private person, a company, any individual employee, agent or other person or body acting on the GMCA's behalf.
- in order to gain any commercial, contractual, or regulatory advantage for the GMCA or group in a way which is unethical.
- In order to gain any personal advantage, financial or otherwise for the individual, the Authority, or partner organisations, or anyone connected with said parties.

Employees and Members are forbidden from accepting any inducement which would result in a personal gain or advantage to the briber or any person(s) or third parties associated with them.

Penalties

Penalties Following Prosecution

The legislation includes severe penalties for breaches of the Act.

Under Section 14 of the Act, Directors, Senior Managers, and employees who are found to be involved can all be held personally liable; together with heavy fines for organisations for a failure to prevent bribery.

An individual found guilty of an offence under Sections 1, 2 or 6 of the Bribery Act is liable on conviction at:

- Magistrates Court: imprisonment for a maximum of 12 months (six months in Northern Ireland), or to an unlimited fine or to both.
- Crown Court: imprisonment for a maximum term of 10 years, or to an unlimited fine, or both.
- A person guilty of an offence under section 7 is liable on conviction on indictment to a fine.

Internal Sanctions

- As well as the possibility of criminal prosecution (above), any officer found to be breaching this policy by being involved in bribery may face disciplinary action, which could result in dismissal in cases of gross misconduct.
- Any Member found to be involved in bribery will be reported to the GMCA Monitoring Officer who may refer the matter to the Standards Committee.
- Any supplier found to be involved in bribery is liable to have their contract terminated. The GMCA will actively pursue the recovery of any costs or financial loss incurred as a result of such termination.

Adequate Procedures

Section 7 of the Act provides a defence for commercial organisations against prosecution if there are **adequate procedures** in place to prevent bribery. The Secretary of State has issued statutory guidance on the procedures that relevant commercial organisations can put in place (**Appendix 2**).

In the first instance it is for each organisation to determine procedures which it considers proportionate. Ultimately, if bribery occurs, a court will decide whether the procedures are adequate.

In determining adequate procedures GMCA need to have regard to the following six principles:

1. Proportionate Procedures

An organisation's procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale, and complexity of the organisation's activities. They are also clear, practical, accessible, effectively implemented and enforced.

2. Top Level Commitment

The **GMCA Chief Executive, Chief Fire Officer and Senior Leadership Team (SLT)** are committed to preventing bribery and it has overall responsibility for establishing the anti-bribery Policy and promoting a culture that prohibits bribery and corruption involving GMCA employees and any third parties acting on behalf of GMCA. The SLT are responsible for ensuring that the principles of the Policy

are adhered to and that appropriate responsibilities, procedures, internal controls are sufficient, and all staff and partners are made aware of this Policy.

It is the responsibility of the **Head of Audit and Assurance** to monitor and report annually on adherence to the Anti-Bribery and Corruption Policy. This may be derived from periodic staff awareness surveys.

3. Risk assessment

The **SLT** supported by **Head of Audit and Assurance** through the corporate Risk Management Framework is responsible for providing the risk assessment procedure and process which identifies and priorities risks from bribery and corruption. As part of normal risk management activity, the **SLT** will assesses the nature and extent of its exposure to potential external and internal risks of bribery from its activities.

Effective risk assessment is core to the success of this Anti-Bribery Policy. The identification of specific areas of the business where GMCA may face the risk of bribery requires increased focus on evaluating those risks and the mitigation required to protect the organisation. Bribery Risk assessment should be conducted by management and form part of the corporate risk management process.

4. Due Diligence Checks

The organisation applies **due diligence procedures**, taking a proportionate and risk-based approach, in respect of persons who perform or will perform services for or on behalf of GMCA. The Bribery Act 2010 advise that “Knowing exactly who you are dealing with can help to protect your organisation from taking on people who might be less than trustworthy. You may therefore want to ask a few questions and do a few checks before engaging others to represent you in business dealings”.

Due Diligence checks could consist of relevant checks including financial due diligence, a review of company Directors and Shareholders involved, including any third parties or co-investors; and product or market related due diligence. The decision to conducted further enhanced due diligence should take place based on the results of checks already undertaken. It is not usually necessary to conduct a due diligence Check on a supplier simply supplying goods and services to GMCA, where it is unlikely that there is a supply of services further down the supply chain.

Due diligence reports that contain evidence of negative news reports, warnings or sanctions involving a supplier or potential business relationship, as well as any association with politically exposed persons, which may present an increased risk of bribery and corruption must be raised by the requesting employee with the **GMCA Solicitor and Monitoring Officer** before commissioning the supplier.

5. Communication and Training

SLT seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation. This will be done through internal and external communication and appropriate training. The GMCA staff induction process shall also ensure that new employees complete the Bribery Act 2010 e-learning module.

All employees covered under this Policy’s scope shall ensure that they read and understand this Policy and complete the Bribery Act 2010 e-learning.

Businesses who act on GMCA’s behalf must be formally advised of the existence of, and operate at all times in accordance with, this Anti-Bribery Policy. A copy of the Anti-Bribery Policy should be made available to them on their appointment by the contracting party.

6. Monitoring and Review

The **Head of Audit and Assurance** will produce an annual report to the GMCA Audit Committee on the Policy's implementation and organisational compliance, identifying any necessary changes to procedures designed to prevent and detect acts of bribery. The report shall also include details of any reported Bribery concerns and investigations conducted.

GMCA is committed to proportionate implementation of these principles.

Gifts and Hospitality

As a representative of GMCA, it is important that you treat any offer of gifts or hospitality with care.

You must: make sure that any modest gifts or hospitality accepted on behalf of GMCA are authorised by your manager using the declaration form.

You must not: accept personal gifts, loans, fees, rewards or advantage from contractors, potential contractors including those who have previously worked for GMCA, service users or outside suppliers. If you are unclear what is acceptable, ask your manager. Further information can also be found in the GMCA Constitution and Gifts and Hospitality policy.

INCLUDE LINK to G&H Policy

Responsibilities

The GMCA takes seriously its responsibilities in meeting the legal obligations under the Bribery Act in ensuring that the exposure to risk is minimised in relation to acts of bribery and corruption in the course of business activities.

The GMCA recognises that any Member or employee engaging in acts of bribery will reflect adversely on its reputation and of the public sector in general.

How to Raise a Concern

All employees have a responsibility to help deter, detect, prevent, and report instances of bribery and GMCA ensures that there is a safe, reliable, and confidential way of reporting any suspicious activity. All members of staff should know how they can raise concerns.

If you have a concern regarding a suspected instance of bribery and corruption, this should be reported as soon as possible. Employees who raise concerns or report wrongdoing (e.g. that they have been offered a bribe or who have been asked to bribe a third party) can understandably be worried about whether there will be repercussions. We aim to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if those concerns turn out to be mistaken.

The **GMCA Whistleblowing Policy** sets out how and to whom concerns should be raised and the safeguards for employees and workers who make certain disclosures of information in the public interests.

Concerns can be made anonymously, but where possible, the policy does encourage individuals to put their name to allegations. If an incident of bribery, corruption, or wrongdoing is reported, action will be taken as soon as possible to evaluate the situation. GMCA has clearly defined procedures for investigating fraud, misconduct, and non-compliance issues and these will be followed in any investigation of this kind.

There are multiple channels to help raise concerns. **These are set out in GMCA's Whistleblowing Policy (see Appendix C).**

Whistleblowing concerns can be reported to Internal Audit as follows:

Concerns can also be raised with the GMCA Head of Audit and Assurance via the following

- E-mail at: internal.audit@greatermanchester-ca.gov.uk
- Telephone: 0161 778 7000
- In writing to Head of Audit and Assurance, Confidential, Greater Manchester Combined Authority, Broadhurst House 56 Oxford Street Manchester, M1 6EU

Concerns can also be raised with the GMCA Treasurer via the following:

E-mail at: Steve.Wilson@greatermanchester-ca.gov.uk

Telephone: 0161 778 7004

GMCA employees and workers can raise concerns through their manager if they feel confident to do so. The manager must then follow the obligation of confidentiality and reporting procedures as detailed in the next section.

Other Relevant Policies

The following policies should be read in conjunction with this Anti-Bribery Policy:

[hyperlink these when published on the intranet]

- Whistleblowing Policy
- Anti-Money Laundering Policy
- Counter Fraud and Corruption Policy
- Fraud Response Procedures
- Gifts and Hospitality Policy

UK Bribery Act 2010 - <https://www.legislation.gov.uk/ukpga/2010/23/contents>

Bribery Act 2010 Government Guidance - <https://www.gov.uk/government/publications/bribery-act-2010-guidance>

GMCA's Whistleblowing Policy – [gmca-whistleblowing-policy-november-2020.pdf \(greatermanchester-ca.gov.uk\)](#)

GMCA's Anti-Money Laundering Policy – [Report fraud and corruption - Greater Manchester Combined Authority \(greatermanchester-ca.gov.uk\)](https://www.greatermanchester-ca.gov.uk)

Standards in Public Life (Nolan Principals) [Committee on Standards in Public Life - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Government legislation and guidance for the corporate offence of failure to prevent the criminal facilitation of tax evasion – <https://www.gov.uk/government/consultations/tackling-tax-evasion-a-new-corporate-offence-of-failure-to-prevent-the-criminal-facilitation-of-tax-evasion>

DRAFT for Review

Appendix 1

BRIBERY AND CRIMINAL FACILITATION OF TAX EVASION - OFFENCES TABLE

Legislation	Type of Offence	Definition
Bribery Act 2010	Section 1: Offence of bribing another person	<p>This section makes it an offence when:</p> <ul style="list-style-type: none"> • Offers, promises or gives a financial or other advantage to another person and intends the advantage to induce a person to perform improperly a relevant function or activity or to reward a person for the improper performance of such a function of activity; or • Offers promises or gives a financial or other advantage to another person and knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.
	Section 2: Being bribed	<p>This section makes it an offence when a person:</p> <ul style="list-style-type: none"> • Requests, agrees to receive, or accepts a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly. • Requests, agrees to receive, or accepts a financial or other advantage and the request, agreement, or acceptance itself constitutes the improper performance of the person or a relevant function or activity. • Requests, agrees to receive, or accepts a financial or other advantage as a reward for the improper performance of a relevant function or activity; or • In anticipation of or in consequence of the person requesting, agreeing to receive, or accepting a financial or other advantage, a relevant function or activity is performed improperly.
	Section 6: Bribery of foreign public officials	<p>Under this section an offence is committed where a person:</p> <ul style="list-style-type: none"> • Intends to influence a foreign official in an official capacity and intends to obtain or retain business or an advantage in the conduct business; or • Offers, promises, or gives any financial or other advantage to a foreign public official.

	<p>Section 7: Failure of a commercial organisation is guilty of an offence</p>	<p>A relevant commercial organisation is guilty of an offence:</p> <ul style="list-style-type: none"> • If a person associated with the organisation bribes another person intending to obtain or retain an advantage in the conduct of business for the organisation and the organisation fails to take reasonable steps to implement adequate procedures to prevent such activity.
<p>Criminal Finances Act 2017</p>	<p>Section 45 (4) UK tax evasion offence</p>	<p>In this part “UK tax evasion offence” means:</p> <ul style="list-style-type: none"> • An offence of cheating the public revenue, or • An offence under the law of any part of the United Kingdom consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax
	<p>Section 45 (5) UK tax evasion facilitation offence</p>	<p>In this part “UK tax evasion facilitation offence” means an offence under the law of any part of the United Kingdom consisting of:</p> <ul style="list-style-type: none"> • Being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of a tax by another person • Aiding and abetting, counselling, or procuring the commission of a UK tax evasion offence, or • Being involved at and part in the commission of an offence consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.
	<p>Section 45 (1) and (2) Failure to prevent facilitation of UK tax evasion offences</p>	<p>A relevant body is guilty of an offence if a person commits a UK tax evasion facilitation offence when acting in the capacity of a person associated with that relevant body.</p> <p>It is a defence for the relevant body to prove that, when the UK tax evasion facilitation offence was committed:</p> <ul style="list-style-type: none"> • The relevant body had in place such prevention procedures as it was reasonable in all the circumstances to expect the relevant body to have in place, or • It was not reasonable in the circumstances to expect the relevant body to have any prevention procedures in place.

Appendix 2

Principles to be Considered When Determining Procedures	
<p>Principle 1: Proportionate Procedures - Clear, practical, and accessible policies and procedures – clearly state what is acceptable and what is not.</p>	<p>Specific anti-bribery policy and procedures which support the GMCA’s stance.</p> <p>Procedures proportionate to the risks faced by the GMCA.</p> <ul style="list-style-type: none"> • We will conduct our business fairly, honestly, and openly. • Facilitation or ‘grease’ payments and kickbacks are a type of ‘bribe’ used to influence favourable treatment or future purchases and will not be tolerated. Employees must notify Internal Audit if they identify any kind of request for a facilitation payment. • We do not allow employees to accept money, gifts, hospitality and other advantages from contractors, suppliers or service providers which are intended or could be seen to influence a business decision or a transaction. • Registers are in place to record gifts, hospitality, and conflicts of interest, to ensure appropriate transparency and oversight. • We will not give or offer any money, gift, hospitality, or other advantage to any person carrying out a business or public role to get them to do something improper or to improperly influence them to our advantage.
<p>Principle 2: Top level commitment – Sending a clear message that bribery will not be tolerated.</p>	<p>To be reflected and communicated in relevant policies, procedures and codes including specific anti-bribery policy.</p> <p>It is the responsibility of all Employees and Third Parties to prevent, detect, and report bribery and corruption.</p>
<p>Principle 3: Risk Assessment - understanding GMCA’s exposure to bribery risk.</p>	<p>We will carry out regular bribery risk assessments to determine the level of exposure and to identify any additional procedures necessary to those already in place.</p> <p>Directorate functions will review their own risk exposure to bribery for their activities.</p>
<p>Principle 4: Due Diligence Checks - Knowing who GMCA does business with.</p>	<p>Understanding the GMCA’s contractors, service providers and funding recipients and those working for and on behalf of the GMCA and seeking assurance that they have adequate procedures in place to prevent bribery and corruption.</p> <p>We expect contractors to abide by the principles of this Policy and ensure equal standards are upheld within their subcontractor populations.</p>

	<p>Third parties: ensuring those consultants or intermediaries who advise or do business on our behalf of GMCA endorse and commit to our anti-bribery stance.</p> <p>Ensuring legal agreements and contracts contain appropriate anti-bribery and corruption clauses.</p> <p>Providing assurance over due-diligence checks within key processes such as procurement, commissioning and contracting, investment loans, grant funding payments, vendor payments and recruitment vetting.</p>
<p>Principle 5: Communication and Training - Effective implementation – going beyond paper compliance and embedding anti-bribery controls.</p>	<p>Employees will be provided with appropriate training in this area and policies and procedures will be communicated across the organisation.</p> <p>We will undertake a bribery and other financial crime risk assessment regularly to ensure the appropriate management of risk. The results of the risk assessment will be documented and reported.</p>
<p>Principle 6: Monitoring and Review – regular review of policies, procedures, and processes to prevent bribery and corruption.</p>	<p>GMCA will review the contents of the Anti-Bribery Policy on an annual basis ensuring the policy remains up to date, reflects good practice and make improvements where necessary. Any changes will be agreed with GMCA Audit Committee.</p> <p>We will seek to review understanding and levels of compliance with existing policy and procedures.</p>

DRAFT FOR REVIEW

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GMCA Audit Committee

Date: 27 July 2022
Subject: Head of Internal Audit Annual Opinion 2021/22
Report of: Sarah Horseman, Head of Audit and Assurance

PURPOSE OF REPORT

The Internal Audit team delivers an annual programme of audit work designed to raise standards of governance, risk management and internal control across the Greater Manchester Combined Authority (GMCA). In accordance with Public Sector Internal Audit Standard 2450 this work is required to culminate in an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

This report provides Members of the Audit Committee with the Head of Internal Audit Opinion on the effectiveness of the framework of governance, risk management and internal control at Greater Manchester Combined Authority (GMCA) for the year ended 31 March 2022.

