

**GREATER MANCHESTER COMBINED AUTHORITY  
AUDIT COMMITTEE****DATE: Wednesday, 24th January, 2024****TIME: 10.00 am****VENUE: Boardroom, GMCA, Broadhurst House, Tootal  
Buildings, 56 Oxford Street, Manchester M1 6EU****AGENDA****Part A**

- 1. Apologies for Absence**
- 2. Chair's Announcements and Urgent Business**
- 3. Declarations of Interest** 1 - 4

To receive declarations of interest in any item for discussion at the meeting.

- 4. 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 15<sup>th</sup> November 2023.

<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>

<b>5.</b>	<b>Update from the Joint Audit Panel (Police and Crime)</b>	19 - 22
	To receive the minutes from the meeting of the Joint Audit Panel, held on 30 <sup>th</sup> November 2023.	
<b>6.</b>	<b>Discussion on Audit Committee Arrangements</b>	23 - 30
	To consider a report of the Chair of the Audit Committee.	
<b>7.</b>	<b>Risk Management Update Report</b>	31 - 46
	Report of the Deputy Director of Audit and Assurance, GMCA	
<b>8.</b>	<b>Internal Audit Progress Report</b>	47 - 78
	Report of Deputy Director of Audit and Assurance, GMCA.	
<b>9.</b>	<b>Audit Action Follow up</b>	79 - 88
	Report of Deputy Director of Audit and Assurance, GMCA.	
<b>10.</b>	<b>Treasury Management Quarter 3 Update - To Follow</b>	
	Report of GMCA Treasurer.	
<b>11.</b>	<b>External Auditor Report</b>	89 - 124
	To receive a report of Mazars, External Auditor.	
<b>12.</b>	<b>Audit Committee Work Programme</b>	125 - 134
	Members are asked to consider and comment on the Committee work programme.	

**13. Dates and Times of Future Meetings**

To note that the next meeting of the Committee will take place on Wednesday 13<sup>th</sup> March 2024, commencing at 10:00 am.

**14. Exclusion of the Press and Public**

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

**15. Cyber Security - To Follow**

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Presentation of Paul Wilkinson, Head of Digital Solutions and Cyber Security Lead, GMCA.

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

This agenda was issued on Tuesday 16<sup>th</sup> January 2024 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 – 24<sup>th</sup> January 2024**

Declaration of Member's 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 a Meeting of the Greater Manchester Combined Authority Audit Committee, held on Wednesday 15<sup>th</sup> November 2023 at GMCA Offices, Tootal Buildings, Manchester M1 6EU**

**Present:**

Councillor Dylan Butt	Trafford Council
Gwyn Griffiths	Independent Member
Grenville Page	Independent Member (Chair)
Councillor Christine Roberts	Wigan Council (Substitute Member)
Catherine Scivier	Independent Member
Susan Webster	Independent Member
Councillor Mary Whitby	Bury Council

**Officers:**

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

**In attendance:-**

Peter Morris	Chair, Joint Audit Panel (Police and Crime)
Karen Murray	Mazars, External Auditor
Dawn Watson	Mazars, External Auditor
Mike Allen	GMP (item 14)

### **AC 24/23 Apologies for Absence**

Apologies were received and noted from Councillors Caroline Carrigan (Stockport Council), Shelley Lanchbury (Manchester City Council) and John Merry (Salford City Council) and from Councillor David Molyneux, Portfolio Lead Member.

### **AC 25/23 Chair's Announcements and Urgent Business (if any)**

The Chair extended a welcome to Committee members and officers. Particular welcomes were extended to Peter Morris, Chair of the Joint Audit Panel (Police and Crime) and to Karren Murray and Dawn Watson from Mazars who were attending their first meeting of the Committee as the Combined Authority's External Auditors.

Members were informed of the recent announcement that Eamonn Boylan, Chief Executive of GMCA and TfGM was to retire once the Mayoral elections in May 2024 had concluded. It was noted that the GMCA Resources Committee had begun a recruitment process. The transition to a new Chief Executive will be reflected in the Risk register.

Members were pleased to note that the Financial Statements for the 2021/2022 had been published. It was also noted that the final audit letter will be circulated for Members information in due course.

### **Resolved/-**

1. That the update be received with thanks and noted.
2. That the final audit letter will be circulated for Members information in due course.

### **AC 26/23 Declarations of Interest**

There were no declarations made by any member of the committee in respect of any item on the agenda.

### **AC 27/23 Minutes of the Previous Audit Committee Meeting**

The minutes of the previous meeting of the Audit Committee held on 20<sup>th</sup> September 2023 were submitted.

In respect of Minute AC 12/24, Audit Committee Annual Report and an enquiry from a committee member regarding RAAC within GMCA and GMP assets, an update was provided which confirmed that issue did not impact on GMCA or GMP assets and noted that the risk to the organisation remains low.

#### **Resolved/-**

1. That the minutes of the meeting of the Audit Committee, held on 20<sup>th</sup> September 2023, be approved as a correct record.
2. That the update on RAAC be received and noted.

### **AC 28/23 Update from the Joint Audit Panel**

Peter Morris, Chair of the Joint Audit Panel introduced a presentation which provided Committee Members with an update on the composition, priorities and work of the Joint Audit Panel over the previous 12 months. The Joint Audit Panel Annual Report and minutes from the last Joint Audit Panel meeting, held on 29 September 2023 were also provided.

The presentation set out the work of the Panel during 2023 and outlined the Panel's priorities for 2024.

Members noted that the Panel is made up of five independent members with a good mix of different skills and knowledge, meeting five times per year.

The presentation explained that the Panel get assurance and identify issues through Inspection reports by HMIC and GMP's response. The panel also contributes to the construction of the Audit plan and approve this plan. External Auditor reports and reports from external bodies and in-house reports are also considered.

In noting that the Panel has a self-evaluation process, a member enquired what strengths were identified from this process and if there was a plan in place to address any weaknesses. In response, it was noted that the retention of longstanding members and the knowledge of controls was a strength of the Panel. In terms of weaknesses, it was suggested that the lack of ICT knowledge and assurances associated with the commissioning of extra services were highlighted. Members also noted that prior to each Joint Audit Panel meeting, an informal training session for Panel members takes place which picks areas identified within the self-assessment survey.

### **Resolved/-**

1. That the update from the Joint Audit Panel be received with thanks and noted.
2. That the Joint Audit Panel Annual report and the draft minutes from the last meeting of the Panel, held on 29<sup>th</sup> September 2023, be noted.

### **AC 29/23 Risk Deep Dive - Trailblazer and Single Settlement**

The Head of Devolution, GMCA introduced a presentation which provided Audit Committee members with an update on the progress of the Trailblazer Devolution Deal and Single Settlement discussions and to also to consider the implications the implementation of a Single Settlement for GMCA will have on the GMCA Audit Committee. It is anticipated that full details will be announced as part of the Autumn statement.

The presentation provided headlines in respect of Levelling-up White Paper and Trailblazer process; Crosscutting Reforms and Policy-specific commitments; The principles confirmed in the single settlement deal; what the single settlement is and what it is able to do and what the settlement cannot do; and Progress and timeline since March.

Members also noted that the implementation of a Single Settlement for GMCA will have a range of direct and indirect implications for Audit Committee. These implications were summarised as:-

- GMCA will have more and more wide-ranging freedom to use UKG funding in different ways and for different purposes, with fewer special purpose grants with tightly defined delivery criteria. This will hopefully present opportunities to do more for GM residents but will also increase risk and so require greater financial and audit oversight.
- Reporting from GMCA to the UK Government (and potentially, indirectly to Parliament, the NAO or others) will be reformed. The Deal commits to replacing Department-by-Department specific arrangements with a “single reporting framework” based upon a principle that “GMCA will be held to account for delivering outcomes, using the settlement funding and relevant local resources, across areas associated with devolved functions”. Any new single reporting, assurance and accountability arrangement between GMCA and the UKG will have implications for the Committee.
- Internal audit will continue to have a key role but the requirements to certify multiple (up to 100 in an individual year) will be reduced and will allow a greater focus on auditing outcomes overall rather than “money out of the door” type confirmation.
- Internal audit and the audit committee will be a key area of reliance for government assurance within a more flexible regime.

The presentation also explained that the Single Settlement does not take away from local authority core funding settlements with districts. A Memorandum of Understanding (MoU) was being developed which will set out the content of the single settlement deal for GMCA and how it will be treated.

Members recognised that this approach will provide an opportunity to achieve significantly greater simplicity, certainty, transparency, and flexibility for a core set of

funding flows from the UK Government to GMCA. The single settlement will present an opportunity to 'future proof' the devolution Settlement, moving from a model of delegating funds toward one of devolving functions.

It was noted that the whole of GMCA will adapt to work within this new funding mechanism. The benefits of flexibility of this funding were noted. Clear, data driven information on outputs and outcomes will be used to help prioritise funding decisions.

A Member enquired how the level of risk will be identified under a single settlement funding regime. In response it was noted that risks will include capacity to deliver, and work was taking place within the organisation to explore this further. It was also noted that individual policy areas will also present some risk. The details of the settlement will be announced in the upcoming Autumn Statement. Potential risks will be explored with greater granularity and these risks will be built into the organisation's risk register.

In welcoming the single settlement, a Member suggested that the accountability framework was an important area for attention, particularly with regard to the requirement for longer-term outcomes and the potential requirement for greater public engagement. In response, it was noted that discussions with Government were needed to develop a joint outcomes framework and the ability to demonstrate delivery over the first year. In addition, it was noted that there would be greater accountability measures introduced including Overview and Scrutiny and local MP Panels.

A Member highlighted that in addition to the business-as-usual internal audit work to maintain assurances, additional resources will be needed to ensure that internal audit can effectively provide assurances as the organisation moves towards the new funding mechanism. In response officers noted that there were measures in place to support the audit function including additional resourcing and efficiencies were being identified.

Following an enquiry from a Member on the single settlement and local government finances, officers explained that it was anticipated that negotiations will take place on

what can be delivered and for the quantum on offer, supported by agreed outcome targets. It was suggested that any other approach would be challenging and present significant risk to the organisation. Officers also recognised the challenges of local government finances. The approach to retained business rates was highlighted.

The Chair noted that this approach will have a significant impact on the work of the GMCA and suggested that, at an appropriate time, further updates be provided to the committee in respect the change programme and GMCA preparedness.

**Resolved/-**

1. That the update on the Trailblazer and Single Settlement be received with thanks and noted.
2. That the suggestion for further updates be provided in respect of the change programme, be supported.

**AC 30/23 Internal Audit Progress Report**

Sarah Horseman, Deputy Director of Audit and Assurance introduced a report which informed Members on the progress made on the delivery of the Internal Audit Plan for 2023/24. It is also used as a mechanism to seek approval of any changes to the internal audit plan.

Members noted that since the last meeting in September 2023, one report from the 2023/24 plan has been finalised and published in respect of ICT/Digital – Threat and Vulnerability Assessment has been given a limited assurance opinion.

It was noted that a further update on this matter, including the mediation plan to address the actions in the report, will be presented at the Committee meeting in January 2024.

It was noted that the Digital Strategy and Information Governance Boards have sought and received assurances on cyber risks. The work in the mediation plan will require

additional resources and a costing exercise is being undertaken. In addition, in order to understand forensic analysis, penetration tests were taking place.

The report also provided a summary of the status of ongoing audit work.

In response to an enquiry by a Member, officers explained that that the FOI and subject access audit was not linked to cyber and was being conducted as a response to significant data breaches that had occurred at other organisations.

In respect of the proposed changes to the audit plan regarding the Resilience Team's business continuity plans, it was noted that the review will be evaluated following a full audit next year and on completion of the Resilience Team's internal review.

A Member asked if there should also be a review of GDPR and data protection matters. In response, it was noted that the Information Governance team was shared across GMCA and TfGM. An exercise to explore the actions and findings of the TfGM data protection audit can be applied to GMCA. Officers undertook to see how multi-organisational and shared reviews can be included within future reporting to the Committee.

It was noted that Internal Audit has regular meetings with team leads within the organisation to understand current priorities and to help with design.

In noting the potential for a large number of audit completions being made in the upcoming period, it was suggested that details of completed audits be shared with committee members away from the committee so that members have an opportunity to review such at the earliest opportunity.

Following an enquiry from a Member, officers noted that in terms of progress with the Audit plan, there was a risk that progress may be behind planned activity. It was also noted that there are not rigid deadlines in place in order to achieve the correct audit opinion but officers will continue to strive to ensure audits are completed in a timely manner.

**Resolved/-**

1. That the Internal Audit progress as set out in the report, be noted.



2. That the changes to the Audit Plan as set out in Appendix C to the report, be noted.
3. That officers undertake to explore how multi-organisational and shared reviews can be included within future reporting to the Committee.
4. That a request for details of completed audits be shared with committee members away from the committee so that members have an opportunity to review such at the earliest opportunity, be supported.

### **AC 31/23 Internal Audit Action Follow Up**

Sarah Horseman, Deputy Director of Audit and Assurance, GMCA introduced a report which advised Audit Committee of the progress made in implementing the agreed actions from internal audit assignments.

The report explained that as of November 2023, 72% of Internal Audit actions due in the last 2 years have been implemented, against the target of 85%.

Members noted that trend data shows a dip at the end of the calendar year and officers were to explore the reasons for this trend.

Members welcomed the inclusion of the appendix to the report listing the outstanding actions in chronological order. It was noted that regular discussions take place with senior officers in respect of their respective outstanding actions.

Following an enquiry from a Member regarding assurances for high risk actions and the mitigations involved, officers explained that regular discussions with risk owners provides some assurance.

#### **Resolved/-**

1. That the progress of the implementation of Internal Audit actions, as set out in the report be noted.
2. That the new format of the report be welcomed and supported.
3. That the work programme be updated accordingly, be supported.

**AC 32/23 Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2023/24**

The GMCA Treasurer introduced the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2023/24 which had been written in accordance with the requirements of CIPFA's Code of Practice on Treasury Management (revised 2021). The report provided updates to Members on: An economic update for the first half of the 2023/24 financial year; A review of the Treasury Management Strategy Statement and Annual Investment Strategy; The Authority's capital expenditure, as set out in the Capital Strategy, and prudential indicators; A review of the Authority's investment portfolio for 2023/24; A review of the Authority's borrowing strategy for 2023/24; A review of any debt rescheduling undertaken during 2023/24; and a review of compliance with Treasury and Prudential Limits for 2023/24.

A Member enquired about the level of reporting provided by the Authority's Treasury Advisors Link Group. In response, it was noted that generally interest rate forecast reports were received on a weekly basis.

Following an enquiry from a Member regarding potential risks of lending to other local authorities, it was noted that a risk assessment of local authorities is undertaken which is supplemented with an informal watch list of a number of authorities at risk. Local and national intelligence is utilised in this regard.

**Resolved/-**

1. That the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2023/24 and treasury activity be noted;
2. That the Finance Team be thanked for their efforts providing the Treasury Management update.

3. That Members recommend the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2023/24 for consideration of approval by the GMCA.

### **AC 33/23 External Audit Progress**

Members considered a report from Mazars, LLP External Auditor which provided an update on progress in delivering our responsibilities as your external auditors.

A Member enquired if there was any conflict of interest with Mazars acting as external auditor for GMCA and the ten GM local authorities. In response, it was noted that the external auditor was appointed, independently, by the Public Sector Audit Appointments (PSAA). The benefits of this arrangement included consistent treatment of accounts across all districts. In addition, the rotation of audit managers was noted. The challenges for all districts to secure different Auditors was also noted.

A Member enquired if there was a review of who the public sector auditors are. In response it was noted that a national procurement exercise had been undertaken by PSAA and a five-year contract has recently been entered in to. The PSAA will contact districts and Combined Authorities for comments regarding the process.

A Member enquired if there was a national briefing note in respect of the current external audit picture and insights in to Section 114 notices and other failures which can be shared with the Committee. In response the External Auditor undertook to explore this and share with members. In addition, it was noted that discussions have taken place with CIPFA in relation to Combined Authority arrangements.

### **Resolved/-**

That the report of the External Auditor be received with thanks and noted.

### **AC 34/23 Audit Committee Work Programme**

Members considered the committee work programme which set out a list of proposed items that will provide a focus for the work of the committee for the remainder of the municipal year.

Member requested that a members training plan be developed for the next municipal year, which can be discussed at the next meeting of this Committee. In addition, it was suggested that training sessions be linked with Committee meetings and it would be helpful if there was an induction programme for new members of the committee.

**Resolved/-**

1. That the work programme be noted.
2. That officers undertake to explore further training opportunities for Audit Committee members with CIPFA.

**AC 35/23 Exclusion of the Press and Public**

Members are asked to consider that, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following item of business on the grounds that this involved the likely disclosure of exempt information, as set out in paragraph 3 of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**AC 36/23 Update on HMICFRS Vetting Report (Ahead of an Internal Audit Review)**

Chief Superintendent Mike Allen provided the Audit Committee members with an update on HMICFRS vetting arrangements in GMP, ahead of an Internal Audit review.

