

## **GREATER MANCHESTER COMBINED AUTHORITY AUDIT COMMITTEE**

**DATE:** Wednesday, 19th October, 2022

**TIME:** 10.30 am

**VENUE:** GMCA, Tootal Buildings, 56 Oxford Street, Manchester  
M16EU

### **AGENDA**

- 1. APOLOGIES FOR ABSENCE**
- 2. CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS (IF ANY)**
- 3. MEMBERSHIP OF THE GMCA AUDIT COMMITTEE 2022-23**

To note the appointment of Councillor Tom McGee, Stockport (Lab) as a substitute member on the Committee for the remainder of the 2022/2023 municipal year.

Councillor McGee has replaced Councillor Tracy Kelly, Salford (Lab).

- 4. DECLARATIONS OF INTEREST**

1 - 4

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.

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

Please note that this meeting will be livestreamed via [www.greatermanchester-ca.gov.uk](http://www.greatermanchester-ca.gov.uk), please speak to a Governance Officer before the meeting should you not wish to consent to being included in this recording.

**5. MINUTES OF THE PREVIOUS AUDIT COMMITTEE MEETING 5 - 18**

To consider the approval of the minutes of the previous meeting of the committee, held on 27<sup>th</sup> July 2022, as a correct record.

**6. RISK DEEP DIVE - TRANSPORT**

Discussion item on transport matters.

**7. UPDATE FROM THE JOINT AUDIT PANEL - To follow**

To receive the minutes from the Joint Audit Panel meeting held on 30<sup>th</sup> September 2022.

**8. CONSTITUTION AND GOVERNANCE UPDATE - POLICE AND CRIME 19 - 40**

To consider a report of the GMCA Treasurer and the GMCA Solicitor & Monitoring Officer.

**9. GMCA OFSTED INSPECTION OUTCOME - APPRENTICESHIP EMPLOYER-PROVIDER 41 - 54**

To receive a report of Dave Russel Chief Fire Officer.

**10. RISK MANAGEMENT UPDATE - To Follow**

To receive an update from the Head of Audit and Assurance, GMCA.

**11. REVIEWING THE EFFECTIVENESS OF THE GMCA AUDIT COMMITTEE**

To receive a verbal update from the Head of Audit and Assurance, GMCA.

- 12. INTERNAL AUDIT PROGRESS REPORT** 55 - 84
- Report of Head of Audit and Assurance, GMCA.
- 13. AUDIT ACTION TRACKING** 85 - 104
- Report of Head of Audit and Assurance, GMCA.
- 14. EXTERNAL AUDIT PROGRESS REPORT - To Follow**
- To receive a progress update from the External Auditor, Mazars LLP.
- 15. AUDITOR'S ANNUAL REPORT 2020/21 - to follow**
- To consider the Auditor's Annual Report 2020/21.
- 16. AUDIT COMMITTEE WORK PROGRAMME** 105 - 122
- To consider the Committee Work Programme.
- 17. DATE OF NEXT MEETING**
- To note that the next meeting of the GMCA audit Committee will take place on Monday 21<sup>st</sup> November 2022 and will commence at 10:30 am.

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

This agenda was issued on Tuesday 11<sup>th</sup> October 2022 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street, Manchester M1 6EU

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**AUDIT COMMITTEE – 19<sup>th</sup> OCTOBER 2022**

Declaration of Members' Interests in Items Appearing on the Agenda

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

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

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 have an interest

#### FOR PREJUDICIAL INTERESTS

##### YOU MUST

- Notify the governance officer for the meeting as soon as you realise you have a prejudicial interest (before or during the meeting)

- 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.

- 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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**MINUTES OF THE GREATER MANCHESTER COMBINED AUTHORITY  
AUDIT COMMITTEE, HELD ON WEDNESDAY 27<sup>TH</sup> JULY 2022  
AT THE GMCA OFFICES, TOOTAL BUILDINGS, MANCHESTER**

**PRESENT:**

Councillor Sarah Russell	Manchester City Council (Chair)
Councillor Mary Whitby	Bury Council
Councillor John Walsh	Bolton Council
Grenville Page	Independent Member
Catherine Scivier	Independent Member
Susan Webster	Independent Member

**ALSO PRESENT:**

Mark Dalton	Mazars
Daniel Watson	Mazars

**OFFICERS:**

Andrew Lightfoot	GMCA Deputy Chief Executive
Steve Wilson	GMCA Treasurer
Rachel Rosewell	GMCA Deputy Treasurer
Sarah Horseman	GMCA Head of Audit and Assurance
Damian Jarvis	GMCA Internal Audit Manager
Paul Harris	GMCA Senior Governance and Scrutiny Officer

**AC/01/22 WELCOME, INTRODUCTIONS AND APOLOGIES**

Apologies for absence were received and noted from Gwyn Griffiths (Independent Member), Councillor Peter Williams and Councillor Christine Roberts (substitute member).

## **AC/02/22 APPOINTMENT OF CHAIR 2022/2023**

The Senior Governance Officer sought nominations for the appointment of Chair of the Committee, for the 2022/2023 municipal year.

A nomination for the appointment of Councillor Sarah Russell was moved and seconded. There were no other nominations made.

### **RESOLVED/-**

That Councillor Sarah Russell be appointed as the Chair of the GMCA Audit Committee for the 2022/2023 municipal year.

## **COUNCILLOR RUSSELL IN THE CHAIR**

## **AC/03/22 CHAIR'S ANNOUNCEMENTS AND ITEMS OF URGENT BUSINESS**

There were no announcements or urgent business.

## **AC/04/22 MEMBERSHIP OF THE COMMITTEE 2022/2023**

The Chair highlighted the Committee Membership for 2022/2023. In doing so, the Chair extended a welcome to Councillors Peter Williams and John Walsh as new members on the Committee.

The Chair also thanked former Committee Members, Councillors Colin McLaren and Chris Boyes, for their work on the Committee.

### **RESOLVED/-**

That the following membership of the GMCA Audit Committee, for the Municipal Year 2022/23, be noted:-

Councillor Mary Whitby	Bury Council (Lab)
Councillor Peter Williams	Rochdale Council (Lab)
Councillor John Walsh	Bolton Council (Con)
Councillor Sarah Russell	Manchester City Council (Lab)
*Councillor Christine Roberts	Wigan Council (Lab)
*Councillor Tracy Kelly	Salford (Lab)
Gwyn Griffiths	Independent Member
Grenville Page	Independent Member
Catherine Scivier	Independent Member
Susan Webster	Independent Member

\*denotes Substitute Members.

#### **AC/05/22 MEMBERS CODE OF CONDUCT AND ANNUAL DECLARATION OF INTEREST**

Members were reminded of their obligations under the GMCA Members' Code of Conduct and the requirement to complete an annual declaration of interest form. Members noted that once completed, their respective declarations of interest will be published on the GMCA website.

#### **RESOLVED/-**

That the requirements of the Members' Code of Conduct and Annual Declarations of Interest, be noted.

#### **AC/06/22 REVIEW OF AUDIT COMMITTEE TERMS OF REFERENCE**

The Terms of Reference for the GMCA Audit Committee were submitted.

A Member queried why the Audit Committee approved the annual financial statements rather than the main Board. In response, officers confirmed that it was general practice in local and combined authorities for the approval of the annual accounts to be delegated to their respective Audit Committee.

**RESOLVED/-**

That the Terms of Reference for the GMCA Audit Committee be noted.

**AC/07/22 CODE OF CORPORATE GOVERNANCE**

The Code of Corporate Governance as set out in Part 7 (Section E) of the GMCA Constitution was submitted.

**RESOLVED/-**

That the Code of Corporate Governance, as set out in Section 7 of the GMCA Constitution, be noted.

**AC/08/22 DECLARATIONS OF INTEREST**

**RESOLVED /-**

There were no interests declared in relation to any item on the agenda, by any Member of the Committee.

**AC/09/22 MINUTES OF THE GMCA AUDIT COMMITTEE MEETING HELD ON 22 APRIL 2022**

The minutes of the previous Audit Committee meeting, held on 22<sup>nd</sup> April 2022, were submitted.

**RESOLVED/-**

That the minutes of the meeting of the GMCA Audit Committee held on 22 April 2022, be approved as a correct record.

## **AC/10/22 UPDATE FROM THE JOINT AUDIT PANEL**

The GMCA Treasurer provided an update from the Joint Audit Panel. The minutes from the meeting held on 1<sup>st</sup> July 2022, were also provided.

### **RESOLVED/-**

That the update and minutes of the meeting of the Joint Audit Panel held on the 1<sup>st</sup> July 2022, be noted.

**Note: The Chair allowed the following HMICFRS Actions Update to be moved up the agenda.**

## **AC/11/22 HMICFRS ACTIONS UPDATE**

The Deputy Chief Fire Officer and the Head of Service Excellence introduced a report of the Chief Fire Officer, GMFRS, which provided 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.

A Member highlighted that covid may have had an impact on fire prevention services for vulnerable people. In response, it was noted that this had been identified as a risk for GMFRS. The service has a 30-point plan for integrated working in a place-based way. Members also noted that fire disparity harms older people and people living alone. A proactive approach is being undertaken at household level to engage with vulnerable residents, to provide advice with smoke alarms and ancillary advice.

Following an enquiry from a Member regarding private landlords, the provisions of the Fire Safety Act were noted. Officers highlighted the recent changes in respect of high-rise premises and houses of multi-occupancy.

A Member highlighted the potential risk of industrial action by the GMFRS. Officers explained that this matter has been included on the risk register in respect of business

continuity. Robust plans were in place with resilience crews. It was also noted that the risk of industrial action was also included in the GMCA risk report.

Following an enquiry regarding front line fire staff vacancies, officers noted that it was anticipated by September 2022 all vacancies would be filled, with a 1200 headcount of fire fighters. It was noted that there were 60 vacancies in respect of Green Book roles and a recruitment process is underway.

It was noted that the risk register included wildfire and climate change. Officers highlighted the multi-agency teams that were trained to deal with creating firebreaks and flooding.

A Member highlighted that for the Committee to be able to understand risk, there needed to be greater visibility of terrorism and costs of living risks on the risk register. It was also requested that these matters be included on a strategic risk register. In addition, the risk register will show where risks have been removed.

A Member enquired what mechanisms were in place for cross-sector working. The arrangements with North West Ambulance Service (NWAS) and key partners were highlighted in response.

Information on planning for serious incidents such as moorland fires and high-rise fires was sought. Officer explained the role of local resilience groups and tabletop planning exercises. Plans and polices are continually reviewed to ensure resilience and resources can respond effectively. The use of resources from neighbouring areas was highlighted.

#### **RESOLVED/-**

That the summary report and the internal improvement action plan (Appendix A), be noted.

**AC/12/22    CONSTITUTION AND GOVERNANCE UPDATE**

The GMCA Treasurer provided a verbal update on constitutional and governance matters in respect of the Audit Committee and the relationship of the Joint Audit Panel. Members noted that a formal paper on this matter will be presented to the next meeting of the Committee.

The update asked Members to consider whether the needed to be a change to the Terms of Reference for this committee to be clear on the relationship with the Joint Audit Panel; the remit of the Joint Audit Panel and to provide clarity on the oversight of operational issues.

Opportunities for the development of training sessions for Members were to be explored. Officers were to explore how CIPFA may be able to support this development.

A Member suggested that an assurance review would provide clarity on where assurance is covered. Small operational issues can develop in to damaging activities.

A member expressed disappointment that a formal paper on this matter was not provided.

A Member highlighted whether the focus of governance of GMP was appropriate for this Committee. In addition, the External Auditor highlighted the value for money work being undertaken in respect GMP and GMCA. The External Auditor also referenced the functions as set out in the Committee's terms

## **RESOLVED/-**

1. That the update be received and noted.
2. That a paper be provided to the next meeting of the Committee.

## **AC/13/22 SCRUTINY REVIEW RECOMMENDATIONS**

The GMCA Treasurer introduced a report which provided members with an update on the outcome of the recent independent review in to the GMCA Overview and Scrutiny governance arrangements.

The report highlighted that following the recommendation from the independent review, the GMCA agreed that a single Scrutiny Committee be established. Work was taking place with districts in respect of the remuneration for Scrutiny Committee members.

A Member commented that under the new scrutiny arrangements, the workload may be too large for a single committee. The member suggested that the new working arrangements for GMCA scrutiny ought to be continually reviewed.

A Member suggested that it may have been pertinent for the Audit Committee to be included in this review process. **The remuneration of Independent Audit Committee members was highlighted and it was suggested that as similar arrangements should be in place for local authority appointed members despite both having shared responsibilities for the work of the Committee. Officers undertook to explore this matter further.**

**A Member suggested that given the governance risk of the new overview and Scrutiny Committee, the progress of this work should also be considered by this audit committee.**

#### **RESOLVED/-**

That the update on the review of GMCA Scrutiny be noted.

#### **AC/14/22 RISK MANAGEMENT UPDATE**

The Head of Audit and Assurance, GMCA introduced a report which informed Members of the risk management activities undertaken since the last meeting of the Committee. The report provided a summary of the movements in the Strategic and Escalated risks in Quarter 1 2022/23, De-Escalated Risks were also outlined. Information on the Risk Management Action Plan 2022/23 was also noted.

A Member asked if a report on the workshop on Strategic Risks can be provided to a future meeting. A request was also made for deep-dive reviews of those risks that are escalated.

A Member suggested that a piece of work be undertaken to understand risk appetite, particularly in respect operational risks and that a recommendations monitor be included in future reports.

#### **RESOLVED/-**

1. That the Risk Management update, be noted.



2. That the request of the Committee for risk appetite, focused deep dive topics and a recommendations monitor to be included as part of future Risk management update, be noted.

## **AC/15/22 INTERNAL AUDIT PROGRESS REPORT AND COUNTER FRAUD**

The Head of Audit and Assurance, GMCA introduced a report which informed Members 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. Members noted that this is used as a mechanism to approve and provide a record of changes to the internal audit plan.