RECOMMENDATIONS:

Members are requested to consider and comment on the Head of Internal Audit Opinion 2021/22.

CONTACT OFFICERS:

Sarah Horseman, Head of Audit and Assurance

Risk Management – see paragraph 3.3

Legal Considerations – N/A

Financial Consequences – Revenue – N/A

Financial Consequences – Capital – N/A

Number of attachments included in the report: N/A

BACKGROUND PAPERS:

Papers previously presented to Audit Committee

- Internal Audit Plan 2021/22
- Internal Audit progress reports
- GMCA Corporate Risk Register

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?		N/A
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

Head of Internal Audit Opinion 2021/22

1. Introduction

The Head of Internal Audit is obliged, under the Public Sector Internal Audit Standards (PSIAS), to provide an annual report summarising the work undertaken by internal audit during the financial year and to provide an overall opinion of the adequacy and effectiveness of the organisation’s framework of governance, risk management and internal control, derived from this work.

2. Scope

The Head of Internal Audit opinion is substantially derived from the results of the risk-based audits contained within the Internal Audit Plan for 2021/22. In addition the following are also considered:

- Grant Assurance work undertaken by Internal Audit;
- The implementation of actions agreed as part of internal audit work;
- The results of any investigation work undertaken by Internal Audit;
- Other sources of assurance, for example external inspections/reviews as well as internal “line 2” assurance activities;
- The quality and performance of the internal audit service and level of compliance with Public Sector Internal Audit Standards (PSIAS)

The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to GMCA. The opinion is one component that is taken into consideration within the Annual Governance Statement.

3. Head of Internal Audit Opinion

3.1. Overall Opinion

Based on the work undertaken by Internal Audit in respect of 2021/22 the opinion of the Head of Internal Audit is that **moderate assurance** is provided on the overall adequacy and effectiveness of GMCA’s framework of governance, risk management and internal control.

This opinion is based upon the findings of the audit work undertaken during the year as well as other sources of assurance that can be relied upon. It is reflective of the progress made since the previous year, particularly in relation to the evolving maturity of risk management arrangements in place within GMCA and in the development of the performance management framework, including the business plan and associated periodic reporting against milestones and metrics within it. Implementation of audit actions has also remained consistent throughout the year, with some audits resulting in immediate action being taken to address findings, indicating that the organisation values and takes seriously the actions arising from audits undertaken.

There were a number of limited assurance opinions issued during the year, but generally these were in relation to specific areas within the organisation that aren't necessarily an indicator of systemic failures of internal control, but rather isolated processes or activities where improvements are needed.

The basis for this opinion is provided in Section 4 of this report. Details of the possible audit opinions is provided in Appendix A.

Internal Audit work has been carried out in line with the requirements of PSIAS. The Internal Audit team has maintained its independence and objectivity throughout the year and there have been no instances identified of non-conformance with PSIAS.

4. Basis of the Opinion

4.1. Corporate Governance

Through the internal audit work undertaken and review evidence to support the application of the governance framework, for 2020/21 it can be confirmed that the following are in place:

Governance and Scrutiny

- Three Scrutiny Committees are in place as defined in the Constitution. Meetings are held in public and recordings and papers available on the GMCA website. The Scrutiny meetings have not met as regularly as planned in the year as quoracy was not always achieved. This should be an area of focus for improvement in 2022/23.
- The Police and Crime Panel is also in place, and met regularly, in public, throughout the year.
- A Standards Committee is in place and met in the period under review.
- The Audit Committee meets regularly, in public and all papers are also publicly available.
- Meeting papers and webcasts for GMCA, Committee and Scrutiny meetings are available on the GMCA website for a period of six months after the meeting date. The policy for livestreaming statutory meetings that may previously not have been recorded was extended during the pandemic to all statutory meetings (for example Audit Committee).
- Registers of key decisions (upcoming and made) for GMCA and GMTTC are available on the GMCA website

Policies and Codes

- GMCA has within its Constitution a Code of Conduct for both Officers and Members which set out the key expectations around personal behaviour and professional conduct. The Code was considered by the Standards Committee in December 2021.
- There are generally robust policies and procedures in place for gathering and collating declarations of interest from Members which are available on the GMCA website. Declarations of Interest is a standing agenda item at all Committee and Scrutiny meetings.
- GMCA's whistleblowing policy was last updated in November 2020 and is available on the GMCA intranet and the GMCA website. Whistleblowing reports are made to the Head of Audit and Assurance and oversight is provided by the Treasurer. The Audit Committee

receives an annual report on the outcomes of whistleblowing reports, the report for 2021/22 was presented to the Audit Committee on 22nd April 2022.

Objectives and Performance Measurement

- A number of strategies and plans are in place across GMCA which define outcomes and priorities. These include:
 - A refreshed Greater Manchester Strategy (GMS) which was published in 2021 and spans the 10 years to 2031. Desired outcomes and commitments are set out to achieve a greener, fairer and more prosperous Greater Manchester. A corresponding performance framework has been developed and will be implemented in 2022-23.
 - The Standing Together Plan 2022-2025 sets out the plan for policing and for addressing inequalities, fighting crime, and making the city-region safer. It sets out three priorities which are: keeping people safe and supporting victims; reducing harm and offending and strengthening communities and places
 - GMFRS Fire Plan sets out a number of priorities and commitments for GMFRS relating to emergency response, prevention, protection, value for money, culture and integration with partner agencies. An annual delivery plan was in place for 2021/22 with performance reported quarterly against the key performance indicators in the plan.
- Internal Audit actions relating to the GMCA Performance Management Framework in 2020/21 have been progressed in 2021/22. Quarterly performance management metrics started to be reported to the Senior Leadership Team in Q3 2021/22. Delivery of business plan commitments is also monitored and reported.
- GMCA publishes quarterly information in line with 2.1 of the Local Government Transparency Code. Pay policy for 2020/21 including: senior salaries, pay multiples is published but not for 2021/22. Not all of the annual information required in section 2.2 of the Code was available on the GMCA website in 2020/21 (for example land and assets data and GMCA organisation chart)

Based on the above summary, areas for improvement have been noted, including:

- The Code of Corporate Governance needs updating
- From the Internal Audit of Behavioural Policies, it was identified that improvements to Officer policies including the Code of Conduct, Declarations of Interest and Gifts and Hospitality are required
- Whilst in place, the GMCA Counter Fraud Policies are due for review and refresh
- A review of information published in line with the Local Government Transparency Code is required to ensure GMCA complies with all the requirements of that
- Arrangements and effectiveness of Scrutiny Committees need to be reviewed and refreshed to ensure that they are effectively discharging their oversight duties.

4.2. Risk Management

In 2020/21 the Head of Audit and Assurance assumed responsibility for developing a risk management framework for GMCA. It is clear within GMCA through the framework and the Internal Audit Charter that although development of the framework was undertaken by Internal Audit, ownership of the risk management activities and risks lie absolutely with management, via the Chief Executive's Management Team (CEMT) and Senior Leadership Team (SLT).

A new Risk Management Framework was developed by the Head of Audit and Assurance and approved by Audit Committee in November 2020. Roll out of the framework has continued in 2021/22, with significant progress made in rolling out the framework across directorates.

An organisational risk management maturity assessment was undertaken in 2020/21 and was repeated in 2021/22. The 2021/22 results showed a significant improvement in risk management maturity, moving from a score of 2.64 out of 5, which would be classed as an "Emerging" level of maturity in 2020/21 to 3.57 in 2021/22, which falls squarely within the "Conforming" category, characterised by there being a framework in place; that the framework is applied consistently across the organisation and where most processes are implemented. It is the view of the Head of Audit and Assurance that this is a fair reflection of the risk management maturity. GMFRS again was rated the most mature part of the organisation in respect of risk management, with a score of 4.69 (4.44 in 2020/21).

Greater Manchester Police (GMP), Transport for Greater Manchester (TfGM) and Greater Manchester Fire and Rescue Service (GMFRS) maintain their own risk management arrangements and risk registers are owned by the Chief Constable, Chief Executive of TfGM and Chief Fire Officer respectively. Risks from these registers are escalated to the GMCA risk register where appropriate.

4.3. Internal Control

The audit work undertaken during 2021/22 produced a mixed set of assurance opinions. In comparison to previous years, a greater proportion of audit reports resulted in substantial or reasonable assurance (64%) as opposed to limited assurance opinions (36%).

That being said, there were areas of core controls that were identified as requiring improvement. The accounts receivable audit identified weaknesses in the control environment, but management responded quickly and addressed the findings as a matter of priority. All the grant work certification work undertaken by Internal Audit in 2021 provides assurance that the required controls are in place to ensure grant conditions are met.

Implementation of audit actions has been consistent during the year, maintaining the good performance that had been made by the end of the previous year.

4.4. Internal Audit work performed

The Internal Audit Plan for 2021/22 was presented to and approved by the Audit Committee in June 2021.

A summary of the internal audit reports issued in 2021/22 is provided here:

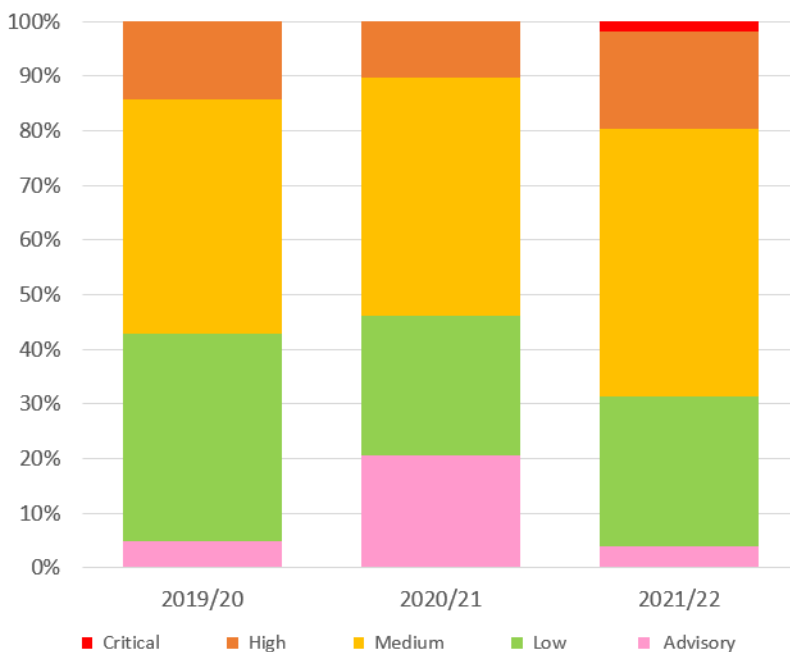
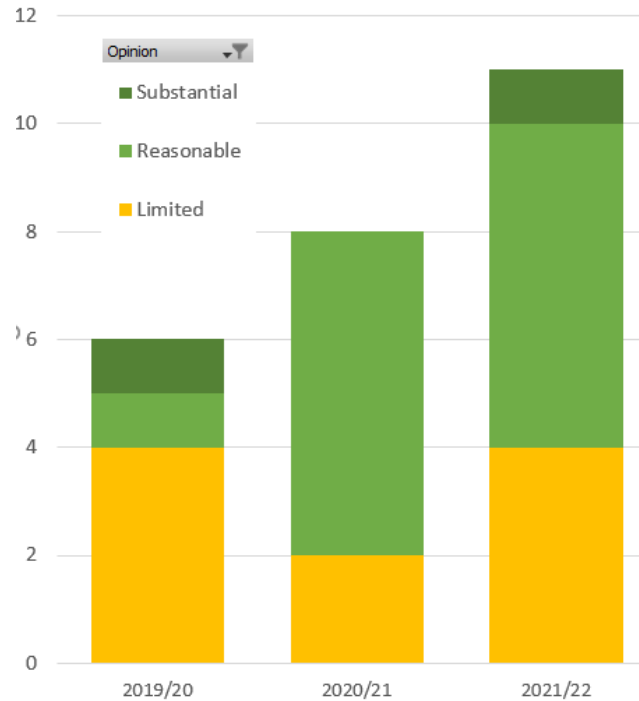
Assurance level	Governance	Risk	Internal Control
Substantial Assurance (9%) A sound framework of governance, risk management and/or internal control was found to be in place. Controls are designed effectively, operate consistently with no evidence of systemic control failures and no high or critical risk audit findings reported			
Fixed Assets Data Migration			✓
Reasonable Assurance (55%) Generally an appropriate framework for governance, risk management and/or internal control was found to be in place and controls are operating but there are areas for improvement in terms of design and/or consistent execution of controls.			
Programme and Project Governance	✓		
Loan Approval Decisions		✓	✓
Supporting Families			✓
Cyber Security		✓	✓
GMFRS 7(2)d Inspection Process		✓	✓
GMFRS Training and Continuing Professional Development*			✓
Limited Assurance (36%) Significant improvements are required in the governance, risk management and/or control environment. A number of medium and/or high-risk exceptions were reported during the audit that need to be addressed. There is a direct risk that organisational objectives will not be achieved.			
Accounts Receivable			✓
GMFRS - Stores			✓
Behavioural Policies	✓		✓
Estates Statutory Checks		✓	✓
No Assurance (0%) The framework for governance, risk management or the system of internal control is ineffective or is absent. The criticality of individual findings or the cumulative impact of a number of findings noted during the audit indicate an immediate risk that organisational objectives will not be met and/or an immediate risk to the organisation's ability to adhere to relevant laws and regulations.			
N/A			

* Report in draft at the time of developing this opinion.