**Resolved/-**

That the update on HMICFRS vetting processes as set out in the report, be received with thanks and noted.

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## JOINT AUDIT PANEL

**Date:** Thursday 30<sup>th</sup> November 2023

**Time:** 11:30 – 13:30

**Venue:** Chief Officer Meeting Room, Fourth Floor, GMP Force Headquarters, Central Park, Northampton Road, Newton Heath, Manchester, M40 5BP

**Attendees** Peter Morris (Chair)  
John Starkey (Panel)  
Foluke Fajumi (Panel)

Neil Evans (GMCA - Director, Police, Crime, Fire & Criminal Justice)

Chief Constable Stephen Watson (GMP)  
Chief Resources Officer (CRO) Lee Rawlinson (GMP)  
Chief Finance Officer (CFO) Ian Cosh (GMP)  
Janet Moores (GMP - Head of Finance)  
Chief Superintendent Mike Allen (GMP – item 12 only)  
Laura Ansbro-Lee (GMP – Corporate Development Branch)  
Hannah Gamage (GMP - Minutes)

Steve Wilson (GMCA – Treasurer)  
Sarah Horseman (Deputy Director, Audit and Assurance)  
Cath Folan (Head of Internal Audit – Police & Crime)

Dawn Watson (Mazars – Audit Manager, Public and Social Sector)  
Daniel Watson (Mazars - Director (Public and Social Sector))

**Apologies** Ian Cayton (Panel)  
Hilary Pogson (Panel)  
Kate Green (Deputy Mayor of Greater Manchester)  
Karen Murray (Mazars - Director (Public and Social Sector))

**M315/JAP Welcome and Apologies for Absence**

The Chair welcomed all attendees and noted apologies.

**M316/JAP Urgent Business (if any) at the discretion of the Chair**

Steve Wilson provided an update regarding the tenure of the Panel members, explaining that four of the members are due to complete their cycle in December 2024. Panel members can currently undertake two three-year tenures as a member. It was agreed that a paper regarding the membership of the panel is to be brought to the next meeting. To assist with this Panel members were asked to let Steve Wilson know if they wished to extend their tenure.

**M317/JAP Declarations of Interest**

None raised.

### **M318/JAP Approval of September 2023 minutes and actions**

The minutes were accepted as a true and accurate record.

### **M319/JAP Chief Constable's Update**

The Chief Constable explained that at the last meeting he attended, he spoke of the delivery plan for the Force. The aim for this meeting was to talk through the continuity of the plan, bringing it to fruition.

The chief officer team is now complete, following the appointment of CRO Rawlinson. This ensures the team has the correct capabilities. The aim now for the chief officers is to bring in efficiencies for the medium/long-term future, whilst incorporating the financial challenges. Mr Watson reinforced the need to deliver value for money as the sector, along with the rest of the public sector, was likely to face a challenging financial period over the medium term.

The plan for the Force will stay as it was, however, mechanisms are in place to update it when it is needed. The plan is also supported by a Performance Management Framework (PMF), which has been modified to suit the mid-term aims of the plan.

GMP's PEEL report (His Majesty's Inspectorate of Constabulary and Fire & Rescue Services' Report (HMICFRS) assessment of the effectiveness, efficiency and legitimacy of forces) will be published tomorrow. It was noted, there has been a significant improvement in the Force since the last report.

An update on the Operational model was also provided to the Panel, including the following highlights:

- Processes are now becoming embedded.
- The new neighbourhood model is in place. Operation Vulcan is an example of the proactive neighbourhood work taking place in Greater Manchester to tackle serious organised crime (SOC). This has been recognised nationally, with receipt of a Tilley award.
- The growth in establishment of police officers with the force now with over 8100 officers. The focus now was on quality and standards, it was noted that there is further work being undertaken to address those officers and staff not adhering to the Force's standards. Also, there are process in place to manage the use of overtime and this will remain a focus of the Force and the Deputy Mayor, following the recommendations from the recent Internal Audit report.

### **M320/JAP Chief Constable's Statement of Accounts 2021/22 and 2022/23**

CFO Cosh explained that this matter is also linked to item 8 on the agenda and this minute reflects both items.

Mr Watson presented the Auditor's annual report for 2021/22 accounts which contained an unqualified opinion on the financial statements. Mr Watson expressed thanks to the Panel and GMP for their support throughout the process. It also noted the positive progress which has been made by the Force, including within the reports from HMICFRS.

However, in relation to the Value for Money arrangements, the report indicated that whilst significant progress had been made in dealing with the recommendations made in the 2020/21 report, for 2021/22 concerns remained during that period. The position on these recommendations would be considered as part of the 2022/23 external audit.

Ms Watson reported the progress being made on the 2022/23 audit of the accounts and would provide a more detailed update at the next panel.

The Chair expressed his serious concerns on the delays to progressing external audits and the significant increase in external audit costs across the local government sector. Improvements are required. A further update will be provided to a future panel meeting.



### **M321/JAP Revenue and Capital Budget Update for 2023/24**

CFO Cosh outlined that the 2023/24 budget remained a challenging financial position, GMCA are working with the Force on this. However, the position now is better than that of this time last year as significant work was undertaken on the delivery plan.

CFO Cosh explained the business planning moving forward would be used to look at the gaps in resources and how this will be managed moving into next year but the ability to meet this would be dependent on the level of resources made available to GMP in the police financial settlement, which was expected in December.

The Chair highlighted to the Panel the importance in the budgets remaining an agenda item.

Mazars noted that an audit reset/backstop is ongoing with the Department of Levelling Up, Housing and Communities. If this is to effect GMP, work will be undertaken to make the relevant adjustments. (Agenda items 8 and 9).

### **M322/JAP Internal Audit Plan Progress Report**

Two Internal Audit reports have been issued since the previous meeting of the Joint Audit Panel, these were:

- Proceeds of Crime – Asset Detention and Recovery and Seized Cash (Limited Assurance).  
Sarah Horseman stated that the Economic Crime Team have undertaken considerable work to assess the forfeiture requirements and develop and streamline processes, as a result there is an effective system in place, however, there are still areas to improve on. Asset Recovery Incentivisation Scheme (ARIS) Funding was also raised, and it was noted that practices across districts is not yet consistent.
- Freedom of Information Requests (FOI) (Reasonable Assurance).  
It was highlighted that following the data breach by the Police Service for Northern Ireland relating to the disclosure of sensitive information through a FOI request an audit was commissioned to provide assurance on the position in GMP. The report found the Force to have appropriate controls in place to reduce the risk of data breaches through the FOI process. The report did note that at the time of the audit, GMP was not meeting the Information Commissioner's Office (ICO) requirement for a 90% response to FOIs within 20 working days but are developing a Business Plan to address this.

### **M323/JAP Force Management Statement**

It was noted that the Panel members received a training session on the Force Management Statement ahead of the meeting.

*PART B - REDACTED*

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**GMCA AUDIT COMMITTEE**

Date: 24 January 2023

Subject: Discussion on GMCA Audit Committee Arrangements

Report of: Grenville Page, Chair of GMCA Audit Committee

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**PURPOSE OF REPORT**

To invite comments and suggestions from Members of the committee on the attached discussion paper which takes stock of the work and role of the Audit Committee and explores potential future arrangements under the Trailblazer devolution settlement to ensure an effective Audit Committee for the future.

**RECOMMENDATIONS:**

The Audit Committee members are asked to comment the proposals and suggested recommendations as outlined in the attached discussion paper.

**CONTACT OFFICERS:**

**Steve Wilson, GMCA Treasurer**  
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**Paul Harris, Senior Governance Officer, GMCA**  
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**Equalities Implications:** N/A

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

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

**Legal Considerations** – none

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

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

Number of attachments included in the report: One .

**BACKGROUND PAPERS:**

**None**

<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	

## **GMCA Audit Committee**

### **Taking stock and looking to the future under the Trailblazer devolution settlement to ensure an effective Audit Committee for the future**

#### **Discussion paper**

#### **Purpose of paper**

To take stock of where we are now as an Audit Committee and look to the future under the Trailblazer devolution settlement to identify key areas and issues that need to be considered and addressed to ensure the Audit Committee can effectively discharge its accountabilities now and, in the future, as required in the GMCA's constitution, the Audit Committee's ToR and in accordance with CIPFA's expectations.

#### **Decision**

To consider the various options and recommendations, agree the way forward, the actions to be taken and timelines.

#### **Scope**

The paper covers the following key areas:

- Overview of current position
- Independent member tenures and current position
- Membership and Recruitment
- Induction
- Development and training
- Frequency and location of meetings
- Scrutiny committees
- Remuneration

#### **Overview of Current position**

The Audit Committee of the GMCA has a significant responsibility placed on it as part of the GMCA's overall framework of governance. The GMCA is an increasingly complex organisation with gross group expenditure of c£2.5bn and a capital programme of c£0.6bn.

Membership of the committee currently comprises:

- 4 council members and 2 reserves
- 4 independent members including the chair.

Over the last 4 years the Committee has met on 4 or 5 occasions each year.

Attendance at times has been a little mixed particularly with council members. With elections, council members may only be on the committee for a short time. This impacts the quality of the meetings and participation.

The induction arrangements for new members particularly council members are unclear. As the current chair new council members have not had an introductory session with me.

It is understood that the constitution is silent regarding governance of tenures for independent members.

The current independent membership comprises 3 accountants and finance professional with different backgrounds and experiences providing a wide range of corporate skills and knowledge along with an HR/People specialist.

Although, there has been some training and technical/service development sessions these have in the main been held within the formal meeting and there has been no real structured forward plan.

All meetings have been at GMCA head office/city centre premises although there have been discussions to hold at other sites such as the fire training site.

The Committee has discharged its responsibilities but there is a sense amongst independent members of being detached from GMCA and its business. In other organisations such as health, housing, multi-academy trust and VCSE sectors where Audit Committees are generally constituted from board membership, the position on the board provides the wider context needed.

At present there is no relationship or discussion with the Scrutiny Committees. This feels like a gap.

Under the previous chair there were discussions regarding the responsibilities of independent members and the level of remuneration paid in context of organisational complexity and level of public money it oversees.

### **Independent member tenures and current position**

It is understood the constitution is silent regarding the governance of tenures for independent members. This is not good governance practice. In health and housing common practice is for tenures to be 2 x 3 years plus 3 x 1 year giving a maximum of 9 years. The last 3 individual annual appointments being agreed based on business need and to support a smoother flow of change in membership.

#### *Recommendation 1*

*The length of tenure is set at 2 x 3 years plus 3 x 1 year giving a maximum of 9 years. The last 3 individual annual appointments being agreed based on business need and to support a smooth flow of change in independent membership.*

*Governance & Scrutiny Officer (GSO) to gain agreement by Jan 2024.*

## **Membership and Recruitment**

The table below shows the existing membership and their point on the tenure timeframe based on recommendation 1 being agreed.

The tenures for Cathy and Gwyn now into the 7<sup>th</sup> year have not been formally extended or notified by the GMCA secretariat. This needs to be addressed, along with the recommendation.

Gwyn has indicated he may wish to step down in June 24 after 7 years. Cathy has suggested that if that is the case, she is happy to stay on to complete her 8<sup>th</sup> year in 2025. If Gwyn does step down, we will need to go out to advertise in early 2024.

Member	Start date	2023	2024	2025	2026	2027
Cathy Scivier	June 17	Completed 2x3	Completes 7 <sup>th</sup> June 24	Completes 8th		
Susan Webster	Jan 20	Completed 1x3			Completes 2x3 Jan 26	Completes 7th
Gwyn Griffiths	June 17	Completed 2x3	Completes 7 <sup>th</sup> June 24	Completes 8th		
Grenville Page	Jan 20	Completed 1x3			Completes 2x3 Jan 26	Completes 7th

The Trailblazer will bring increasing complexity and challenge for the Audit Committee and thought should be given as to whether an extra independent member may be required in preparation for 2025.

### *Recommendation 2*

*Gwyn to give an indication as to whether he wishes to step down in 2024 and if so we should prepare to go out to recruit.*

*GG to confirm by Dec 23.*

*GOS to go out to recruit early 2024 if GG stepping down.*

## **Induction**

The induction arrangements for new members particularly council members are unclear. As the current chair new council members have not had an introductory session with me.

### *Recommendation 3*

*Develop and put in place appropriate arrangements and scheduling of activities for induction pack/programme for all new members – both independent and council members. To be agreed by the Audit Committee.*

*GOS in liaison with Chair and Treasurer by March 24*

## **Development and training**

Although, there has been some training and technical/service development sessions these have in the main been held within the formal meeting and there has been no real structured forward plan. The Treasurer is currently looking at the CIPFA training for Audit Committee members.

### *Recommendation 4*

*Put in place a rolling programme for development and training sessions that can be kept in view taking account of the changing economic, fiscal, legal and service landscapes as relevant to GMCA and GM, and ensuring new members receive core basic elements as part of the induction programme.*

*Chair and Treasurer in liaison with GOS and steers of member. Framework to be agreed by the Audit Committee by March 2024.*

## **Frequency and location of meetings**

Over the last 4 years the Committee has met on 4 or 5 occasions each year. All meetings have been at GMCA head office/other office location in city centre, although there have been discussions to hold at other sites such as the fire training centre. Given the breadth and depth of GMCA and its work it is worth noting that the members spend no more than c12.5/15 hours together a year. With, Council member attendance being variable this will be considerably less for some. Also, given independent members do not operate with local government there is a sense amongst them of being a little detached from GMCA and its business.

### *Recommendation 5*

*Develop programme/schedule of development sessions either tagged onto formal meetings or separate development day and give consideration to number of meetings needed per year to conduct business and effectively discharge responsibilities.*

*Chair and Treasurer in liaison with GOS and steers of members. To be agreed by the Audit Committee and embedded into forward work plans from April 24 at latest.*



## **Scrutiny Committees**

At present there is no relationship or discussion with the Scrutiny Committees. This feels like a gap.

### *Recommendation 6*

*Develop arrangements for appropriate liaison to take place between the Audit Committee Chair and Scrutiny Committee Chairs at least once a year, probably twice a year, and/or Committees.*

*Chair and Treasurer in liaison with GOS and steers of members. To be agreed by Audit Committee from April 24 onwards.*

## **Remuneration**

Under the previous chair there were discussions regarding the payment of Council members for their attendance at the Audit Committee and it is not clear what has been agreed on this. The responsibilities of independent members and the level of remuneration paid in context of organisational complexity and level of public money it oversees was also raised. This has been raised subsequently by the chair with the Treasurer who has indicated that this should be looked at. The advert for an independent audit committee member at TfGM was shared. The responsibilities are increasing and the trailblazer will place further demands on members.

### *Recommendation 7*

*Benchmarking to be undertaken regarding remuneration of independent members taking account of future context, demands and expectations. Clarification to be provided regarding payment of council members.*

*Treasurer in liaison with GOS and Chair by March 2024.*

Grenville Page  
Chair of GMCA Audit Committee  
In liaison with independent members  
November 2023

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## GMCA Audit Committee

Date: 24 January 2024

Subject: Risk Management Update Report

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

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### PURPOSE OF REPORT:

The purpose of this report is to inform Members of the Audit Committee of changes in the GMCA Strategic and key operational risks and to provide an update on the risk management activities undertaken since the last Meeting.

### RECOMMENDATIONS:

Audit Committee is requested to note the report.

### CONTACT OFFICERS:

**Sarah Horseman, Deputy Director, Audit and Assurance**  
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**Paul Chase, Corporate Risk Manager**  
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**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 This report provides an overview of risk management activity since the last update to the Committee.

## **2. Activity in the period**

2.1 Over the period, both the Information Governance and Digital teams have worked with members of the Information Governance Panel to increase the awareness of, and to introduce additional mitigation for risks covering both a successful cyber-attack and from uncontrolled use of Artificial Intelligence. Examples of the actions being implemented include:

- Refreshing our list of critical systems and most sensitive data. Including completing work to ensure datasets are recorded in Information Asset Registers;
- Ensuring systems and data are covered by up-to-date business continuity and disaster recovery planning;
- Understanding the financial implications of potential attacks; and
- Developing an Acceptable Use Policy for Artificial Intelligence.

2.2 Work continues to support teams in refreshing and updating their risk registers with risk sessions being held with Human Resources, Communications and Engagement and the Place teams to refresh their risk profiles.

2.3 The Corporate Risk Manager supported the development of a new programme risk register to give assurance that we will manage both present and emerging risks effectively for our Investment Zones.

2.4 In January, the Senior Leadership reviewed their refreshed organisational risk profile of 11 risks and agreed to schedule a further Risk Workshop to develop actions where risks require further mitigation and to articulate risk appetite.

### **3. Movements in risks**

3.1 This section provides a summary of the movements in directorate risks in the last quarter.

#### **3.1.1 Significant updates to risks**

- Capital Grants (GMFRS);
- Strategic Analytical Capability to support the Single Settlement leadership (Finance);
- Cyber security (Digital) / Cyber-attack (Information Governance); and
- Unacceptable Use of Artificial intelligence (Information Governance).

