

**GREATER MANCHESTER COMBINED AUTHORITY
AUDIT COMMITTEE****DATE: Tuesday, 22nd October, 2024****TIME: 10.00 am****VENUE: The Boardroom, GMCA, Broadhurst House, Tootal
Buildings, 56 Oxford Street, Manchester, M1 6EU****AGENDA**

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

- 4. Minutes of the Previous Audit Committee Meeting** 5 - 32

To consider the approval of the minutes of the meeting held on 31st July 2024.

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

5.	Annual report of Audit Committee	33 - 40
	Report of Grenville Page, Chair of the GMCA Audit Committee.	
6.	Joint Audit Panel Update	41 - 44
	Report of GMCA Treasurer. The minutes of the meeting of the Panel held on 22 nd July are attached for information.	
7.	Annual Report of the Joint Audit Panel (Police and Crime)	45 - 54
	To receive an Annual Report of the Joint Audit Panel (Police and Crime).	
8.	Risk Management Update	55 - 70
	Report of the Deputy Director Audit and Assurance, GMCA	
9.	Risk Deep Dive Planning	
	A discussion item to consider future risk deep dive topics.	
10.	Internal Audit Progress Report - To Follow	
	Report of the Deputy Director Audit and Assurance, GMCA.	
11.	Audit Action Tracking	71 - 82
	Report of the Deputy Director Audit and Assurance, GMCA	
12.	Annual Governance Statement (Final)	83 - 120
	Report of the GMCA Treasurer and the GMCA Solicitor and Monitoring Officer.	

- 13. Treasury Management Update - Quarter 1** 121 - 136
- Report of the GMCA Treasurer.
- 14. External Auditor Report - To Follow**
- Report of Mazars, External Auditor.
- 15. Audit Committee Work Programme 2024 -2025** 137 - 142
- To note and comment on the Committee Work Programme.
- 16. Dates and Times of Future Meetings**
- To note the future meeting dates for the Committee of Wednesday 22nd January 2025 and Wednesday 19th March 2025. Both meetings will commence at 10:00 am.
- 17. Exclusion of Press and Public**
- That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information
- 18. Internal Audit Progress Update - To Follow**
- Report of Deputy Director of Audit and Assurance, GMCA.

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

This agenda was issued on Monday 14th October 2024 on behalf of Julie Connor,
Secretary to the Greater Manchester Combined Authority, Broadhurst House, 56 Oxford
Street, Manchester M1 6EU

Audit Committee – 22nd October 2024

Declaration of Member's Interests in items appearing on the Agenda

Name: _____

Date: _____

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

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

QUICK GUIDE TO DECLARING INTERESTS AT GMCA MEETINGS

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

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

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

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

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

FAILURE TO DISCLOSE THIS INFORMATION IS A CRIMINAL OFFENCE

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

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

STEP TWO: DETERMINING IF YOUR INTEREST PREJUDICIAL?

A personal interest becomes a prejudicial interest:

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

FOR A NON PREJUDICIAL INTEREST

YOU MUST

- Notify the governance officer for the meeting as soon as you realise you have an interest

FOR PREJUDICIAL INTERESTS

YOU MUST

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

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

TO NOTE:

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

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

YOU MUST NOT:

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

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**Minutes of the Annual Meeting of the Greater Manchester Combined Authority
Audit Committee, Held on Wednesday 31st July 2024 at the GMCA Offices,
Tootal Buildings, Manchester M1 6EU.**

Present:

Councillor Dylan Butt	Trafford Council
Councillor Colin McLaren	Oldham Council
*Councillor Emily Mort	Bolton Council
Councillor Elliot Moss	Bury Council
Grenville Page	Independent Member (Chair)
Catherine Scivier	Independent Member
Councillor Andrew Simcock	Manchester City Council
Susan Webster	Independent Member

Officers:

Steve Wilson	GMCA Treasurer
Caroline Simpson	Group Chief Executive
Sarah Horseman	GMCA Deputy Director, Audit and Assurance
Claire Postlethwaite	Director of Operational Finance, GMCA
John Curtis	Assistant Director Information and Data Governance and Data Protection Officer, GMCA
Karen McCrae	Head of Finance (Corporate and Technical), GMCA
Lindsey Keech	Head of Finance (Capital and Treasury Management), GMCA
Helen Fountain	Principal Accountant, GMCA
Jessica Hambley	Senior Finance Manager, GMCA
Paul Harris	GMCA Senior Governance and Scrutiny Officer

In attendance: -

Karen Murray	Forvis Mazars, External Auditor
Dawn Watson	Forvis Mazrs, External Auditor.