Analysis of 2021/22 audit findings and audit opinions

There has been more internal audit work undertaken this year at GMCA than previous years.

The chart to the right shows the number of audit opinions issued along with the level of assurance they have provided.



In line with the greater amount of audit work undertaken, there have been more audit findings than in previous years, this is not unexpected.

However, analysing the proportion of those findings that are critical; high; medium; low or advisory shows that the overall risk profile of the findings in 21/22 has increased.

4.5. Grant certification work

A Summary of the grant certification work undertaken in 2021/22 is provided below:

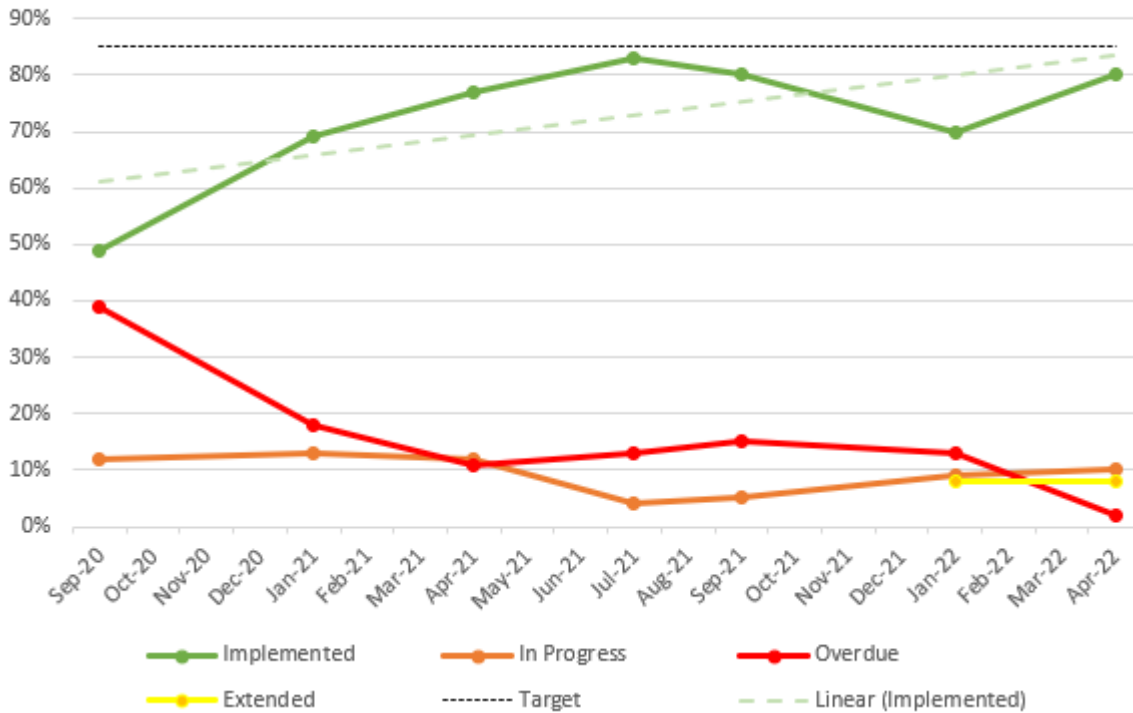
Grant	Amount certified	Assurance level
Growth Hub	£0.5m	Positive
Additional Home to School Transport	£5.1m	Positive
Peer Network Support 21-22	£0.1m	Positive
Brownfield Housing Fund	£16.3m	Positive
Emergency Active Travel Fund (Tranche 1)	£12.7m	Positive
Green Homes Grant	£2.8m	Positive
Local Energy Market	£0.3m	Positive

4.6. Implementation of audit actions

As part of PSIAS, we are required to consider the appropriateness of the organisation's response to the implementation of audit recommendations. GMCA Senior Leadership Team have responsibility ensuring the timely implementation of audit actions and the impact of risk. Internal Audit track and validate the implementation of audit actions and report regularly on this to management and Audit Committee.

At the end of March 2022, the audit action implementation rate was 80%. This represents significant improvement from a position of 49% when internal audit took over monitoring the actions in mid-2020/21. The target on-time implementation rate is 85% so there is still some scope for continued improvement. Internal Audit will continue to work with management to support further improvement. The chart below shows the performance of implementation of audit actions since internal audit took over responsibility for monitoring it.

Audit Action Implementation



4.7. Effectiveness of Internal Audit during the period

An external quality assessment (EQA) of the Internal Audit Function was undertaken in 2021/22. The conclusion would be that overall the service complies with PSIAS. Areas for improvement were identified and an action plan put in place to address those.

A further assessment of the effectiveness of the Internal Audit Function was undertaken at the end of the year by the Head of Audit and Assurance. The assessment considered:

- IA team structure and resourcing
- The extent of conformance with the PSIAS in producing quality work.
- Delivering audit work in the most appropriate areas on a prioritised (risk) basis.
- Audit Committee reporting
- Progress in implementing the actions arising from the EQA
- Implementation of Internal Audit recommendations

The assessment concluded that the internal audit Function is effective and has operated in compliance with PSIAS.

5. Other Sources of Assurance

5.1. GMCA - Data Security Protection Toolkit (DSPT) Submission 2021/22

The Data Security Protection Toolkit (DSPT) is a requirement of organisations who access health data. The assessment measures performance against the National Data Guardian’s 10 data security standards which are:

People	Process	Technology
Ensure staff are equipped to handle information respectfully and safely, according to the Caldicott Principles.	Ensure the organisation proactively prevents data security breaches and responds appropriately to incidents or near misses.	Ensure technology is secure and up to date.
1. All staff ensure that personal confidential data is handled, stored and transmitted securely, whether in electronic or paper form. Personal confidential data is only shared for lawful and appropriate purposes.	4. Personal confidential data is only accessible to staff who need it for their current role and access is removed as soon as it is no longer required. All access data to personal confidential data on IT systems can be attributed to individuals.	8. No unsupported operating systems, software or internet browsers are used within the IT estate.
2. All staff understand their responsibilities under the National Data Guardian's Data Security Standards including their obligation to handle information responsibly and their personal accountability for deliberate or avoidable breaches.	5. Processes are reviewed at least annually to identify and improve processes which have caused breaches or near misses, or which force staff to use workarounds which compromise data security.	9. A strategy is in place for protecting IT systems from cyber threats which is based on a proven cyber security framework such as Cyber Essentials. This is reviewed at least annually.
3. All staff complete appropriate annual data security training and pass a mandatory test, provided through the revised Information Governance Toolkit	6. Cyber attacks against services are identified and resisted and CareCERT security advice is responded to. Action is taken immediately following a data breach or a near miss, with a report made to senior management within 12 hours of detection.	10. IT suppliers are held accountable via contracts for protecting the personal confidential data they process and meeting the National Data Guardian's Data Security Standards.
	7. A continuity plan is in place to respond to threats to data security, including significant data breaches or near misses, and it is tested once a year as a minimum, with a report to senior management.	

The GMCA completes this self assessment as a way of readiness, to evidence the organisation is working to a national standard and providing assurances we have the proper measures in place to ensure that information is kept safe and secure.

This is an annual assessment and the GMCA has submitted a response for the previous 2 years, August 2020 and June 2021, successfully reaching a “standards met” outcome.

NHS Digital completed an audit to confirm this standard for the first submission in August 2020.

5.2. GMFRS - HMICFRS Inspections

Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) undertook an assessment of GMFRS in 2021/22. The assessment examined "the service's effectiveness, efficiency and how well it looks after its people". The purpose of the assessment is to give the public information about how their local fire and rescue service is performing in several important areas and how it compares to other Fire and Rescue Services across England.

The findings of the assessment were that GMFRS was rated "Good" in relation to looking after its people (an improvement from "requires improvement" in the previous assessment), at understanding fire and other risks and at responding to fires and other emergencies. It is also good at promoting its values throughout the organisation.

The report stated that GMFRS requires improvement in its effectiveness at keeping people safe, specifically in preventing fires and other risks, protecting the public through fire regulation and responding to major and multi-agency incidents. It also stated GMFRS requires improvement in making best use of its money.

A Cause of Concern was raised for how GMFRS responds to and trains staff for marauding terrorist attacks (MTAs) and 16 areas for improvement were also raised as part of the inspection. Two areas of innovative practice were also identified: an app to display operational flashcards and the introduction of the Freedom to Speak Up initiative.

The full inspection report and cause of concern progress letter can be found at: [Greater Manchester - HMICFRS \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/greater-manchester-fire-and-rescue-service/cause-of-concern-progress-letter/) and [Greater Manchester Fire and Rescue Service: Cause of concern – progress letter - HMICFRS \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/greater-manchester-fire-and-rescue-service/cause-of-concern-progress-letter/)

5.3. GMFRS - Operational Assurance Activity

Greater Manchester Fire and Rescue Service (GMFRS) maintains an Operational Assurance (OA) team to undertake proactive and reactive monitoring across a range of operationally focused activities. The OA Team are supported by an extended team of Area based Officers to deliver a wide range of operational assurance activities. The OA team has defined its responsibilities as:

- A service that provides an effective balance of support and 'independent check and challenge', that is aligned to the expected service standards; and ensures all systems and internal controls are fit for purpose.
- Embedding a learning culture in the Service that supports and encourages both individuals and the Service to increase knowledge, competence and performance levels on an ongoing basis to promote continuous improvement.
- A new assurance approach to focus on self-assessment and validation that encourages self-awareness, and ensures high standards are met and maintained.

This "second line" assurance is a valuable source of assurance for GMFRS over operational activities. The 2021/22 annual outturn report was obtained and reviewed by Internal Audit. It details the scope and results of the OA work undertaken during the year and provides another

source of assurance. A summary of the work undertaken, as detailed in the Operational Assurance Annual Outturn Report 2021-22 is as follows:

Capturing and reporting of safety critical events

All safety critical events are challenged and where possible rectified immediately. Incidents are recorded via the Active Monitoring System (AMS) highlighting a 'Safety Critical' event occurrence and create the associated individual learning point (ILP) and action plan. The safety critical events are monitored by the OA Team and also discussed at the Joint Health and Safety Committee. There were **43** AMS Action plans raised within the reporting year 2021/22 that have been deemed Safety Critical. This compares to **93** from the previous year 2020/21, a reduction of 55%.

Station Inspections

40 out of the 41 stations received a Station Inspection in 2021-22 with a number of action plans arising from those. The OA team review all inspections and moderate results, providing additional guidance to stations as required.

Breathing Apparatus data downloads and analysis

The OA Team completed **20** of the planned **20** Breathing Apparatus (BA) data downloads within the 12 month period, randomly selecting one operational BA set per station for data analysis. The results showed across the range of the 20 BA downloads analysed a correct completion rate of between **77% to 99%**, with 16 of the 20 tests achieving **over 90%**. During this period the number of safety critical events was 16. This is a significant increase as in the previous year there were 0 events. There is an ongoing review of policy in regard to this prior to a joint statement between GMFRS and FBU to advise staff of the requirements.

Incident Monitoring

In accordance with National Operational Guidance and the Fire and Rescue National Framework for England, the OA Team actively attends and monitors operational activity and complete incident monitoring reports. These are designed to assure the Service that emergency incidents are dealt with safely and in a effective manner. During the reporting period the OA core and extended team have completed **101** reports in the reporting year of 2021-22, which compares to and **82** reports in 2020-21 an increase of 18%.

Corporate exercises

Corporate Exercises provide the Service with assurance that the required range and quality of training exercises are being undertaken. OA Team members will attend Corporate Exercises to assure and support the processes and to enhance self-development.

A total of 10 Corporate exercises (10 appliances or more) were audited in 21/22, in accordance with the Annual Delivery Plan.

Operational debriefing

Hot and formal debriefs are undertaken by each area and borough after incidents. Strategic debriefs are instigated following larger incidents, generally incidents involving a major incident, incidents involving eight pumps and above or unusual or protracted incidents.

They are arranged and facilitated by the OA Team and chaired by a Principal Officer. Incident Commanders along with functional officers are invited to formally discuss the incident in a constructive, supportive and confidential environment.

The debrief follows the nationally recognised 'structured debrief model', promoted as best practice by the College of Policing and Fire and Rescue guidance for National Operational Learning, that aims to highlight what went well, what did not go well and what can we learn.

During this reporting period OA have planned and facilitated **5** strategic debriefs for the year 2021-22. The debriefs produced **45** individual recommendations which were uploaded to AMS with action plans allocated.

Fatal and possible fatal and "2 in 24" incidents

26 fatal or possible fatal incidents have been attended and subsequent 'OA1' reports completed by OA Officers in 2021-22. This compares to **23** the previous reporting year and 29 in 2019/20.

Five "2 calls in 24 hours" investigations have been reported in 2021-22. Fatal and possible fatal (OA1) reports and "2 in 24" reports have been quality assured by the GMOA to ensure any issues relating to operational response or performance is offered for consideration to senior management.

Appendix A – Annual Opinion Types

The table below sets out the four types of annual opinion that the Head of Internal Audit considers, along with an indication of the characteristics for each type of opinion. The Head of Internal Audit will apply judgement when determining the appropriate opinion so the guide given below is indicative rather than definitive.

Opinion	Description	Indicators
Substantial	There is a sound system of governance, risk management and internal control in place. Internal controls are designed to achieve the system objectives and controls tested during the course of internal audit work were being consistently applied.	<ul style="list-style-type: none"> • Through internal audit work undertaken and/or other sources of assurance the arrangements for governance and risk management were deemed to be robust and consistently applied. • No individual assignment reports were rated as “No Assurance” • No critical or high risk rated findings were identified • A limited number of medium and low risk rated findings were identified within the audit work undertaken and were isolated to specific instances. • Management demonstrate good progress in the implementation of previous audit actions
Moderate	Whilst there is an established system of governance, risk management and internal control in place, there are weaknesses, which put some of the system objectives at risk.	<ul style="list-style-type: none"> • The number of internal audit reports rated as “Limited Assurance” does not outweigh those with “Reasonable”, “Substantial” Assurance • Assurance over systems of control that are pervasive across the organisation (for example corporate functions) was generally positive (ie reasonable or substantial assurance opinions). • Frameworks for governance and risk management are in place and generally operating effectively • No critical risk rated findings were identified in the audit work undertaken • Any high risk rated findings were isolated to specific activities and were implemented in line with agreed timescales • Medium risk rated findings do not indicate a systemic or pervasive weakness in

		<p>governance, risk management or internal control</p> <ul style="list-style-type: none"> • Management demonstrate reasonable progress in the implementation of previous audit actions.
Limited	<p>a) <u>Limited by volume</u></p> <p>Internal Audit undertook a limited number of audits. The work undertaken combined with other sources of assurance considered the arrangements for governance, risk management and control over a number of key corporate risks.</p>	<ul style="list-style-type: none"> • No individual assignment reports were rated as “No Assurance” • No critical risk findings were identified • Work undertaken covered a range of the key risks within the organisation • Any major or significant risk rated findings were isolated to specific activities and were implemented in line with agreed timescales
	<p>b) <u>Limited by results</u></p> <p>There are gaps in the arrangements for governance and risk management and/or those arrangements have not been applied consistently and robustly through the year</p> <p>and/or</p> <p>Control environment is not effectively designed and/or the level of non-compliance with internal controls puts the systems objectives at risk.</p>	<ul style="list-style-type: none"> • The number of internal audit reports rated as “Limited” or “No Assurance” outweighs those rated as “Reasonable” or “Substantial”. • Critical and High risk findings were identified in the audit work undertaken • Internal Audit findings indicated that improvements were needed to the design and/or operating effectiveness of the wider frameworks of governance and/or risk management • No more than two critical risk findings were identified and they were in relation to specific activities as opposed to indicating systemic failures and were rectified quickly. • Management do not demonstrate good performance in implementing audit actions.
No Assurance	<p>The arrangements for governance, risk management and internal control is generally weak, leaving the system open to significant error or abuse and/or</p>	<ul style="list-style-type: none"> • Audit reports are generally rated as “Limited” or “No” assurance. • Findings rated Critical and High outweigh those rated as Medium or Low. • Audit findings indicate systemic non-adherence to control procedures, indicating a poor control environment.