#### **3.1.2 Top Organisational Risks**

In line with previous reports, Appendix 2 provides an overview of the highest rated risks at an organisational and directorate level.

#### **3.1.3 Emerging risk:**

- Failure to be prepared for Devolution Programme;
- Failure to deliver programmes

Further work will be undertaken to develop these risks.

### **4. Risk Maturity Exercise 2023**

4.1 Another Risk Management Maturity Exercise was undertaken in December 2023. The objective of this exercise has been to measure progress since the previous assessments which were undertaken in December 2020 and again in December 2021. The methodology used was the same as previous exercises, with questionnaires asking participants to self-assess the maturity of their risk management activities.

#### 4.2 The headline findings are:

- The organisation continues to progress through the “Conforming” phase of maturity reflecting a more consistent application of risk management;
- The average risk maturity score has improved to 3.69 (out of 5) up from 3.57 in 2021;
- 9 teams (75%) scored 3.5 or higher and 7 are above the average;
- 64% of the individual ‘question’ scores returned are a 4 or a 5. This represents an increase of 9% from 2021 (55%). The number of times the lowest score of ‘1’ was returned fell from 40 in 2021 to only 3 in 2023.

#### 4.3 There are opportunities for further improvement that will support progression to the next maturity stage of ‘advanced,’ through:

- Driving a clearer understanding and application of risk appetite by widening the breadth and creating more definition and visibility of ‘appetite themes’ listed in the Risk Framework;
- Strengthening the measurement and reporting of risk control effectiveness;
- Potentially assigning a risk champion within each directorate to strengthen reporting and review; and
- Providing wider access to risk training starting with launch of a Risk e-module plus a risk session in the next Festival of Learning.

### **5. Risk Management Action Plan**

#### 5.1 The following activities will be undertaken to continue to develop risk management capability and activity:

- Undertake review of strategic risks with risk owners.

- Hold another SLT risk workshop to further identify mitigating actions and articulate risk appetite.
- Work with any Directorates that do not currently fall within the “Conforming” range of the risk maturity model to develop their risk management arrangements.
- Support all directorates in the ongoing maintenance and development of risk registers and associated risk management activities, including ensuring their risk actions are SMART.
- Deliver new risk training via the GMCA Festival of learning (February 2024). Follow this will introduction of a new Risk Management E-Module available to staff via the Intranet. The guidance will include further support in assessing risks and understanding risk appetite.

## **6. Recommendation**

6.1 The recommendation is set out at the front of the report.



**Appendix 1 - Summary of Strategic Risks (at 10/01/24 - with the last full review conducted in January 2023)**

Ref	Risk	Current Score	Target Score	Risk Actions
<b>Corporate Objective 1: Deliver Core/ Devolved services for the public</b>				
SR3	Economic factors such as energy prices, inflation, interest rates and supply chain issues impact the Combined Authority's ability to deliver planned services and programmes for the public.	15	10	Use of a dynamic cost-of-living dashboard to inform decision-making, for example on service provision.  Economic insight anticipates and informs practical strategies to support continuity within programmes and challenge within contracting.
SR7	Significant financial risk to transport (bus and Metrolink) resulting from reduced patronage levels (caused by behaviour changes as a legacy of the pandemic), increases in operating costs and uncertainty over longer term government funding support.	16	12	Department for Transport (DfT) funding has mitigated impact of revenue losses with funding confirmed into Quarter 4 2022.  Development of a Customer Growth Strategy (by TfGM) to deliver long term strategy for patronage and revenue growth.  Seeking cost efficiency measures within overall transport budgets.  Rephasing of capital spend, to fund renewals programme.
SR9	Insufficient and/ or ineffective governance and scrutiny over Greater Manchester Police fails to identify and address areas of underperformance in the service provided to victims of crime, residents and communities.	15	10	Continuing work with GMP to monitor implementation of outstanding improvement actions.  Plan / prepare any necessary work ahead of the next HMICFRS inspection. For example, by engaging with city-

				region and national bodies to anticipate and understand potential areas of focus.
<b>Corporate Objective 2: Secure, and manage, funding and investment at a Greater Manchester level for agreed activity</b>				
SR1	Changes in central government affects the devolution agenda meaning that devolved powers (including those from being a trailblazer city region) are not further developed or are reduced, access to funding is reduced and/or our ability to influence the devolution agenda is reduced.	15	10	Continuous discussions with departments - lobbying to develop a Memorandum of Understanding for a devolution agreement.
SR5	Factors such including inflation, energy costs, covid legacy and uncertainty around government funding have a major impact on districts ability to deliver public services.	12	9	CA continues to lobby government for more District funding. Creating a bigger voice with Government.  Complete 2023/24 budget position through close engagement with all stakeholders.
<b>Corporate Objective 3: Work with the ten local authorities to drive collective activity that puts Greater Manchester at the forefront of tackling social, economic and environmental issues</b>				
SR6	Economic, social, behavioural and financial impacts such as COVID and the cost of living affect the timescales of delivery of GMS outcomes.	8	6	GMS has been refreshed, as a 10-year strategy, to reflect long term strategy learning from Covid, IIC etc with a strong focus on the system wide actions needed to achieve a greener, fairer, more prosperous GM in all parts of the conurbation. This includes 3-year commitments, targets and ways of working, with some neighbourhood floor targets.  Monitored by a cross agency/sector Delivery Support Group to ensure the GM system as a whole is delivering the changes needed to achieve GM's social, economic and environmental aspirations.

SR8	GMCA is unable to deliver its responsibilities in relation to climate change initiatives due to insufficient funding, capacity, support and behaviour change as well as supply chain issues. This results in long term climate change risks to population, business, biodiversity and infrastructure.	12	9	<p>Mission based approach - Challenge Groups and T&amp;F groups reviewed and re-constituted – responsible for driving increased scale of the challenge and ensuring appropriate joined up actions by all partners</p> <p>Bids submitted for external funding to deliver programmes at scale and development of innovative policy and finance mechanisms.</p> <p>Progress towards targets regularly reviewed through Green City Region Partnership</p> <p>Six monthly updates on GMCA actions in response to its declared Climate Emergency to be reported to CA</p> <p>Review and upscale our communications strategy with districts - to drive stimulate behaviour change, e.g. Bee Net Zero.</p> <p>Development of Strategic Outline Business Case to increase level of private sector investment</p>
<b>Corporate Objective 4: Ensure Greater Manchester is speaking with one voice – developing, leading &amp; implementing our evidence-based strategies, building our networks and partnerships and influencing policy</b>				
SR2	GMCA fails to further develop trust, cohesion and credibility with and between local GM systems and partners due to ineffective stakeholder engagement, poor GMCA performance or ineffective decision making resulting in failure to deliver outcomes of GMS and failure to develop and share good practice.	9	6	<p>GMCA Performance Framework uses corporate health indicators to monitor and enhance performance.</p> <p>Best practice in the Assurance Framework helps mitigate against adverse inspections by the likes of the ORR and HMICFRS and maintains strong relationships with the ten districts.</p>

## Appendix 2 - Escalated Risks

### Organisational Risks (on 15 January 24)

There are currently 2 organisational risks with a residual risk score of 16 or more. There are 6 risks with an inherent risk score of 16 or more that have successfully implemented risk actions that bring down their residual scores below 16:

Ref	Risk Title	Description	Inherent Score	Residual Score
OR1	Readiness to respond to multiple simultaneous continuity event(s).	Capability and readiness to respond to a major and potentially catastrophic event e.g. a pandemic. <b>Note:</b> the scope of this risk covers both the GMCA and GMFRS. Mitigation from both are included in the register.	20	16
OR2	Failure to be prepared for Devolution Programme	Organisation does not have the capability, governance, capacity and strategy in place to deliver opportunities arising from Devolution.	16	12
OR3	Diverse and inclusive workforce	Failure to attract and retain equal, diverse and inclusive workforce	12	12
OR4	Staff Mental and Physical Wellbeing	Factors such as the legacy from lockdown restrictions, cost of living crisis or other work pressures may affect staff health, wellbeing and morale.	16	6
OR5	Behaviours and Culture	The Culture of the CA fails to adapt to changing organisational demands which in turn impairs efficiency and delivery.	12	8
OR7	Organisational Governance and Decision Making	Governance processes are not capable of effectively supporting our priorities such as administering the Single Settlement.	20	12
OR9	Funding and Grants not spent within time/ conditions	Failure to spend monies awarded through programmes could lead to reductions in funding awarded in the future or conditions are more stringent.	20	12

Ref	Risk Title	Description	Inherent Score	Residual Score
OR10	Compliance with DP 2024 legislation	Failure to adapt to changes in requirements from new Data Protection Act 2024 (Inc. GDPR)	20	12
OR11	Recruitment into priority roles	Recruitment into roles required to deliver key priorities in the Business Plan.	12	8
OR12	Management and security of sensitive data	Failure to manage sensitive data leads to data/ information loss, misuse, inaccurate analysis or official sanction.	20	15
OR14	Cyber attack	An attack compromises ability to fulfil corporate and strategic responsibilities that could include elections, programmes, administering funding or delivering waste management services.	25	20

## Escalated / “Top” Directorate Risks (on 10 January 24)

There are a number of high scoring directorate risks, some of these links directly to Strategic or Organisational risks but some are discrete and specific to the directorate. Of these high scoring risks, 30 cite risk mitigations that bring the current risk score to below 16 (where inherent risk  $\geq 16$ ), whilst 20 others remain  $\geq 16$ . The two tables below show firstly those with a residual risk score of 16 or more and secondly those with a residual score of  $< 16$ .

**Table 1: Directorate Risks with a residual risk score of 16 or more**

Directorate	Ref	Risk Title	Description	Inherent Score	Residual Score
Digital	DIGR00162	Digital Services capacity pressures	Digital Services does not have sufficient capacity to meet both organisational demand and GM demand for project related support, leading to organisational frustrations, shadow ICT, and mental health pressures on the team	20	16
Digital	DIGR00166	Cyber Security	GMCA is subject to a Cyber-attack (See Organisational risk)	25	20
Digital	DIGR00169	Public Sector Financial Constraints	Cost of recovery from COVID, cost of living response, cuts to local service budgets impact on resource to support delivery of key GM Digital initiatives.	25	16
Digital	DIGR00168	Digital Inclusion Funding	Digital inclusion ambition is unfunded and fails to deliver on Manifesto ambitions due to resource limitations	25	20
Environment	Environment	Commercial Buildings	Development of a commercial buildings retrofit offer.	16	16
EWS	DIR-EWS-03	Devolution of EWS responsibilities at national level	Continued uncertainty around future devolution/levelling up of Education, Work and Skills responsibilities at the national level may negatively impact on GM's ambitions and delivery priorities.	16	16
EWS	DIR-EWS-04	Support for EWS' commissioning, procurement and implementation	Lack of sufficient GMCA / LA capacity to support EWS' commissioning, procurement and implementation requirements	16	16
EWS	DIR-EWS-05	Lack of sufficient GMCA / LA capacity to support EWS'	EWS seeks to ensure GM level provision is shaped by latest evidence/ data and key locality inputs at the outset. They need	15	20

Directorate	Ref	Risk Title	Description	Inherent Score	Residual Score
		commissioning, procurement and implementation requirements	LA support to ensure activity 'lands' well during early implementation and welcomes critiqued feedback from LAs.		
GMFRS	RR4	Capital Grants	Due to the absence of capital grants and capital financing arrangements there is a risk that future capital investment will have to be independently sourced to continue to support our organisational requirements putting additional pressures on our future budget.	9	16
GMFRS	RR39	Spending Review	Funding supporting the 2023/24 Budget represents a one-year settlement, there is a significant risk that future funding will be affected, and also that one off funding (Protection) will not continue beyond 2023/24.	15	16
GMFRS	RR47	Utilities Pricing	Due to current market conditions there is a significant risk of rising prices in the area of utility bills. Significant anticipated increases in the GMFRS budget required to fund shortfalls.	25	20
GMFRS	RR22	Supply Chain and Cost of Living Crisis	Due to current market conditions there is a risk that there may significantly delay or increase the cost of goods in GMFRS' supply chain, which may result in a pressure on contracts due to end and / or currently held (Fire & supplier) stock leading to a restricted ability to deliver on a number of emergency response objectives (equipment maintenance spares, emergency response consumables, fire gear for recruits).	20	16
GOVIG	IGR-14	Cyber-attack leads to the loss or corruption of sensitive data	Exposure to reputational damage, legal sanction and/ or inability to operate.	20	20
GOVIG	IGR-13	Uncoordinated and unacceptable use of Artificial Intelligence	The proliferation of and uncoordinated use of AI weakens our assurance over the data captured and processed for analysis, reporting and decision-making.	16	16
GOVIG	IGR-04	Information Asset Registers	Failure to manage, protect and derive value from personal and business information held across systems, formats and locations - who is responsible and how it can be used.	16	16

Directorate	Ref	Risk Title	Description	Inherent Score	Residual Score
GOVIG	IGR-12	Managing the inflow and outflow of complex and sensitive datasets	Lack of readiness (and capability) to anticipate, understand or manage the inflow and outflow of complex and sensitive datasets in our BAU and change activity.	20	16
PCCJF	DIR-PCCJF-08	Reporting, Investigation and Prosecution of RASSO	End-to-End RASSO Review commissioned in responses to low levels of prosecution and the quality of response to victims	25	25
PCCJF	DIR-PCCJF-12	Police Complaints	Reputational impact on GMP and GMCA	20	20
PCCJF	DIR-PCCJF-13	CSE Reviews	Reporting of the findings will impact on local authority and GMP confidence	25	20
PCCJF	DIR-PCCJF-15	NEW: Confidence in GMP	Declining confidence in GMP particularly among people experiencing inequality (race, gender)	20	16

**Table 2: Directorate risks with a residual risk score of less than 16**

Directorate	Ref	Risk Title	Description	Inherent Score	Residual Score
Digital	DIGR00165	Digital Services' core service delivery	GMCA experience disruption to their IT services.	20	15
Digital	DIGR00164	Forward funding of the GM Digital Platform and related use cases	Funding unclear for pan GM digital transformation activity, particularly Early Years, beyond March 2024	20	12
Digital	DIGR00183	Timeliness of support for contracts and procurements	There is a risk that the ongoing issue with legal and procurement resource capacity impacts any new procurements and required contract support conducted by Digital, causing an over reliance on project managers and other Digital staff who are not specialists.	16	6
Digital	DIGR00184	NWFC CAD replacement programme	There is a risk of ongoing disruption to the Digital team, especially at management level, who have needed to step in and take on extra duties on the programme, due to the way the programme has been managed so far.	20	9



Directorate	Ref	Risk Title	Description	Inherent Score	Residual Score
Digital	DIGR00187	Organisational data requirements	Digital not able to successfully support the increasing (in volume and complexity) requirements from GMCA and GMFRS directorates focused on data storage, manipulation and analytics.	16	8
Digital	DIGR00188	Digital technical skills gap	There is a gap in availability and increasing cost of digital technical skills across GM which has impacted Digital directorate recruitment.	16	12
Digital	DIGR00173	Digital skills demand	GM digital industry demand for skills & talent outstrips supply increasing wages and pressuring orgs	16	12
Digital	DIGR00191	Digital Inclusion capacity	Ability to deliver on Priority 1 (Digital inclusion and skills) GM Digital Blueprint is negatively impacted by the reduced capacity profile from December 2023 onwards.	20	12
Digital	DIGR00192	PSTN switchover	Public Service Telephone Network due to take place by December 2025. The process is industry-led, and awareness is low with risks to vulnerable GM residents. This negatively impacts public sector and delivery partners, and residents and businesses.	16	9
Education, Work and Skills	DIR-EWS-02	Skills for Jobs White Paper	National legislative changes linked to Skills for Jobs White Paper will impact on GM's ability to deliver its devolved skills functions via programmes such as the Adult Education Budget.	16	12
Environment	N/A	Heat Pump Offer	Offer fails to attract significant interest from residents and the market	16	4
Environment	N/A	Your Home Better	Project is unable to meet customer demand	16	12
Environment	N/A	Natural Environment	Risk of scaling up project and secure funding	16	12
GMFRS	RR11	Industrial Action	Following the release of the Government's 'White Paper' on fire service reform, there is the potential of future strike action over proposed changes to firefighter's t's and c's and pension schemes, which may adversely affect our operational capabilities.	20	12
GOVIG	GOV-8	Legal challenge	Successful legal challenge threatens delivery of a major programme (and outcomes)	25	15
GOVIG	GOV-9	Major inquiry	Inquiry / Inquest into GMCA (or related) activity requires major change within GMCA	20	15
GOVIG	IGR-4	Information Asset Management	Failure to manage, protect and derive value from personal and business information held across systems, formats and locations.	16	12
Education, Work and Skills	DIR-EWS-01	COVID19 impacts on externally funded programmes	Continued impact on the delivery of EWS' Externally Funded Programmes supporting GM Residents	20	15
Education, Work and Skills	DIR-EWS-02	Legislative changes to Skills for Jobs White Paper	National legislative changes linked to Skills for Jobs White Paper will impact on GM's ability to deliver its devolved skills functions via programmes such as the Adult Education Budget (AEB)	16	12

Directorate	Ref	Risk Title	Description	Inherent Score	Residual Score
GOVIG	IGR-10	Legislative Change (e.g. Data Protection Legislation)	Legal changes mean existing information governance processes and procedures are incorrect or do not deliver the necessary legal, operational, or strategic assurance	16	12
PCCJF	DIR-PCCJF-06	Commissioning Victim Services	Commissioning a 'hybrid' victim care services integrated with GMP	16	9
PCCJF	DIR-PCCJF-07	SARC contracting, funding and therapeutic support	No contract in place and the financial allocation has been disputed	16	12
PCCJF	DIR-PCCJF-09:	Confidence in GMP (Functionality)	Sub-optimal functionality of the police records management system	16	6
PCCJF	DIR-PCCJF-10:	Confidence in GMP (Procurement)	Procurement of a replacement records management system	16	9
PCCJF	DIR-PCCJF-11:	Resourcing of Strategic priorities	Lack of alignment of funding to sufficiently resource strategic priorities	20	9
Place	DIR-PLA-02	Achievement of net zero / social homes target	Achievement of net zero / Failure to deliver against 30,000 net zero social homes target	20	15
Place	DIR-PLA-03	Places for everyone resource capacity	Inability to efficiently process and deliver major actions for Places for Everyone during EiP process	16	12
Reform	DIR-PSR-01	Delivery of outcomes (within funding timeframes)	Failure to achieve outcomes targeted across a range of strategies including Homelessness Prevention, Children & Young People, Ageing and other cross-cutting programmes.	16	12
WASTE	DIR-ER-02	National Waste and Resources Strategy	DEFRA proposing new waste collection approach by March 2025 that may require substantial, unbudgeted investment across districts	16	12
WASTE	DIR-ER-01	GM Waste & Recycling Contract	Difficulties arise from contractor(s) failure to deliver, construction of new facilities being delayed, the value of recyclable materials reduces or delays from Brexit related change.	16	9

## **GMCA Audit Committee**

Date: 24 January 2024

Subject: Internal Audit Progress Report

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

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### **PURPOSE OF REPORT**

The purpose of this report is to inform Members of the Audit Committee of the progress made on the delivery of the Internal Audit Plan for 2023/24. It is also used as a mechanism to seek approval of changes to the internal audit plan.