In respect of progress against the 2022/23 Internal Audit Plan, the report outlined the Audit work completed since the last meeting of the Audit Committee. Members noted that the following five reports have been finalised and agreed with Management, with one draft report awaiting a formal management response prior to publication.

Fixed Asset Data Migration; GMFRS Fire safety Visits 7(2)d; Grant Funding Management and Reporting; Behavioural Policies and Codes (including Codes of Conduct and Gifts and Hospitality Registers); and GMCA Estates – Premises Safety Checks.

The draft Anti-fraud and anti-Bribery Policies were also appended to the report.

A Member asked that if processes to record declarations of interests as part of the Behavioural Policies Code of Conduct can be completed earlier than the suggested December 2022 target date. The process for elected members is robust.

In response to an enquiry from a member, officers undertook to check whether anti-fraud policies are required to be considered by trade unions.

### **RESOLVED/-**

That the report be noted

## **AC/16/22 INTERNAL AUDIT ANNUAL OPINION 2021/22**

The Head of Audit and Assurance, GMCA introduced a report which provided 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.

Members were reminded that the GMCA 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.

Members noted that a moderate assurance opinion was recommended for 2021/2022.

**RESOLVED/-**

That the Head of Internal Audit Opinion 2021/22, as outlined in the report be noted.

**AC/17/22 AUDIT ACTION TRACKING (INCLUDING HISTORIC AUDIT ACTIONS)**

The Head of Audit and Assurance, GMCA introduced a report which advised Audit Committee members of the progress made to date in implementing the agreed actions from internal audit assignments.

A further quarterly update will be provided at the next Audit Committee meeting.

A Member highlighted that there were a number of outstanding actions relating to fleet matters and requested that a paper on this matter be brought back to the next committee meeting for consideration.

**RESOLVED/-**

1. That the progress of the implementation of Internal Audit actions, as set out in the report be noted.
2. That a further report will be provided to the next meeting of the Audit Committee, which will include details in respect of the outstanding actions in respect of Fleet.

**AC/18/22 ASSESSMENT OF GOING CONCERN**

The GMCA Treasurer introduced a report which informed members of an assessment of the Greater Manchester Combined Authority (GMCA) as a going concern with a forward look at the position for the next 12-18 months.

**RESOLVED/-**

That the outcome of the assessment made of the GMCA's going concern position and the conclusion that there is no material risk to going concern, be noted.

#### **AC/19/22 DRAFT ANNUAL GOVERNANCE STATEMENT**

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

#### **RESOLVED/-**

1. That the draft Annual Governance Statement be noted;
2. That the draft Annual Governance Statement be considered at a future, appropriate meeting of the committee.

#### **AC/20/22 UNAUDITED DRAFT STATEMENT OF ACCOUNTS**

The GMCA Treasurer introduced a report which set out the draft Greater Manchester Combined Authority (GMCA) unaudited single entity statement of accounts for 2021/22 and sets out the process for approval of the audited group statement of accounts.

It was suggested that a special meeting of the Audit committee be convened to consider the draft statement of accounts, prior to the submission deadline of 30 November 2022.

#### **RESOLVED/-**

1. That the update on the draft statement of accounts be noted.
2. That a special audit committee be convened to consider the unaudited accounts

#### **AC/21/22 TREASURY MANAGEMENT ANNUAL REPORT**

The GMCA Treasurer introduced a report which reminded Members that GMCA is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2021/22. This report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury

Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2021/22 the minimum reporting requirements were that the full Authority should receive the following reports:

- an annual treasury strategy in advance of the year
- a mid-year, (minimum), treasury update report
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Authority's policies previously approved by Members.

The report also confirmed that GMCA confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Authority.

**RESOLVED/-**

That the Treasury Management Annual Report, be noted.

**AC/22/22 REPORT OF THE EXTERNAL AUDITOR**

The External Auditor, Mazars LLP provided a verbal update.

**RESOLVED/-**

That the update be received and noted.

**AC/23/22 FORWARD PLANNING - AUDIT COMMITTEE WORK PROGRAMME**

**RESOLVED/-**

**That the work programme as set out in the report be noted.**

**AC/24/22 DATE AND TIME OF THE NEXT MEETING**

**RESOLVED/-**

1. That the following programme of meetings Audit Committee meetings be noted:-  
Wednesday 19<sup>th</sup> October 2022, 10:00 am, Wednesday 25<sup>th</sup> January 2023, 10:00 am, Wednesday 15<sup>th</sup> March 2023, 10:00 am
2. To agree that an additional meeting be convened in late November to consider the Annual Financial statements.



## GMCA AUDIT COMMITTEE

**DATE:** 19 October 2022

**SUBJECT:** Joint Audit Panel – Police and Crime

**REPORT OF:** Gillian Duckworth, GMCA Monitoring Officer and Steve Wilson, GMCA Treasurer

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### PURPOSE OF REPORT

To set out the legislative and constitutional framework in relation to the Audit Committee and the Joint Audit Panel – Police and Crime.

### RECOMMENDATIONS:

Members are requested to:

1. Note the report.
2. Recommend that the GMCA adopt an amendment to the Audit Committee's Terms of Reference as follows:

Receive the annual report of the Chair of the Joint Audit Panel – Police and Crime and the minutes of meetings of the Panel as, amongst other things, a means of providing assurance with regard to GMP's internal control environment and risk management framework for the management of operational risk.

### CONTACT OFFICERS

Name: Gillian Duckworth  
Position: Monitoring Officer, GMCA  
E-mail: [gillian.duckworth@greatermanchester-ca.gov.uk](mailto:gillian.duckworth@greatermanchester-ca.gov.uk)

Name: Gwynne Williams  
Position: Deputy Monitoring Officer  
E-mail: [williamsg@manchesterfire.gov.uk](mailto:williamsg@manchesterfire.gov.uk)

## BACKGROUND DOCUMENTS

GMCA Constitution

Equalities Implications – none arising directly out of this report

Climate Change Impact Assessment and Mitigation Measures - none arising directly out of this report

Risk Management – none arising directly out of this report

Legal Considerations – the report sets out the legal implications for the Audit Committee in relation to the work of the Joint Audit Panel

Financial Consequences – none arising directly out of this report

Financial Consequences – none arising directly out of this report

Number of attachments included in the report: none

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



## **1. INTRODUCTION**

1.1. This report sets out the legislative and constitutional framework in respect of GMCA audit governance, with particular reference to police and crime functions (PCC functions).

## **2. COMBINED AUTHORITY LEGISLATION**

2.1. It is a requirement of the Local Democracy Economic Development and Construction Act 2009 (LDEDC Act 2009) that GMCA establishes an Audit Committee.

2.2. Schedule 5A to LDEDC Act 2009 provides that the functions of the audit committee are to include—

- a) reviewing and scrutinising the authority's financial affairs,
- b) reviewing and assessing the authority's risk management, internal control and corporate governance arrangements,
- c) reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions, and
- d) making reports and recommendations to the combined authority in relation to reviews conducted under paragraphs (a), (b) and (c).

2.3. Greater Manchester finds itself in a relatively unique situation. Police and Crime Commissioners are legal entities known as a corporation sole, however, in mayoral combined authorities the mayor is not a separate legal entity. Although police and crime commissioner functions are exercisable solely by the mayor, and not the GMCA, the legal rights and liabilities of police and crime commissioner are statutorily vested in the GMCA.

2.4. This is confirmed by section 107F(8) of the LDEDC Act 2009 which provides that any PCC function exercisable by the mayor for the area of a combined authority by virtue of the Act is to be taken to be a function of the combined authority exercisable –

- (a) by the mayor acting individually, or
- (b) by a person acting under arrangements with the mayor made in accordance with provision made under Schedule 5C

2.5. It follows therefore that PCC functions are functions of the GMCA and within the scope of this committee's audit role.

## **3. POLICING LEGISLATION**

3.1. Chief Constables are also established in law as corporations sole within the Police Reform and Social Responsibility Act 2011. Chief Constables are enabled by law to employ staff and hold funds. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead and are referred to as operationally independent.

- 3.2. The Chief Constable is accountable to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force.
- 3.3. The 2011 Act established PCCs within each force area in England and Wales with the exception of the City of London. The 2011 Act gives PCCs responsibility for the totality of policing within their force area. It further requires them to hold the force Chief Constable to account for the operational delivery of policing. The position is modified in relation to Greater Manchester as set out at paragraph 2.3 above, and it is the Mayor who is responsible for holding the Chief Constable to account.
- 3.4. The 2011 Act also requires the appointment of Police and Crime Panels. The Police and Crime Panel provides checks and balances in relation to the performance of the PCC. The Police and Crime Panel does not scrutinise the Chief Constable, rather it scrutinises the PCC's exercise of their statutory functions.
- 3.5. Section 79 of the Police Reform and Social Responsibility Act 2011 requires the Secretary of State to issue a Policing Protocol (2011), which sets out the ways in which Chief Constables, PCC's and Police and Crime Panels should exercise their functions and prevent the overlapping or conflicting exercise of functions.
- 3.6. The Protocol sets out a section on Financial Responsibilities including a statement that the PCC is ultimately accountable to the public for the management of the police fund. The PCC and Chief Constable share a responsibility to provide effective management of the policing budget and to secure value for money on behalf of the public that they both serve.
- 3.7. The Chief Constable has day to day responsibility for managing their allocated budgets after they have been approved by the PCC. The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The working financial relationship between the PCC and their Chief Constable is set out in the Financial Management Code of Practice issued from time to time by the Home Secretary under statute.
- 3.8. Joint audit committees appear to be established indirectly by way of section 17(4) of the Police Reform and Social Responsibility Act 2011 which states:
- "In carrying out functions, an elected local policing body must have regard to any financial code of practice issued by the Secretary of State"*
- 3.9. An 'elected local policing body' is a police and crime commissioner. For Greater Manchester, the Greater Manchester Combined Authority (Transfer of Police and Crime Commissioner Functions to the Mayor) Order 2017 provides that the mayor is to be treated, in relation to the mayor's PCC functions, as a police and crime commissioner for the purposes of all police and crime commissioner enactments.

- 3.10. For the purposes of the 17(4), “financial code of practice” means a code of practice relating to the proper administration by elected local policing bodies of their financial affairs.
- 3.11. The Home Office issued a revised Financial Management Code of Practice (FMCP) in July 2018. The FMCP states that its purpose is to provide clarity around the financial governance arrangements within the police in England and Wales and reflects the fact that the police have a key statutory duty to secure value for money in the use of public funds. It provides high level guidance to help ensure effective and constructive relationships in all financial matters. The FMCP sets the tone while promoting flexibility and avoiding overt prescription so that the detail of arrangements can be worked out locally.
- 3.12. The FMCP contains a section on Audit committees which states that the PCC and the Chief Constable should establish an independent Audit Committee. It is recommended that this be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable.
- 3.13. The committee is to advise the PCC and the Chief Constable according to good governance principles and to adopt appropriate risk management arrangements in accordance with proper practices. In setting up the Audit Committee, the PCC and the Chief Constable should have regard to the CIPFA Position Statement and supporting guidance on Audit Committees.

Membership: the Audit Committee should comprise between three and five members who must all be independent of the PCC and the force.

Terms of Reference: the Audit Committee should establish formal terms of reference, covering its core functions, which should be formally adopted and reviewed on an annual basis. Best practice principles should be considered in determining the activities of the Audit Committee.

PCC and Chief Constable representation: the executive of the PCC and the Force Command Team should be represented at meetings of the Audit Committee.

- 3.14. The FMCP provides that the principles set out above also apply in respect of the Combined Authority Mayor for Greater Manchester apart from the fact that duties in respect of the (joint) Audit Committee fall to the Combined Authority as body corporate in relation to all of its functions, rather than separately on the Mayor in respect of their PCC functions.

#### **4. GREATER MANCHESTER ARRANGEMENTS**

- 4.1. Accordingly, in Greater Manchester there is a GMCA Audit Committee (which oversees all aspects of GMCA including Mayoral functions, which includes PCC functions) and a Joint Audit Panel (Police and Crime) as required by the FMCP.

4.2. The GMCA Audit Committee is appointed solely by the GMCA. The Joint Audit Panel is appointed by both the Chief Constable and Mayor as envisaged by the FMCP.

4.3. The Audit Committee's terms of reference include express reference to PCC functions where appropriate when describing the remit of the committee – attached at Appendix (1).

4.4. Similarly, the terms of reference for the Joint Audit Panel include a section of accountability arrangements which requires the Panel to:

*"Report to the Audit Committee of the Combined Authority on an annual basis on the work of the committee and any matters relating to accounts and audit functions".*

The Panel's terms of reference are attached in full at Appendix (2).

4.5. There is also some cross referencing between the Committee and the Panel as well as some signposting as to scope. For example, the Audit Committee is expressly tasked with:

- approving under delegated powers the annual statement of accounts for the for GMCA including consolidated figures for Chief Constable of Greater Manchester Police.
- considering reports and assurances from the Head of Audit and Assurance in relation to assurance over the effectiveness of internal audit functions assuring the internal control environments of the Chief Constable.
- considering the Treasurer's arrangements for the maintenance of the Police Fund.

4.6. The terms of reference are also clear at the outset that the committee oversees all aspects of GMCA including mayoral functions (which include PCC functions).

4.7. For the Joint Audit Panel, the terms of reference include the requirement to:

*"Report to the GMCA Audit Committee on Police Fund activity and assurance".*

4.8. Research has not revealed any additional commentary on the interpretation of the role of the joint audit committee (Panel), particularly in relation to force operational risk. Instead, several sets of terms of reference for joint audit committees in typical PCC areas and also in comparable combined authority structures where the Mayor holds PCC functions have been reviewed. Also, several force risk registers have been considered to try and get a better sense of the extent to which the force reports to joint audit committees.

4.9. The approach does not appear to be particularly consistent. It is also difficult to understand whether the term 'force operational risks' is different to or interchangeable with terms such as 'force corporate risk'. With these factors in mind, a summary below of how other local policing bodies have tackled the ambit of the committee in relation to 'risk management' is attached at appendix (3).