	Significant non-compliance with basic controls leaves the system open to error or abuse.	<ul style="list-style-type: none">• Frameworks for governance and risk management are not in place• Audit actions are consistently not implemented in line with agreed timescales.
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Appendix B

Below are the definitions of the assurance opinions used by Internal Audit. These opinion ratings have been defined for the GMCA Internal Audit and are consistent with the recommended definitions for engagement opinions published by CIPFA in April 2020.

	DESCRIPTION	DESCRIPTION
	SUBSTANTIAL ASSURANCE	A sound system of internal control was found to be in place. Controls are designed effectively, and our testing found that they operate consistently. A small number of minor audit findings were noted where opportunities for improvement exist. There was no evidence of systemic control failures and no high or critical risk findings noted.
	REASONABLE ASSURANCE	A small number of medium or low risk findings were identified. This indicates that generally controls are in place and are operating but there are areas for improvement in terms of design and/or consistent execution of controls.
	LIMITED ASSURANCE	Significant improvements are required in the control environment. A number of medium and/or high-risk exceptions were noted during the audit that need to be addressed. There is a direct risk that organisational objectives will not be achieved.
	NO ASSURANCE	The system of internal control is ineffective or is absent. This is as a result of poor design, absence of controls or systemic circumvention of controls. The criticality of individual findings or the cumulative impact of a number of findings noted during the audit indicate an immediate risk that organisational objectives will not be met and/or an immediate risk to the organisation's ability to adhere to relevant laws and regulations.

GMCA Audit Committee

Date: 27 July 2022

Subject: Audit Action Follow up

Report of: Sarah Horseman, Head of Audit and Assurance

PURPOSE OF REPORT

This report advises Audit Committee of the progress made to date in implementing the agreed actions from internal audit assignments.

This report was prepared for the July 2022 Audit Committee. A further quarterly update will be provided at the next Audit Committee meeting.

RECOMMENDATIONS:

Members are asked to review the progress of the implementation of Internal Audit actions.

CONTACT OFFICERS:

Sarah Horseman, Head of Audit and Assurance - GMCA,
sarah.horseman@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management

N/A

Legal Considerations

N/A

Financial Consequences - Capital

N/A

Financial Consequences - Revenue

N/A

Number of attachments included in the report:

BACKGROUND PAPERS:

N/A

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 Introduction

- 1.1 The GMCA Internal Audit Plan comprises a range of audits agreed by Senior Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and an agreed target implementation date.
- 1.2 Internal Audit has responsibility for the follow up of all audit actions and reporting to Audit Committee on progress made.
- 1.3 This report provides an overview on the latest position of Internal Audit actions which were outstanding prior to this meeting.

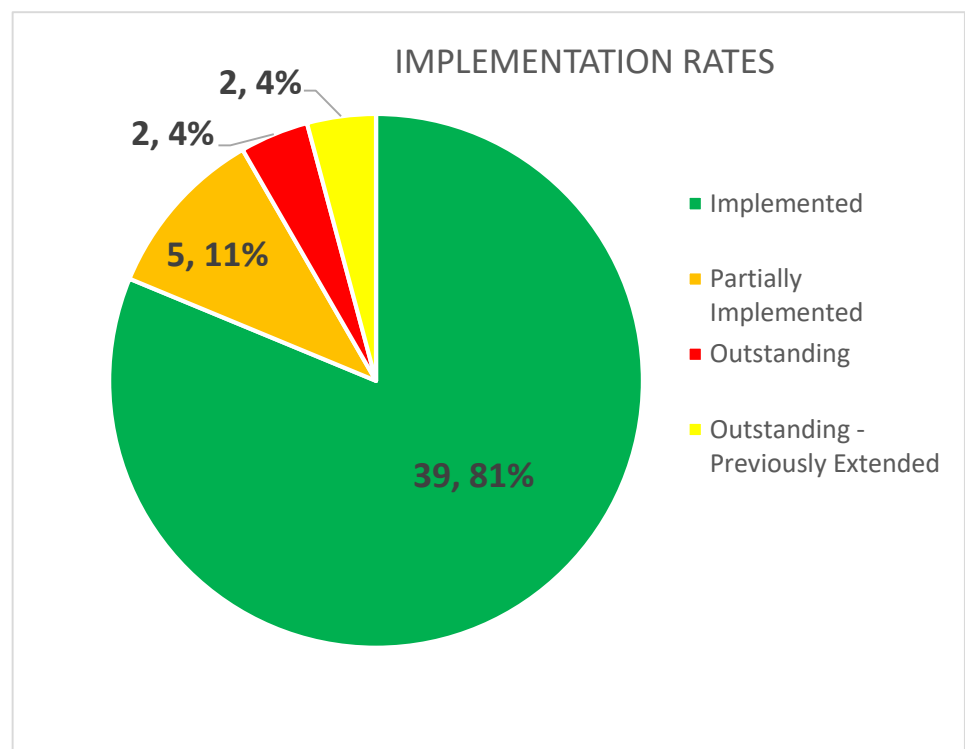
2 Agreed Process

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

3 Current Status

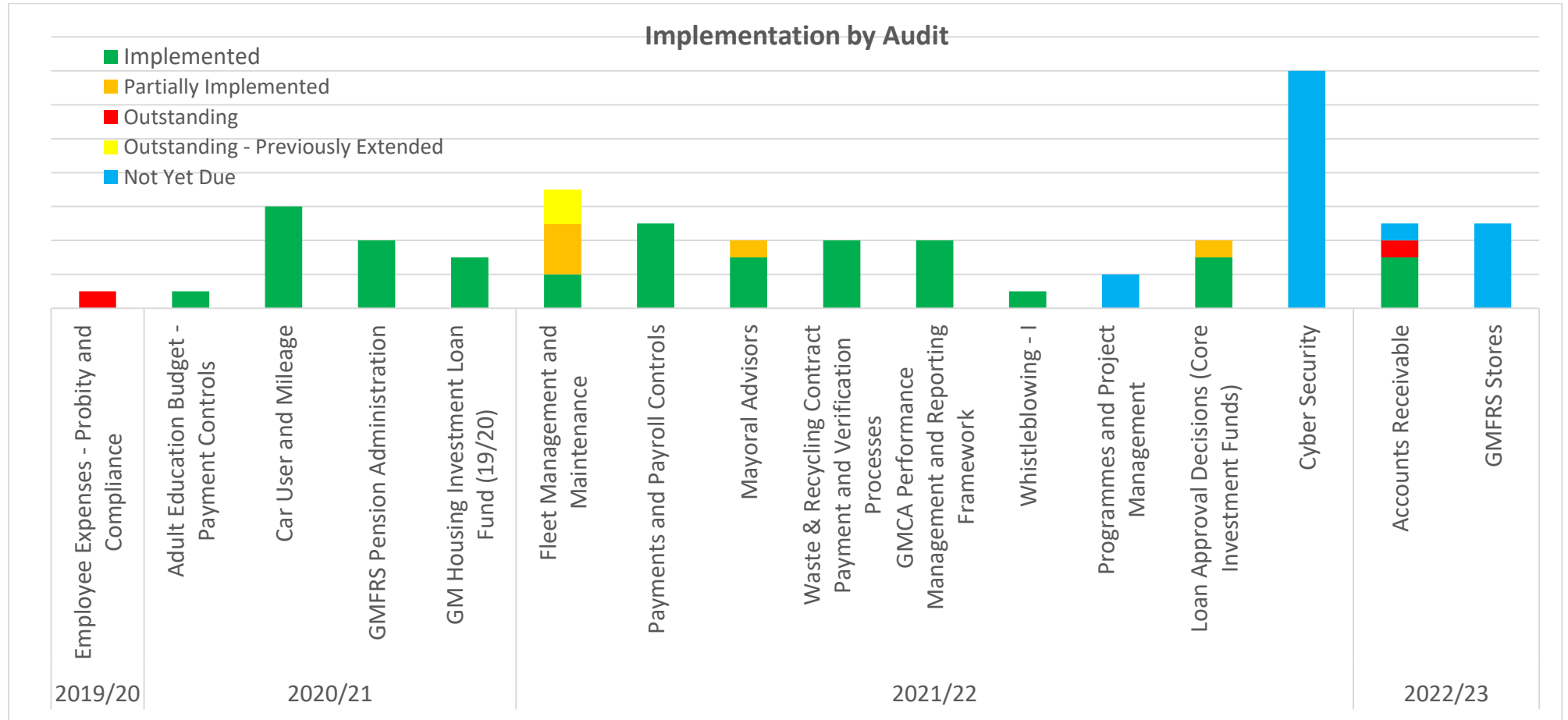
- 3.1 As at July 2022, 81% of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.

This is this is a slight rise on the Q4 position of 80%.



4 Analysis of Audit Actions – by Audit

4.1 The chart below shows the status of implementation of audit actions by audit.



- 4.2 The longstanding action in relation to the Employee Expenses report relates to the ability to reclaim VAT on expense claims. The recent policy implementation and roll out means that supporting evidence for claims should be uploaded to the system, the Payroll Team have confirmed with the software provider that it is possible for the system to capture this information and are working with them and a VAT specialist to confirm which elements VAT could be reclaimed and the cost of implementing this.
- 4.3 Five actions from the LTSC Fleet Management and Maintenance Audit have previously been extended and were last reported to Committee in September 2021. Management confirmed that these actions would be considered alongside agreed actions relating to LTSC Central Stores as there are mutual issues particularly around systems, processes, performance, and value for money. LTSC Management have carried out an internal review of both functions with the intention of addressing key areas of concern. A progress update has been received and we will continue to monitor progress on implementation.
- 4.4 Where due dates have been extended these actions are shown in the table and we will continue to monitor progress on these and report to audit committee when these become due.
- 4.5 Details of outstanding and partially implemented actions and responses on progress have been included at **Appendix A** to allow Members opportunity to consider these.
- 4.6 External Audit recommendations are excluded from the calculation of implementation rates but they are now included in the action tracking process to streamline the process and provide External Audit with a view of the status of their recommendations when the next external audit takes place. See **Appendix B**.

5 Analysis of Audit Actions – by Risk Rating

- 5.1 The table below shows the status of audit actions by the risk rating of the associated audit finding.

.Action Status	Total	Critical (Major)	High (Significant)	Medium (Moderate)	Low (Minor)
Implemented	39	1	7	20	11
Partially Implemented	5	0	1	3	1
Outstanding	2	0	0	0	2
Not Yet Due	22	0	6	12	4
Extended - Not Yet Due	0	0	0	0	0
Outstanding - Previously Extended	2	0	0	1	1
Total	70	1	14	36	19

- 5.2 The number of actions being tracked this quarter has decreased, from 71 to 70 this quarter in line with our policy to remove implemented actions over 2 years old from the tracker each quarter.
- 5.3 Any actions that are over 2 years old but have not been fully implemented will not be removed from the tracker until the actions have been completed and reported as implemented at least once in this tracker report.

Status of Overdue Actions at April 2022

Audit Title.	Risk Rating	Audit Finding and Agreed Management Action (Summarised version from Audit Report)	Target Date	Responsible Officer	Internal Audit Status	Audit Committee Update (Apr 2022)
Employee Expenses - Probity and Compliance (July 2019)	Minor	<p>Audit Finding VAT: Consideration should be given to the process for reclaiming VAT on relevant VAT expense claim transactions.</p> <p>Management Action Agreed</p>	March 2020	Payroll and Pensions Manager	Outstanding	<p>In the expenses audit it was identified that GMCA do not routinely claim VAT back on expenses because historically there was insufficient supporting evidence from expense claims to do so. Now the new process is in place which requires the uploading of documents to support claims.</p> <p>The team have now met with the system provider to confirm that the system is capable of capturing the VAT information and is now working with the provider and VAT specialist to confirm how this will be done and the costs of implementation.</p>

<p>Mayoral Advisors (June21)</p>	<p>High</p>	<p>Audit Finding The governance arrangements over Mayoral Advisors is informal and inconsistent</p> <p>Management Action In line with the recommendations of the Strategy and Policy Team’s discussion paper, a set of principles and protocols for the operation of Mayoral Advisors will be established, including at a minimum: a role description, clearly defined expectations, declarations of interest, gifts and hospitality recording, terms of office, and progress / activity reporting requirements.</p> <p>How the Advisor works within the governance structure of GMCA will also be clearly defined.</p>	<p>30 Sept 2021</p>	<p>Andrew Lightfoot, Deputy Chief Executive</p>	<p>Implemented (subject to verification)</p>	<p>A report was taken to the GMCA Resources Committee in March 2022 confirming the protocol and that all Advisor appointees will be required to complete the GMCA Register of Interests and comply with GMCA policies and procedures. A further report providing detail on Advisor work, remuneration and accountability is due to be taken to the Resources Committee during 2022/23.</p> <p>Two transport appointments approved by March Committee.</p>
<p>Mayoral Advisors (June21)</p>	<p>Medium</p>	<p>Audit Finding There is a lack of transparency over the work of the Mayoral Advisors and advisory panels</p> <p>Management Action The GMCA website will include a page for each Mayoral Advisor and advisory panel/group/task force, which is kept up to date with basic information such as: terms of reference, members lists, informal records of meetings, recent and planned activities, progress reports, and formal annual reports. Where an Advisor steps down or a panel is discontinued, this should be made clear on the website.</p>	<p>30 Sept 2021</p>	<p>Andrew Lightfoot, Deputy Chief Executive</p>	<p>Partially Implemented (subject to verification)</p>	<p>Annual progress reports will be submitted the full GMCA going forward. The first reports from the Advisory Panels was considered at the meeting on 10th September 2021.</p> <p>To be covered as part of the further report to Resources Committee during 2022/23.</p>