### **RECOMMENDATIONS:**

Audit Committee is requested to:

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

### **CONTACT OFFICERS:**

**Sarah Horseman, Deputy Director of Audit and Assurance, GMCA**  
[sarah.horseman@greatermanchester-ca.gov.uk](mailto:sarah.horseman@greatermanchester-ca.gov.uk)

**Equalities Impact, Carbon, and Sustainability Assessment:**  
N/A

**Risk Management**  
N/A

**Legal Considerations**

N/A

**Financial Consequences - Capital**

N/A

**Financial Consequences - Revenue**

N/A

Number of attachments included in the report:

**BACKGROUND PAPERS:** N/A

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

## 1 Introduction

- 1.1 The Internal Audit annual plan for GMCA was presented to the Audit Committee in March 2023 and this set out the planned assurance activity to be conducted during 2023/24 based on our understanding of the organisation’s strategic and operational risks.
- 1.2 There are separate audit plans approved by Transport for Greater Manchester (TfGM) and Greater Manchester Police (GMP) / Police and Crime Functions with reporting to their respective Audit, Risk and Assurance Committee (ARAC) and Joint Audit Panel (Police and Crime).
- 1.3 The purpose of this progress report is to provide Members with an update against the GMCA Internal Audit Plan for 2023/24 and summary of final reports presented to Committee.

## 2 Progress against the Internal Audit Plan 2023/24.

- 2.1 Since the last meeting in November 2023, we have finalised and published three reports from the 2023/24 plan. The Executive Summaries from these reports are shown at Appendix D.

Audit Report	Opinion
ICT/Digital – Threat and Vulnerability Assessment	Limited
This report provided a limited assurance opinion with 4 recommendations (2 high and 2 Medium). These consist of several individual actions and the Digital Services team have developed a remediation plan to address the key risks and manage and track these actions. The outcome of this work will be presented to Audit Committee as a restricted item in January 2024.	

The review provided an assessment of the effectiveness of the control framework being exercised in relation to threat and vulnerability management with reference to cyber security guidelines and good practice as provided by the National Cyber Security Centre (NCSC) cyber essentials and requirements included in the Cyber Assurance Framework (CAF).

**Purchase Card Compliance**

**Broadly Compliant**

This audit is part of a series of short compliance based transactional audits on core financial processes. Our sample testing of cardholder transactions demonstrated a broad level of compliance, with 80% of transactions supported by a valid receipt, with no evidence of fraud or misuse.

The key area for improvement remained the timeliness of cardholder processing and line manager approvals within BWO.

**GMFRS Station Standards Framework**

**Reasonable**

This report provided a reasonable assurance opinion over the effectiveness of the Station Standards Framework and general compliance with the standards set. The framework was found to be accessible and there is good awareness amongst staff of the requirements of the framework. There are processes in place to measure individual on-station performance against the standards framework and to collate this information to provide an organisational view of performance across all stations. We did note some areas of non-conformance and areas for improvement in the reporting on compliance which will assist with the ability to evidence consistent usage across all stations and to meet HMICFRS inspection requirements around the three pillars of effectiveness, efficiency, and people.

2.2 There are several audits at the fieldwork and draft reporting stage, and we remain on track to deliver these by the end of April 2024. We continue to flex the plan to take account of changing assurance needs and staff capacity.

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

<b>Planning Stage</b>	
Net Zero Achievement	Initial scoping discussions have taken place. The audit objective is to provide assurance over GMCAs arrangements in place to support the delivery of the regional carbon neutrality target by 2038, and its own internal organizational carbon reduction targets and ability to evidence progress made.
Estates Management	An initial scoping discussion has taken place and Internal Audit has agreed to conduct assurance work over the strategic gateway process which supports the GMFRS transformation programme.

<b>Fieldwork Stage</b>	
Corporate Recharge Model	This audit aims to provide assurance over the methodology for applying costs under the internal Corporate Recharge Model for Corporate Services function including HR, Finance and Digital.
Anti-Money Laundering Policy review	A review and update of the AML policy and procedures is underway.

<b>Reporting Stage</b>	
Brownfield Housing Fund Grant 2022/23 (Section 31/6408)	Letter of certification completed, and Internal Position Statement over Grant Fund Usage (DRAFT) issued to Management – awaiting sign off.
Payroll Compliance	This report is at the Draft report stage and will be finalised in January 2024.
Occupational Health Contract – effectiveness	This report is at the Draft report stage and will be finalised in January 2024.
GM Waste Fleet Assets	This report is at the Draft report stage and will be finalised in January 2024.
Freedom of Information Act (FOIA) and Subject Access Requests (SAR)	This report is at the Draft report stage and will be finalised in January 2024.
ICT Critical System Review - Gartan Roster (External)	This report is at the Draft report stage and will be finalised in January 2024.

**2.4 Grant Certifications** – One grant was certified during the period.

LEAD (Local Energy Advice Demonstrator Grant) £60k. A further quarterly claim is due to be certified in January.



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

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

- 3.1 In line with the Internal Audit Charter, any significant changes to the approved Internal Audit Plan must be approved by the Audit Committee.
- 3.2 Since the last meeting there are no further change to the plan, however this will be kept under review.
- 3.3 A cumulative record of changes to the plan for the current financial year, with the rationale for each, is shown as an **Appendix C** to this report.

### **4 Resourcing**

- 4.1 We are recruiting a new Principal Auditor following the resignation of the current post holder. The advert was placed in December with a closing date at the end of January 2024.

### **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** – Two new whistleblowing reports have been received since the last update to Audit Committee and are being tracked by Internal Audit.
- 5.3 **Anti-fraud Training** – A new suite of online training went live in November with three training packages rolled out to an agreed cohort of staff, which includes Senior

Leadership Teams, Extended Leadership Team, Station Managers and Finance and Commercial staff. These cover general fraud awareness, Anti-bribery, and Anti-money laundering requirements.

- 5.4 **Investment Zone Planning** – We have supported on the completion of a risk assessment with the team ahead of the final gateway 5 process and release of funding for 2024/25.
- 5.5 **GMCA Business Continuity Planning** – Priority work is underway to strengthen the BCP process and this will begin in January 2024 supported by the Resilience Team. Ahead of this, a focused piece of work has commenced on ICT BCP arrangements to allow greater understanding of critical IT business systems/solutions in use and to allow appropriate disaster recovery testing to take place, aligned to several IT focussed business continuity scenarios.
- 5.6 **Senior Leadership Team Engagement** – The Deputy Director, Audit and Assurance has joined the SLT, and we continue to hold regular engagement discussions with Directors to understand emerging risks/issues and to help inform future audit planning.

## 6. **Recommendation**

- 6.1 The recommendation is set out at the front of the report.

**Appendix A - Summary of Internal Audit Reports issued 2023/24**

The table below provides a summary of the internal audit work completed. This will inform the annual Internal Audit opinion for the year 2023/24.

Audit	Assurance Level	Audit Findings					Coverage		
		Critical	High	Medium	Low	Advisory	GMCA	GMFRS	Waste
Brownfield Housing Fund Grant	N/A – Internal Position Statement Only	We made no recommendations in this audit.					✓		
ICT – Threat and Vulnerability Assessment	Limited	-	2	2	-	-	✓	✓	✓
Purchase Card Compliance	Broadly Compliant	We made advisory actions only in this audit.					✓	✓	
GMFRS Station Standards Framework	Reasonable	-	-	4	-	-		✓	
Payroll Compliance (draft)	Substantial	-	-	1	-	-	✓	✓	✓

<b>Grant Certifications</b>				
BEIS Growth Hub Funding 2022/23	Positive	✓		
Brownfield Housing Fund Grant 2022/23	Positive	✓		
Local Energy Market: Period October 2021 – March 2023	Positive	✓		
Made Smarter Adoption NW 2022-25	Positive	✓		
GMCA Innovator Accelerator Seedcorn Funding 2022/23	Positive	✓		
LAEP to Net Zero £19k 2022/23	Positive	✓		
LEAD to Net Zero £60k	Positive	✓		

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

**Assurance levels**

	<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 2023/24

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

Directorate	Audit Area	Audit	Timing	Plan Days	Status	Audit Committee
GMFRS	Service Support	Occupational Health Contract	Q1	20	Draft Report	
GMFRS	Service Delivery	Station Standards Framework	Q2	30	Completed	January 2024
GMFRS	Service Delivery	Operational Assurance and Organisational Learning Frameworks	Q2	10	Ongoing engagement and support	
Corporate Services	People Services	Payroll Compliance	Q2	30	Draft Report	
Corporate Services	Waste and Recycling	Fleet Assets – Maintenance	Q2	30	Draft Report	
Cross Cutting	Governance	Business Continuity Planning	Q2	20	Full Audit Postponed until 2024/25	
Corporate Services	Finance	Purchase Card Compliance	Q3	5	Completed	January 2024
Corporate Services	Finance	Corporate Recharge Model	Q3	20	Fieldwork	

Directorate	Audit Area	Audit	Timing	Plan Days	Status	Audit Committee
Corporate Services	People Services	Recruitment and Attraction	Q4	30	Planned for Q4	
Education, Work and Skills	Adult Education Budget	Performance Management	Q4	30	Fieldwork to commence in Q4	
Corporate Services	ICT/Digital	Threat and Vulnerability Assessment (External)	Q2	5	Completed	November 2023
Corporate Services	ICT/Digital	Critical Business System – Gartan Roster (External)	Q3	5	Draft Report	
Corporate Services	ICT/Digital	IT Asset Management	Q4	5	Defer to 2024/25	
Mayoral Priorities	Governance/ Assets	Bus Franchising	Q3	20	Preliminary Discussions held - Defer to 2024/25	
Environment	Low Carbon	Net Zero achievement	Q3	20	Fieldwork to commence in Q4	
Place	Land and Property	Estates Management	Q3	30	Fieldwork to commence in Q4	
Policy and Strategy	Governance	Trailblazer Programme Readiness	Q3	30	Preliminary Discussions held	
Public Sector Reform	Compliance	Supporting Families Programme	Q4	10	Defer to 2024/25	



Directorate	Audit Area	Audit	Timing	Plan Days	Status	Audit Committee
<b>Grant Certifications</b>				60		
Corporate Services	BEIS Growth Hub Funding 2022/23		Q1	-	Completed	September 2023
Corporate Services	Local Energy Market: Period October 2021 – March 2023		Q1	-	Completed	September 2023
Corporate Services	Brownfield Housing Grant		Q1	-	Completed - Awaiting Sign off	
Corporate Services	Made Smarter Adoption NW 2022-25		Q2	-	Completed	September 2023
Corporate Services	GMCA Innovator Accelerator Seedcorn Funding 2022/23		Q2	-	Completed	September 2023
Corporate Services	LAEP to Net Zero £19k 2022/23		Q2	-	Completed	September 2023
Corporate Services	LEAD to Net Zero £60k		Q3	-	Completed	January 2024
Total Plan Days				410		

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

## Appendix C - Changes to the Internal Audit Plan

The internal audit plan is designed to be flexible and can be amended to address changes in the risks, resources and/or strategic objectives. Similarly, management and the 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 March 2023.

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

Audit Area	Audit	Days	Change requested	Rationale	Approved by Audit Committee
Corporate Services: Procurement and Commercial	Social Value Model Subsidy Control Act	40	Deprioritise	Assessed as medium risk, given available resources, focus on audits in high-risk areas.	Sept 2023
Corporate Services: Finance	BWO access rights	20	Deprioritise	Revised IT Audit Plan based on assessment from new IT Audit Provider.	Sept 2023
Corporate Services: Information Governance	Information Governance Processes	20	Deprioritise	IG is a shared service with TfGM. An IG audit was undertaken at TfGM in 2022/23 which covers the same team, processes and controls. The findings around the control design would therefore be similar. Actions from that audit will be applied to GMCA as well as TfGM and monitored through IG Board – where IA is represented to monitor progress of actions.	Sept 2023
Waste	Behavioural Change and	20	Deprioritise	Audit of Waste Fleet Assets included in the audit plan, propose to deprioritise this audit for this year to be reconsidered in future plans.	Sept 2023

Audit Area	Audit	Days	Change requested	Rationale	Approved by Audit Committee
	Communication Plan				
Economy and Strategy	Shared Prosperity Fund	20	Deprioritise	Focus for this plan will be on Trailblazer preparedness.	Sept 2023
Information Governance	Freedom of Information and Subject Access Request Processes	15	Addition	In response to recent high profile data breaches in other organisations.	Sept 2023
ICT/Digital	IT Asset Management	5	Defer	Digital Service are unable to support this audit at present due to capacity and resourcing issues.	Sept 2023
Governance	Business Continuity Planning	20	Defer	Request from Management to defer until April 2024 to allow a full internal review of BC policies, systems and processes to take place.	Nov 2023
Public Sector Reform	Supporting Families Framework	10	Defer	The previous audit was completed in May 2023, as such we propose to defer until 2024/25, however this is dependent on expectations from Government that we undertake work in Q4.	Nov 2023
Finance	Continuous Auditing	20	Addition	A series of proactive transactional based audits	Nov 2023

## Appendix D – Executive Summaries

### GMFRS Station Standards Framework



### Internal Audit Report

### GMFRS Station Standards Framework


**FINAL**

**Issue Date 10 January 2024**

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

Report Distribution	
For Action	
Sarah Natress	ACFO, Director of Service Delivery
Paula Lyons	Area Manager, Frontline Service Delivery
David Minto	Borough Manager Manchester
Steve Jordan	Group Manager Organisational Learning & Ops Assurance
Carl Mitchell	Service Delivery Support Station Manager
Steven Forster	Station Manager, Organisational Learning & Ops Assurance
Nic Mayor	BCM Resilience and Planning Officer
For Information	
Audit Committee - Executive Summary Only	
Eamonn Boylan	Chief Executive
Dave Russel	Chief Fire Officer
Ben Norman	Deputy Chief Fire Officer
Steve Wilson	GMCA Treasurer
Gillian Duckworth	GMCA Solicitor and Monitoring Officer
Natasha Brayne	Head of Health Safety Fitness and Organisational Learning
Dave Wilson	HMICFRS Liaison Officer
Mazars	<b>External Auditor</b>