## **5. CONCLUSION**

- 5.1. The legislation and guidance are adhered to in the terms of reference for GMCA Audit Committee and the Joint Audit Panel.
- 5.2. Reference to the workings of other similar Authorities has not provided any greater clarity as the auditing of operational risks.
- 5.3. The GMCA is the elected body that the legislation considers should be financially accountable to the public and therefore it is important that the Committee satisfies itself as to the financial performance of the police service, whether that be in its functioning as a PCC or the Chief Constable. In order to ensure tasks are not duplicated the terms of reference of the GMCA Audit Committee should refer to receiving assurance from the Joint Audit panel with regard to GMP's internal control environment and risk management framework for the management of operational risk.

## **6. RECOMMENDATIONS**

- 6.1. To propose an amendment to the Terms of Reference of the GMCA Audit Committee to clarify the relationship between it and the Joint Audit Panel

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## 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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### 8.5.1 Terms of Reference for the Greater Manchester Joint Audit Panel (Police and Crime)

#### PURPOSE

The Joint Audit Panel is a key component of the Deputy Mayor for Policing and Crime (the Deputy Mayor) and the Chief Constable's for Greater Manchester corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Panel is to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes in operation within the Chief Constable's Corporation Sole and the GM Mayor's PCC functions.

#### Governance, Risk and Control

The panel will Review the corporate governance arrangements against the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) ('the Framework') including the ethical framework and consider the local code of governance.

1. Review the Annual Governance Statement prior to approval and consider whether it properly reflects the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
2. Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
3. Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the Police, Crime and Criminal Justice Directorate and the constabulary.
4. Monitor the effective development and operation of risk management processes, review the risk profile of the Force and PCC functions, and monitor progress of the Deputy Mayor / the Chief Constable in addressing risk-related issues reported to them.
5. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
6. Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter fraud strategy, actions and resources.
7. Review the governance and assurance arrangements for significant partnerships or collaborations.
8. Review and consider the Anti-Fraud, Corruption and Bribery Policy on a bi-annual basis.
9. Receive and review a report from the CFO (Force Section 151 Officer) detailing the current status of all fraud investigations in progress and any sanctions and redress taken.

10. The JAP will review and approve the Anti-Fraud, Corruption and Bribery work plan produced by the Professional Standards Branch (PSB).

## **Internal Audit**

The Panel will:

11. Annually review the internal audit charter and resources.
12. Consider the adequacy of the performance of the internal audit service and its independence.
13. Monitor (but not direct) the Internal Audit Plan, relating to the Force and advise on items for inclusion in the plan.
14. Receive progress reports on the Internal Audit work plan and advising the Deputy Mayor and Chief Constable when appropriate action is not taken in response to audit findings, particularly in areas of high risk;
15. Consider the Head of Internal Audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.
16. Consider the Head of Internal Audit's statement of the level of conformance with the Public Sector Internal Audit Standards and the results of the Quality Assurance Improvement Programme that support the statement – these will indicate the reliability of the conclusions of internal audit.
17. Consider internal audit reports and such detailed reports as the panel may request from the Deputy Mayor / Chief Constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions.
18. Consider a report on the effectiveness of internal audit to support the Annual Governance Statement where required to do so by the Accounts and Audit Regulations 2015.
19. Consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To make recommendations on safeguards to limit such impairments and periodically review their operation

## **External Audit**

The Panel will:

20. Support the independence of external audit through consideration of the External Auditor's annual assessment of its independence and review of any issues raised by either PSAA or the auditor panel as appropriate.
21. Comment on the scope and depth of External Audit work, its independence and whether it gives satisfactory value for money.
22. Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.
23. Consider specific reports as agreed with the External Auditor.
24. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

## **Financial Reporting**

The Panel will:

25. Review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the Deputy Mayor / Chief Constable.
26. Consider the External Auditor's report to those charged with governance on issues arising from the audit of the financial statements.

## **Accountability Arrangements**

In line with the GMCA Constitution, the Panel will:

27. Have clear rights of access to other committees.
28. On a timely basis report to the Deputy Mayor and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
29. Report to the Deputy Mayor and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
30. Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and the Chief Constable.
31. Report to the GMCA Audit Committee on Police Fund activity and assurance.
32. Publish an annual report on the work of the panel.

## **Membership**

The Panel will comprise a maximum of five members including the Chair, who are independent of the Chief Constable and the Mayor. The meeting will only be quorate if at least three members are in attendance.

Initial term of office to be three years with up to a further three years on renewal.

Chair to be agreed by the Deputy Mayor and Chief Constable after considering applications for those interested.

## **Meetings**

The Audit Panel will meet at least five times a year.

The Chair of the Panel may convene additional meetings, as they deem necessary.

Audit Panel meetings will normally be attended by, the Chief Finance Officer(s), or appropriate senior and qualified substitute, the Chief Constable or appropriate senior and qualified substitute, the Head of Internal Audit and the appointed External Auditor. The Panel will have the right to call, as required, any other GMP police officers/staff and officers with responsibility for the GM Mayors Police, Crime and Criminal Justice functions, including the Mayor/Deputy Mayor.

**Skills**

To aid the Panel in delivering its purpose all Members will be required to undergo appropriate training which will be funded by the authority.

**Review**

The Panel will review its terms of reference annually.



## **Hampshire**

[Microsoft Word - Current terms of reference v2 - commended by JAC January 2019 \(hampshire-pcc.gov.uk\)](#)

Para 1.13 of the ToRs that the committee expressly does not consider 1.13:

- Constabulary performance
- Constabulary operational risks

## **South Yorkshire**

[AUDIT COMMITTEE 24 JANUARY 2007 \(southyorkshire-pcc.gov.uk\)](#)

In South Yorkshire, the joint audit committee considered the strategic risk registers for the OPCC and Force during 2018/19 and was able to provide assurance that both organisations' strategic risk management arrangements continued to operate, and that good progress continues to be made in building more effective ways to manage the strategic risks identified.

The term 'strategic risk register' may not cover operational risks, but in any event the committee appeared to focus on whether the risk management arrangements operated well etc. rather than the risks themselves.

## **West Midlands**

[14-June-21-Joint-Audit-Committee-Annual-Report-2020-21.pdf \(westmidlands-pcc.gov.uk\)](#)

In the West Midlands, the 2020/21 Annual Report of the joint committee noted under the heading 'Corporate Risk Management':

*Risk Management updates of the PCC and Force were considered at each committee meeting. The risk registers presented to each meeting focused on the most strategic risks. The committee received updates throughout the year on the review the Force is undertaking of its own risk management arrangements. More recently, Members have challenged on risks relating to how the impacts of Covid-19 are being managed including any revised governance arrangements, consequences of Brexit, the impact of significant IT change and wider vulnerability risks.*

## **Durham**

[610803cc15fdded5760fe85d\\_2021 Terms of Reference JIAC.pdf \(webflow.com\)](#)

In Durham, para 9.6. of the above notes that one of the functions of the committee is:

*Considering regular reports on the assessment and status of key strategic risks, financial and non-financial, to gain assurance that the risk management framework is*

*effective in identifying and managing risks that may impact on the achievement of the Police and Crime Plan.*

It is not clear however what 'strategic risks' are and whether they encompass force operational risks.

### **Gwent**

[operating-principles-tor-v10.pdf \(pcc.police.uk\)](#)

#### **Joint Audit Committee Operating Principles and Terms of Reference**

5 11. Links: In the course of its work the Committee may forge links (direct or indirect) with the following and any other organisations deemed appropriate: • Chief Financial Officers of both the PCC and Chief Constable • Monitoring Officer  
gwent.pcc.police.uk

In Gwent, force operational risks are expressly excluded from scrutiny by the committee.

### **Bedfordshire**

[Terms-of-Reference-Joint-Audit-Committee-JAC.pdf \(pcc.police.uk\)](#)

In Bedfordshire, standing items for the committee include:

- *A report summarising any significant changes to the OPCC and Force Strategic Risk Registers*

But again it is not clear whether 'force strategic risk' includes operational risk.

### **Cleveland**

[Cleveland-Joint-Independent-Audit-Committee-TOR.pdf \(pcc.police.uk\)](#)

#### **AUDIT COMMITTEE - TERMS OF REFERENCE Composition of the Committee Quorum of the Committee**

advice is necessary it should be discussed and coordinated with the PCCs Monitoring Officer and the Chief Finance Officer's of the PCC and CC.

[www.cleveland.pcc.police.uk](http://www.cleveland.pcc.police.uk)

In Cleveland, the committee's ToRs include in its functions:

- Approving the Office of the PCC and Cleveland Police corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks to the Office of the PCC and Cleveland Police.

- Considering the financial risks to which the Office of the PCC and Cleveland Police are exposed and approving measures to reduce or eliminate them or to insure against them.
- Providing assurance to the PCC and Chief Constable of Cleveland Police as appropriate on the effectiveness of the risk management framework in operation.
- Provide oversight and scrutiny of the risk registers of both the PCC and Chief Constable

So, the committee scrutinises the risk registers of the CC but again it is not clear whether these registers include operational risks.

### **Cheshire**

[20200527-aac-p1-report-pack.pdf \(cheshire-pcc.gov.uk\)](#)

The above report provided an update on the Commissioner's and Cheshire Constabulary's Joint Strategic Risk Register. The Joint Strategic Risk Register documents all risks that the Chief Constable and the Police & Crime Commissioner identify as having the potential to prevent the organisation from achieving the strategic objectives as detailed within the Police & Crime Plan. Again, it is not clear whether this included operational risks.

### **Leicester**

[Item-9-Force-Risk-Register.pdf \(pcc.police.uk\)](#)

An April 22 meeting considered a paper relating to the Force Risk Register:

"To provide JARAP with an update on the force strategic risk register, highlighting high priority risks, newly registered risks, changes of risk score and archived risks"

It is not clear whether the Force Risk Register included operational risks.

### **Wiltshire**

[jiaac-agenda-and-papers-public - june 2017.pdf \(wiltshire-pcc.gov.uk\)](#)

The committee reviewed the Force Risk Register in a paper from 2017 but it is not clear whether this included operational risks and their role in reviewing the register.

[OPCC Risk Register 2015-16 JAN.pdf \(wiltshire.gov.uk\)](#)

WILTSHIRE & SWINDON POLICE & CRIME COMMISSIONER (OPCC)  
RISK REGISTER 2015-16

ID Date identified Event Consequence Main impact area(s) L C I Score  
Mitigation and controls Mitigation Update Feb 2016 L C I Score Date  
reviewed Register update Jan 16  
cms.wiltshire.gov.uk

A risk register from 2015 which noted as a risk for the PCC:

*Failure to have effective oversight of force risk*

The consequence was identified as:

*PCC is unaware of key risks affecting operational effectiveness Chief Constable is unsupported by the PCC in mitigating risks. Increased risk of harm to the public. Impact on effective delivery of the Policing & Crime Plan*

The mitigation and controls were identified as (my bold):

Wiltshire Police have strategic risk register which is available to OPCC. Reviewed every month at SCT - OPCC in attendance. **Force risk register scrutinised by Audit Committee.** Risks discussed at CMB with Chief Constable and senior officers

### **Cambridgeshire**

[24-aboutus-transparency-finance-governance-statement-2019.pdf \(cambs.police.uk\)](#)

#### **Cambridgeshire Constabulary**

3.20 The Code of Ethics was embedded within the Constabulary by the Ethics Board chaired by the Deputy Chief Constable, this board was set up to implement the code.

[www.cambs.police.uk](http://www.cambs.police.uk)

The above report noted:

*3.27 The Constabulary maintains its own corporate Risk Register and the risk management process is managed by the Corporate Development Department through the Risk Review Board chaired by the Deputy Chief Constable. This is a monthly meeting and risk owners are called in to update as required. A highlight risk report goes to Force Executive Board monthly. The Joint Audit Committee oversees the risk management arrangements of the Force and ensures that the Constabulary's processes are aligned with the Commissioner's.*

## GMCA Audit Committee

Date: 19<sup>th</sup> October 2022

Subject: GMCA Ofsted Inspection Outcome – Apprenticeship Employer-Provider

Report of: Dave Russel, Chief Fire Officer

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### Purpose of Report

To update the Audit Committee on the outcomes from recent Ofsted Inspection of the Operational Firefighter Apprenticeship delivery at Greater Manchester Fire and Rescue Service, as part of the GMCA.

### Recommendations:

The Committee is requested to:

1. Note and provide feedback on the Ofsted report which is attached at Appendix 1
2. Note the areas highlighted for improvement and the actions being taken to address these.

### Contact Officers

Mallicka Mandal – Assistant Director (Workforce Strategy & Talent), People Services – [mallicka.mandal@greatermanchester-ca.gov.uk](mailto:mallicka.mandal@greatermanchester-ca.gov.uk)

Su Matthews – Learning & Development Manager, People Services – [su.matthews@greatermanchester-ca.gov.uk](mailto:su.matthews@greatermanchester-ca.gov.uk)

### Equalities Impact, Carbon and Sustainability Assessment:

Equalities Impact – Para 4

Carbon & Sustainability Assessment – N/A

## **Risk Management**

Ofsted inspect the quality of apprenticeship training that is delivered by training providers to ensure it is high-quality and meets the needs of employers and apprentices. This helps to ensure apprentices learn, develop and make progress as they should.

Providers receiving an 'inadequate' grade for overall effectiveness will be removed from the Register of Apprenticeship Training Providers (RoATP). Their funding is stopped once any apprentices that remain with the provider complete their training.

## **Legal Considerations**

N/A

## **Financial Consequences – Revenue**

Ofsted Inspections helps providers to continuously improve and provides accountability for the public money used to fund apprenticeships.