<p>Fleet Management and Maintenance 20/4/2021</p>	<p>Medium</p>	<p>Audit Finding: B-fleet Vehicle Usage Policy: There is no policy in place to manage and monitor the usage of B-fleet vehicles across the service.</p> <p>Management Action: a) The 'Driving at Work' policy will initially focus on grey book uniformed staff and be approved by SLT and FBU. b) The next stage will take into consideration fleet usage across the wider GMFRS/GMCA estate including operational (support vehicles) and non-operational (pool cars) vehicles. The published policy guidance will establish the key requirements of managers and vehicle users and this will include, but not be restricted to, the following areas: <ul style="list-style-type: none"> · B-fleet vehicle location updates, to ensure vehicles are available to support service operations at all times · Daily recording of vehicle journeys · Daily vehicle roadworthiness inspection and defect checks · Driver validation checks · Consistency with other related policies (car user and mileage; and employee expenses) · Use of non-operational Pool cars and booking system including for non-Grey Book staff c) The use of vehicle tracking devices on all new vehicles is an essential part of developing an effective vehicle usage and monitoring process and a separate policy will be put in place to support this area.</p>	<p>30 September 2021 Extended to June 2022</p>	<p>Fleet Services Manager</p>	<p>Partially Implemented</p>	<p>Policy around suitability, sustainability, affordability and governance of the B Fleet have been agreed by the Service Leadership Team and the Deputy Mayor setting out the approach for assessing need for vehicles and approach for obtaining the vehicles.</p> <p>A Vehicle Requirements Methodology sits behind this policy to ensure that a greener fleet is procured in line with need.</p> <p>All new vehicles are now fitted with trackers and a draft policy on vehicle tracking and telematics is currently being consulted on.</p>
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<p>Fleet Management and Maintenance 20/4/2021</p>	<p>Medium</p>	<p>Audit Finding: Disposal of obsolete vehicles and equipment: There are delays and backlogs in the disposal of obsolete and decommissioned assets.</p> <p>Management Action: The Fleet disposal policy will be updated to explicitly set out the procedures for the identification of end of useful life assets, and the decommissioning, disposal or scrapping of these assets (vehicles and equipment). a) The policy update will encompass the following key areas: <ul style="list-style-type: none"> · Method for identifying assets at the end of their useful life and determining the appropriate method of disposal. · Methods of disposal available, including the expected use of quotes and tenders and selection of approved providers. · Authorisation and approval limits for items over specified values. · How asset valuations will be sought prior to disposal (where necessary). · Procedures for the decommissioning of vehicles prior to disposal. · BWO asset register and expected process for review of 'parked' items. · Quarterly Reporting to SLT of asset disposals including income receipts. b) There will be a regular review of all 'parked' items and a plan put in place for the safe disposal/scrapping of all obsolete vehicles and equipment, including a process for dealing with items listed as 'missing' equipment.</p>	<p>September 2021 Extended to June 2022</p>	<p>Fleet Services Manager</p>	<p>Partially Implemented</p>	<p>The backlog of obsolete vehicles and equipment have now been addressed and actions taken to replace life expired vehicles, this process is now being incorporated into business as usual activity.</p> <p>The Operational Equipment and Disposals policy has been updated and is pipelined for approval by GMFRS Service Leadership Team, the Supporting Charities Policy which underpins this has already been approved.</p>
<p>Fleet Management and Maintenance 20/4/2021</p>	<p>High</p>	<p>Audit Finding: Performance Management Framework: There isn't a fully robust framework in place against which the value and efficiency of fleet services can be measured and monitored.</p>	<p>July 2021 Extended to June 22</p>	<p>Area Manager, Head of Service Support &</p>	<p>Partially Implemented</p>	<p>A high-level review of the service has been undertaken to establish key performance indicators and the BWO requirements to</p>

		<p>Management Action: We will establish a performance framework which includes a suite of indicators against which the efficiency of fleet service activities can be measured and monitored in relation to cost, quality, and timeliness of workshop repairs.</p> <p>Working with Corporate Support functions we will determine requirements of the service and availability and access to regular BWO Management Information (MI). The opportunity to automate the regular extraction of this information through the development of a suite of bespoke reports will be explored.</p> <p>The BWO Asset Management Module which is currently being adapted for use in the GMCA Estates Team will also be considered for its applicability and usefulness to the fleet team as a mechanism to record and report relevant information.</p>		Head of Finance (Management Accountancy)		<p>support this are currently being worked through with the BWO systems team.</p> <p>The BWO Asset Management System is being updated for use by the Estates Team and this will be reviewed for applicability and usefulness to the Fleet Team.</p> <p>A separate project has been set up around asset tracking and fleet management software, however this is a longer-term project and so short-term solutions are being implemented to improve assurance in these areas.</p>
Fleet Management and Maintenance 20/4/2021	Low	<p>Audit Finding: System data quality: There are some inconsistencies in data quality which should be checked.</p> <p>Management Action: This is linked to finding 4 and the actions from that will assist the monitoring of performance which could highlight anomalies in data.</p> <ul style="list-style-type: none"> · We will implement a consistent process for the capture and input of all work order information. · We will carry out a review of the data extracts provided by the Internal Audit team and Finance to understand potential anomalies and any immediate action required to improve data quality. 	July 2021 Extended to June 2022	Fleet Services Manager & Head of Finance (Management Accountancy)	Outstanding	A workstream has been set up to explore asset tracking and fleet management software to deliver improvements required in this area. This is a longer-term project, and therefore a short-term solution is being introduced to improve assurance around statutory inspection regimes ahead of the implementation of a new system.

		We will review the Grey Fleet vehicles in the system and closedown any which do not require annual reviews by LTSC.				
Fleet Management and Maintenance 20/4/2021	Medium	<p>Audit Finding: Contract Management: There is a lack of evidence over how value for money is achieved through revenue contract spend.</p> <p>Management Action: In conjunction with Procurement colleagues, there will be a full review of all high priority contract spend areas to understand the full requirements of these and a forward plan to address where contracts need to be re-procured or market tested.</p> <p>Ensuring appropriate senior level oversight is in place with adequate reporting on contract spend areas.</p>	September 2021 Extended to June 2022	Head of Commercial and Fleet Services Manager	Outstanding	<p>In light of similar recommendations in the LTSC Stores report, a separate workstream has been commenced with the Commercial Team, with a workplan to review key contracts, contract management and governance being developed.</p> <p>The workplan for procurement will be finalised by September 2022, with implementation over the remainder of the financial year.</p>

<p>Loan Approval Decisions (Core Investment Funds) 7/12/2021</p>	<p>Low</p>	<p>Audit Finding: Any declarations of interests by CEX ASG members and CIT staff are made as and when they arise. There is no formal register of personal or business interests maintained.</p> <p>Management Action: A declaration of interests register will be put in place for CIT and CEX ASG to record any personal, pecuniary, or business-related conflicts of interest. This will include annual declarations being made by Officers and External Members of the group to ensure identified interests can be managed.</p>	<p>January 2022 (Extended to December 2022)</p>	<p>Investment Director</p>	<p>Partially Implemented</p>	<p>A template for this has now been drafted and the team are awaiting confirmation with HR that that there are no issues with the form.</p> <p>This is linked to a wider IA review of GMCA Behavioural policies and codes of conduct.</p>
<p>Accounts Receivable 12/4/2022</p>	<p>Low</p>	<p>Audit Finding: Declaration of Interest forms are not completed by Finance Staff.</p> <p>Management Action: A declaration of interests register will be put in place for Finance, Commercial and Internal Audit staff to record any personal, pecuniary, or business-related conflicts of interest. This will include annual declarations being made by all Officers to ensure identified interests can be managed.</p>	<p>April 2022 (Extended to December 2022)</p>	<p>Deputy Treasurer</p>	<p>Outstanding</p>	<p>This is linked to a wider IA review of GMCA Behavioural policies and codes of conduct.</p>

External Audit Action Tracking

To streamline the process for audit action tracking, internal audit have included external audit actions in the tracking spreadsheet and process. External Audit will provide their own assessment of the completion of those recommendations but as an indicator until such time that formal work is undertaken as part of the external audit, Internal Audit provide an informal assessment of the status of those actions.

Audit Title.	Risk Rating	Audit Finding and Agreed Management Action (Summarised version from Audit Report)	Target Date	Responsible Officer	Internal Audit Status	Audit Committee Update (Jun 2022)
External Audit 20-21 accounts 24/11/2021	Medium	<p>Audit Finding: Segregation of Duties in Accounts Receivable weak as individuals can both raise and approve sales invoices on the system</p> <p>Management Action: We will review roles following the recent restructure and ensure this is in place, this will be assessed as part of an upcoming internal audit review of accounts receivable</p>	March 2022	Head of Finance Corporate and Technical	Implemented (subject to EA verification)	<p>IA View: New role profiles have been set up within the Accounts Receivable system and were launched at the beginning of March. This ensures that there is both segregation and approval of invoices within the system.</p> <p>IA testing in the quarter has shown that the system now has segregated roles in place and utilised.</p>
External Audit 20-21 accounts 24/11/2021	Medium	<p>Audit Finding: No disaster recovery test had been performed by the organisation within the period.</p> <p>Management Action: We will consider the GMCA approach to disaster recovery testing alongside the creation of a back up policy and EBS.</p>	March 2022	Digital Solutions Manager	Outstanding	<p>IA View: The disaster recovery procedures were also picked up as part of the recent Cyber Security audit, as part of this management provided a detailed plan of action with a target date of Mar 2023</p>

External Audit 20-21 accounts 24/11/2021	Low	<p>Audit Finding: Testing of journals identified a write off processed to clear an imbalance between petty cash records and the financial systems, this could not be matched to supporting documents. Amount written off was of low value (£311)</p> <p>Management Action: We will ensure petty cash policies and procedures reflect this as well as commencing a review of the requirement for petty cash to be held by the CA.</p>	March 2022	Head of Finance Capital and Treasury Management	Outstanding	We have no updated status on this.
External Audit 20-21 accounts 24/11/2021	Low	<p>Audit Finding: No formal back up policy in effect at the Authority</p> <p>Management Action: GMCA will produce a formal back-up policy and is currently developing proposals for an Enterprise Back Up Solution (EBS) to be implemented in early 2022 if agreed.</p>	March 2022	Digital Solutions Manager	Outstanding	<p>IA View: This was also picked up as part of the recent Cyber Security audit. Management confirmed that a proposal around this was being presented to Senior Management and provided a target date for implementation of September 2022</p>
External Audit 20-21 accounts 24/11/2021	Low	<p>Audit Finding: No formal change management policy in effect at the organisation.</p> <p>Management Action: Whilst there is no formal change management policy in place the external auditor acknowledged that the GMCA change management controls are very strong. We will consolidate the process into a formal policy.</p>	March 2022	Digital Solutions Manager	Outstanding	<p>IA View: The recent Cyber Security audit identified the need to update several corporate policies in this area. Management had also recognised the need to do this and had set a target date of March 2023 for completion of all required policy updates.</p>

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GMCA AUDIT COMMITTEE

Date: 27 July 2022

Subject: GMCA – Draft 2021/22 Annual Governance Statement

Report of: Liz Treacy, GMCA Monitoring Officer and Steve Wilson, GMCA
Treasurer

PURPOSE OF REPORT

To provide the Committee with the draft 2021/22 Annual Governance Statement (attached as appendix A) for comment, prior to coming back to the Committee as a finalised version for approval in September.

RECOMMENDATIONS:

The Audit Committee is requested to:

- (1) consider and comment on the draft Annual Governance Statement;
- (2) suggest any amendments to the draft Annual Governance Statement; and
- (3) endorse the Annual Governance Statement for submission to the September 2022 meeting.

CONTACT OFFICERS:

Liz Treacy, Monitoring Officer, GMCA,

l.treacy@greatermanchester-ca.gov.uk

Steve Wilson, Treasurer to GMCA,

steve.wilson@greatermanchester-ca.gov.uk

Gwynne Williams, Deputy Monitoring Officer, GMCA,

williamsg@manchesterfire.gov.uk

Lee Teasdale, Senior Governance & Scrutiny Officer, GMCA,

lee.teasdale@greatermanchester-ca.gov.uk

Equalities Implications: N/A

Climate Change Impact Assessment and Mitigation Measures: N/A

Risk Management – The AGS forms part of GMCA’s risk management arrangements.

Legal Considerations – Legal requirements are referred to throughout the AGS.