**1. EXECUTIVE SUMMARY**

AUDIT OBJECTIVE	ASSURANCE LEVEL																	
<p>The audit objective was to provide assurance over the effectiveness of the Station Standards framework, its usage, and the management and monitoring of operational compliance.</p>																		
<p><b>KEY RISKS IF CONTROLS ARE NOT IN PLACE AND/OR OPERATING</b></p>																		
<p>There are no recorded risks on the GMFRS Corporate Risk Register which relate to the area under review, however the following organisational risks are applicable to this area of activity and are considered as part of this audit:</p> <ul style="list-style-type: none"> <li>• The service does not meet required standards set out by HMICFRS.</li> <li>• The service is unable to meet its operational obligations.</li> </ul>	<p><b>AUDIT FINDINGS</b></p> <table border="1" data-bbox="965 683 1729 746"> <thead> <tr> <th>Critical</th> <th>High</th> <th>Medium</th> <th>Low</th> <th>Advisory</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>4</td> <td></td> <td></td> <td>4</td> </tr> </tbody> </table> <p><b>BASIS OF AUDIT OPINION</b></p> <p>This is based on the scoring mechanism outlined in <b>Section 5 &amp; 6</b> of this report.</p>						Critical	High	Medium	Low	Advisory	Total			4			4
Critical	High	Medium	Low	Advisory	Total													
		4			4													
<b>AUDIT OPINION AND SUMMARY CONCLUSION</b>																		
<p>We provide a <b>Reasonable Assurance opinion</b> over the effectiveness of the Station Standards Framework and general compliance with the standards set. The framework is accessible and there is good awareness amongst staff of the requirements of the framework. There are processes in place to measure individual on-station performance against the standards framework and to collate this information to provide an organisational view of performance across all stations. We did note some areas of non-conformance and areas for improvement in the reporting on compliance which will assist with the ability to evidence consistent usage across all stations and to meet HMICFRS inspection requirements around the three pillars of effectiveness, efficiency, and people.</p> <p>We visited ten stations (<b>Appendix 1</b>) to review and test the approach to using the framework and how they evidence compliance and the results of this. Our analysis is summarised below.</p>																		

**AREAS OF GOOD PRACTICE**

Several areas of good practice were identified during our audit. These included:

- There is good awareness of the standards across all staff on stations including their ability to access the framework and the associated documents.
- Station Managers complete annual station audits to provide a view of standards compliance. Around 20% of these (2 per quarter) are independently verified by the Operational Assurance Team to provide consistency across the service.
- The production of quarterly reports which provide a wider organisation view on compliance with station standards and highlight potential areas for improvement.
- Our Station visits demonstrated that most standards were being met. Examples included:
  - Store cupboards are kept locked, and these were well organised and appropriately stocked.
  - Locker rooms were generally clean and tidy with personal items stored in lockers or stored neatly.
  - Stations were secure at the time of the visits and there were no obvious methods for unauthorised entry observed.
  - Fire risk assessments were in place and up to date at all stations and fire logbooks were being completed.
  - OPS5 records were being completed, as were driver’s checklists and B routines.
  - Activities conducted on station at the time of the visits reflected records in the Work Routine Planners (WRP).

**AREAS FOR IMPROVEMENT**

The main identified areas for improvement related to the following:

- The station standards framework is a collation of organisational policy, procedures, and operational practices, as such ownership of these is corporate wide. This presents challenges in ensuring the contents of the framework remains accurate and links accessible. There is also no process for reviewing the addition of new standards or removal of obsolete standards from the framework to ensure it accurately reflects current expectations.
- Station Managers complete station audits annually; however, the programme does not reflect the entirety of the framework. The grading of individual elements does not promote going beyond simply meeting the standard. Action plans are not required for elements categorised as ‘requires improvement’ which may impact on future achievement of standards.
- Quarterly and annual reports prepared by the Service Delivery Support Team provide a consolidation of the results from the annual station audits. However, these reports do not consider wider organisational information which may provide greater context around those results. The reports do reflect where action plans are put in place to drive improvements in compliance but not whether these plans are completed in line with target dates.

- Use of the Active Monitoring System (AMS) across stations was inconsistent making it difficult to compare information across stations or between watches. In some instances, this led to the system being used as a 'tick box' exercise rather than an accurate record of activities undertaken.
- Our station visits identified some non-conformance issues, and these are shown at **Section 3**.



**2. SUMMARY OF AGREED ACTIONS**

Finding	Risk Rating	Action	Target Date
1 Review and update of the Station Standards Framework to ensure this remains current.	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>Periodically review and update the framework, to ensure that its contents reflect the latest organisational and operational policy, procedures, and practices.</li> <li>Complete pages which are under development and review the process for fixing broken links which will improve overall user experience.</li> <li>To consider how wider organisational learning and information can be incorporated into the quarterly performance monitoring reports.</li> </ul>	31/3/2024
2 Improvements required to station audit process, action plan monitoring and AMS system.	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>Ensuring the annual audit programme aligns with all elements of the station standard framework and review the grading criteria to incentivise performance above acceptable minimum standard.</li> <li>Review the suitability and functionality of the AMS system to ensure it is fit for purpose.</li> <li>Develop a process to monitor the completion of action plans and include in the quarterly monitoring report.</li> </ul>	31/3/2024 30/6/2024 30/6/2024
3 Lack of consistency and awareness by Station Staff of some standards.	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>Clarify and communicate with station staff the expected standards and processes for the areas identified.</li> </ul>	31/3/2024
4 Efficiency improvements and changes to reflect operational practice were identified for some standards.	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>To review and address identified issues and areas for improvement.</li> </ul>	30/6/2024

**AUDIT SPONSOR COMMENTS**

While the audit has determined a reasonable level of assurance, it is recognised there are areas for improvement and continual development of the Station Standards Framework. The service is continually changing, and to ensure the framework stays current, is flexible, and can adapt to the changing needs, it is important to address the areas identified, but also maintain areas of good practice.

Due to the breadth of interdependencies, actions taken will need support from several Directorates, in particular the updating of policies and procedures and associated links. It should also be noted that while corrective actions can be put in place, the evaluation of their implementation and effectiveness will fall outside the scope of action timelines. It should further be recognised that presently Service Delivery Support is under resourced which may further impact on completion by target dates.

Paula Lyons – Area Manager, Frontline Service Delivery

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

# PURCHASE CARD COMPLIANCE



## Internal Audit Report

### Purchase Cards - Compliance

**FINAL**

**Issue Date 21 December 2023**

Audit Team	
Sarah Horseman	Deputy Director Audit and Assurance
Damian Jarvis	Head of Internal Audit
Stuart Richardson	Principal Auditor

Report Distribution	
For Action	
Sam Pickles	Head of Commercial Services
Victoria Gilding	Procurement Support
For Information	
Audit Committee - <b>Executive Summary Only</b>	
Steve Wilson	GMCA Treasurer
Eamonn Boylan	Chief Executive
Dave Russel	Chief Fire Officer
Ben Norman	Deputy Chief Fire Officer
Andrea Heffernan	Director of Corporate Support, GMFRS
Gillian Duckworth	GMCA Solicitor and Monitoring Officer
Mazars	<b>External Auditor</b>

**INTRODUCTION**

As part of the Internal Audit plan for 2023/24, we agreed to undertake a series of transactional audits on core financial processes to assess compliance with GMCA standing orders, financial regulations, and contract procedure rules. These audits will examine key controls in areas such as accounts payable, accounts receivable, payroll, procurement, and contract management.

<b>Area of Review</b>	Compliance with Purchase Cards Policy
<b>System</b>	Business World On!
<b>Previous Full Audit Date and Opinion</b>	11/01/2019
<b>Previous Compliance Audit and Opinion</b>	N/A- First Compliance Audit for this area

**BACKGROUND AND CONTEXT**

Our last full audit of purchase cards was completed in 2019 financial year. This report provided a **Limited Assurance opinion** and identified the following key areas for improvement:

- Timeliness of completion of processing and approvals.
- Structure of approvals within BWO.
- Evidence attached to approved claims.

There is a Purchase Card Policy in place, which was introduced in April 2019 and most recently updated in November 2021. This includes guidance on usage and administration of purchase cards.

**AUDIT OBJECTIVE**

The objective of this audit was to undertake testing on transactions to assess compliance with corporate policies and procedures.

**Limitations:**  
This is not a full system audit and as such does not include review of the whole system or assess value for money.

Our sample testing does not provide assurance over the entire population.

**SUMMARY CONCLUSION**

<b>Broadly Compliant – Some areas for improvement</b>	Our sample testing demonstrated a broad level of compliance, with 80% of transactions supported by a valid receipt, with no evidence of fraud or misuse.
	Whilst this shows an improved position compared to 2019, this is above the typical monthly compliance rate which is between 50-70%. As such, fraud or error may go undetected and remains a risk.
	The key area for improvement remains the timeliness of cardholder processing and line manager approvals within BWO.

**KEY SYSTEM METRICS & SAMPLING INFORMATION**

Period Examined	From: 26/09/2022	To: 25/09/2023
<b>Data Source</b>	Historical Line Manager transactions with a completed date after 01/04/2023 from the Weekly Outstanding Purchase Card Transaction List exported from BWO by Internal Audit.	
<b>Sample Size</b>	<b>Sample</b>	<b>Population</b>
<b>Transactions</b>	15	280
<b>Value (£)</b>	£5,772	£37,394.77
<b>Data Point</b>	As at 25/09/2023	
<b>Number of Active Cardholders</b>	200+  Most cardholders are GMFRS staff	N/A
<b>Number of Outstanding Transactions (with Cardholder)</b>	101	£15,57.01
<b>Outstanding Transactions (with Line Manager)</b>	64	£6,948.78
<b>Monthly Spend</b>	Average monthly spend is £30k	N/A

**KEY CONTROL TESTING**

CONTROL	FINDINGS	Compliance Level Rating
<p><b>Transactions are supported by valid receipt/invoice uploaded into BWO.</b></p>	<p>The purchase card policy states that all purchase card transactions should be supported by an appropriate VAT receipt that evidences the details of the transaction. Failure to comply with this policy can result in the cardholder’s card being suspended or removed, in accordance with the ‘three-strike’ policy outlined in the purchase card policy.</p> <p>We found <b>12/15 (80%)</b> of transactions in our sample had supporting documentation uploaded in BWO.</p> <p>We subsequently verified 2 transactions with cardholders, with 1 transaction unable to be verified as no response was received from the cardholder during the audit.</p> <p>Wider assurance received from monthly testing completed by the Commercial Team indicated that compliance generally varies between 50-70% per month for uploading of valid receipts.</p> <p>The system does allow transactions to be processed and approved through BWO without the attachment of supporting evidence (receipt/invoice).</p> <p>Whilst the ‘three-strike’ policy exists for purchase card holders who repeatedly fail to meet the requirements, strict enforcement of this remains challenging.</p>	<p><b>Broadly Compliant</b></p>
<p><b>Appropriate use of Purchase Card</b></p>	<p>There was no evidence of fraud or misuse from the sample tested.</p> <p>From our sample, 2/15 transactions related to flights, totalling £2,788 and booked outside the Corporate Travel contract.</p>	<p><b>Broadly Compliant</b></p>

	<p>Whilst we received valid explanation to support this, the general principal is that all travel should be booked through the corporate travel contract. Some identification of 'off contract' spend is completed through monthly assurance activity, but this is a retrospective process.</p>	
<p><b>Cardholder confirmation and upload of receipt is completed promptly</b></p>	<p>The purchase card policy states that copies of receipts must be promptly uploaded on BWO within 21 days of when the transaction appears in the Purchase Card holders task list within BWO. Failure to comply with this policy can result in the cardholder's card being suspended or removed, in accordance with the three-strike policy outlined in the purchase card policy.</p> <p>The average number of days for cardholder to process transactions and complete tasks on BWO per sample selected was <b>16 days</b>. The number of days for cardholders to complete tasks ranged between <b>0 and 43 days</b>, with <b>5 tasks</b> taking over <b>21 days</b> to complete.</p> <p>Although only 67% of transactions have been processed within 21 days, as the average number of days is below 21 days, therefore the compliance level rating for this area is deemed to be <b>Broadly Compliant</b>.</p> <p>Wider assurance from the monthly outstanding task reports produced by the Commercial Team do show varying degrees of compliance, with instances of outstanding tasks up to and exceeding 400+ days.</p>	<p><b>Broadly Compliant</b></p>
<p><b>Line Manager approvals are given promptly</b></p>	<p>The purchase card policy states that line manager approvals should be processed on BWO in a timely manner and within 21 days of when the transaction appears in the line managers task list within BWO. Line Managers must also ensure that receipts are uploaded to BWO, and they are valid and match transactions on the submitted statements. Failure to comply with this policy can result in the cardholder's card being suspended or removed, in accordance with the three-strike policy outlined in the purchase card policy.</p> <p>The average number of days for Line Manager Approvals to be processed per the sample selected was <b>74 days</b>. The number of days for line managers to process approvals ranged between <b>31 and 180 days</b>. As noted above, only <b>12/15 transactions</b> had appropriate supporting evidence uploaded in line with the purchase card policy.</p>	<p><b>Non-compliant</b></p>

	<p>As no line manager approvals within our sample have been completed within 21 days, we have assessed this area to be <b>non-compliant</b> with documented controls in place.</p> <p>Wider assurance received from the monthly outstanding task reports produced by the Commercial Team do show instances of excessive delays in approval.</p>	
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**IDENTIFIED AREAS FOR IMPROVEMENT FOR MANAGEMENT ACTION**

COMPLIANCE / SYSTEM ISSUES
<ul style="list-style-type: none"> <li>• As of 25/09/2023, there were <b>101</b> current outstanding cardholder transactions with a value of <b>£15,571.01</b> and <b>64</b> current outstanding line manager transactions with a value of <b>£6,948.78</b>. This was identified as an issue during the previous audit in 2019 and remains as an area where improvement is required. The Commercial Team should continue to monitor purchase card usage, completion of outstanding tasks and overall compliance as part of their monthly assurance checks.</li> <li>• It would be beneficial to develop an appropriate reporting mechanism for the results of monthly assurance activity to ensure this area is given appropriate prominence and oversight at a Senior Management level.</li> <li>• To target cardholders and line managers where repeated non-compliance is identified in accordance with the 'three-strikes' policy. There should be a clear process for escalation through GMFRS Senior Leadership Team where unsatisfactory responses are received.</li> <li>• Cancellation of cards where there is no activity after a set period or where cards have been suspended for persistent non-compliance.</li> <li>• Regular reminders to cardholders and Line-Managers of obligations to be conducted through routine cardholder briefings and targeted e-mails.</li> <li>• Periodic review and update the Purchase Card Policy, to include any changes and to include reference to the monthly assurance activity completed by the Procurement Support Officer.</li> </ul>



**APPENDIX 1: Compliance Level ratings**

Rating	Description
Compliant	May be small number of minor incidents of non-compliance but controls are working effectively with the number of samples evidencing compliance greater than 90%.
Broadly Compliant	Some areas for improvement identified with the number of samples evidencing compliance greater than 70%.
Not compliant	Major improvement needed with the number of samples evidencing compliance less than 70% or lower.