## **Financial Consequences – Capital**

N/A

**Number of attachments to the report: Appendix 1**

# 1. Introduction/Background

Greater Manchester Combined Authority (GMCA) started its contract as an Apprenticeship Employer Provider in May 2017. As a newly set-up publicly funded Employer-Provider, GMCA was the subject of an Ofsted monitoring visit in October 2019, which found that the organisation had made reasonable progress

- in meeting all the requirements of successful apprenticeship provision
- in ensuring that apprentices benefit from high quality training that leads to positive outcomes for apprentices
- in ensuring that effective safeguarding arrangements are in place

This was followed by our first Ofsted inspection in July 2022. GMCA teaches standards-based apprenticeships through the employer levy. At the time of the inspection, 195 apprentices were studying operational firefighting at Level 3. GMCA subcontracts the English and Mathematics functional skills tuition to another training provider.

Apprentices complete a 16-week basic firefighting training programme at the fire and rescue training centres before they are posted to their watch at one of the 41 fire stations located across Greater Manchester.

As an employer-provider, the organisation is responsible for managing apprenticeship funding within the rules set, delivering training, supporting learners and maintaining quality. It is also required to be on the Register of Apprenticeship Training Providers which is maintained by the Education and Skills Funding Agency. This allows registered organisations to receive government funding to train apprentices.

## 2. Ofsted Inspection

### 2.1 Methodology:

GMCA (GMFRS) received its first full Ofsted Inspection between 5 - 8 July 2022. It was one of the first Fire and Rescue Services to undergo a full Ofsted inspection. The inspection involved five of Her Majesty's Inspectors collating evidence and six Inspectors in attendance at the organisation that week. GMFRS is by far the largest provider in the sector to date.

Inspectors interviewed senior leaders, training managers and subject matter specialists. The interviews covered curriculum intent, implementation and impact as part of the Quality of Education judgement alongside Safeguarding, Behaviour and Attitudes, Personal Development and Leadership and Management. These responses were then triangulated

with interviews and observations of apprentices, their line managers and trainers in conjunction with scrutiny of work. Observations by Inspectors took place at the Training and Development Centre (Cassidy Close), Bury Training & Safety Centre and at multiple Fire Stations.

## **2.2 Content:**

The Inspection addressed the following areas:

- What is it like to be a learner with this provider?
- What does the provider do well and what does it need to do better?
- Safeguarding
- What does the provider need to do to improve?

## **2.3 Outcome:**

The overall outcome achieved by the service was Good. The specific outcomes were as follows:

- Quality of Education - **Good**
- Personal Development - **Outstanding**
- Behaviour & Attitude – **Outstanding**
- Leadership and Management – **Good**

The detailed report issued by Ofsted is attached at Appendix 1.

## **2.4 Areas for Improvement:**

The following were identified in the outcome report as needing improvement.

- Ensure trainers in the fire stations receive the training they need to improve and assure the quality of training for their apprentices.
- Ensure that workplace trainers routinely set challenging areas for development to help apprentices focus on their learning priorities and achieve their potential.
- Ensure trainers routinely provide apprentices with effective careers and progression guidance, so that all apprentices understand the possible alternative career options available to them



### 3. Improvement Activity

In preparation for the Ofsted visit the team undertook a self-assessment exercise and developed a Quality Improvement Plan. Following the inspection both those documents are being refreshed and updated, incorporating insights shared by the inspection team and the outcome report. Some actions are already underway to improve the provision and learner experience such as:

- Working with stakeholders to undertake self-assessment and update the Quality Improvement Plan
- assigning workplace tutors from the outset of the apprenticeship
- increased frequency of progress reviews
- explicit embedding of functional skills for all learners
- careers information forming part of the induction pack for all new apprentices.

The table below sets out the high-level plans for the coming months to achieve the improvements needed:

<b>Risks/Improvement highlighted</b>	<b>Actions to be taken</b>	<b>Planned Completion Date</b>
Refreshed Self-Assessment Report and Quality Improvement Plan required.	Engagement with key stakeholders and review of Ofsted outcomes.	January 2023
Careers and progression advice to be provided to all apprentices from the outset.	Information to be highlighted as part of Induction Handbook and held within the e-Portfolio.	January 2023
Health Checks/Progress Reviews aren't sufficiently challenging.	Quality Assurance of activity to be undertaken and reported on.	October 2023

Health Checks/Progress Reviews aren't sufficiently challenging.	Relevant development activities to be put in place for workplace tutors.	February 2023
Lack of Quality Assurance of Training delivered on station.	Observation training to be delivered to Workplace Tutors and Training Reference Holders and a plan in place for more enhanced Quality Assurance.	March 2023

#### 4. Summary

The current data shows that of all our apprentice starts, 33.75% fall within an under-represented group (defined as those who identify as female, LGBT+, racially diverse and/or have a learning difficulty and/or disability and/or health problems). Providing an excellent apprenticeship experience ensures that we have a high rate of retention of our diverse entry level workforce and will see this transform our senior operational ranks in coming years.

# Inspection of Greater Manchester Combined Authority

Inspection dates: 5 to 8 July 2022

<b>Overall effectiveness</b>	<b>Good</b>
The quality of education	<b>Good</b>
Behaviour and attitudes	<b>Outstanding</b>
Personal development	<b>Outstanding</b>
Leadership and management	<b>Good</b>
Apprenticeships	<b>Good</b>
Overall effectiveness at previous inspection	Not previously inspected

## Information about this provider

Greater Manchester Fire and Rescue Service (GMFRS) is part of the Greater Manchester Combined Authority (GMCA). The Chief Fire Officer (CFO) leads GMFRS and is accountable to the Deputy Mayor at Greater Manchester Combined Authority. GMCA received its first apprenticeship contract in May 2017. GMCA teaches standards-based apprenticeships through the employer levy. At the time of the inspection, 195 apprentices were studying operational firefighting at level 3. GMCA subcontracts their English and mathematics functional skills tuition to another training provider.

Apprentices complete a 16-week basic firefighting training programme at the fire and rescue training centres before they are posted to their watch at one of the 41 fire stations located across Greater Manchester.

## **What is it like to be a learner with this provider?**

Leaders, managers and trainers set very high expectations for apprentices' behaviour, discipline, conduct and attendance during initial training and when working in stations. Apprentices quickly learn the importance of being ready for operational duties and the impact of lateness on their watch and ability to be deployed. They are highly conscientious professionals.

Apprentices consistently demonstrate exceptional workplace behaviours. They are articulate, disciplined and respectful. Apprentices understand how to work as part of a safety critical team. They are highly motivated and want to succeed. Apprentices are extremely proud to be part of the fire service. They swiftly develop their knowledge, skills and behaviours to become operational firefighters.

Apprentices are well supported to develop the skills and behaviours they need to help protect the communities they serve. They consistently make positive contributions to their communities by taking part in volunteering and charity fundraising events. Apprentices participate in open days and speak to school children about fire and water safety to build positive relationships with the public.

Apprentices improve their confidence as a result of their apprenticeship. As they attend more callouts, they build their confidence and self-esteem to become capable and effective firefighters. Apprentices routinely reflect on the emergency incidents they attend at work. They effectively evaluate what they did well and what skills they need to improve. This helps them to be more self-aware and be better at their job.

Apprentices work safely, use equipment safely and feel safe at work. They approach tasks in a methodical manner and are considerate of their colleagues. Apprentices explain clearly the critical importance of safety as a firefighter. They benefit from the support of their tutors, watch managers and colleagues in an inclusive environment. Apprentices quickly become part of the fire service family.

## **What does the provider do well and what does it need to do better?**

Senior Leaders and those responsible for governance are ambitious for their apprentice firefighters to be the best they can be. They recognise that the training that apprentice firefighters receive must be of the highest quality to ensure they can fulfil their mission 'to protect communities, work together and save lives'.

Leaders plan an ambitious curriculum for apprentices that goes beyond the requirements of their apprenticeship programme to meet the specialist needs of the region. Apprentices benefit from a bespoke curriculum tailored for their needs and those of their station. For example, leaders provide additional rope training for working at height rather than just using ladders. This helps to train firefighters to deal with emergencies in high-rise buildings or at the airport. As a result, apprentice firefighters develop an enhanced set of specialist skills that make them more effective at work. Trainers plan and teach the curriculum in a logical order to develop

safe and competent firefighters. They systematically recap on apprentices' previous learning, and design the training, so that apprentices develop their knowledge, skills and behaviours incrementally. For example, in the initial weeks of training, apprentices develop their spatial awareness through practising tunnel and height work exercises. When they move to the breathing apparatus topics, they are more confident working in confined spaces with specialist equipment. Training prepares apprentices effectively for their roles, ensuring they are more competent and confident when moving into an operational role on station.

Leaders are ambitious for all apprentices, including those with additional learning needs who are well supported and achieve as well as other apprentices. Leaders swiftly identify any apprentices that require support or may be disadvantaged. For example, apprentices benefit from working with educational psychologists to identify where trainers may need to modify the training, and support apprentices in the classroom and during practical training.

Leaders ensure that trainers in the training centre are well-qualified, experienced, competent firefighters. They maintain their competency as firefighters, complete teaching and training qualifications, and study specialist instructor programmes in breathing apparatus and road traffic collisions. Training centre trainers use their knowledge and experience to the benefit of their apprentices. Crew Managers and those with a training role in the fire stations do not benefit from the same training and quality assurance processes. Consequently, senior leaders do not have a good enough overview of the quality of training at the stations.

Trainers use a range of teaching and assessment strategies effectively to help apprentices understand key concepts. They ensure apprentices repeat and practise new techniques to master the skills to be an effective firefighter, so they know more and can do more over time. For example, apprentices develop their competence in using breathing apparatus by entering burning and smoked filled buildings every day for two weeks, following two weeks of practise and safety training. This leads to apprentices performing rescues confidently in smoke filled spaces.

Most apprentices receive useful feedback from their trainers that tells them what they are doing well and what they need to do to improve. However, the quality and recording of progress reviews and interim reviews, known as 'health checks', are inconsistent. 'Health checks' completed by workplace tutors (WPTs) are too brief and focus on the checking of evidence submission rather than on the knowledge, skills and behaviours that apprentices need to develop further. In a few cases, WPTs do not always set challenging areas for development to help apprentices focus on their learning priorities. All apprentices who have reached their final assessments have achieved their apprenticeship. However, too few have achieved distinction grades.

Apprentices benefit from a wide range of information, guidance and support to help them stay physically and mentally healthy. They develop their physical fitness for the long term. Dedicated personal trainers and fitness instructors provide personal training plans where required. Apprentices use gym facilities to work on their strength and physical conditioning. They benefit from the support of physiotherapists to help with injury

recovery. As a result, apprentices are supported to become 'tactical athletes' to ensure they have the fitness required to be a safe operational firefighter for a long career.

Apprentices benefit from very effective support to develop their emotional resilience in the role. They receive training and support to help normalise the psychological, physiological and emotional responses of attending traumatic and distressing incidents and events. As a result, apprentices swiftly develop their emotional resilience and an understanding of when to seek any additional help they need.

Leaders and those responsible for governance know the key strengths and areas for improvement of the provision. They have taken effective steps to improve on the weaknesses they identified through their self-assessment process. Leaders have successfully rectified the areas for improvement identified at the new provider monitoring visit.

Those responsible for governance have an accurate understanding of the quality and effectiveness of training that apprentices receive. They use their extensive knowledge, experience and skills as the most senior firefighters in the service to hold senior leaders in the training team to account for the quality of apprentices' training. Those responsible for governance demonstrate a clear understanding of the provider's strengths and weaknesses.

Leaders, managers and WPTs have an increasingly accurate oversight of the progress that apprentices make. However, apprentices who have been on the programme for a long period of time, have not routinely benefited from WPT contact throughout their programme. As a result, a few apprentices have not made the swift progress of which they are capable.

While most apprentices have made well-informed decisions to become firefighters, leaders do not routinely provide apprentices with effective careers and progression guidance. Not all apprentices understand the possible alternative career options available to them.

## **Safeguarding**

The arrangements for safeguarding are effective.

The CFO, leaders and managers place the safeguarding and well-being of apprentices and staff at the heart of what they do. They have developed a strong culture of safety and safeguarding for apprentice firefighters and the communities they serve. Leaders engender a culture of health and safety in all aspects of operational firefighter training. They ensure that apprentices are well prepared for a role that, by necessity, puts them in harm's way.

The safeguarding team, trainers and watch managers use appropriate processes, procedures and systems to record, action and follow up on any safeguarding issues and incidents. They support apprentices effectively and use external referral partners, including the police and mental health services when necessary. For example, when

apprentices attend serious incidents, they receive a 'hot-debrief' to immediately discuss their thoughts and concerns on what they have dealt with and seen. Leaders follow this up with a later 'diffusion' meeting to provide further checks on apprentices' welfare and well-being.

### **What does the provider need to do to improve?**

- Ensure trainers in the fire stations receive the training they need to improve and assure the quality of training for their apprentices.
- Ensure that workplace trainers routinely set challenging areas for development to help apprentices focus on their learning priorities and achieve their potential.
- Ensure trainers routinely provide apprentices with effective careers and progression guidance, so that all apprentices understand the possible alternative career options available to them.

## Provider details

<b>Unique reference number</b>	2510878
<b>Address</b>	Greater Manchester Fire and Rescue Service Training and Development Centre Cassidy Close Manchester Greater Manchester M4 5HU
<b>Contact number</b>	0161 736 5866
<b>Website</b>	<a href="http://www.manchesterfire.gov.uk">www.manchesterfire.gov.uk</a>
<b>Principal/CEO</b>	Dave Russel, Chief Fire Officer
<b>Provider type</b>	Employer
<b>Date of previous inspection</b>	Not previously inspected
<b>Main subcontractors</b>	The Education and Skills Partnership Limited



## Information about this inspection

The inspection team was assisted by the Learning and Development Manager, as nominee. Inspectors took account of the provider's most recent self-assessment report and development plans, and the previous monitoring visit report. The inspection was carried out using the [further education and skills inspection handbook](#) and took into account all relevant provision at the provider. Inspectors collected a wide range of evidence to inform judgements including visiting learning sessions, scrutinising learners' work, seeking the views of learners, staff and other stakeholders, and examining the provider's documentation and records.