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 (Annual Governance Statement)

BACKGROUND PAPERS: GMCA Constitution –

[FinalConstitution2020formattedHyperlinksAdded.docx.pdf \(greatermanchester-ca.gov.uk\)](#)

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	No

exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

ANNUAL GOVERNANCE STATEMENT 2021-22

CONTENTS

1. Introduction & Purpose of the Annual Governance Statement
2. GMCA Legislative, Strategic and Policy Context
3. Legislative Arrangements emerging from COVID-19 Pandemic
4. Independent Review of the GMCA Scrutiny Function
5. Scope of Responsibility
6. Governance Review Activity 2021/2022
7. Progress in Addressing the Challenges Identified in the 2020/2021 Annual Governance Statement
8. Areas for Focus in 2022/2023
9. Summary

Appendix - CIPFA SOLACE – Good Governance Principles

INTRODUCTION

1.1 The Annual Governance Statement sets out how the Greater Manchester Combined Authority (GMCA) meets its governance standards detailed in the Code of Corporate Governance. It also describes how it meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement to accompany the Annual Accounts. It is a document which looks back retrospectively over the past year and identifies where the GMCA has demonstrated good governance and looks forward as to areas where focus should be given in relation to governance over the coming year. The GMCA's corporate governance framework is structured around the seven good governance principles set out in the 2016 CIPFA guidance (see fig.1):

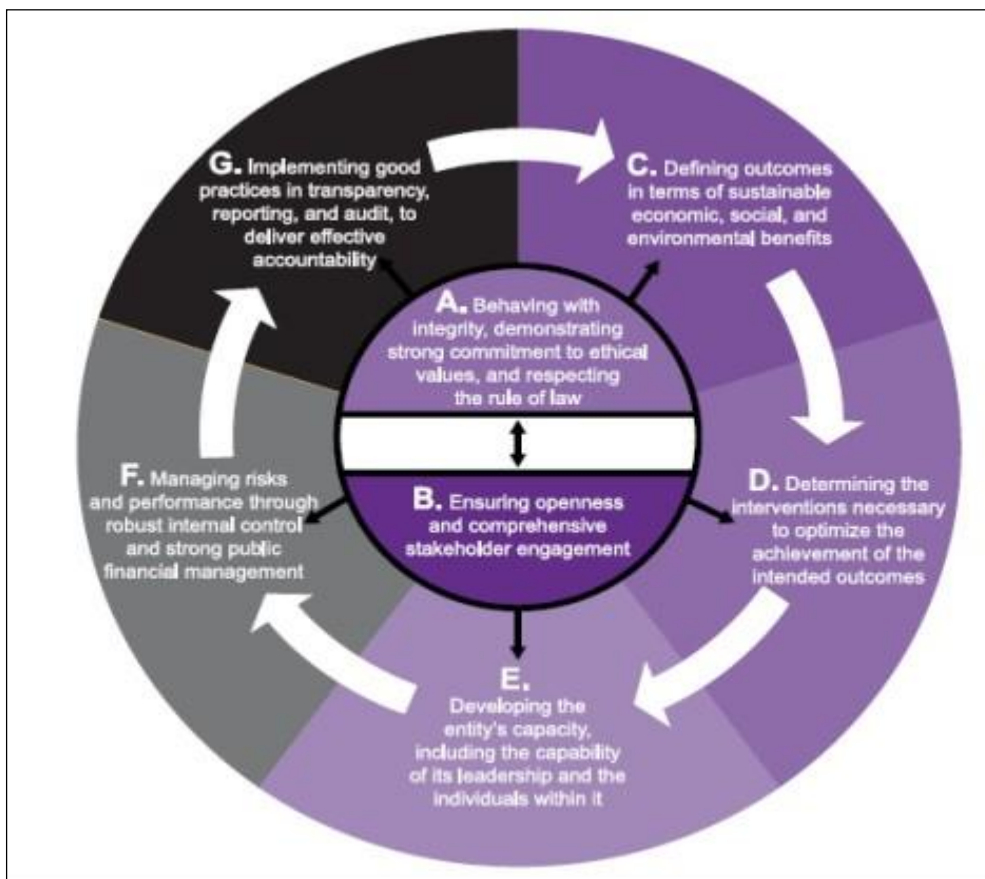


Fig.1 Seven Principles of Good Governance

LEGISLATIVE, STRATEGIC AND POLICY CONTEXT

2.1 The GMCA was established on 1 April 2011 by the Greater Manchester Combined Authority Order 2011 and comprised of ten members, being the Leaders of the constituent councils. The GM Mayor was re-elected on 10th May 2021 and will remain in office until May 2024. The Mayor is the chair and 11th member of the GMCA. The Mayor also appoints the Deputy Mayor for Policing and Crime who has substantial delegated authority covering policing and crime. All members have clear portfolio responsibilities as listed below:

Member	Representing	Portfolio Responsibility
Mayor Andy Burnham	GM Mayor	Policy & Reform, Transport
Baroness Beverley Hughes	Deputy Mayor	Safe & Strong Communities (Police and Fire)
Cllr Martyn Cox	Bolton	Green City Region and Waste
Cllr Eamonn O'Brien	Bury	Education, Skills, Work, Apprenticeships and Digital
Cllr Bev Craig	Manchester	Economy, Business & International
Cllr Amanda Chadderton	Oldham	Equalities, Inclusion & Cohesion
Cllr Neil Emmott	Rochdale	Culture
Mayor Paul Dennett	Salford	Homelessness, Healthy Lives & Quality Care
Cllr Mark Hunter	Stockport	Young People
Cllr Gerald Cooney	Tameside	Communities & Co-operatives
Cllr Andrew Western	Trafford	Clean Air, Regeneration & Housing
Cllr David Molyneux	Wigan	Resources & Investment

2.2 Each GMCA member appointed by a constituent council may appoint an elected member of another constituent council to act as an assistant portfolio holder whose duties will be to provide support and assistance to the GMCA member in the carrying out of that member's duties in respect of the portfolio responsibilities allocated by the Mayor. Portfolio Assistants also have the right to attend meetings of the GMCA and speak but they have no voting rights. This is set out in the constitution.

2.3 On public service issues the GMCA members and the Mayor each have one vote, and generally questions are decided by a majority vote. Questions on matters requiring a vote of more than a simple majority are set out in the 2011 Order. The Mayor is required to consult members of the GMCA on his strategies. The GMCA also examines the Mayor's (non-Police and Crime) spending plans and is able to amend those plans if two-thirds of members agree to do so.

2.4 The GM Local Enterprise Partnership (GM LEP) has acted as a private sector-led voluntary partnership, with a core function to provide strategic leadership and private sector insight (alongside the GMCA) to help deliver the city region's growth ambitions. In March 2022, the GM LEP received a letter from Minister Neil O'Brien MP (DLUHC) and Minister Paul Scully MP (BEIS) providing an update following the conclusion of a Review of LEPs and the way forward. The letter set out that LEPs will now be integrated into local democratic institutions following the policy announcement made in the Levelling Up White Paper as well as indicating the process by which this will be achieved. GM will submit an Integration Plan to Government by the end of July 2022 setting out how Greater Manchester LEP will be integrated with GMCA.

2.5 The GMCA and the Constituent Councils are members of the Association of Greater Manchester Authorities (AGMA). They have entered into joint arrangements, including an Operating Agreement, and the establishment of a joint committee called the AGMA Executive Board, which oversees the work and strategic direction of AGMA, leads on policy, and has delegated decision-making powers from the 10 Greater Manchester councils. AGMA has the same membership at the GMCA.

2.6 A range of statutory and non-statutory member-led committees and boards sit below the GMCA and LEP, with responsibility for overseeing work in relation to the various portfolios. The Scrutiny Function has 20 members (with 20 additional members in a substitute pool) and responsibility for reviewing and evaluating the performance of the Mayor and GMCA, and the way they work with their partners to deliver for local people, contributing to policy development in respect of high profile, complex issues affecting the whole of Greater Manchester, and investigating more complex cross-cutting issues, with a particular focus on the GMCA's forthcoming responsibilities in respect of the 'missions' in the Levelling Up and Regeneration Bill. For more information on the outcome of the recent independent Scrutiny Review please see Section 4.

2.7 The GMCA Audit Committee, as a statutory body, plays a key role in overseeing risk management, governance systems and financial management. The GM Transport Committee oversees the travel services provided by Transport for Greater Manchester (TfGM).

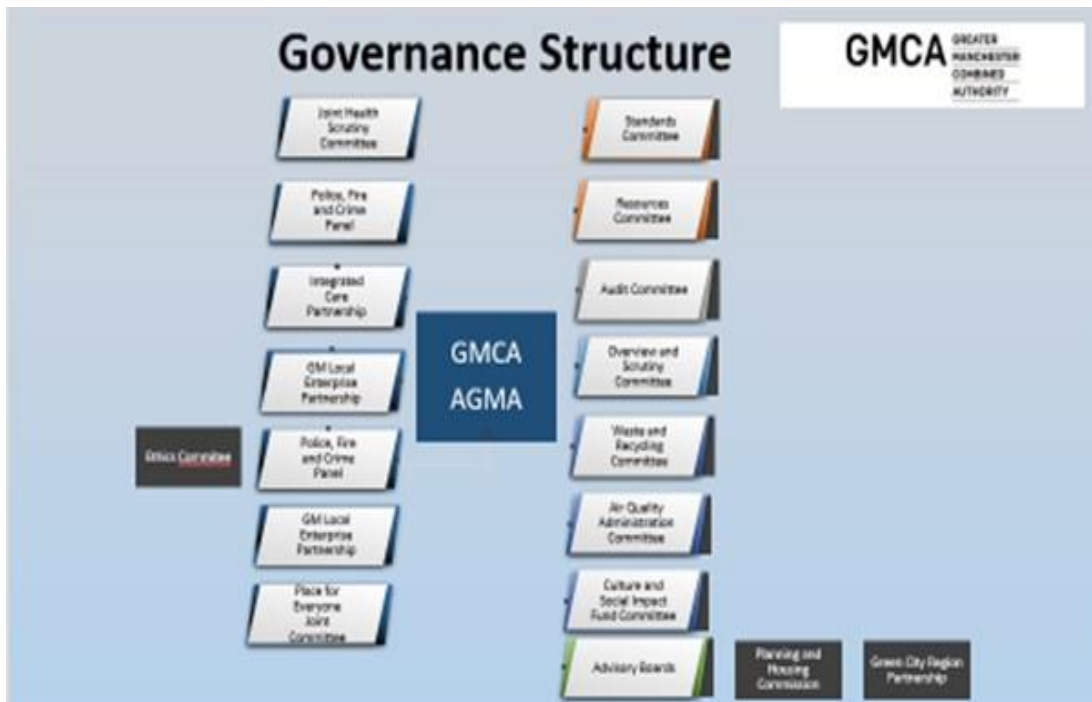


Fig.2 Governance Structure

TRANSITION FROM COVID-19 LEGISLATIVE ARRANGEMENTS

3.1 Within the UK, a disaster response system exists, underpinned by the Civil Contingencies Act 2004. The system helps to support the coherent and integrated emergency response and recovery between national and local levels. At a local level, the backbone of this system had been via partnership working through a Strategic Coordinating Group and its associated structures, together with a Recovery Coordinating Group and appropriate sub-groups. These, in turn, were recognised and supported by MHCLG and other Government Departments, assisting a two-way dialogue in the emergency that was additional to more normal day-to-day arrangements.

3.2 As of March 2022, the UK had moved to minimal restrictions. However, with infection rates still at high levels Health and Social Care remains an important consideration determining the levels of infection, hospitalisation, and death from COVID-19 that can be endured, and in particular the extent to which non-COVID care is negatively impacted as a consequence. Therefore, Greater Manchester has now developed a 'Living Safely and Fairly with

COVID-19 Plan' which was produced in consultation with the GM Contain Cell, the Strategic Coordination Group and the GM Emergency Committee.

3.3 In line with the development of the above plan and the national scaling down of testing and monitoring – it was agreed that the GM Emergency Committee, Strategic Coordination Group and any remaining sub-groups would be stood down, with the Contain Cell remaining in place on a monthly to monitor the regular assessment summaries. The Contain Cell will then advise on the re-establishment of the Strategic Coordination Group should the assessments indicate the appearance of significant variants of concern.

3.4 In-person meetings throughout 2021/22 have still complied with Covid safety requirements meaning work has been undertaken to ensure appropriate venues are used, enabling members to participate in meetings safely and for members of the public to attend if they so wish. GMCA meetings and committee meetings are still livestreamed live to enable access to members of the public and to assist with transparency.

INDEPENDENT REVIEW OF THE GMCA SCRUTINY FUNCTION

4.1 In October 2021, the GMCA became aware of concerns from councillors that the GMCA's overview and scrutiny committees were not conducting their work effectively due to inaccuracy and cancelled meetings. To respond to these concerns, the GMCA commissioned the Centre for Governance and Scrutiny (CfGS) to independently review the GMCA's scrutiny function.

4.2 The review focused on three core areas: culture, information, and impact. It was agreed that CfGS would: conduct desk-based research, interview key figures, survey overview and scrutiny committee members, and convene a task group consisting of an all-party group of overview and scrutiny committee members which would act as a sounding board for emerging findings. Clive Memmott OBE, Chief Executive of the Greater Manchester

Chamber of Commerce, was invited to act as the Independent Chair of the task group.

4.3 Between January 2022 and May 2022, CfGS and the Independent Chair conducted the work with the support of GMCA Governance and Scrutiny officers. There were 28 interviews, 16 responses to the member survey, and 4 meetings of the task group.

4.4 The report found that the GMCA's overview and scrutiny committees faced many of the same challenges as other Combined Authorities and there were opportunities to do things differently. The appetite to improve the function was shared by all those who contributed to the review.

4.5 It was agreed that the role of the committee should be recognised as threefold:

4.5.1 To review and evaluate the performance of the Mayor and GMCA, and the way they work with their partners to deliver for local people,

4.5.2 To contribute to policy development in respect of high profile, complex issues affecting the whole of Greater Manchester,

4.5.3 To investigate more complex cross-cutting issues, with a particular focus on the GMCA's forthcoming responsibilities in respect of the 'missions' in the Levelling Up and Regeneration Bill.

4.6 To achieve these aims, a series of recommendations were made, which included:

4.6.1 Reducing the number of committees from three to a single committee of 20 members, with an additional 20 members in a substitute pool.

4.6.2 Bringing matters to the overview and scrutiny committee well in advance of the decision being taken by the GMCA.

4.6.3 Encouraging members to make a commitment to serving a minimum two-year term (where possible) based on member role descriptions.

4.6.4 Remunerating members for their time and work.

4.6.5 Increasing the amount of task group working to conduct more in-depth scrutiny.

4.6 The report and its recommendations were approved by the GMCA at its meeting on 24 June 2022 and the GMCA's Constitution will be amended to reflect the changes that were agreed. The implementation of the report and its recommendations will be conducted according to the implementation plan contained within the report. The overview and scrutiny committee will take control of monitoring and evaluating its new structures and ways of working and will report back to the GMCA where necessary. The link to the full report can be found [here](#)¹

SCOPE OF RESPONSIBILITY

5.1 The GMCA's Code of Corporate Governance sets out how the GMCA operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. The Code of Corporate Governance can be found in Part 7 (Section E) of the [GMCA Constitution](#).²

5.2 The Annual Governance Statement demonstrates how the GMCA is delivering its services in the right way in a timely, inclusive and accountable manner and will be certified by the GMCA Chief Executive and the Mayor, after consideration of the draft by the GMCA Audit Committee. GMCA's external auditor reviews the Annual Governance Statement as part of the assessment of their value for money responsibilities.

¹ [4 Final GMCA scrutiny report 2022.pdf \(greatermanchester-ca.gov.uk\)](#)

² <https://www.greatermanchester-ca.gov.uk/who-we-are/accounts-transparency-and-governance/>

5.3 The GMCA's governance framework comprises the legislative requirements, principles, management systems and processes – including the GMCA's Constitution, Operating Agreement and Protocols – and cultures and values through which the Authority exercises its leadership, fulfils its functions, and by which it is held accountable for its decisions and activities.

5.4 The following sections of this document describe how the GMCA fulfils the requirements set out in the seven principles of good governance.

GOVERNANCE REVIEW ACTIVITY 2021/22

GMCA Audit Committee and GM Joint Audit Panel

6.1 The GMCA Audit Committee is responsible for overseeing the effective operation of the systems of governance including risk management, internal control, and treasury management. It is a legal requirement for the GMCA to have an Audit Committee as this also ensures a high standard of openness and transparency. The Committee met six times during 2021/22 and discussed a range of matters including the Risk Strategy & Register, the Treasury Management Strategy Statement & Activities and the Statement of Accounts for the GMCA and associate bodies – additionally, the Committee also received and considered the findings of both internal and external audit. Matters to be considered during 2022/23 will include a review and refresh of the GMCA's Counter Fraud Policies and a review of the Local Government Transparency Code to ensure that the GMCA complies with its requirements.