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## GMCA Audit Committee

Date: 24 January 2024

Subject: Audit Action Follow up

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

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### PURPOSE OF REPORT

This report advises Audit Committee of the progress made 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, Deputy Director 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 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

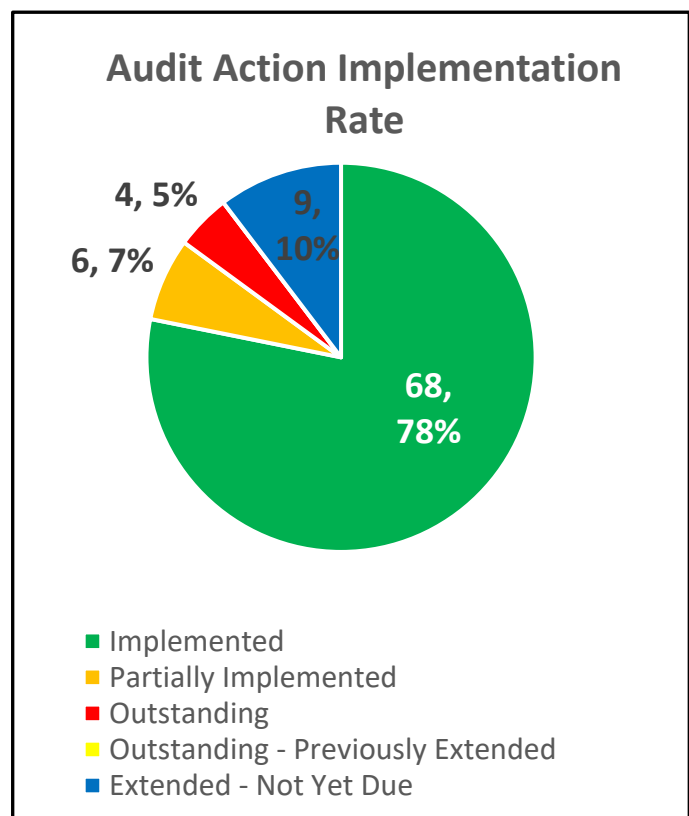
- 1.1 The GMCA Internal Audit Plan comprises a range of audits agreed by Senior Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and an agreed target implementation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

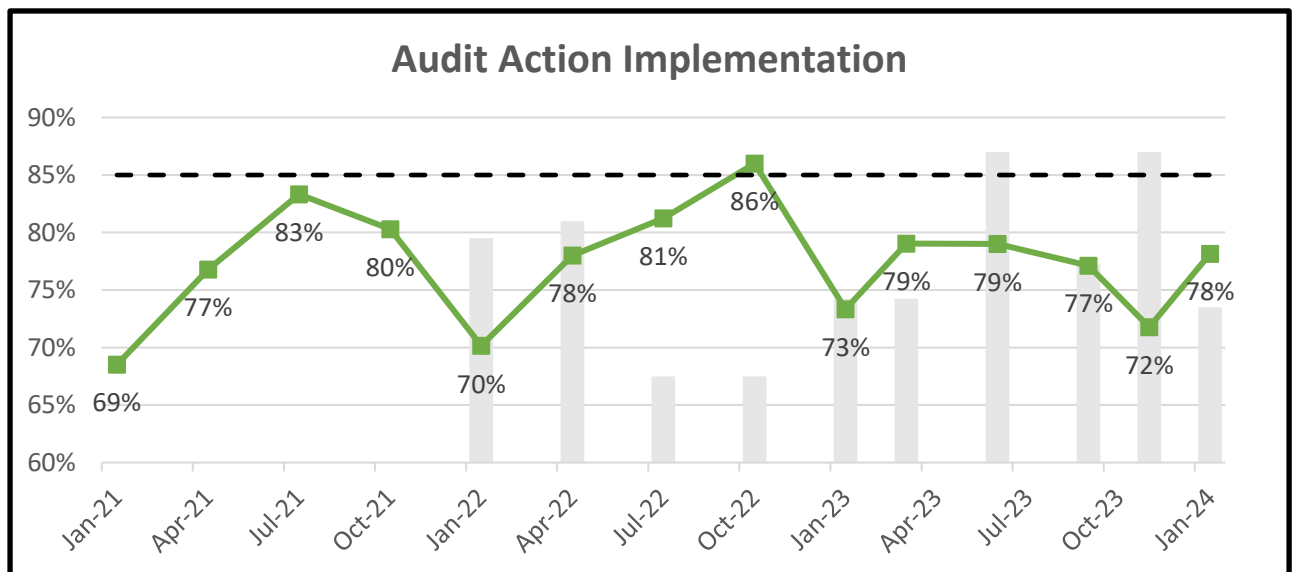
## 3 Current Status

- 3.1 As of January 2024, **78%** of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.



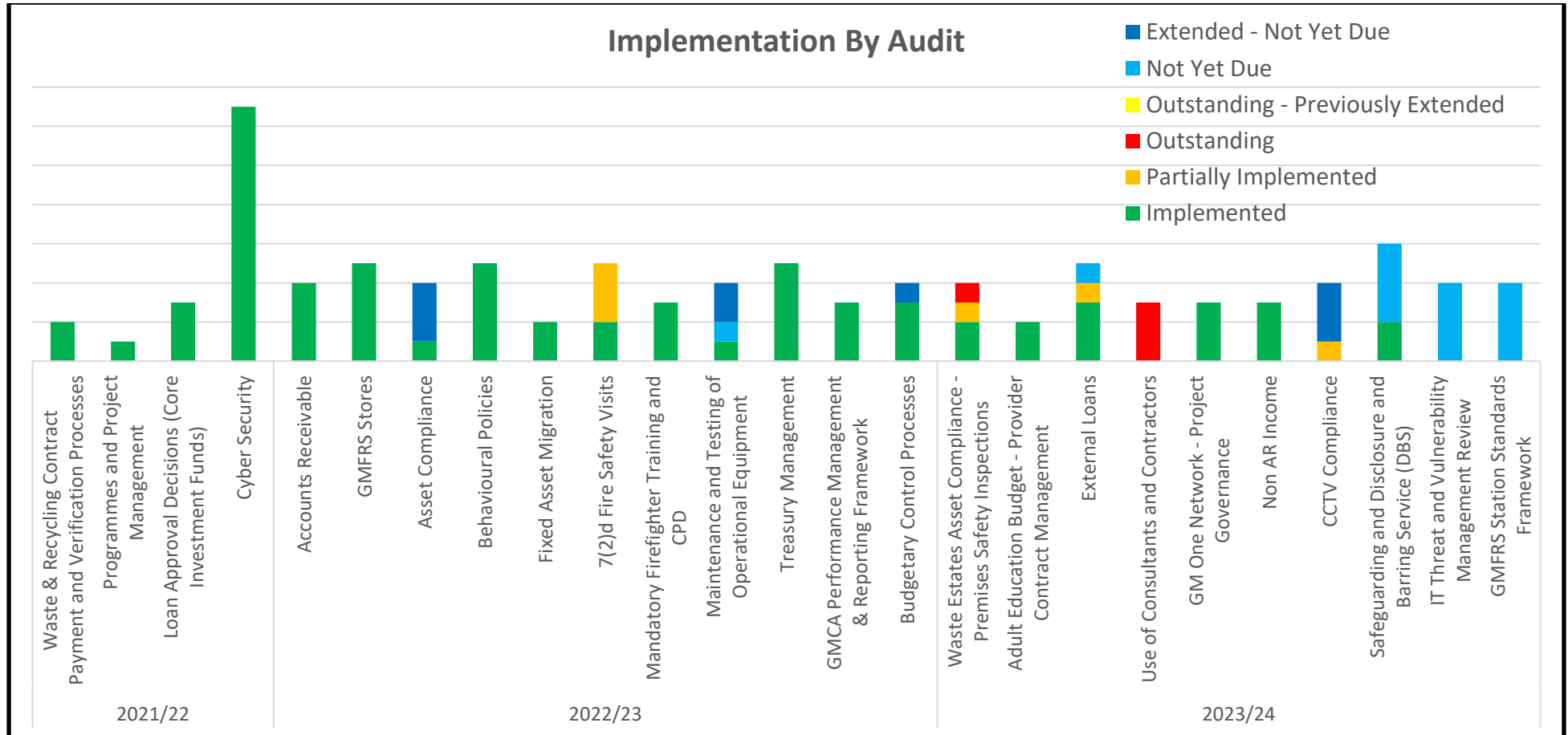
3.2 The chart below shows that implementation rates have increased slightly on those previously reported in November 2023.

3.3 The bars in the chart represent the number of actions actively tracked in the period (previously reported as outstanding or partially implemented or those falling due within the current period). This has dropped since November reflecting the number of actions implemented or where target dates had been extended in the previous period.



## 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, eight outstanding actions are now considered fully implemented. Four new actions have become due relating to Audit reports previously shared with Audit Committee.
- 4.3 Several actions remain overdue from the 7(2)d audit, and we are actively tracking progress on these. There are several recent outstanding actions from limited assurance opinion reports relating to the Waste Estates Asset Compliance, and Use of Consultants. Whilst recent updates have demonstrated some progress made to address some actions, these remain outstanding.
- 4.4 Details of all overdue actions and management updates on progress have been included at **Appendix A** to allow Members opportunity to consider and comment on these.



## 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	68	1	10	36	21
Partially Implemented	6	0	0	4	2
Outstanding	4	0	1	2	1
Not Yet Due	14	0	4	9	1
Extended - Not Yet Due	9	0	6	1	2
Outstanding - Previously Extended	0	0	0	0	0
<b>Total</b>	<b>101</b>	<b>1</b>	<b>21</b>	<b>52</b>	<b>27</b>

5.2 The total number of actions being tracked this quarter is 101. One completed action over two years old has been removed from the tracker in the current period.

5.3 Any actions that are over two years old but have not been fully implemented will remain on the tracker until these have been completed and reported as implemented for at least one period.

## 6 Recommendation

6.1 Recommendations are set out at the front of the report.

## Status of Overdue Actions at 31 December 2023

The list is sorted and colour coded by the “age” of each audit action.

Current Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Status	Audit Committee Update
Jan 2023	7(2)d Fire Safety Visits	Reasonable	Implement QA process for 7(2)d visits	Medium	Partially Implemented	The Assurance Strategy has not yet been finalised as different approaches to assurance are still being trialled. The initial assurance process to be undertaken by Station Managers has been refined following feedback and a reporting mechanism been developed within the AMS system to allow for identification of common issues. A thematic review to assure consistency of information between Site Specific Risk Information and Initial Considerations Forms has been undertaken across a sample of records. This has resulted in the development of a ‘peer assurance’ process which is planned to be undertaken across all records which have an Initial Considerations form. The outcome of both of these reviews and feedback from the most recent HMICFRS inspection (due in February) will inform the final Assurance Strategy which will be published in April 24.
Jan 2023	7(2)d Fire Safety Visits	Reasonable	Develop KPIs to support consistent management of performance	Low	Partially Implemented	Risk Footprint Guidance is still in development in part due to delays in the pilot but primarily as we explore the use of our systems to identify future risk sites through our Technical and Consultations Team – this has been trialled for Battery Energy Storage Sites and is being looked at for other building types.

Apr 2023	7(2)d Fire Safety Visits	Reasonable	Review resource for OI policy	Medium	Partially Implemented	Backlog of OIS visits cleared through temporary resource on fixed term contracts which have now concluded. Developing projections for resourcing future visits.
Sep 2023	Waste Estates Asset Compliance - Premises Safety Inspections	Limited	Compliance Monitoring and Reporting (Cat A sites)	Medium	Partially Implemented	An initial review has been completed to identify all work recently undertaken. Work is ongoing with Suez to ensure that all required monitoring is included and to determine how results of these checks will be shared going forward.
Sep 2023	Waste Estates Asset Compliance - Premises Safety Inspections	Limited	Record actions arising from compliance checks and follow up	Low	Outstanding	This action will follow on from completion of the risk assessments and maintenance schedules. We expect work to have progressed on this by the end of the Calander year.
Sep 2023	External Loans	N/A	Completion of responsibility matrix	Low	Partially Implemented	Agreed responsibility matrix form is now in place and has been completed for one of the funds. Work is ongoing to complete for all externally managed funds.
Oct 2023	Use of Consultants and Contractors	Limited	Develop procedure for appointing consultants	<b>High</b>	Outstanding	These actions remain outstanding. Work is being undertaken to define the different types of contractors and establish processes to identify use of these at the point of engagement.
Nov 2023	Use of Consultants and Contractors	Limited	Ensure contract agreements & documentation is in place and reviewed.	Medium	Outstanding	
Dec 2023	Use of Consultants and Contractors	Limited	Improve oversight and reporting on use of contractors.	Medium	Outstanding	

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# Auditor's Annual Report

Greater Manchester Combined Authority  
– year ended 31 March 2022

December 2023

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- 01 Introduction
- 02 Audit of the financial statements
- 03 Commentary on VFM arrangements
- 04 Identified VFM weaknesses in arrangements and our recommendations
- 05 Other reporting responsibilities

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Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' issued by Public Sector Audit Appointments Ltd. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Authority. No responsibility is accepted to any member or officer in their individual capacity or to any third party.

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# 01

## Section 01: **Introduction**

# 1. Introduction

## Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Greater Manchester Combined Authority ('the Authority') for the year ended 31 March 2022. Although this report is addressed to the Authority, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



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### Opinion on the financial statements

We issued our audit report on 9 November 2023. Our opinion on the financial statements was unqualified.



### Wider reporting responsibilities

We have not yet commenced our work on the Authority's Whole of Government Accounts return. We will agree a timescale for completing this work with management and submit our assurance return to the National Audit Office following completion of this work.



### Value for Money arrangements

In our audit report, issued on the 9 November 2023, we reported that we had not completed our work on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources and had issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting. Section 3 confirms that we have now completed this work and provides our commentary on the Authority's arrangements and a summary of identified significant weaknesses and our recommendations.

Introduction

Audit of the financial statements

Commentary on VFM arrangements

Identified VFM weaknesses and recommendations

Other reporting responsibilities and our fees



# 02

Section 02:

## **Audit of the financial statements**

# 2. Audit of the financial statements

## The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs).

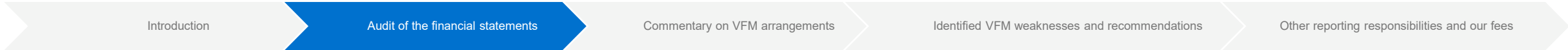
The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Authority and whether they give a true and fair view of the Authority's financial position as at 31 March 2022 and of its financial performance for the year then ended. Our audit report, issued on 9 November 2023 gave an unqualified opinion on the financial statements for the year ended 31 March 2022.

## Qualitative aspects of the Authority's accounting practices

We reviewed the Authority's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Authority's circumstances.

Draft accounts were received from the Authority on 25 August 2022 alongside supporting working papers. The financial statements prepared by the Authority were generally of good quality, however our audit identified a number of misstatements due to errors in the underlying accounting records. The technical nature of some of the queries identified during the course of the audit meant further time was required and led to a delay in completion of our audit work. We have included an 'other' value for money recommendation in respect of the financial statements in section 3 of this report.

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# 03

Section 03:

**Commentary on VFM arrangements**

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# 3. Commentary on VFM arrangements

Overall summary

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# 3. VFM arrangements – Overall summary

## Approach to Value for Money arrangements work

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:



**Financial sustainability** - How the Authority plans and manages its resources to ensure it can continue to deliver its services



**Governance** - How the Authority ensures that it makes informed decisions and properly manages its risks



**Improving economy, efficiency and effectiveness** - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

Our work is carried out in three main phases.

### Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Authority has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

### Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page [x].

### Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements**

We make these recommendations for improvement where we have identified a significant weakness in the Authority arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.

- **Other recommendations**

We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant but which still require action to be taken

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

Introduction

Audit of the financial statements




Commentary on VFM arrangements

Identified VFM weaknesses and recommendations

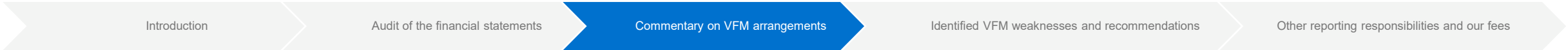
Other reporting responsibilities and our fees

# 3. VFM arrangements – Overall summary

## Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 <b>Financial sustainability</b>	11	No	No	No
 <b>Governance</b>	14	Yes – see pages 23-28	Yes – see pages 23-28	Yes – see page 32
 <b>Improving economy, efficiency and effectiveness</b>	19	Yes – see pages 23-26 and 29-30	Yes – see pages 23-26 and 29-30	No

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# 3. Commentary on VFM arrangements

## Financial Sustainability

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

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# 3. VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria

### Background to GMCA’s operating environment in 2021-22

Since March 2020 local authorities have faced a period of unprecedented challenge, both financially and economically, as they are responding to the impact of, and recovery from, the global Covid-19 pandemic. This led to significant changes in how the Authority operates and delivers services to the residents and businesses of Greater Manchester. Throughout the past two years, the Authority has adapted to new ways of working in order to ensure the continuation of service delivery and the provision of new services to support the local communities through the pandemic. More recently, the Borough moved toward recovery from the immediate impact of national restrictions and the outbreaks of new Covid variants.

The financial impact of the pandemic on the Authority has been significant. Given the uncertainties faced by the ten Greater Manchester (GM) Councils as they focus on recovery from the pandemic and continue to be impacted with demand-led pressures, GMCA must deal with the potential impact on the levies raised from general fund budgets. The pandemic also had a significant impact on the Authority’s transport functions with decreased patronage across the bus and tram network. While funding has been provided by central government to support the loss of farebox revenues and to maintain the level of bus services across the region, this is for a finite period and the Authority must adjust in future years to account for the reduction in funding.

As the Authority looks towards 2022/23 and beyond, the financial challenges only increase. In addition to dealing with the recovery from the Covid-19 pandemic, the war in Ukraine has had an adverse impact on the UK economy, with resulting increases in energy costs, supply chain issues and inflation rates reaching highs not seen in recent times. The subsequent increases in the cost of living, which are forecast to continue for the foreseeable future, will mean the Authority needs to pay close attention to its budget position and reassess the impact at regular intervals in order to identify mitigations at the earliest opportunity.

### Financial planning and monitoring arrangements

In February 2021, the Authority and Police and Crime Panel approved balanced revenue and indicative capital budgets for 2021-22. The budget reflected the outcome of the Spending Review 2020 and the impact of the Covid-19 pandemic. Throughout the year the Authority updated its budget forecasts, which ensured budgets were up-to-date in the uncertain operating environment of the pandemic. As part of our review, we considered the underlying assumptions made by management, to provide assurance they were reasonable in the context of the operating environment and were adequately reported throughout the year.

Due to mitigations put in place during the year, the Authority reported a break even position in most areas, an underspend of £1.97m against the Fire and Rescue Service budget and an underspend of £11.9m against the transport budget at 31 March 2022. We have considered the arrangements in place in respect of budget management as part of the Governance criteria later in this report.