## Inspection team

Alastair Mollon, lead inspector	Her Majesty's Inspector
Alex Lang	Her Majesty's Inspector
Steve Kelly	Ofsted Inspector
Steve Ingle	Ofsted Inspector
Kim Bleasdale	Her Majesty's Inspector

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**GMCA Audit Committee**

Date: 19 October July 2022

Subject: Internal Audit Progress Report

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

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**PURPOSE OF REPORT**

The purpose of this report is to inform Members of the Audit Committee of the progress made on the delivery of the Internal Audit Plan for Q2 2022/23. 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](mailto:sarah.horseman@greatermanchester-ca.gov.uk)

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

N/A

**Risk Management**

N/A

**Legal Considerations**

N/A

**Financial Consequences - Capital**

N/A

**Financial Consequences - Revenue**

N/A

Number of attachments included in the report:

**BACKGROUND PAPERS:** N/A

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

## 1 Introduction

- 1.1 The Internal Audit 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.

## 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 July 2022, we have issued two audit reports and certified four grants. The Executive Summaries from these reports are appended to this report. There are also two draft reports issued which require agreement with Management, prior to publication.
- 2.2 **Mandatory Firefighter Training and Continuous Professional Development (b/f):** We provided a **Reasonable Assurance** opinion over the systems and process for the management and monitoring of Firefighter Training and CPD. Our audit noted some areas for improvement in the organisation's approach to the recording and reporting on completion of Maintenance of Competence (MoC) training and CPD with areas for improvement noted around data quality and ongoing system interface issues between the LMS, Skills Matrix and the performance portal. Our report made three recommendations for improvement.
- 2.3 **Public Sector Decarbonisation Grant 2020/21 (Phase 1) Section 31 31/5353:** This grant was used across the Greater Manchester Public Estate for a variety of low carbon retrofit schemes including Heat Pumps, BEMS, Insulation, LED Lighting and Solar PV. This major project was delivered within the extended timeframe and we provided a signed grant certification to BEIS and Salix Finance Ltd to support the sign off of this £78.2m grant. Our Internal Audit Report made several observations to be taken into consideration in the delivery of the next phase of the PSDS programme.

2.4 **Grant Certifications** – Four grants were certified during the period with a further one nearing completion.

- **Brownfield Housing Fund Grant 2021/22 (Section 31) £ 31/6020 & 31/5706 £49.2m.** A written certification of compliance was sent to DHULC in August 2022.
- **Public Sector Decarbonisation Grant (Phase 1) 2020/21 31/5353 £78.2m.** A written certification was sent to BEIS in August 2022.
- **Peer Networks Grant – Annual Sign Off 2021/22 £607k** – A written certification to support this claim was provided in August 2022.
- **Local Transport Capital Block Funding (Pothole Fund) Specific Grant Determination 2021/22 31/5506 £15.5m.** A written certification was sent to Department for Transport in October 2022.

### 3 Internal Audit work in progress 2022/23

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

<b>Planning Stage</b>	
Waste Estates Management	Planning is underway for this audit.
GM One Network	Initial planning discussions have taken place to develop the scope and approach to this audit.

<b>Fieldwork Stage</b>	
Budgetary Control Processes	Fieldwork is nearing completion on this audit.
Performance Management and Reporting Framework (Follow Up Review)	Fieldwork has commenced on this audit.
Adult Education Budget – Provider Contract Monitoring	Fieldwork is underway on this audit.

City Deal Grant Certification 31/5675 £22.3m	Certification is underway on this grant.
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Reporting Stage	
GMFRS Maintenance and Testing of Operational Equipment	A draft report was issued to management in October 2022.
Treasury Management	A draft report was issued to management in October 2022.

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 All planned ICT audit work will be deferred to quarter 4 as a tender exercise is underway to appoint an IT audit provider. Other than rescheduling the timing of planned work, we are not proposing any changes to the plan at this time, however we will keep the plan under close review.
- 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** – There were no new whistleblowing reports received during the period. One whistleblowing investigation has been completed and is at the reporting stage.
- 5.3 **Anti-Fraud Policies** presented to Audit Committee in July are being published on the GMCA intranet pages during October 2022 alongside fraud awareness guidance and e-learning training which will be accessible to staff.

5.4 **National Fraud Initiative (NFI) 2022/23** - Datasets for Payroll, Pensions and trade Creditors will be uploaded during October in readiness for this data matching exercise.

## 6 Internal Audit Performance and Development

### Internal Audit Improvement Plan


6.1 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	July - Sept22 (Qtr2)	Trend	Comments
Delivery of 2022/23 audit plan	1	Completion of 2022/23 audit plan	100% by year end	31%	↔	One audit and four grant certifications from the 2022/23 plan. (Includes draft reports issued)
	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%	83%	↑	Slight improvement in audit action implementation rate since July 2022.
	5	Historic open audit actions	0	1	↔	There remains one historic audit actions relating to VAT treatment of employee expenses.
Internal Audit	6	Audit process	80%			No feedback responses have been received this quarter to measure this KPI.



	7	Customer satisfaction	80%		
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**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.

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Audit	Assurance Level	Audit Findings					Coverage		
		Critical	High	Medium	Low	Advisory	GMCA	GMFRS	Waste
Mandatory Firefighter Training and CPD (b/f)	Reasonable			3				✓	
Grant Funding Management and Reporting	Reasonable	We made no recommendations in this audit.					✓	✓	✓
Public Sector Decarbonisation (Phase 1) Summary Report	Positive					1	✓	✓	

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

Public Sector Decarbonisation Scheme – Phase1 (Section 31) 31/3535	Positive	✓	✓	
Local Transport Capital Block Funding (Pothole Fund) Specific Grant Determination (2021/22) (Section 31) 31/5506	Positive	✓		
Brownfield Housing Fund Grant 2021/22 (Section 31) £ 31/6020 & 31/5706 £49.2m	Positive	✓		
City Deal	TBC	✓		

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

**Assurance levels**

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

## Audit Finding Classification

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

## Appendix B – Progress against the Internal Audit Plan 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
Corporate Services	Grants	Public Sector Decarbonisation	Q1	-	●	●	●	●	October 2022	Completed
Corporate Services	Grants	Peer Networks Grant – Annual Sign Off	Q2	-	●	●	●	●	October 2022	Completed
Corporate Services	Grants	Brownfield Housing Fund Grant	Q1	-	●	●	●	●	October 2022	Completed
Corporate Services	Grants	Local Transport Capital Block	Q2	-	●	●	●	●	October 2022	Completed

Directorate	Audit Area	Audit	Timing	Plan Days	Planning	Fieldwork	Draft Report	Final Report	Audit Committee	Comments
		Funding (Pothole Fund)								
ICT	Governance	ICT Audit Needs Assessment (External)	Q1	2	○	○	○	○		Out to Tender (defer to Q4)
Corporate Services	Finance	Budgetary Control	Q2	30	●	●	○	○		Fieldwork Stage
Corporate Services	Finance	Treasury Management	Q2	20	●	●	●	○		Draft Report
GMFRS	Front Line Services	Maintenance and Testing of Operational Equipment	Q2	20	●	●	●	○		Draft Report
Waste	Assets	Waste Estates Management	Q2	15	●	○	○	○		Scoping
Environment	TBC	Capital Programme 'Deep Dive'	Q2	25	○	○	○	○		To consider merging with GM One Network

Directorate	Audit Area	Audit	Timing	Plan Days	Planning	Fieldwork	Draft Report	Final Report	Audit Committee	Comments
Corporate Services	Governance	Performance Management (Follow Up)	Q2	15	●	●	○	○		Fieldwork Started
Education, Work and Skills	Contracts	AEB	Q2	20	●	●	○	○		Fieldwork Started
Corporate Services	Finance	BWO Access Rights	Q3	20	○	○	○	○		Under review
ICT	Application management	User Acceptance Testing (External)	Q3	2	○	○	○	○		Out to Tender (defer to Q4)
Corporate Services	Procurement and Contracting	Commercial	Q3	20	○	○	○	○		
ICT	Information Systems	GM One	Q3	20	●	○	○	○		Scoping
People Services	Compliance	Investigation Processes	Q3	25	○	○	○	○		
ICT	Assets	IT Asset Management (External)	Q3	2	○	○	○	○		Out to Tender (defer to Q4)
Corporate Services	Finance	Non-AR Income	Q3	20	○	○	○	○		



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

<b>Other Audit Activity</b>		<b>Quarter</b>
Information Governance	Head of IA is a member of the IG Board, ongoing advice, and oversight of IG risks through this forum.	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

## 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.

Audit Area	Audit	Timing	Days	Change requested	Rationale	Approved by Audit Committee
ICT	ICT Audit Needs Assessment (External)	Q1	2	Defer to Q4	Tender exercise ongoing to appoint an audit provider.	
	User Acceptance Testing (External)	Q3	2			
	IT Asset Management (External)	Q3	2			

**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	On hold – capacity of the team
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	On hold – capacity of the team

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	On hold – capacity of the team
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.  For consideration in future budget setting exercises.

## Appendix E – PUBLIC SECTOR DECARBONISATION GRANT 2020/21



### Internal Audit – Grant Certification - PSDS

**To:** Murray Carr, Director of Land and Property; Martin Lawton, PSDS Programme Manager

**From:** Damian Jarvis, Audit Manager; Jessica Jordan Principal Auditor

**CC:** Eamonn Boylan, Chief Executive; Andrew Lightfoot, Deputy Chief Executive; Liz Treacy, GMCA Solicitor and Monitoring Officer; Andrew McIntosh, Director Place; Mazars, External Auditor; and the Chair and Members of the Audit Committee (Executive Summary Only)

**Subject:** Public Sector Decarbonisation Scheme Phase 1 (2020-21) – Section 31 Grant 31/5353

**Date:** 23 August 2022

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#### 1. Introduction

- 1.1 Greater Manchester Combined Authority (GMCA) is the accountable body for funding awarded under Phase 1 of the Public Sector Decarbonisation Scheme (PSDS) Section 31 Grant.
- 1.2 The Authority received capital funding of £78,236,986 paid in February 2021, to be used across the Greater Manchester Public Estate for a variety of low carbon retrofit schemes including Heat Pumps, BEMS, Insulation, LED Lighting and Solar PV.
- 1.3 Under the terms of the grant, projects were originally expected to be completed by 30 September 2021, this was subsequently extended to 31 March 2022. A further discretionary extension period up to, but no later than 30 June 2022 was granted to allow projects already underway which could not be completed by 31 March 2022.
- 1.4 There is a requirement for GMCA to certify to the Department for Business, Energy, and Industrial Strategy (BEIS) by the 30 June 2022 that funds have been spent in compliance with grant conditions.
- 1.5 This report provides the outcome of this grant certification.

#### 2. Audit Objective and Scope

- 2.1 To support the GMCA's certification to BEIS, we sought assurance from Audit Teams within recipient Partner Organisations, the completion of a signed certificate of compliance to confirm that funds have been spent in accordance with the conditions set out in the Grant Offer letter and Memorandum of Understanding.

- 2.2 This included funding allocated to GMCA and 15 individual Partner Organisations including 10 GM Districts, TfGM, GMP, Manchester Foundation Trust (MFT), Manchester College and Royal Northern College of Music
- 2.3 Each Partner Organisation's certified opinion was required to include the following conformance checks:
- i) Identify all schemes financed by this funding and reconcile figures shown in the GMCA allocation for PSDS Phase 1 to those held locally by the project team.
  - ii) Confirm the agreed funding allocations for each capital scheme,
  - iii) Confirm the total budgeted cost for each capital scheme,
  - iv) Confirm the actual expenditure incurred to date on the scheme and any underspend on funding received as at the 31 March 2022,
  - v) Confirm any outstanding projects which are not complete but are due to complete by the 30 June 2022, confirm that the projects are still expected to complete by the 30 June and that the forecast spend is in line with scheme allocations; and
  - vi) Select a sample of scheme payments and supporting documentation and confirm funding solely financed eligible capital expenditure, it was correctly recorded against a capital budget cost centre code; and that the nature of spend was in accordance with Certification letter conditions.
- 2.4 In parallel to our certification work, Salix Finance indicated they will be conducting their own end of programme audit validation work which will commence in September 2022. Partner Organisations were in the process of completing a statement of expenditure and uploading evidence into Huddle system to allow this work to be completed.
- 2.5 We understand one of the key monitoring criteria for the programme is £/tonne of carbon savings. We have not reviewed any calculations in relation to this performance measure.

### **3. Audit Approach**

- 3.1 Discussions were held with GMCA Project Delivery Team and GMCA Finance Team
- 3.2 Certification instructions were sent to Heads of Audit at each of the funding recipients for completion by 31 May 2022.
- 3.3 We were provided with access to project files in the Project 'mothership' spreadsheet and attended some project progress meetings.

#### **Limitations**

- 3.4 GMCA Internal Audit did not carry out its own testing of partner expenditure. The report places reliance on the work undertaken by individual Audit Teams and the assurances received following the conclusion of their work.

- 3.5 All audit teams undertook work on a sample basis set at a level relevant to their own view of the risk profile of the individual schemes to be examined.
- 3.6 We did not receive a certification from Bolton Council which had allocated funding of £4.2m.
- 3.7 Information provided by Partners was compiled in advance of the 30 June 2022 deadline and as such does not reflect the final outturn and claim figures and any changes to schemes which may have taken place after the completion of audit work.
- 3.8 An In-cycle technical audit was undertaken by Salix Technical Team during March 2022. The outcome and findings from this work was reported to GMCA in June 2022.