6.2 The GMCA Audit Committee oversees all aspects of the GMCA including Mayoral functions. In line with the Home Office Financial Management Code of Practice. The Mayor has also established a Greater Manchester Joint Audit Panel which oversees the control environment of the Chief Constable and the GMCA (Police and Crime) functions, performing the functionality of an Audit Committee. The Panel assists the Mayor in discharging his statutory

responsibilities to hold the Chief Constable to account and to help deliver an effective policing service. To minimise duplication and bureaucracy and to maximise value for money shared internal audit arrangements are in place to support the Mayor and the Chief Constable. The GMCA Audit Committee receives the minutes of the Audit Panel as part of its agenda and receives the annual report of the Chair of the Joint Audit Panel.

Head of Audit and Assurance Annual Opinion 2021/22

6.3 Based on the work undertaken by Internal Audit in respect of 2021/22 the opinion of the Head of Internal Audit is that moderate assurance is provided on the overall adequacy and effectiveness of GMCA's framework of governance, risk management and internal control. This opinion is based upon the findings of the audit work undertaken during the year. The opinion is reflective of the progress made during the year, particularly in relation to the evolving maturity of risk management arrangements in place within GMCA and in the development of the performance management framework, including the business plan and associated periodic reporting against milestones and metrics within it.

Annual Review of the System of Internal Audit 2020/21

6.4 An external quality assessment (EQA) of the Internal Audit Function was undertaken in 2021/22. The conclusion would be that overall, the service complies with PSIAS. A Quality Assurance and Improvement Programme (QAIP) has been implemented within the Internal Audit Team and an Internal Audit Effectiveness Plan developed as a result of the assessment, which will allow for monitoring the progress of the actions agreed as part of the EQA and assist in the ongoing evaluation of the effectiveness of the team moving forwards.

GMCA Standards Committee

6.5 The GMCA has a Standards Committee to deal with matters of conduct and ethical standards regarding members of the Greater Manchester Combined Authority and its committees should they arise. It also provides a reviewing function for key policies in relation to the behaviour and actions of elected members whilst serving in their Greater Manchester capacities. The Committee has considered the LGA Model Code of Conduct during 2021-22. During 2022-23 it was expected that the Committee would undertake reviews of refreshed versions of the Code of Corporate Governance; the Officer Code of Conduct; Declarations of Interest and Gifts & Hospitality.

PROGRESS IN ADDRESSING THE CHALLENGES IDENTIFIED IN THE 2020/21 ANNUAL GOVERNANCE STATEMENT

Action Identified in 2020/21	Progress Made
<p>Following the agreement of the Greater Manchester Franchising Scheme for Buses 2021 – ensure that appropriately robust governance oversight is in place throughout the transition process</p>	<p>Following the decision of the Mayor to make the GM Bus Franchising Scheme in March 2021 there have been a number of reports to GMCA to enable the implementation of the scheme. Reports have been taken in May, June and September 2021 to delegate decision making on the procurement process, amend the Capital Programme, agree the purchase of land for a bus depot and agree required TUPE actions. Internally a Bus Franchising Board has been established. Board members include senior GMCA and TFGM legal, finance, procurement, IG and Bus Services officers. The Board meets regularly and reports in to the Bus Reform Board which is chaired by the Chief Executive GMCA/TfGM.</p>
<p>The establishment of new ways of working in the post-Covid environment. Resetting the way we work as an organisation to ensure that hybrid ways of working are</p>	<p>In order for GMCA staff to be able to work in a way that allows them to do their job effectively whilst supporting health and wellbeing needs – a Hybrid Working Policy</p>

<p>adaptable to the needs of all staff within the organisation</p>	<p>has been introduced that focussed on two key pillars:</p> <ul style="list-style-type: none"> • Hybrid working is a form of flexible working where working in the office is used in combination with remote working, mostly from home to deliver the business. • The location of work is primarily dictated by the needs of the business. <p>As an employer, the GMCA wants to become an organisation where staff are managed through their performance and contribution to organisational objectives rather than the time they are at their desk.</p> <p>The GMCA is moving away from traditional methods of management by trusting and empowering our staff to deliver its organisational objectives in the best way that suits the business and their individual needs.</p>
<p>Robust arrangements to put in place to monitor delivery, performance and risk to ensure the successful delivery of the Greater Manchester Strategy</p>	<p>The publication of the Greater Manchester Strategy 2021-2031 was supported by the concurrent publication of the GMS Performance Framework: <u>Our Progress Monitoring</u> (<u>aboutgreatermanchester.com</u>)</p>

	<p>The choice of indicators to sit within the Greater Manchester Strategy performance framework has been informed by a detailed series of underlying principles.</p> <p>The principles draw on learning from the approach to performance management under the 2017 Strategy and reflect the impact of the pandemic in highlighting inequalities across the city-region.</p>
<p>Implementation of the CIPFA Financial Management Code of Practice by:</p> <ul style="list-style-type: none"> • Undertaking full self-assessment against the code to identify areas for improvement. • Reviewing the constitution to ensure right governance in place. • Assess links to Capital Strategy and Prudential Code. • Implementing greater transparency of financial reporting to scrutiny committee. • Review of business processes and management accountability. • External comparisons to identify areas to review. • Determining the approach to longer term strategy to manage resources, reserves, and risk. 	<p>The Financial Management Code of Practice self-assessment was reviewed early in 2021/22 to prioritise areas for improvement during the year. The focus during 2021/22 has been on:</p> <ul style="list-style-type: none"> • Recruiting and embedding a new structure in the GMCA Finance Team to ensure a suitably resourced and fit for purpose finance functions • Implementation of a finance business partnering service for all parts of the organisation; • Updating the GMCA Constitution to provide greater consistency across the organisation and clarification of thresholds for approval in the Financial

<ul style="list-style-type: none"> • Reflecting the code in update to AGS. 	<p>Regulations and Contract Procedures;</p> <ul style="list-style-type: none"> • Improvement to the medium-term financial planning process, supported by zero-based budgeting, development of a consistent corporate overhead process and implementation of a grants management procedure. <p>Following the latest self-assessment the priorities for 2022/23 are:</p> <ul style="list-style-type: none"> • Implementation of further training and development tools to ensure finance processes and procedures are fully understood and to improve financial management expertise across the organisation; • Introduction of financial metrics to support the quarterly internal performance management reporting; • Development of the medium financial planning process to include scenario planning around changes in funding;
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	<ul style="list-style-type: none"> • Further emphasis needs to be placed on the code of ethics to ensure that it is embedded across the organisation supported by training materials.
<p>Development of a protocol to improve the consistency and transparency of arrangements for Mayoral Advisors.</p>	<p>A report was taken to the GMCA Resources Committee in March 2022 confirming the protocol and that all Advisor appointees will be required to complete the GMCA Register of Interests and comply with GMCA policies and procedures. A further report providing detail on Advisor work, remuneration and accountability is due to be taken to the Resources Committee during 2022/23</p>

AREAS FOR FOCUS IN 2022/23

Good Governance Principle	Action	Lead(s)/GMCA Officer Lead
B: Ensuring Openness and Comprehensive Stakeholder Engagement	Ensure the smooth transition to governance of the Integrated Care Partnership Strategy from previous health devolution arrangements	Assistant Director of Governance & Scrutiny <i>Monitoring Officer</i>
B: Ensuring Openness and Comprehensive Stakeholder Engagement	Embed the new Overview and Scrutiny Committee arrangements in line with the recommendations highlighted within the Implementation Plan	Assistant Director of Governance & Scrutiny <i>Monitoring Officer</i>
B: Ensuring Openness and Comprehensive Stakeholder Engagement	Following agreement of GM's proposed Integration Plan – ensure that the integration of the Local Enterprise Partnership into the GMCA maintains an approach conducive to continued strong local partnership working with the GM business community	Assistant Director of Governance & Scrutiny <i>Monitoring Officer</i>
B: Ensuring Openness and Comprehensive Stakeholder Engagement	Ensure that the governance arrangements for the UK Shared Prosperity Fund (UK SPF) Board aligns with the Government's requirements around local stakeholder involvement.	Assistant Director of Governance & Scrutiny <i>Monitoring Officer</i>
G: Implementing Good Practices in Transparency, Reporting, and Audit, to Deliver Effective Accountability	Arrangements be made for the GMCA Standards Committee to review: <ul style="list-style-type: none"> • The Code of Corporate Governance • The Officer Code of Conduct • Declarations of Interest • Gifts and Hospitality 	GMCA Treasurer

G: Implementing Good Practices in Transparency, Reporting, and Audit, to Deliver Effective Accountability	Arrangements be made for the Audit Committee to review and refresh of the GMCA’s Counter Fraud Policies and a review of the Local Government Transparency Code to ensure that the GMCA complies with its requirements.	GMCA Treasurer
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SUMMARY

9.1 The GMCA has demonstrated an ongoing commitment to best practice and good corporate governance within the principles of the framework, demonstrated by a pro-active adoption of this framework and delivery of improvements suggested in the Annual Governance Statement 2020/21.

9.2 As the organisation moves forward in 2022, the Greater Manchester Strategy will be key in leading on its strategic direction and values. The refreshed Strategy incorporates the objectives and actions from the Living with Covid plans and also the Mayoral Manifesto commitments – in particular relating to Transport. There is a strong focus on delivery with robust arrangements put in place to monitor delivery, performance and risk, underpinned by strong governance arrangements, which are designed to support this delivery. Additionally, the EU-exit, rising costs of living and other factors such as the Ukraine Crisis are affecting the trajectory and resilience of the GM economy. The Authority reports to the GMCA the monthly GM Economic Resilience Dashboard to understand how these factors are impacting. The Dashboard summarises the latest responses to insights, as the GMCA, Greater Manchester Local Enterprise Partnership and other partners across the public, private and voluntary, community and social enterprise sectors continue to drive the recovery, as well as its longer-term ambitions. The rising cost-of-living has emerged as a key issue for the GM economy and the Authority is working to provide greater intelligence to support the analysis of the impact.

9.3 The organisation continues to adapt to these challenges and working closely in line with its partners is key to this. Examples of which can be seen in the successful embedding of the Police, Fire & Crime Panel and the Government's recommendations for Local Enterprise Partnerships based around governance arrangements already in place within GM. This approach will continue in working with partners to ensure the successful realisation of the Integrated Care Partnership, the UK Shared Prosperity Fund and refreshed Overview & Scrutiny arrangements.

Signed by.....

Signed by.....

Andy Burnham, Mayor of Greater Manchester and Eamonn Boylan, Chief Executive on behalf of Members and Senior Officers of Greater Manchester Combined Authority.

Date.....

Glossary of terms

GMCA	Greater Manchester Combined Authority
GMS	Greater Manchester Strategy
GMP	Greater Manchester Police
LEP	Local Enterprise Partnership
GMFRA	GM Fire and Rescue Authority
GMFRS	GM Fire and Rescue Service
GMWDA	Greater Manchester Waste Disposal Authority
AGMA	Association of Greater Manchester Authorities
PfC	GMFRS Programme for Change
SIP	GMCA Service Review and Integration Programme
SMT	The Senior Management Team
ELT	Extended Leadership Team

Appendix – CIPFA SOLACE – Good Governance Principles

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

The GMCA reviewed and updated its Constitution during 2022 and was agreed by the CA in June 2022, to ensure it remains relevant and appropriate. The Constitution incorporates an Operating Agreement between the GMCA and the ten Constituent Councils, which governs the exercise of concurrent functions.

The GMCA Standards Committee meets twice annually and deals with matters of conduct and ethical standards of GMCA Members.

A Code of Conduct for Officers and for Members form part of the GMCA Constitution. The Code of Conduct for Members is reviewed annually by the Standards Committee, most recently in November 2020 with a new review due during 2022/23. The GMCA Standards Committee has the ability to undertake a review should any member of the GMCA or its committees fail to adhere to the Code. Each member receives an annual reminder of their duties under the Code.

A Whistleblowing Policy and Procedure is in place, last reviewed and updated in November 2020, a revised draft was presented to Standards Committee in line with the review period in March 2020. Information on how to report concerns are easily located on both the external facing website and the staff intranet. An Anti-Fraud and Corruption Policy forms part of the Constitution.

The Complaints Procedure was updated in November 2020 to ensure that it remains fit for purpose going forward. Information on how to submit complaints, the process, and relevant FAQs are provided on the external website.

Declarations of Interest is a standard agenda item on all GMCA meetings, minutes of which are published on the external website, and members are asked to complete a register of their personal and pecuniary interests on an annual basis. These are uploaded to each councillor's individual portfolio via the GMCA's

governance portal and are also viewable on the website. A review of the declarations of interest is also due during 2022/23.

A Greater Manchester [Independent Ethics Committee](#) is in place to help build trust and public confidence in policing. The Committee advises the Deputy Mayor for Policing and Crime, and Greater Manchester Police on the complex dilemmas that policing faces in the modern world. The committee has been given a wide remit, with GMP pledging to give access to the service's systems and people. When established, it was the first of its type in the country. The committee decides which issues it wants to consider, as well as having issues referred in by both GMP and the Deputy Mayor. Members of the public can raise issues with the committee - but it does not consider individual complaints about police. The committee considers both broad thematic issues - such as discrimination, safe drug use, and surveillance - and practical day-to-day issues, such as the use of body-worn cameras by police officers.

'Role of the Monitoring Officer' is a statutory role under section 5 of the Local Government and Housing Act 1989. The Monitoring Officer is to report on matters they believe are, or are likely to be, illegal or amount to maladministration; to be responsible for matters relating to the conduct of members; and to be responsible for the operation of the Constitution.

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Meetings of the GMCA and its committees are live-streamed and retained for later viewing by all members of the public via the GMCA's YouTube channel/Public-I portal. GMCA Committee agendas, reports, and minutes are published on the GMCA website. Inspection Copies of papers for each meeting are kept in reception at the GMCA's offices at Churchgate House.

The GMCA website includes publication of all Key Decisions, Officer and Mayoral Decisions, and Forthcoming Decisions. Reports for GMCA Committees are released into the public domain unless specifically excluded for items that are private and confidential; such reports must be marked Part B, and justification for keeping a decision confidential must be provided.

The GMCA is committed to ensuring that public meetings are DDA compliant, and all venues have now been confirmed as compliant – this includes the use of hearing loops and the ability to produce agenda papers in alternative formats if requested.

The GMCA runs a Consultation Hub website to ensure that local residents are able to actively engage with decisions and projects. Recent consultations included topics such as the Disabled People's Panel 2022 Survey, the Greater Manchester Green Space Fund, and the GM Tech Fund among others.

The GMCA is founded on a long-term relationship between local authorities through the previous arrangements under the Association of Greater Manchester Authorities.