During the year the Authority reported its financial position and outturn to the Combined Authority and the Corporate Issues and Reform Overview & Scrutiny Committee. We reviewed the reports presented in 2021/22, which contain detail of performance against revenue, with explanations for any significant variances detailed in the report. The Finance reports also contain information on progress against approved capital programme and reasons for over or underspends against the budget profile.

As part of the annual accounts process management completes a review of its ability to operate as a going concern, highlighting any potential financial risks for the following financial year. In 2021-22, the Authority considered its financial position and budget framework, the regulatory and control environment applicable to GMCA, and the wider economic environment including the impact of Covid and pay and price inflation on the 2022-23 budgets against available reserves and detailed cash flow forecasts, supported by the Treasury Management Strategy. Management concluded the Authority remains a going concern with no material risks identified.

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

The medium term financial plan is developed with GM Local Authority Leaders and Treasurers to ensure alignment of financial plans and sharing of assumptions, opportunities and challenges for GM as a whole. As part of the 2021/22 budget setting process, permanent savings of £1.6m were identified which help reduce the reliance on contributions from GM districts and contributes to developments within the Authority. These savings were continued into 2022/23 with a flat cash budget.

The Authority works closely with Greater Manchester Police (GMP) to develop a Police Fund Strategic Financial Outlook (SFO) for three years updated as part of the financial planning to reflect all known pressures and savings and to ensure police spending is contained within resources. The latest SFO reflected the medium term financial impact of the GMP ‘Plan on a Page’ improvement plan in response to HMICFRS fundings including a prioritisation of resources to ensure a balanced plan for delivery. Current and future financial pressures are identified and reported to the Deputy Mayor on a monthly basis and reflected in the SFO.





# 3. VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria continued

### Arrangements and approach to 2022-23 financial planning

The 2022-23 budget was approved by the Combined Authority in February 2022. This focussed on the organisational priorities set out in the Greater Manchester Strategy (GMS) which was most recently refreshed in 2021. This sets a decade-long route for delivering a vision of Greater Manchester being a place where everyone can live a good life, growing up, getting on and growing old in a greener, fairer more prosperous city-region.

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

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

In 2022 the Authority developed a three year Corporate Plan, setting out recent key achievements and identifying priority spending areas for each of the four corporate objectives. These headline priorities are developed further in the detailed delivery activity listed in the annual Business Plan.

The 2022-23 budget is prepared on the following basis and assumptions:

- No change in the transport levy (£105.8m) or statutory charge (£86.7m) from 2020-21;
- A 1.5% increase in the waste budget and levy charged to districts;
- An increase in the Mayoral General Precept to £102.95 from £90.95 for a Band D property; and
- An increase in the Police Precept of £10 for a Band D property.

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



# 3. Commentary on VFM arrangements

## Governance

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

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# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

### Decision making arrangements and control framework

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

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

Oversight of the Authority's decision making arrangements and wider governance arrangements sits within the committee structure of the Authority. In January 2022, the Authority commissioned a review of its current scrutiny function from the Centre for Governance and Scrutiny. The results of this review were released in June 2022 and identified 18 recommendations which the Authority responded to over the course of 2022/23.

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

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

We have reviewed the Internal Audit Plans for 2021/22 and 2022/23 and confirmed work is planned on a risk based approach. The risk rating of each audit area determines the frequency of audit, with key areas such as ICT services and Finance being subject to annual audit procedures. Progress reports are presented to each Audit Committee meeting including follow up reporting of recommendations not fully implemented by agreed due dates. This allows the Committee to effectively hold management to account on behalf of the Authority. At the end of each financial year the Head of Audit and Assurance provides an opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control. For 2021/22 this provided a moderate assurance opinion, an improvement from the limited assurance opinion given in 2020/21.

### Risk management and monitoring arrangements

Since its establishment in 2017 GMCA has managed risk through the development and regular review and update of the Corporate Risk Register. The Corporate Risk Register is underpinned by engagement with the Chief Executive Management Team and the Corporate Risk Group. The Corporate Risk Register is regularly presented to Audit Committee allowing oversight of the risk management process.

During 2020/21 it was acknowledged that a more robust, organisationally embedded approach to risk management was required, and as a result the Head of Audit and Assurance was assigned responsibility for risk management across the organisation. The Head of Audit and Assurance identified some fundamental aspects of a good practice risk management framework which were not yet in place within GMCA. This included a standard risk management framework and guidance for use across the organisation below the Corporate Risk Register level.

During the latter half of 2020/21, the Head of Audit and Assurance developed a new Risk Management Policy and Framework. Prior to rolling out the new Risk Management Policy, internal audit facilitated a baseline assessment of risk management maturity across the organisation. This exercise identified the organisation as a whole as falling within the "Emerging" phase of risk management maturity. Following the implementation and embedding of the new policy in 2021/22, the Head of Internal and Assurance repeated the maturity assessment, and showed the organisation had moved to the "Conforming" stage. This demonstrates a framework is in place, is applied consistently across the organisation and that most process are being implemented.

**The previous weaknesses identified in risk management arrangements led to us identifying a significant weakness in arrangements. We are satisfied the significant weakness in arrangements have been appropriately addressed during 2021/22 - see pages 26 and 27 for further details.**

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# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

### Arrangements for budget setting and budgetary control

The financial planning process commences in late summer and involves detailed consultation with GM local authority Leaders, Chief Executives and Treasurers on each aspect of the GMCA budget process throughout the autumn leading to the approval of the budget in February. The budget reflects the outcome of the latest Spending Review and other impacts on resources available to the Authority, which are reviewed throughout the financial year. During 2021 the corporate objectives were developed with GM leaders to shape the 2021/22 budget process and to ensure agreement to the objectives on which GMCA will be focussed on.

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

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

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

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

Our 2021/22 Audit Completion Report highlighted several issues relating to the preparation of the Authority's draft financial statements submitted for audit. The issues identified affected significant balances and disclosures within the draft financial statements published by the Authority, such as the Group Accounts not consolidating a material component, the Cash Flow Statement containing material inaccuracies and errors in accounting for the Authority's Property, Plant and Equipment.

Errors in the draft financial statements lead to delays in the audit process, which can then impact on the Authority's financial decision making processes, particularly where the level of general fund reserves are impacted. While we have not identified a significant weakness in the Authority's arrangements, the Authority must seek to address the issues identified as part of future year-end close down procedures. We have included an other recommendation on page 30 of this report.

### Greater Manchester Fire and Rescue Service

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

### Greater Manchester Fire and Rescue Service - HMICFRS

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

Alongside the assessment report, HMICFRS also published an assessment of progress on the cause for concern. Whilst the HMICFRS had not received an action plan by the required date, GMFRS provided a comprehensive business case detailing how the service intends to improve the capacity and capability of Greater Manchester FRS's response to a terrorist incident. The letter confirmed the cause for concern would continue to be monitored until the business case has been approved. We identified a significant weakness in the Authority's arrangements in respect of this.

# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

### Greater Manchester Fire and Rescue Service – HMICFRS continued

Following HMICFRS’s issuance of the cause of concern as part of the 2021/22 review, GMCA developed a detailed action plan and business case to address the cause of concern alongside wider findings from the HMICFRS inspection report. Fire Officers regularly attended the Police, Fire and Crime Panel to provide updates on progress made in addressing actions, and we have seen evidence of actions being taken to address wider HMICFRS findings such as updating strategy documents where gaps had been identified.

Through progressing the action plan and close engagement with HMICFRS, the regulator formally closed the cause of concern in May 2022. This followed the signing of a collective agreement with the Fire Brigades Union in April 2022. Given this is after the year end, and due to the fact the Cause of Concern was not lifted until May during 2022/23, the weakness remains in place for 2021/22.

**Notwithstanding the progress made by the Authority in addressing the Cause of Concern, the issues highlighted by HMICFRS continued to represent a significant weakness in the Authority’s arrangements during 2021/22. Our work in 2022/23 will consider the impact of the lifting of the Case of Concern on our VFM responsibilities in detail.**

### Greater Manchester Police

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

### Greater Manchester Police - HMICFRS

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

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

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

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

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



# 3. VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

### Greater Manchester Police – HMICFRS continued

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

In October 2022 HMICFRS issued its Cause of Concern Revisit Letter. This noted the positive progress made by GMP and concluded the force had made sufficient progress to address the concerns in relation to how the force responds to the public and how it builds support and protects its workforce. The letter also confirmed the force had made progress in relation to investigating crime but would keep the cause of concern under review as there is more to do in this area. Most positively the letter confirmed GMP had been removed from the 'Engage' phase of monitoring and would revert to the standard monitoring processes.

**Notwithstanding the progress made, and noting GMP's removal from the 'Engage' phase of monitoring, the significant weakness in relation to the oversight of GMP remained throughout 2021/22. We will follow up the continued progress being made as part of the 2022/23 audit.**



### 3. Commentary on VFM arrangements

#### Improving economy, efficiency and effectiveness

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

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# 3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

## Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

### Arrangements for assessing performance and evaluating service delivery

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

During 2020/21 we identified a significant weakness in the Authority's arrangements following an internal audit review of the Authority's performance management and reporting framework operating at both strategic and directorate level. The review provided a limited assurance opinion over the design and effectiveness of the performance management framework. The weaknesses identified in performance management arrangements were specifically highlighted by the Head of Audit and Assurance as a key factor in the 'limited' Head of Internal Audit Opinion for 2020/21.

We have followed up the arrangements put in place by the Authority during 2021/22. Since issuing the internal audit report on performance management, the Authority has worked to develop its performance management arrangements. The Greater Manchester Strategy was refreshed in 2021 and sits alongside the Standing Together Plan for Policing and the GMFRS Fire Plan in defining the organisations vision and objectives. Formal reporting to members on progress against the plan takes place on a regular basis. The strategy is supported by a comprehensive performance management framework, with detailed performance metrics included for each priority area. Performance is reported via live dashboards which allows for review and challenge of performance in each priority area. We are satisfied sufficient progress has been made in this area and no longer consider this a significant weakness in 2021/22.

**In our view, the improvements made in the Authority's performance management arrangements are sufficient to address the significant weakness identified in 2020/21. Further detail is set out on pages 28 and 29.**

In addition to the above, the weaknesses identified during 2020/21 in relation to GMFRS and GMP represented weaknesses in GMCA's performance management arrangements over the police and fire services. As set out in the Governance section of this report, we have reviewed the updated arrangements put in place throughout 2021/22. Such oversight arrangements include expanded performance monitoring as part of the refreshed Police and Crime Plan. The Police, Fire and Crime Panel has developed a more holistic approach to performance management, linked to the priorities set out in the Police and Crime Plan. This takes the three priorities set out in the plan and assigns key performance indicators to each one. The Panel receives a detailed update on performance at each meeting.

In relation to GMFRS we have seen evidence of GMCA managing the performance of the service through regular updates to the Police, Fire and Crime Panel, with Fire Officers regularly attended the Panel to provide updates on progress made in addressing actions identified by HMICFRS and wider findings.

**Notwithstanding the progress made during 2021/22, as set out in the previous section the underlying performance issues remained in place at both GMP and GMFRS throughout the 2021/22 financial year. In our view the significant weaknesses identified in 2020/21 in relation to the oversight of GMP and the evaluation and management of the Fire and Rescue Service remain. Further detail is provided on pages 21 – 25.**

### Arrangements for effective partnership working

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

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

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

### Arrangements for commissioning services

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

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

**Other than the weaknesses highlighted in 2020/21 which remain as at 31 March 2022 (see above), we have not identified any other / new significant weaknesses in relation to the Improving Economy, Efficiency and Effectiveness reporting criteria.**

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# 04

Section 04:

**Identified VFM weaknesses in arrangements and our recommendations**

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# 4. Identified VFM weaknesses in arrangements and our recommendations

## Identified significant weaknesses in arrangements and our recommendations

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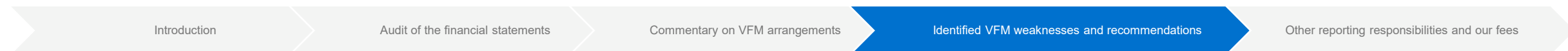
# 4. VFM arrangements – Prior year significant weaknesses and recommendations

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

As part of our 2020/21 audit work, we identified the following significant weaknesses, and made recommendations for improvement in the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. These identified weaknesses have been outlined in the table below, along with our view on the Authority's progress against the recommendations made, including whether the significant weakness is still relevant in the 2021/22 year.

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>1 <b>Oversight of Greater Manchester Police</b> On the 10 December 2020 HMICFRS published "An inspection of the service provided to victims of crime by Greater Manchester Police".</p> <p>HMICFRS found that in too many cases, the service provided was not good enough and the report highlighted a number of 'causes of concern' relating to crime reporting.</p> <p>The HMICFRS report also highlighted that the force had not overcome the deficiencies in service that it identified in its 2019 integrated police effectiveness, efficiency and legitimacy programme (PEEL) assessment and its 2018 crime data integrity inspection.</p> <p>The extent of the failings detailed within the December 2020 HMICFRS inspection report and GMP's failure to secure the improvements identified by HMICFRS in its previous inspections / assessments highlight not only significant weaknesses in the services provided to victims of crime, but also significant weaknesses in the Force's Governance and Performance Management arrangements.</p> <p>(continued overleaf)</p>	<p>Governance</p> <p>Improving the 3Es</p>	<p>GMCA should continue the steps taken during 2021/22 to improve its governance structures and performance management framework in relation to the Mayor's oversight responsibilities for GMP. This should include:</p> <ul style="list-style-type: none"> <li>• using performance management information to assess the performance of GMP to identify areas for improvement;</li> <li>• monitoring progress made by GMP to address the causes of concern, recommendations and areas for improvement reported in the HMICFRS report and subsequent PEEL assessment;</li> <li>• ensuring effective oversight processes and systems are in place to communicate relevant, accurate and timely management information and that corrective action is taken where needed; and</li> </ul>	<p>We have reviewed the revised arrangements put in place at both GMP and within GMCA covering the Mayor's oversight responsibilities for GMP. Such arrangements include the Improvement Programme – Plan on a Page which sets out the key activities to deliver improvement and address identified concerns. The plan is monitored through the Performance Management Framework, with a Weekly Accountability Report documenting progress made in delivering agreed improvement actions.</p> <p>Regular updates are presented to the Police, Fire and Crime Panel covering engagement with HMICFRS and progress made against action plans.</p> <p>In addition to the arrangements on the previous page, performance monitoring has expanded as part of the refreshed Police and Crime Plan. The Police, Fire and Crime Panel has developed a more holistic approach to performance management, linked to the priorities set out in the Police and Crime Plan.</p>	<p>As at 31st March 2022 the weaknesses in arrangements remained, however we note the significant progress made in addressing these after the year end, including GMP's removal from the 'Engage' phase of monitoring, and as set out in the HMICFRS PEEL report in December 2023.</p>

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# 4. VFM arrangements – Prior year significant weaknesses and recommendations

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

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>1 <b>Oversight of Greater Manchester Police (continued)</b></p> <p>On 3 March 2022 HMICFRS published the findings from their 2021/22 PEEL assessment. This assessed how good GMP is in ten areas of policing and made graded judgments in nine of these ten areas. This was GMP's first full PEEL assessment since 2018/19.</p> <p>GMP was judged "inadequate" in three areas (investigating crime, responding to the public and developing a positive workplace). In addition, HMICFRS raised 4 causes of concern, relating to GMP's arrangements: for responding to those who are vulnerable; for supporting and building its workforce; for understanding demand and the capability/ capacity of its workforce; and for investigating crime, supervising investigations and updating victims.</p> <p>Although the PEEL assessment was not published until March 2022 much of the data and intelligence used by HMICFRS when assessing GMP's arrangements is based on the financial year ended 31 March 2021. Therefore, this is indicative of the issues identified being applicable to the 2020/21 financial year.</p> <p>In our view, the above matters represent a significant weakness in value for money arrangements for GMCA due to the oversight responsibilities which The Mayor and Deputy Mayor have over GMP's governance arrangements and in its arrangements for:</p> <ul style="list-style-type: none"> <li>improving economy, efficiency and effectiveness in how GMP uses information about its performance to improve the way it manages and delivers its services; and</li> <li>how it makes informed decisions and properly manages its risks.</li> </ul>	<p>Governance</p> <p>Improving the 3Es</p>	<ul style="list-style-type: none"> <li>taking properly informed decisions, supported by appropriate evidence, allowing for challenge and transparency.</li> </ul> <p>GMCA should formally review the new arrangements with GMP to ensure that the changes are embedded and are starting to deliver the required improvements in service performance.</p>	<p>This takes the three priorities set out in the plan and assigns key performance indicators to each one. The Panel receives a detailed update on performance at each meeting.</p> <p>These arrangements began to be embedded within 2021/22 and continued to do so in 2022/23. We have continued to monitor HMICFRS findings since year end. In particular we have noted a further report issued by HMICFRS in February 2023 which identifies six causes of concern arising from an inspection of custody suites at GMP. The PEEL assessment report issued by HMICFRS in December 2023 shows good progress made by the force, with two areas being rated as "Good", five areas being rated "Adequate", and one area rated as "Requires Improvement".</p> <p>While it is pleasing to see the progress made against our recommendations, it is too early to conclude that these had taken proper effect as at 31 March 2022. We will revisit this assessment considering the more recent HMICFRS findings as part of our 2022/23 audit.</p>	