**4. Audit Opinion**

- 4.1 We provided a signed certification to BEIS and Salix Finance Ltd to confirm that conditions stated in the grant award letter attached to Public Sector Decarbonisation Scheme Phase 1 have been complied with (**Appendix 1**).
- 4.2 The PSDS project team confirmed the final Statement of Expenditure figures for PSDS Scheme as:

Final Scheme Figures	
Grant	£78,236,986
Confirmed and drawn down	£76,735,574
Underspend	£1,501,412 -1.91%

\*These figures are subject to validation by Salix and were adjusted to take into account an overstatement of expenditure by one Partner

- 4.3 This has been a major project and credit must be given to the PSDS project team for delivering this within the extended timeframe with minimal underspend. Throughout the project, there have been frequent discussions with the Salix Delivery Team to help keep abreast of changes and reporting on scheme completion and financial forecasts.
- 4.4 We do however make the following observations that should be taken into consideration in the delivery of the next phase of PSDS programme. Whilst these have not prevented us from providing the written certification, these areas should be considered as part of a formal lessons learnt review:
  - 50% of the total value of the grant was forecast to be spent in the discretionary extension period up to 30 June 2022.
  - There was significant challenge in getting Partners up and running following feasibility studies, design, procurement, and scope of works. The initial Partner agreements to meet grant completion timeframes for spend was unrealistic.



- There was a significant amount of change in scope from original bid proposals submitted by Partners. This may be due to the tight timescales and quality and depth of feasibility studies undertaken.
- Not all contracts awarded by Partners were subject to competitive processes and as such may not reflect value for money.
- There was limited if any physical inspection or oversight by the GMCA project team on completion of works by Partners. This was largely due to resources and time.
- The Huddle system used to manage project documentation was not kept up to date, resulting in considerable effort in the later stages of the project to upload documents, invoices and change control information. The Project Team should ensure that expectations over uploading of evidence is clearly set as Salix Delivery Team will rely on this written documentation as evidence when completing their interim and end of programme audits.

## **5. Management Response**

- 5.1 The following response to the report was provided by Martin Lawton, PDS Programme Manager.
- 5.2 The team have noted and agree with the Audit opinion provided by the Internal Audit team and wish to note that:
- it is the Project Teams understanding that this was the first time that Salix Finance had undertaken a grant programme of this scale and that GMCA was the largest single recipient of the funding pot, delivered through a Section 31 grant mechanism.
  - Due to the significant volume of capital being deployed to the market in a single action the availability of skills in the supply chain was somewhat constrained – this was shown through the procurement activity of a number of partners.
  - The pace and quality of the first feasibility studies prepared as part of the bid were somewhat lacking and resulted in a significant amount of project churn – some £25m of original planned works was not found to be deliverable and was substituted with Salix agreement mid-flight of the programme, putting the teams under significant pressure to meet the shifting Salix deadlines.
  - The moving deadlines meant some excellent quality projects were removed as they were not deliverable in the original timescale but could have been delivered within the extended timeline that Salix gave mid-way through.
  - Clients and partners due to the nature of the programme scope were in a “learning by doing” situation in some cases and gaps in partner ability were clear.

## INTERNAL AUDIT REPORT

### Mandatory Firefighter Training and CPD

#### FINAL

Based on the audit work performed, this audit has been classified as REASONABLE ASSURANCE.	<b>REASONABLE ASSURANCE</b>
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**Reference:** Q42021/22

**Draft Report Issued:** 20 July 2022

**Final Report Issued:** 29 September 2022

**Audit Sponsor:** Val Hussain, Head of Training Delivery

**Lead Auditor:** Stuart Richardson

## EXECUTIVE SUMMARY

### 1. Background and Context

- 1.1 An audit of Firefighter Continuous Professional Development (CPD) and Training was included in the 2021/22 Internal Audit Plan as it was identified a key priority development area for GMFRS.
- 1.2 As part of the HMICFRS review issued in 2021/22 relating to 'Effectiveness, efficiency and people', areas for improvement were noted in 2018/19 around workforce planning ensuring that staff have the required skills and capabilities and the approach to learning and improvement.
- 1.3 Whilst the service has made improvements on these areas as noted in the HMICFRS report, work over this area is in progress and further independent scrutiny was requested around the operational training strategy, with regards to ensuring that key competencies are achieved for operational training, firefighters rising through the ranks and that CPD and training is structured and recorded appropriately to meet the current and future needs of the service.
- 1.4 In the past 12 months, a new skills matrix system has been implemented which provides performance reports for Maintenance of Competence (MoC) training and GMFRS are in the process of developing a skills matrix for performance against the operational training strategy. Training performance is reported to the Performance Board. GMFRS currently uses the Cornerstone Learner Management System (LMS).

### 2. Audit objective and scope

- 2.1 The objective of this audit was to provide assurance that requirements for firefighter training are being met to ensure that key competencies and training requirements are completed to ensure the service is delivered safely and effectively. We also considered the recording of firefighter CPD as part of this audit.
- 2.2 The scope encompassed:
  - (i) Review of the processes and controls in place to ensure all that all firefighters undertake the necessary training and development to maintain their core competencies (Maintenance of Competence, "MoC") as well as develop to enable future progression- including all statutory requirements.
  - (ii) Review records of training and CPD to ensure that these are accurately logged and retained.
  - (iii) Assess the current budgets and costings for training and determine whether value for money is achieved.
  - (iv) Assess the current capacity of staff to complete required training and whether this is sufficient to meet the service's needs for learning and development.
  - (v) a high-level review of the current LMS and technology infrastructure in place and assess whether this currently meets the service needs, is effective in ensuring that required training is delivered to staff and future proofed.

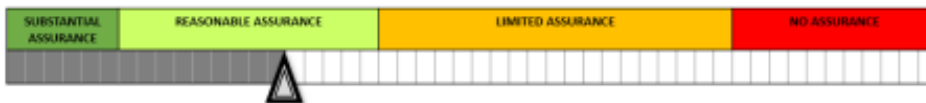
- (vi) Review the current arrangements for monitoring and reporting of performance against targets, to ensure information produced is complete and accurate, reported at an appropriate level and that underperformance against targets is monitored and addressed through this process.

**Limitations:**

- 2.3 During our audit we were informed that a separate externally commissioned independent review of Operational Training was being undertaken. As such the extent of our work was reduced to avoid any unnecessary duplication.
- 2.4 The audit was conducted on a sample basis, which does not give absolute assurance that the entire population is free from error.
- 2.5 Whilst we reviewed reporting of MoC completion rates provided to form an opinion on the design and effectiveness of controls over this area, we are not responsible for ensuring that this is accurate; this is the responsibility of individual stakeholders.
- 2.6 The audit considered training for uniformed staff only. It covered Maintenance of Competence training and CPD. In this context, CPD refers to training completed above and beyond basic competencies covered through MoC training. This audit did not consider firefighter apprenticeships.
- 2.7 The HMICFRS 'Cause for concern' progress letter dated 15th December 2021 refers to GMFRS's requirement to have its own Marauding Terrorist Attack (MTA) response following the inspection in April and May 2021.
- 2.8 On 5th April 2022, GMFRS reached an agreement with the Fire Brigades' Union (FBU) in relation to GMFRS's MTA capability. Prior to this, MTA training had not been delivered in response to the HMICFRS recommendation as it was not felt that the training was appropriate in its previous iteration. Following the agreement with the FBU, GMFRS committed to delivering practical training to operational colleagues.
- 2.9 As of the time of the conclusion of the audit, the MTA project team were working to implement GMFRS's new MTA capability. Therefore, we have been unable to consider the appropriateness and effectiveness of the training through our work.

**3. Audit Opinion**

- 3.1 We provide **Reasonable Assurance** over the systems and process for the management and monitoring of Firefighter Training and CPD. Our audit noted some areas for improvement in the organisation’s approach to the recording and reporting on completion of MoC training and CPD with areas for improvement noted around data quality and ongoing system interface issues between the LMS, Skills Matrix and the performance portal.
- 3.2 MoC training KPI completion targets have not been consistently met, but this primarily related to how this metric was being calculated rather than any systemic non-completion of mandatory training.
- 3.3 Whilst the controls over MoC training completion are designed effectively and positive feedback has been received around the use of LMS as an effective platform for delivery, there are issues relating to CPD and how this links to firefighter promotion pathways and succession planning.
- 3.4 Management are already progressing actions on the above issues. Draft policies have been produced including the Leadership Development Framework and Promotion Pathway Framework. At the time of the audit these policies were not in place but subsequently the Promotion Pathway Framework was launched on 11<sup>th</sup> July 2022. The system interface issues have been raised with the respective software providers, but these remain unresolved. We are aware that the KPI used for MoC completion performance reporting is currently under consideration.



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	No clear policy implemented around Promotion or Progression	<b>MEDIUM</b>	To launch and implement the Promotions Framework.  Introduce a mechanism to formally and objectively identify high potential individuals through the PRA process.  Continue to develop the People Strategy, ensuring that this is aligned to key areas of the NFCC’s People Strategy to facilitate collaboration between stakeholders and achieve	October 2022

4

			GMFRS's strategic objectives and priorities	
2	CPD is not consistently recorded or explicitly linked to progression	MEDIUM	<p>Review and update the CPD Policy and Procedure as necessary to ensure it is up to date and reflective of the current roles, responsibilities, and processes.</p> <p>Consider how existing systems and/or PRA processes can be used to improve the consistency and accuracy of CPD records and governance over this area.</p> <p>Link completion of CPD to a promotion/progression framework to ensure CPD is given appropriate prominence.</p>	March 2023
3	MoC KPI measurement and Data Quality Issues	MEDIUM	<p>Review the calculation of the MoC 3, 6 and 12 metrics to ensure they are based on a percentage of the available workforce.</p> <p>Work with systems providers to resolve the system issues and enable effective interfacing to ensure that performance reporting includes, complete, accurate and consistent information.</p> <p>Ensure that systems issues are resolved prior to the implementation of Skills Matrix 2.</p>	December 2022

## **5. Organisational implications**

- 5.1 The GMFRS Corporate Risk Register includes several operational and workforce related risks where mitigations are linked to organisational training provision and competencies. These include RR25 Safeguarding Arrangements; RR43 Site Specific Risk Information; RR1 GM High Rise and Building Safety, RR29 Significant Events; and RRS Organisational Resources and Skills.
- 5.2 There are areas of improvement identified in this report which align to those identified in the HMICFRS inspection, such as managing performance and developing leaders, and the promotion process.
- 5.3 Whilst there are a number of strategic objectives and policies across different areas, closer collaboration between respective teams (Talent and Resourcing, Training and Delivery team; and Learning and Development team) would ensure that activities are more closely coordinated and shared priorities and plans are aligned, as this was not evident.
- 5.4 It is our understanding that there is not a 'People Strategy' currently in place which informs and supports the facilitation of partnership between different areas to deliver the services key priorities and commitment outlined in the Fire Plan 2021-2025 and the Annual Delivery Plan.

## **6. Management Response**

- 6.1 *As Head of Training for GMFRS, I say with confidence that this report accurately reflects the position of the training function in the areas of focus. The report has highlighted a number of areas that needs to be addressed, but also confirms that GMFRS has responded effectively to concerns raised and reported from the last HMICFRS inspection and is in a good position in many areas.*
- 6.2 *An action plan from this report has been created with responsible persons allocated to address those actions, but as Head of Training, I accept full accountability to ensure those actions are implemented.*
- 6.3 *It is the desire of the Training management team to constantly improve the training function, including evidencing how we do this. This report contributes to this desire and has been welcomed by the management team.*

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## GMCA Audit Committee

Date: 19 October 2022

Subject: Audit Action Follow up

Report of: Sarah Horseman, Head of Audit and Assurance

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### PURPOSE OF REPORT

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

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

### Equalities Impact, Carbon and Sustainability Assessment:

N/A

### Risk Management

N/A

### Legal Considerations

N/A

### Financial Consequences - Capital

N/A

## Financial Consequences - Revenue

N/A

Number of attachments included in the report:

### BACKGROUND PAPERS:

N/A

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

## 1 Introduction

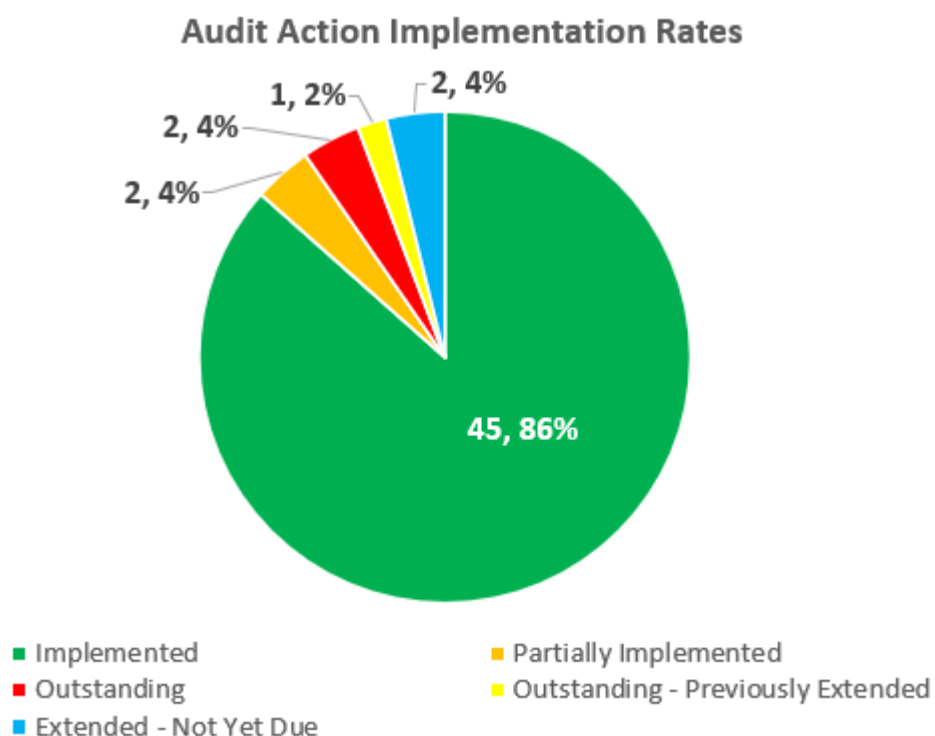
- 1.1 The GMCA Internal Audit Plan comprises a range of audits agreed by Senior Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and an agreed target implementation 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 status of outstanding of Internal Audit actions.