The GMHSCP Board was replaced by the GM Integrated Care Partnership (ICP) on 1 July 2022. This is one of two statutory components of an Integrated Care System, alongside the Integrated Care Board.

The ICP will have three key features:

1. The forum that brings the ICB and Local Authorities together and connects them to partners from other sectors
2. Responsible for producing the GM wide health and care strategy and
3. The forum in which partners can hold each other to account for meeting the strategy and improving outcomes.

By law, the ICB and each of the Local Authorities in the area of the Integrated Care System must be represented. The minimum core membership of the GM ICP will consist of the ICB Chair and elected members of 10 Local authorities. New governance arrangements for the implementation of the Health and Care Bill commenced on 1 July 2022 and a statutory integrated care system for GM is in development.

In addition, the GMCA continues to maintain formal and informal partnerships through committees such as the Transport Committee; Planning and Housing Commission; Police, Fire and Crime Panel; GM Culture and Social Impact Fund Committee; GM Green City Region Partnership; and the GM Local Enterprise Partnership Board.

The GMCA has been tasked as the lead authority for supervising the UK Shared Prosperity Fund (UK SPF) in the GM region – the UK SPF being the domestic replacement for the European Structural and Investment Fund (ESIF). The GMCA is required to develop an investment plan and explicitly must do so with as wide a range of local stakeholders as possible. Governance arrangements are in place for a UK Shared Prosperity Fund Board – which includes a diverse membership that has evolved from the previous ESIF arrangements. This Board will agree the investment plan before taking on the key role of monitoring how the fund aligns with the aims of the Greater Manchester Strategy.

The GM VCSE Accord ensures that there is a shared commitment and close partnership working with Greater Manchester's 16,000 VCSE organisations.

Community engagement events regularly take place (including the GM Youth Combined Authority; the Mayor's Disabled Peoples Panel; LGBTQ+ Panel; and the Faith, Race & Women's Panel). Regular feedback mechanisms are offered through the proactive use of social media platforms and the supporting of surveys such as the 'GM Big Disability Survey' – which provided important insight into the issues faced by disabled people across GM during the Covid-19 pandemic.

Areas for Focus in 2021/22:

- Ensure the smooth transition to governance of the Integrated Care Partnership Strategy from previous health devolution arrangements
- Embed the new Overview and Scrutiny Committee arrangements in line with the recommendations highlighted within the Implementation Plan
- Following agreement of GM's proposed Integration Plan – ensure that the integration of the Local Enterprise Partnership into the GMCA maintains an approach conducive to continued strong local partnership working with the GM business community
- Ensure that the governance arrangements for the UK Shared Prosperity Fund (UK SPF) Board aligns with the Government's requirements around local stakeholder involvement.

C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

The coronavirus pandemic has highlighted more than ever the importance of securing Greater Manchester's long-term ambition to create a green and prosperous city-region. The Clean Air Plan, Spatial Framework and Minimum Licensing Standards plans form part of this vision, looking to offer a better quality of life for everyone living and working in the city-region.

The GM Strategy and Implementation Plan have been agreed as the overarching Strategy for all GM work. Performance against the Strategy's priorities and performance is reported to Scrutiny on a 6-monthly basis. The GM Strategy and information graphics used in the GM performance report describe the anticipated impacts of the delivery of the GM Strategy.

The GMCA Business Plan further defines GMCA's vision, objectives and outcomes in relation to economic, social and environmental developments within GM. The GMCA Business Plan and subsequent publications have been developed with stakeholders to ensure the organisational priorities and objectives are in line with shared ambitions.

The Greater Manchester Strategy refresh was finalised and agreed in September 2021. The refreshed Strategy incorporates the objectives and actions from the Living with Covid plans and also the Mayoral Manifesto commitments – in particular relating to Transport. There is a strong focus on delivery with robust arrangements put in place to monitor delivery, performance and risk, underpinned by strong governance arrangements, which are designed to support this delivery. There will be a continued focus on ensuring the effective delivery of the GMS priorities through strong governance arrangements, which are designed to support this delivery.

Despite its significant detrimental impact, the pandemic has highlighted the importance of securing Greater Manchester's long-term ambition to create a green and prosperous city region. Brought together, the developing Greater Manchester

Spatial Framework, Clean Air Plan and Minimum Licensing Standards provide a holistic view of the city region's economic, social and environmental ambitions, looking to offer a better quality of life for everyone living and working in the city-region. Greater Manchester's Five-Year Environment Plan sets out a further suite of actions that will support the conurbation's goal of carbon neutrality by 2038.

Capital programmes for both transport and economic development schemes are assessed using a fully rounded appraisal mechanism which includes deliverability alongside social, economic and environmental considerations.

The GMCA Social Value Policy is actively applied in commissioning and procurement activities. This Policy has been updated to reflect the revised objectives in the Greater Manchester Strategy Our People, Our Place and will support commissioners to set out their procurement and contract management requirements to maximise relevant social value, and providers to develop and submit proposals.

The COVID-19 pandemic, EU-exit, rising costs of living and other factors such as the Ukraine Crisis are affecting the trajectory and resilience of the GM economy - therefore the Authority also reports to the GMCA with the monthly 'GM Economic Resilience Dashboard' to understand how these factors are impacting. The Dashboard summarises the latest responses to insights, as the GMCA, Greater Manchester Local Enterprise Partnership and other partners across the public, private and voluntary, community and social enterprise sectors continue to drive the recovery from Covid-19, as well as the longer-term ambitions set out in the Greater Manchester Local Industrial Strategy and Greater Manchester Economic Vision. The rising cost-of-living has emerged as a key issue for the GM economy and the Authority is working to provide greater intelligence to support the analysis of the impact.

D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

The strategic, crosscutting nature of much of the GMCA's work means that delivery is often achieved through collaboration with GM partners including GMP, TfGM, the GM Integrated Care Partnership and GM Councils.

A strong evidence base is developed to underpin all decisions of the GMCA, including a robust evaluation of service delivery. One example of this is the devolved Working Well: Work and Health Programme, which helped approximately one in five of its clients into a job and the principles of which are now being used in nationally commissioned programmes.

Internal and external stakeholders are engaged through consultation on key strategies and plans – for instance the GM Strategy, Culture Strategy, and the GM Spatial Framework – to help determine how services and other courses of action are planned and delivered. The Our Pass concessionary scheme for young people which successfully launched in September 2019 was developed with the GM Youth Combined Authority; the GM Good Employment Charter which launched in January 2020 was co-designed with employers, trade unions, professional bodies and academics; and every stage of the development of Destination: Bee Network involves a series of public events, surveys and engagement workshops to ensure that the Network will provide the best standard of customer experience.

To ensure robust planning that covers strategy, plans, priorities and targets, the GMCA operates a Budget Timetable including peer scrutiny from Leaders and Treasurers on each of the GMCA budgets.

Following on from the publication of the Greater Manchester Independent Inequalities Commission Report – all reports submitted to GMCA meetings must now include an equalities impact assessment.

The GMCA seeks to achieve 'social value' through service planning and commissioning. A Procurement Strategy is part of the GMCA Constitution, and this is supported by a GMCA Social Value in Procurement Policy. The GM Procurement Hub offers a centralised procurement service that can support joint commissioning across GM organisations.

An updated social value policy has been developed, with closer links to the Greater Manchester Strategy. The new policy will ensure social value plays a key role in the city region's public procurement and wider priorities, sitting at the heart of work to tackle inequalities and build a better, fairer and greener economy in Greater Manchester. The updated framework will guide delivery of social value within public sector contracts across the GMCA, individual local authorities and NHS organisations. It will support commissioners to set out their procurement and contract management requirements to maximise relevant social value, and providers to develop and submit proposals.

E. DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Each Member has a clear role profile in relation to their portfolio. The assigned portfolios are published through the GMCA website, so members of the public are aware of which member of the GMCA has strategic responsibility for which area. Leaders meet regularly with senior officers in relation to their portfolio.

Member Induction Sessions are held at the beginning of each year, and Member capabilities and skills are supported through the Member development programmes. Informal briefings are provided to Members in advance of all Audit Committee and the Overview and Scrutiny Committee.

The Chief Executive Officer's role has been widened to include oversight of Transport for Greater Manchester. Part 3 of the GMCA Constitution sets out a Scheme of Functions Delegated to Chief Officers and those exercisable only by the GMCA to ensure clarity over the types of decisions that are delegated and those that are reserved for collective decision making of the Board.

Strategic management oversight and direction is provided through the Chief Executives Management Team, which is also the Incident management Group for emergencies, the Senior Leadership Team. The wider Leadership Team, Senior Leadership Team and Extended Leadership Teams meet regularly to discuss and share knowledge.

An increased focus on leading the delivery of system change through the Greater Manchester Strategy with improved co-ordination the GMCA and with Place has required:

- A wider range of Directors coming together to pull the 'professional specialisms' from across the CA together to lead/drive the organisation as a whole to meet agreed priorities. No one team can deliver system change
- A generic 'Director' role with a specialist portfolio – to show role is about working cross the organisation with 'blocks of activity' grouped under

Directors. By definition these 'Directorates' will rely on each other to deliver 'whole system change'.

- Corporate/Enabling Services are integral part of driving forward overall outcomes of the CA and the work of individual Directorates

These renewed directorates have been based on what the CA is trying to achieve:

- We want everyone to be Life Ready with the skills needed throughout live to succeed (Edn/Skills block)
- We want people to have good jobs in a prosperous economy (Economy block)
- We want people to live in vibrant and safe places (Place Making and Police/Fire/Criminal Justice blocks)
- We want GM to be a Low Carbon city region at the forefront of the 4th Industrial Revolution (Green and Digital blocks)
- We want joined-up public services that support individuals' holistically, focussing on prevention and the promotion of the best life chances (Public Service Reform block)

A comprehensive GMCA Business Plan is in place and can be found on the GMCA's [website](#)³. The Business Plan provides insight into the city region and the related devolution arrangements; how the GMCA works in terms of its staff, partnerships, business and governance; its business model, resources and funding arrangements; achievements and most importantly the key priorities looking forward. All the priorities are drawn from the GMS and monitoring performance against the GMS is delivered through the Implementation Plan whose performance dashboard is reported through the Scrutiny Committee, and to the GMCA, on a six-monthly basis.

The GMCA has developed a GM Good Employment Charter which has continued to expand its membership and support throughout 2021/22. The GMCA itself has achieved Member status through its own excellent employment practices.

³ [corporate-plan-final.pdf \(greatermanchester-ca.gov.uk\)https://www.greatermanchester-ca.gov.uk/media/2242/gmca_business_plan_2019_full_public.pdf](https://www.greatermanchester-ca.gov.uk/media/2242/gmca_business_plan_2019_full_public.pdf)

The integrated staff Personal Development Plans first developed through 2017/18 as part of enhanced HR and organisational development service for overall GMCA continue to take place. Further initiatives include:

- The launching of a health and wellbeing area on the intranet that includes a comprehensive suite of online support, virtual learning and opportunities to have face to face support
- An expanded portfolio of e-learning modules for staff and manager including equality and diversity awareness
- The launch of Mi Learning with a suite of new and improved managerial support tools to help people managers improve their knowledge and skills
- Leadership Development Programme procured and being rolled out across GMFRS
- Specialist recruitment strategies - Firefighter and Senior Recruitment - utilising Digital Technology

In order for GMCA staff to be able to work in a way that allows them to do their job effectively whilst supporting health and wellbeing needs – a Hybrid Working Policy has been introduced that focussed on two key pillars:

- Hybrid working is a form of flexible working where working in the office is used in combination with remote working, mostly from home to deliver the business.
- The location of work is primarily dictated by the needs of the business.

As an employer, the GMCA wants to become an organisation where staff are managed through their performance and contribution to organisational objectives rather than the time they are at their desk.

The GMCA is moving away from traditional methods of management by trusting and empowering our staff to deliver its organisational objectives in the best way that suits the business and their individual needs.

F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

The GMCA Corporate Risk Register (CRR) was reviewed and updated on a quarterly basis throughout during 2021/22. The CRR identifies risk ownership for specific risks and is owned by the Governance and Risk Group. The GMCA Audit Committee receives quarterly updates on the CRR. Given the Covid-19 pandemic, a Covid-19 risk register had been developed and monitored separately, this was now incorporated into the CRR.

The Audit Committee is responsible for overseeing the effective operation of the systems of governance, risk and Internal control arrangements. New Internal Audit arrangements were implemented in 2019/20 with the appointment of a new in-house Head of Audit and Assurance and the establishment of an in-house GMCA Internal Audit team. The Internal Audit Plan is approved by Audit Committee, and Internal Audit provide quarterly progress reports to Audit Committee. The Head of Audit and Assurance produces an Annual Assurance opinion.

There is an established scrutiny / call-in process whereby any Member of Constituent Councils can refer items for possible scrutiny. Areas for the scrutiny committee to are also proposed by the Chair and other members of the committee who are the owners of the committee's work programme.

GMCA's Revenue and Capital Budget and Monitoring Reports; Mayoral General Revenue and Capital Budget and Monitoring Reports; Mayoral Police and Crime Revenue and Capital Budget and Monitoring Reports; Treasury Management Strategy and Treasury Management Outturn Reports are all subject to appropriate reviewing, scrutiny and challenge where appropriate through the Corporate Issues & Reform Scrutiny Committee and via the Audit Committee.

G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT, TO DELIVER EFFECTIVE ACCOUNTABILITY

Transparency of decision-making is achieved through live streaming key meetings, a centralised FOI process, and through the GMCA Communications Strategy.

In terms of reporting: the annual accounts with narrative introduction; GMCA Annual Performance Report; Police and Crime Annual Report; Head of IA Annual Assurance Opinion; Annual Governance Statement; and Statement of Accounts are considered by the GMCA Audit Committee and the GMCA and contained within publicly viewable agendas.

New External Auditors (Mazars) were appointed from 1 April 2018, and they have produced an external audit findings report. The Audit Committee has oversight on the final accounts process. Actions taken to implement External Audit Recommendations will be reported as part of a combined audit recommendations tracker for 2022/23 as part of a revised audit action tracking process.

The Annual Internal Audit Opinion sets out compliance with the Public Sector Internal Audit Standards (PSIAS) and for 2021/22 confirmed that work had been undertaken in line with PSIAS. As the Internal Audit service was brought in-house in 2019/20, it was agreed with Audit Committee that the service would be subject to an external quality assessment within the next two years.

Areas for Focus in 2020/21:

- Arrangements be made for the GMCA Standards Committee to review:
 - The Code of Corporate Governance
 - The Officer Code of Conduct
 - Declarations of Interest
 - Gifts and Hospitality
- Arrangements be made for the Audit Committee to review and refresh of the GMCA's Counter Fraud Policies and a review of the Local Government Transparency Code to ensure that the GMCA complies with its requirements.