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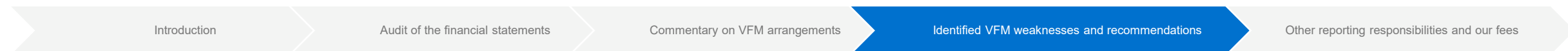
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# 4. VFM arrangements – Prior year significant weaknesses and recommendations

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

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>2 <b>Greater Manchester Fire and Rescue Service Cause of Concern</b></p> <p>In May 2017, GMCA became the Fire and Rescue Authority for Greater Manchester. The fire service, as part of GMCA, operates as Greater Manchester Fire and Rescue Service (GMFRS). In December 2021 HMICFRS published the results of its inspection of Greater Manchester Fire and Rescue Service (GMFRS). This rated the service as requiring improvement in the effectiveness and efficiency areas, and good in the people area.</p> <p>Within the report, HMICFRS raised a cause of concern, relating to GMFRS' arrangements for responding to marauding terrorist attacks and working as part of a multi-agency response to terrorist attacks. In particular the report highlighted issues in the sustainability of current arrangements which were due to run out, and the suspension of training of non-specialised firefighters for marauding terrorist attacks.</p> <p>Although the HMICFRS assessment was not published until December 2021, much of the data and intelligence used by HMICFRS when assessing GMFRS' arrangements is based on the financial year ended 31 March 2021. Therefore, this is indicative of the issues identified being applicable to the 2020/21 financial year.</p> <p>(continued overleaf)</p>	<p>Governance</p> <p>Improving the 3Es</p>	<p>GMCA should continue the steps taken during 2021/22, to respond to the findings of the HMICFRS inspection of Greater Manchester Fire and Rescue Service, including:</p> <ul style="list-style-type: none"> <li>developing a formal action plan to address the findings of the HMICFRS report, including both the cause of concern and the wider areas for improvement;</li> <li>ensuring effective processes and systems are in place to monitor progress against the action plan; and</li> <li>providing regular reports to the Police, Fire and Crime Panel to advise on progress against the action plan, and to allow for sufficient scrutiny of progress made to date.</li> </ul>	<p>Following HMICFRS's issuance of the cause of concern as part of the 21/22 review, GMCA developed a detailed action plan and business case to address the cause of concern alongside wider findings from the HMICFRS inspection report.</p> <p>Fire Officers regularly attended the Police, Fire and Crime Panel to provide updates on progress made in addressing actions, and we have seen evidence of actions being taken to address wider HMICFRS findings such as updating strategy documents where gaps had been identified.</p> <p>Through progressing the action plan and close engagement with HMICFRS, the regulator formally closed the cause of concern in May 2022. This followed the signing of a collective agreement with the Fire Brigades Union in April 2022. Given this is after the year end, and due to the fact the Cause of Concern was not lifted until May during 2022/23, the weakness remains in place for 2021/22.</p>	<p>As at 31st March 2022 the weaknesses in arrangements remained, however we note these were resolved with HMICFRS by May 2022.</p>

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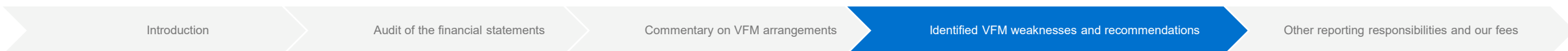


# 4. VFM arrangements – Prior year significant weaknesses and recommendations

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

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>3 <b>Head of Internal Audit Opinion – Risk Management Arrangements</b>                      In August 2021 the Authority’s Head of Audit and Assurance issued their “Head of Internal Audit Annual Opinion 2020/21”. The opinion provided limited assurance on the overall adequacy and effectiveness of GMCA’s framework of governance, risk management and internal control.</p> <p>The opinion highlighted weaknesses in the Authority’s risk management arrangements. This followed an organisational risk management maturity assessment taking place in late 2020, which identified inconsistencies in risk management arrangements across the organisation. The opinion noted that while there were some formalised approaches in place within directorates, other directorates needed support to evolve their risk management activities. The overall assessment of the organisation was falling within the “Emerging” phase of risk management maturity, where some formal processes are in place, but risk management is applied inconsistently across the Authority. The Authority has set a target to achieve a “conforming” level in 2021/22, where a documented risk management framework exists, and risk management is applied consistent throughout the Authority.</p> <p>(continued overleaf)</p>	<p>Governance</p>	<p>GMCA should improve its governance arrangements in respect of risk management including:</p> <ul style="list-style-type: none"> <li>• embedding the standardised risk management framework across all directorates;</li> <li>• ensuring effective processes and systems are in place to escalate risks on a timely basis; and</li> <li>• regular reporting of progress made in implementing the revised arrangements to both the Chief Executive Management Team and to the Audit Committee.</li> </ul> <p>The Authority should repeat the risk management maturity assessment on a regular basis to measure the progress made achieving the required improvements.</p>	<p>Following the original assessment of risk maturity, the Authority developed a revised Risk Management Framework, and an associated action plan for rolling out to the wider Authority. The Framework was reviewed by both the Authority’s Senior Leadership Team and the Audit Committee prior to being rolled out. The Audit Committee received regular updates throughout the year on progress against the action plan.</p> <p>At the end of 2021/22, the Head of Audit and Assurance repeated their maturity assessment of each Directorate. The results showed that overall, GMCA improved its maturity assessment, moving from being categorised as “Emerging” to “Conforming” within the risk maturity model. This was the level that the Authority aimed to achieve this year. The Head of Internal Audit issued a “moderate” assurance opinion for 21/22. This specifically referenced improvements in the Authority’s risk management arrangements over the course of the year.</p>	<p>We are satisfied the Authority addressed the weakness in arrangements in 2021/22.</p>

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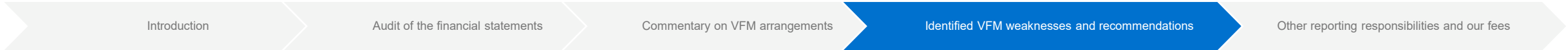


# 4. VFM arrangements – Prior year significant weaknesses and recommendations

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

	Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
3	<p><b>Head of Internal Audit Opinion – Risk Management Arrangements (continued)</b></p> <p>In our view, the matters raised in the Head of Internal Audit Opinion in relation to risk management highlights a significant weakness in the Authority’s value for money arrangements. In particular, and linked to our “Governance” value for money reporting criteria, how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls.</p>	Governance			

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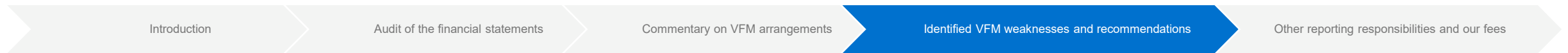


# 4. VFM arrangements – Prior year significant weaknesses and recommendations

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

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>4 <b>Head of Internal Audit Opinion – Performance Management Arrangements</b></p> <p>In August 2021 the Authority’s Head of Audit and Assurance issued their “Head of Internal Audit Annual Opinion 2020/21”. The opinion provided limited assurance on the overall adequacy and effectiveness of GMCA’s framework of governance, risk management and internal control. The opinion was, in part, based on a limited assurance internal audit report, which highlighted weaknesses in the Authority’s performance management arrangements.</p> <p>The internal audit report, issued in June 2021, focused on the Authority’s performance management and reporting framework. The report noted a lack of formally defined corporate process for reporting on organisational delivery.</p> <p>The report recommended the Authority sets out the principles for a defined GMCA-wide performance management framework, identifies linkages between the GMS implementation plan and the GMCA Business Plan, and regularly reports on actual delivery against key performance indicators and Business Plan activities.</p> <p>(continued overleaf)</p>	<p>Improving the 3Es</p>	<p>Greater Manchester Combined Authority should improve its performance management arrangements including:</p> <ul style="list-style-type: none"> <li>• implementing identified corporate performance metrics across the Authority;</li> <li>• ensuring effective processes and systems are in place to monitor the implementation of the new performance management framework by management; and</li> <li>• regular reporting of performance management arrangements to Members, allowing for appropriate scrutiny and transparency in the process.</li> </ul>	<p>Since issuing the internal audit report on performance management, the Authority has worked to develop its performance management arrangements. The Greater Manchester Strategy was refreshed in 2021 and sits alongside the Standing Together Plan for Policing and the GMFRS Fire Plan in defining the organisations vision and objectives. Formal reporting to members on progress against the plan takes place on a regular basis.</p> <p>The strategy is supported by a comprehensive performance management framework, with detailed performance metrics included for each priority area. Performance is reported via live dashboards which allow review and challenge of performance in each priority area.</p> <p>The Authority’s Senior Leadership Team receive regular reports detailing performance against the strategy. This includes detailed KPIs for each directorate within the Authority, as well as Authority wide ‘corporate health’ metrics.</p>	<p>We are satisfied the Authority addressed the weakness in arrangements in 2021/22.</p>

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4. Identified VFM weaknesses in arrangements and our recommendations

Identified other weaknesses in arrangements and our recommendations

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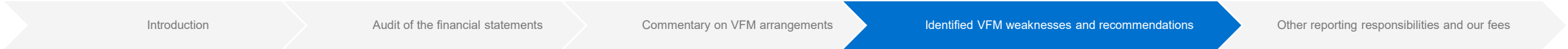


# 4. VFM arrangements - Identified other weaknesses and our recommendations

## Identified other weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified one non-significant weakness in the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. Further detail on the weaknesses is included on page 16. The identified weakness and associated recommendation has been outlined below.

	Identified other weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation for improvement	Our views on the actions taken to date
<p>1 Page 120</p>	<p><b>Preparation of the Authority's financial statements</b> Our 2021/22 Audit Completion Report highlighted several issues relating to the preparation of the Authority's draft financial statements submitted for audit. The issues identified affected significant balances and disclosures within the draft financial statements published by the Authority, including the Group Accounts, the Cash Flow Statement and errors in accounting for the Authority's Property, Plant and Equipment.</p> <p>The Authority's financial statements are key to ensuring the Authority, its members, its leadership and the wider public understand how effectively its resources have been utilised during the year. Errors in the draft financial statements lead to delays in the audit process and can mean decisions are made on inaccurate information.</p>		<p>●</p>		<p>The Authority should review the errors identified as part of the 2021/22 audit and ensure its accounts closedown plan is updated to address these findings.</p> <p>Quality assurance processes should include appropriate review and challenge of the more complex areas of the accounts where errors are more likely to occur.</p>	<p>There has not yet been sufficient time for the Authority to address these findings. We will follow this up in our 2022/23 audit.</p>



# 05

Section 05:

## **Other reporting responsibilities and our fees**

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# 5. Other reporting responsibilities and our fees

## Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

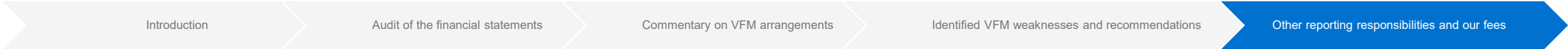
- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditors and the right to make an objection to an item of account. We did not receive any such objections or questions.

## Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data, and to carry out certain tests on the data. We have not yet commenced our work on the Authority's Whole of Government Accounts return. We will agree a timescale for completing this work with management and submit our Assurance Statement to the National Audit Office following completion of this work.

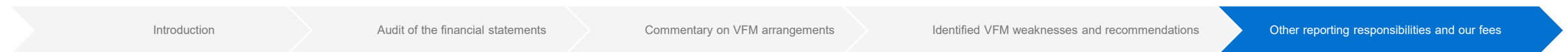


## 5. Other reporting responsibilities and our fees

### Fees for work as the Authority's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Audit Committee in April 2022. Having completed our work for the 2021/22 financial year, we can confirm that our fees are as set out below. Please note additional fees are subject to approval by Public Sector Audit Appointments Ltd (PSAA). There is a 25% increase in the PSAA agreed additional fee rate in 2021/22.

Area of work	2020/21 fees	2021/22 fees
Planned fee in respect of our work under the Code of Audit Practice	£70,000	£70,000
Additional testing on Defined Benefit Pensions Schemes (including work on the triennial revaluation) and Property, Plant and Equipment	£19,000	£32,500
Additional testing as a result of the implementation of new auditing standards: ISA 220 (Revised): Quality control of an audit of financial statements; ISA 540 (Revised): Auditing accounting estimates and related disclosures; and ISA570 (Revised): Going Concern	£2,000	£2,500
Additional testing on the Authority's investments held at fair value including use of experts	-	£8,000
Additional testing arising from the implementation of the statutory override in respect of infrastructure assets	-	£10,000
Additional testing arising from errors identified in the financial statements including cash flow and group accounts	-	£17,750
Additional work arising from the change in the Code of Audit Practice and VFM reporting	£12,000	£15,000
Additional work arising from the follow up of prior year VFM risks	£10,000	£6,250
<b>Total fees</b>	<b>£113,000</b>	<b>£162,000</b>



# Mark Dalton, Director – Public Services

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## Mazars

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

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**GMCA AUDIT COMMITTEE**

Date: 24 January 2023  
Subject: GMCA Audit Committee Work Programme 2023-24  
Report of: Steve Wilson, GMCA Treasurer

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**PURPOSE OF REPORT**

To provide the Audit Committee members with a work programme of items that will provide a focus for the work of the Committee for the 2023/24 municipal year.

**RECOMMENDATIONS:**

The Audit Committee is requested to:

1. Note and comment on the Audit Committee Work Programme for 2023/24.

**CONTACT OFFICERS:**

**Steve Wilson, GMCA Treasurer**  
[Steve.wilson@greatermanchester-ca.gov.uk](mailto:Steve.wilson@greatermanchester-ca.gov.uk)

**Paul Harris, Senior Governance 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** – Risk management is included in the work programme.

**Legal Considerations** – none

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

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

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

**BACKGROUND PAPERS:**

None

<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	

## GMCA Audit Committee –Work Programme 2023/24

**24<sup>th</sup> January 2024**

### **Standing Items**

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

### **Risk and Assurance**

6	Risk Management Update	Deputy Director of Audit and Assurance	10 mins
7	Risk Deep Dive –Cyber Security Part B	Deputy Director of Audit & Assurance/Risk Owner	30 mins

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

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

### **Financial Reporting**

10	Treasury Management Quarter 3 Update	Treasurer	10 mins
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### **External Audit**

11	External Audit Progress Report	External Audit	10 mins
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### **Forward planning**

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

### **13<sup>th</sup> March 2024**

#### **Standing Items**

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

#### **Risk and Assurance**

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

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

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

13	Review of Internal Audit Charter.	Deputy Director of Audit and Assurance	5 mins
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### **Financial Reporting**

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

### **External Audit**

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

### **Forward planning**

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

## Matters considered by the Committee

### July 2023 - Inquorate meeting

#### Annual Meeting Business:-

1	Apologies	Governance	
2	Appointment Of Chair	Governance	5 Mins
3	Chairs Announcements and Urgent Business	Chair	2 Mins
4	Membership of the Committee 2023-2024	Governance	2 Mins
5	Annual Declarations of Interest	Governance	
6	Audit Committee Terms of Reference	Governance	5 Mins
7	Code Of Corporate Governance	Governance	5 Mins
<b>Ordinary Meeting Business:-</b>			
8	Declarations of Interest	Governance	
9	Minutes of the Previous Audit Committee Meeting	Governance	5 Mins
10	Minutes From the Joint Audit Panel	Governance	5 Mins

#### Standing Items:-

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

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

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

### External Audit

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

### Forward Planning

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

### 20<sup>th</sup> September 2023

### Standing Items

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

### **Risk and Assurance**

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

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

### **Financial Reporting**

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

### **External Audit**

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

### **Forward planning**

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



**15 November 2023**

**Standing Items**

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

**Risk and Assurance**

6	Risk Management Update	Deputy Director of Audit and Assurance	
7	Risk Deep Dive - Trailblazer and Single Settlement	Treasurer/Risk Owner	
8	Reviewing the effectiveness of the GMCA Audit Committee	Questionnaire from Head of Audit and Assurance	
9	Fire Service Recruitment and Vetting	Risk Owner	
10	Cyber and AI	Risk Owner	
11	Update on Reinforced autoclaved aerated concrete on GMCA/GMP assets		

**Internal Audit and Counter Fraud**

12	Internal Audit Progress Report	Deputy Director of Audit and Assurance	15 mins
13	Audit Action Tracking	Deputy Director of Audit and Assurance	10 mins
14	Counter Fraud Strategy and Action Plan	Deputy Director of Audit and Assurance	10 mins

### **Financial Reporting**

15	Treasury Management Strategy	Treasurer	10 mins
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### **External Audit**

16	External Audit Progress Report	External Audit	15 mins
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### **Forward planning**

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