## 2 Agreed Process

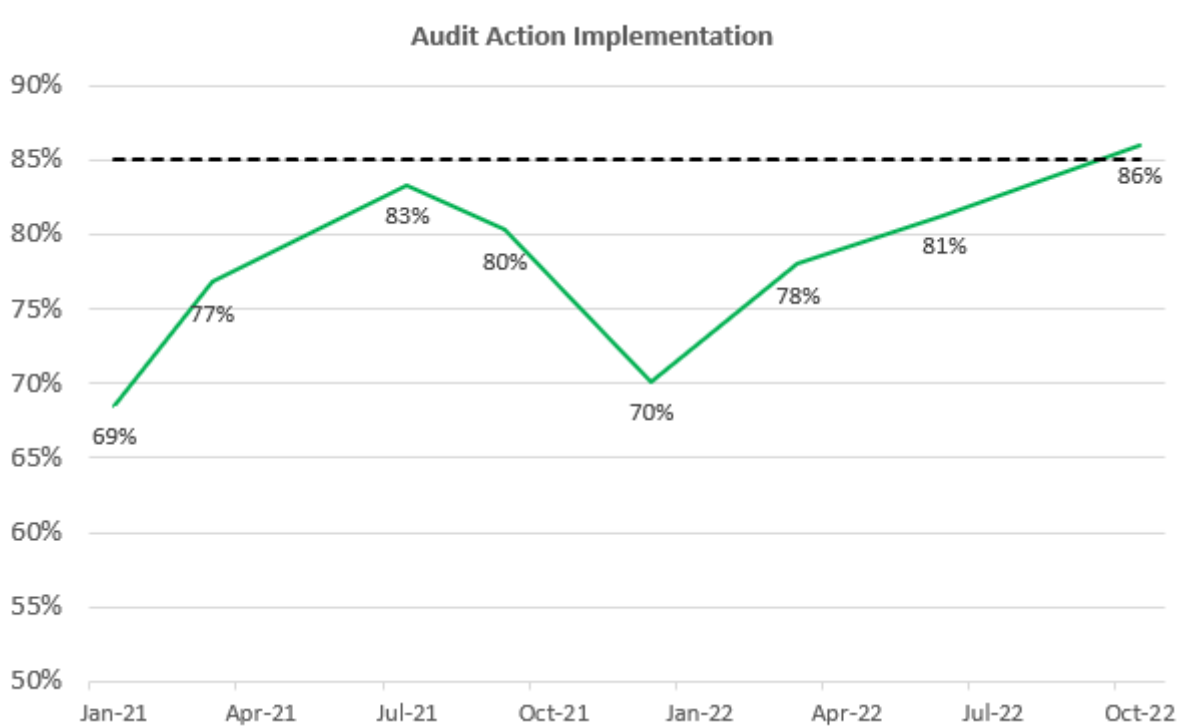
- 2.1 It is the responsibility of management to implement audit actions on time and provide updates for the tracker. To aid facilitation of this, Internal Audit maintains the action tracker which is shared with risk owners to capture updates on progress of outstanding actions.
- 2.2 GMCA Senior Leadership 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 October 2022, **86%** of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.



This is demonstrates continued improvement since the beginning of 2022 in the implementation of audit actions, as can be seen in table below.



## 4 Analysis of Audit Actions – by Audit

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



- 4.2 Since our last report five actions were considered fully implemented and agreed by management. Six new actions have become due in relation to reports shared previously with Audit Committee.
- 4.3 There remain some actions outstanding which relate to LTSC Fleet Services and Central Stores, however, we are pleased to report that good progress is being made to implement these and we will continue to monitor and report against agreed timescales.
- 4.4 Details of all overdue actions and management updates on progress have been included at **Appendix A** to allow Members opportunity to consider these.
- 4.5 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	High	Medium	Low
Implemented	43	1	7	22	15
Partially Implemented	2	0	1	1	0
Outstanding	2	0	0	1	1
Not Yet Due	32	0	7	17	8
Extended - Not Yet Due	2	0	0	0	2
Outstanding - Previously Extended	1	0	0	1	0
<b>Total</b>	<b>84</b>	<b>1</b>	<b>15</b>	<b>42</b>	<b>26</b>

- 5.2 The number of actions being tracked this quarter has increased, from 70 to 84 based on final reports issued. Our policy is to remove from the tracker any completed actions over two years old.
- 5.3 Any actions that are over two years old but have not been fully implemented will remain on the tracker until the actions have been completed and reported as implemented.

## Status of Overdue Actions at October 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 (October 2022)
Employee Expenses - Probity and Compliance (July 2019)	Minor	<p><b>Audit Finding</b> VAT: Consideration should be given to the process for reclaiming VAT on relevant VAT expense claim transactions.</p> <p><b>Management Action</b> Agreed</p>	March 2020	Payroll and Pensions Manager	Outstanding	<p>This action remains outstanding.</p> <p>New process now in place which requires the uploading of documents to support claims. The team are progressing changes with the system provider.</p>
Fleet Management and Maintenance 20/4/2021	Medium	<p><b>Audit Finding:</b> 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><b>Management Action:</b></p> <p>a) The 'Driving at Work' policy will initially focus on grey book uniformed staff and be approved by SLT and FBU.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• B-fleet vehicle location updates, to ensure vehicles are available to support service operations at all times.</li> <li>• Daily recording of vehicle journeys.</li> </ul>	<p>30 September 2021</p> <p>Extended to June 2022</p>	Fleet Services Manager	Partially Implemented – <b>now due for completion by December 2022</b>	<p>A suite of fleet related policies and procedure documents have been developed for sign off at SLT in <b>October 2022 and December 22 for approval:</b></p> <ol style="list-style-type: none"> <li>1. B Fleet Policy (Oct 22)</li> <li>2. Fleet Operational Equipment and Disposal Policy (Oct 22)</li> <li>3. GPS Vehicle Tracker &amp; Telematics Policy (Oct 22)</li> <li>4. Driving at Work Policy (Operational Staff) (Dec 22)</li> <li>5. Driving at Work Policy (Non-Ops Staff) (Dec 22)</li> <li>6. Driver Training Policy (Dec 22)</li> </ol>

		<ul style="list-style-type: none"> <li>Daily vehicle roadworthiness inspection and defect checks.</li> <li>Driver validation checks.</li> <li>Consistency with other related policies (car user and mileage; and employee expenses).</li> <li>Use of non-operational Pool cars and booking system including for non-Grey Book staff</li> </ul> <p>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>				An 'A Fleet' Policy will follow in Q4 of 2022/23
Fleet Management and Maintenance 20/4/2021	Medium	<p><b>Audit Finding:</b> Disposal of obsolete vehicles and equipment: There are delays and backlogs in the disposal of obsolete and decommissioned assets.</p> <p><b>Management Action:</b> 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).</p> <p>a) The policy update will encompass the following key areas:</p> <ul style="list-style-type: none"> <li>Method for identifying assets at the end of their useful life and determining the appropriate method of disposal.</li> <li>Methods of disposal available, including the expected use of quotes and tenders and selection of approved providers.</li> <li>Authorisation and approval limits for items over specified values.</li> <li>How asset valuations will be sought prior to disposal (where necessary).</li> </ul>	September 2021  Extended to June 2022	Fleet Services Manager	<b>Implemented</b>	<p>a) Completed: 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> <ul style="list-style-type: none"> <li>The Operational Equipment and Disposals policy has been updated, the Supporting Charities Policy which underpins this has already been approved.</li> <li>Specific policy and procedure covering all the above has been submitted to October Service Leadership</li> </ul>



		<ul style="list-style-type: none"> <li>Procedures for the decommissioning of vehicles prior to disposal.</li> <li>BWO asset register and expected process for review of 'parked' items.</li> <li>Quarterly Reporting to SLT of asset disposals including income receipts.</li> </ul> <p>b) There will be a regular review of all 'parked' items and a plan put in place for the safe disposal/scrappage of all obsolete vehicles and equipment, including a process for dealing with items listed as 'missing' equipment.</p>				<p>Team for formal sign off.</p> <p><b>b)</b> Now in place.</p>
Fleet Management and Maintenance 20/4/2021	High	<p><b>Audit Finding:</b> 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><b>Management Action:</b> 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>	<p>July 2021</p> <p>Extended to June 22</p>	<p>Area Manager, Head of Service Support &amp; Head of Finance (Management Accountancy)</p>	<p><b>Implemented</b></p>	<p>Completed. A high-level review of the service has been undertaken to establish key performance indicators and the BWO requirements.</p> <p>KPI report is now provided on a weekly basis. This covers compliance and inspection regimes. Quality assurance arrangements have been introduced in September 2022 whereby a sample of all work activities are reviewed by Team Leaders.</p> <p>An off the shelf system Papertrail has been ordered to support management information around inspections.</p>

						<p>An automated and comprehensive weekly BWO Management report is produced every Friday which tracks the main fleet and equipment maintenance workstreams and schedules and provides an overview of the function's (LTSC) legal compliance and best practices standards/levels.</p> <p>This now needs to be developed further to factor in repair and maintenance cost and quality KPI's, so that a reasonable level of benchmarking and comparison can be made against other FRS's and External providers.</p>
Fleet Management and Maintenance 20/4/2021	Low	<p><b>Audit Finding:</b> System data quality: There are some inconsistencies in data quality which should be checked.</p> <p><b>Management Action:</b> 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"> <li>• We will implement a consistent process for the capture and input of all work order information.</li> <li>• We will carry out a review of the data extracts provided by the Internal Audit team and Finance to understand</li> </ul>	July 2021  Extended to June 2022	Fleet Services Manager & Head of Finance (Management Accountancy)	<b>Implemented</b>	<p>Completed. QC role around records on BWO and associated systems has been picked up in September by Fleet Services Manager, supported by admin team and Team Leaders.</p> <p>Linked to above. Some fields in BWO were previously mandatory and are no longer following an upgrade. This is being reviewed with the BWO</p>

		<p>potential anomalies and any immediate action required to improve data quality.</p> <ul style="list-style-type: none"> <li>We will review the Grey Fleet vehicles in the system and closedown any which do not require annual reviews by LTSC.</li> </ul>				System team, as the use of mandatory fields will support better data entry.
Fleet Management and Maintenance 20/4/2021	Medium	<p><b>Audit Finding:</b> Contract Management: There is a lack of evidence over how value for money is achieved through revenue contract spend.</p> <p><b>Management Action:</b> 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 - <b>now due for completion by December 2022</b>	<p>The workplan for procurement was finalised in September 2022, with implementation over the remainder of the financial year. In the Fleet areas two priority areas have been identified for conclusion by the end of the financial year – contract for tyres and parts and spares for the fire appliance fleet.</p> <p>The tyres contract will be renewed by <b>December 2022</b>.</p> <p>The parts and spares for fire appliance fleet is a much larger piece of work, and will be commenced immediately with following milestones: Q3 2022/23 options paper, Q4 to Q1 2023/24 procurement, Q2 implementation</p>

Loan Approval Decisions (Core Investment Funds) 7/12/2021	Low	<p><b>Audit Finding:</b> 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><b>Management Action:</b> 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>	January 2022  <b>(Extended to December 2022)</b>	Investment Director	Extended – Not Yet Due.  <b>Now due for completion by December 2022</b>	<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><b>This is linked to a wider IA review of GMCA Behavioural policies and codes of conduct.</b></p>
Accounts Receivable 12/4/2022	Low	<p><b>Audit Finding:</b> Declaration of Interest forms are not completed by Finance Staff.</p> <p><b>Management Action:</b> 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>	April 2022  <b>(Extended to December 2022)</b>	Deputy Treasurer	Extended – Not Yet Due.  <b>Now due for completion by December 2022</b>	<p><b>This is linked to a wider IA review of GMCA Behavioural policies and codes of conduct.</b></p>

<p>Programmes and Project Management 18/11/21</p>	<p>Medium</p>	<p><b>Audit Finding:</b> There is no standardised, approved project management training or accreditation for project/programme managers.</p> <p><b>Management Action:</b> We will design and develop a formal PPM training programme that can be delivered to all staff fulfilling a programme or project management role. This could be delivered 'in house' or in conjunction with an external training partner. The training will focus on core principles expected to be in place for successful project delivery. This will include options at various levels, including 'project management basics' for staff managing small-scale or short-term projects, and more extensive / formal options for programme managers responsible for large-scale or long-term programmes or projects. Informal skills sharing opportunities will be supported as part of the development of the PM Network support group.</p>	<p>July 2022</p>	<p>Georgina Grinshpan, People Services, Learning and Development</p>	<p><b>Implemented</b></p>	<p>A Pilot for the Introduction to Project Management one-day course was run in May 2022. Three further courses were run since then.</p> <p>A further three sessions are planned until Jan 2023.</p> <p>L&amp;D are working with Fire PMO to ensure people who are running formal projects in GMFRS are offered the intro course and then have two half day sessions after this course to cover what they need to do from Fire perspective.</p> <p>L&amp;D are also working with PSR to create a New Ways of working page with a variety of information including a Systems thinking e-learning package for staff to access after the Intro to PM course.</p> <p>More specialist Project Management training, will be funded from Directorate specialist training budget where required.</p>
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<p>Accounts Receivable 12/4/22</p>	<p>Medium</p>	<p><b>Audit Finding:</b> Regular reporting of management Information on invoices raised, aged debt and credit notes is not taking place.</p> <p><b>Management Action:</b> We will define key performance metrics to measure the efficiency and effectiveness of the AR process. Comparative data will be presented to management periodically for monitoring and sign off.</p>	<p>June 2022</p>	<p>Karen Macrae, Head of Finance Corporate &amp; Technical and Susie Bamford, Principal Accountant Corporate &amp; Technical</p>	<p>Outstanding</p>	
<p>GMFRS Stores 8/6/22</p>	<p>Medium</p>	<p><b>Audit Finding:</b> Stock control procedures and security and access to stock need to be strengthened.</p> <p><b>Management Action:</b> a) The Stores Team will undertake a full physical stock check to BWO stock records with the intention of:</p> <ul style="list-style-type: none"> <li>• Confirming the accuracy of stock levels.</li> <li>• Identifying stock held which is not recorded.</li> <li>• Identifying any obsolete or slow-moving items which should be disposed of.</li> <li>• Ensuring any recycled stock items are properly accounted for and appropriately valued.</li> <li>• To assess whether current warehouse stock levels are appropriate and reflect service requirements; and</li> <li>• Reviewing and adjusting as necessary the minimum and maximum stock levels recorded within BWO.</li> </ul> <p>b) Periodic stock checks will be undertaken and reviewed by the Fleet and Logistics Manager and any major discrepancies investigated and reported.</p> <p>c) With the support of the BWO Systems Team, consideration will be given to any priority system development work to</p>	<p>July 2022</p>	<p>Kris Smedley, Fleet and Logistics Manager</p>	<p><b>Implemented</b></p>	<p>a) The Stores team have undertaken a full physical stock check to BWO stock records.</p> <p>b) These stock checks are reviewed by the Head of Fleet and Logistics and arrangements are now in place to investigate and report on discrepancies.</p> <p>c) Review of system development is underway with BWO team.</p> <p>d) Access control arrangements have been reviewed and updated. Staff have been instructed to use the Web version of BWO for ordering stock items, which means there is much better</p>

		<p>enhance functionality of the BWO Stores module and stock reporting.</p> <p>d) In conjunction with the Access Control Team, Access Control arrangements for staff accessing stores warehouse will be reviewed to ensure this remains appropriate and is restricted to authorised personnel only.</p>				<p>workflow and approvals in place.</p>
<p>GMFRS Stores 8/6/22</p>	<p>High</p>	<p><b>Stores Strategy and overarching management requires review.</b></p> <p>Management will review the delivery model for the operation of LTSC Central Stores to demonstrate robust governance is in place and value for money at critical points in core processes and activities. This will include:</p> <ul style="list-style-type: none"> <li>• Setting out in the business development plan the aims and objectives for Central stores aligned to wider service requirements. Including a review of current key operational activities and practices.</li> <li>• Develop written procedures to support consistent processes. This will build on the initial work undertaken by BWO Systems Team to document systems.</li> <li>• Develop performance measures against which the quality and competency of the service can be measured.</li> <li>• Re-examine workplace risk assessments to ensure these are sufficient.</li> <li>• Review delegated authority and workflow within BWO to ensure there is appropriate separation of duties within key financial processes, so staff don't have autonomy to make buying decisions.</li> <li>• Develop performance measures against which the quality and competency of the service can be measured.</li> <li>• Re-examine workplace risk assessments to ensure these are sufficient.</li> <li>• Review delegated authority and workflow within BWO to ensure there is appropriate separation of duties within</li> </ul>	<p>30 September 2022</p>	<p>Head of Fleet and Logistics</p>	<p><b>Partially Implemented</b></p>	<p>Review of Stores and Logistics Delivery Model is currently underway, with an external consultation supporting delivery of this.</p> <p>Ahead of this the following actions have been undertaken: An overarching Stores Strategy has been developed setting out purpose of function, compliance, accounting policies. Management review has been undertaken and responsibilities have been redistributed to the Fleet Support Manager – Transport stores, with current post holder retaining responsibility for Central Stores.</p>

		<p>key financial processes, so staff don't have autonomy to make buying decisions.</p> <ul style="list-style-type: none"> <li>• Review of overtime usage and any capacity issues for key activities.</li> <li>• Identify any disruption to supply chain around critical product lines, stock management and re-order levels as part of BCM arrangements.</li> </ul>				
GMFRS Stores 8/6/22	Medium	<p><b>Improvements are needed in procurement and contract management activity.</b></p> <ul style="list-style-type: none"> <li>• We will work with the Procurement and Commercial team to review contracts in place and areas of spend which should be subject to a competitive process.</li> <li>• To introduce monitoring and reporting of high spend areas and 'on contract' and 'off contract' spend and any exceptions to contract and procurement procedures.</li> <li>• Ensure there is clear ownership and responsibility for the management of LTSC contracts and supplier relationship management, including expectations for dealing with pricing changes and quality issues.</li> <li>• Controlling supplier information held in BWO to reflect up to date contract and pricing.</li> </ul>	<p>September 2022 (review)</p> <p>March 2023 (procurement activity)</p>	<p>Head of Fleet and Logistics</p> <p>Head of Commercial Services</p>	<b>Implemented</b>	<p>Review completed. The top 10 suppliers by spend have been reviewed.</p> <p>Procurement activity: Of these 7/10 were within contract. Of the remaining 3, a workplan has been agreed: Contract for tyres - by Christmas 2022. Contract for cleaning materials – instruction to use an existing contract has been given. Now resolved. Contract for bedpacks and associated items – by Q4 2022.</p> <p>A new post in Logistics team will be introduced to pick procurement and QC workstreams at a local level.</p>
GMFRS Stores 8/6/22	Low	<p><b>There is no formal training/CPD plans in place for the team.</b> Individual staff training plans for Stores staff will be put in place which are appropriate to the relevant roles. This will include formal mandatory, essential and any specialist training requirements and linked to the PRA process.</p>	September 2022	Head of Fleet and Logistics	<b>Implemented</b>	Completed. This has been picked up as part of the Service's PPR processes. Relevant training provided



						as and when required – Fork- lift truck for example. A Budget has now been identified for this.
Asset Compliance 20/7/22	Critical	<p><b>Audit Finding:</b> Existing manual systems used for recording and monitoring Statutory Compliance and Safety checks are inadequate.</p> <p><b>Management Action:</b> An urgent exercise to bring the spreadsheet up to date is required to allow for a true picture of compliance to be provided. There will be periodic reporting to Senior Management on compliance rates.</p> <p>A full review of the functionality of the new BWO Estates Module will be undertaken to assess where further improvements can be made to address issues identified in this report. These will be considered and costed as part of ongoing system development project work with any recommendations to be agreed by the SRO.</p>	July 2022	Malcolm Courtney, Head of Estates and Facilities, Strategy & Policy	<b>Implemented - Subject to Internal Audit validation</b>	<p>An exercise to bring the spreadsheet up to date, within the limitations of a manual system, was undertaken immediately following the audit. This returned a higher rate of 79.05% against statutory compliance.</p> <p>Management remain confident that 99% of checks are being undertaken in accordance with the statutory regulations and are exploring the possibility of outsourcing all our statutory compliance to one FM provider.</p>

### External Audit Action Tracking

To streamline the process for audit action tracking, internal audit has 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 where they have been able to obtain a view.

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><b>Audit Finding:</b> Segregation of Duties in Accounts Receivable weak as individuals can both raise and approve sales invoices on the system</p> <p><b>Management Action:</b> 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><b>IA View:</b> 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><b>Audit Finding:</b> No disaster recovery test had been performed by the organisation within the period.</p> <p><b>Management Action:</b> We will consider the GMCA approach to disaster recovery testing alongside the creation of a backup policy and EBS.</p>	March 2022	Digital Solutions Manager	Outstanding	<p><b>IA View:</b> 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><b>Audit Finding:</b> 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><b>Management Action:</b> 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	
External Audit 20-21 accounts 24/11/2021	Low	<p><b>Audit Finding:</b> No formal back up policy in effect at the Authority</p> <p><b>Management Action:</b> 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><b>IA View:</b> 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><b>Audit Finding:</b> No formal change management policy in effect at the organisation.</p> <p><b>Management Action:</b> 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><b>IA View:</b> 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: 19 October 2022

Subject: GMCA Audit Committee Work Programme 2022/2023

Report of: Steve Wilson, GMCA, Treasurer

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### **PURPOSE OF REPORT**

To provide the Committee with the draft 2022/23 Committee Work Programme of proposed items, for their review and comment.

### **RECOMMENDATIONS:**

The Audit Committee is requested to:

- (1) consider and comment on the draft Committee Work Programme.

### **CONTACT OFFICERS:**

**Paul Harris, Senior Governance & Scrutiny Officer, GMCA,**

[paul.harris@greatermanchester-ca.gov.uk](mailto:paul.harris@greatermanchester-ca.gov.uk)

**Equalities Implications:** N/A

**Climate Change Impact Assessment and Mitigation Measures:** N/A

**Risk Management** – N/A.

**Legal Considerations** – N/A

**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 (draft work programme)

**BACKGROUND PAPERS:** GMCA Constitution –

<b>TRACKING/PROCESS</b>	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution	No
<b>EXEMPTION FROM CALL IN</b>	
Are there any aspects in this report which means it should be considered to be	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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## GMCA AUDIT COMMITTEE – WORK PROGRAMME 22/23

19 October 2022

### Standing Items

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

### Risk and Assurance

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

### Internal Audit and Counter Fraud

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

### Financial Reporting

12	Assessment of Going Concern	Treasurer	

**External Audit**

13	External Audit Progress Report	External Audit	
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**Forward planning**

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

## **November 2022**

**Private session with External Auditors following the meeting.**

### **Standing Items**

1	Apologies	Governance	1 min
2	Chairs Announcements and Urgent Business	Chair	2 mins
3	Declarations of Interest	Governance	2 mins
4	Minutes of the last meeting	Governance	5 mins
5	Minutes of the Joint Audit Panel	Governance	2 mins
6	Annual Governance Statement (final)	Governance	10 mins

### **Risk and Assurance**

7	Risk Management Update	Head of Audit and Assurance	
8	Risk Deep Dives - Grants	Head of Audit and Assurance	

### **Internal Audit and Counter Fraud**

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

### **Financial Reporting**

11	Treasury Management Strategy	Treasurer	10 mins
	Final Audited Statement of Accounts	Treasurer	

	Letter of representation	Treasurer	

### External Audit

12	External Audit Progress Report	External Audit	15 mins
	Final Statement of Accounts – report of the External Auditors	External Audit	
	External Audit Progress Report External Audit	External Audit	
	Annual Audit Letters	External Audit	

### Forward planning

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

### 25 January 2023

### Standing Items

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

### Risk and Assurance

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

### **Internal Audit and Counter Fraud**

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

### **Financial Reporting**

13	Treasury Management Strategy	Treasurer	
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### **External Audit**

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

### **Forward planning**

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

**15 March 2023**

**Standing Items**

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

**Risk and Assurance**

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

**Internal Audit and Counter Fraud**

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

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

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

### External Audit

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

### Forward planning

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

**For Reference: Agenda items and schedule of business, as per Audit Committee Terms of Reference**

<b>Agenda Item</b>	<b>June (AGM &amp; Draft Accounts)</b>	<b>October</b>	<b>November (Final Accounts)</b>	<b>January</b>	<b>March</b>	<b>Lead</b>
<b>Statutory and Corporate Governance</b>						
Appointment of Chair	✓					Members
Confirmation of Membership	✓					Chair
Annual Declarations of Interest	✓					Chair
Declarations of Interest	✓	✓	✓	✓	✓	Chair
Minutes of previous meeting	✓	✓	✓	✓	✓	Chair
Minutes of Joint Audit Panel	✓	✓		✓	✓	Chair
Annual report of the Joint Audit Panel	✓					Chair



Agenda Item	June (AGM & Draft Accounts)	October	November (Final Accounts)	January	March	Lead
Annual Governance Statement (Draft)	✓					Treasurer and Monitoring Officer
Annual Governance Statement (Final)			✓			Treasurer and Monitoring Officer
Unaudited Draft Statement of Accounts	✓					Treasurer
Final Audited Statement of Accounts			✓			Treasurer
Review of Audit Committee Terms of Reference	✓					Chair

Agenda Item	June (AGM & Draft Accounts)	October	November (Final Accounts)	January	March	Lead
Audit Committee Work Programme	✓	✓	✓	✓	✓	Chair / Head of Audit and Assurance
Private meeting with Internal Auditors	✓					Chair / Head of Audit and Assurance
Private meeting with External Auditors	✓					Chair / External Audit
Annual report of Audit Committee					✓	Chair
<b>Risk Management</b>						
Corporate Risk Register full review (Part B)				✓		GMCA Officers

Agenda Item	June (AGM & Draft Accounts)	October	November (Final Accounts)	January	March	Lead
Corporate Risk Register update	✓	✓			✓	GMCA Officers
Risk deep-dives		✓		✓	✓	Risk owners
<b>Internal Audit and Counter Fraud</b>						
Internal Audit Plan					✓	Head of Audit and Assurance
Review and update of Internal Audit Charter					✓	Head of Audit and Assurance
Internal Audit Progress Report	✓	✓		✓	✓	Head of Audit and Assurance
Internal Audit Opinion and Annual Report	✓					Head of Audit and Assurance

Agenda Item	June (AGM & Draft Accounts)	October	November (Final Accounts)	January	March	Lead
Audit Action Tracking	✓	✓		✓	✓	Head of Audit and Assurance
Historic Audit Actions	✓	✓		✓	✓	GMCA Officer(s)
Review of Effectiveness of Internal Audit					✓	Treasurer
Counter Fraud Strategy and Plan					✓	Treasurer and Head of Audit and Assurance
Annual Fraud and Whistleblowing Report (Part B)					✓	Treasurer and Head of Audit and Assurance
<b>External Audit</b>						
Audit Strategy Memorandum				✓		External Audit

Agenda Item	June (AGM & Draft Accounts)	October	November (Final Accounts)	January	March	Lead
Annual Audit Letter			✓			External Audit
Value for Money Report					✓	
External Auditor Enquiry Letters Draft Responses	✓					Treasurer, Chair
External Audit Progress Report	✓		✓		✓	External Audit
Final Statement of Accounts – Report of the External Auditor			✓			External Audit
<b>Financial Reporting</b>						
GMCA Treasury Management Annual Report	✓					Treasurer

Agenda Item	June (AGM & Draft Accounts)	October	November (Final Accounts)	January	March	Lead
Accounting policies and critical judgements					✓	Treasurer
Treasury Management Strategy				✓		Treasurer