AC01/24/25 Apologies for Absence

Apologies were received and noted from Councillors David Molyneux, Portfolio Lead Member and Jack Youd.

Andrew Lightfoot, Deputy Chief Executive, GMCA.

AC 02/24/25 Appointment of Chair of the Audit Committee 2024-2025

The Clerk sought nominations for the appointment of Chair of the Committee for 2024-2025. A nomination of Grenville Page for the position of Committee chair was moved and seconded.

Resolved/-

That Grenville Page be appointed as Chair of the GMCA Audit Committee for the 2024-2025 municipal year.

GRENVILLE PAGE IN THE CHAIR

AC03/24/25 Chair's Announcements and Urgent Business

In assuming the Chair, the Chair thanked members of the committee for their continued support and looked forward to working with the Committee and officers.

AC04/24/25 Membership of the Committee 2024/2025

The Membership of the Committee was noted and introductions took place.

In welcoming new member, the Chair also paid tribute to outgoing members Councillors Whitby, Merry, Carrigan, Lanchbury and Griffiths for their contribution to the work of the Committee over a number of years.

The Chair also extended welcomes to Caroline Simpson, Group Chief Executive and Claire Postlethwaite, Director of Operational Finance who were each attending their first meeting of the committee in their respective roles.

The Group Chief Executive, GMCA thanked members for their welcome and reflected on the first month in her role and highlighted the opportunities for Greater Manchester that wider devolution will provide, including health, housing and integrated public services. It was noted that the new government has a focus on devolution and growth and that GM was in a position to support this ambition. The introduction of the Integrated Settlement to support key GM priorities will also need correct governance structures to support these ambitions and understand risks and was committed to support the work of the Audit Committee.

The Chair also noted that former Chair of the Committee Sarah Russell had been elected as an MP at the recent General Election and wished to record congratulations on her appointment.

Following an enquiry from a Member, officers explained the committee member nomination processes by district and the appointment processes by GMCA.

Resolved/-

1. That the membership of the Committee for the Municipal Year 2024-2025 as follows be noted:-

Councillor Dylan Butt Trafford Council (Con)

Councillor Elliot Moss Bury Council (Lab)

Councillor Andrew Simcock Manchester City Council (Lab)

Councillor Colin McLaren	Oldham Council (Lab)
*Councillor Emily Mort	Bolton Council (Lab)
*Councillor Jack Youd	Salford City Council (Lab)
Grenville Page	Independent Member
Catherine Scivier	Independent Member
Susan Webster	Independent Member
Vacancy	Independent Member

*denotes Substitute Members:

AC05/24/25 Audit Committee Terms of Reference

Resolved/-

That the Terms of Reference for the GMCA Audit Committee, as set out in the GMCA constitution, be noted.

AC06/24/25 Audit Committee Schedule of Meetings 2024/2025

Resolved/-

To note that members were to be canvassed on the proposed schedule of committee meetings for 2024/2025.

ORDINARY MEETING

AC07/24/25 Declarations of Interest

There were no declarations of interest reported by any member of the Committee in respect of the agenda items.

AC08/24/25 Minutes of the Previous Audit Committee Meeting

The minutes of the previous meeting of the GMCA Audit Committee, held on 13th March 2024 we submitted.

The Chair suggested that an action log would be submitted as a supplement to the minutes for future consideration by the Committee.

A Member asked if a copy of the Internal Audit Charter could be shared to members.

It was noted that over the upcoming weeks, Members will be contacted in respect of a programme of training for members and suggested deep dive topics. The Integrated Settlement was suggested as an initial deep dive topic.

Members also noted that in line with earlier discussions at this committee and with regard to the arrangements needed following the Integrated Settlement, the GMCA governance arrangements for Audit, Overview and Scrutiny and GM MPs' Panel were to be considered to ensure for the better alignment of the work programmes. Regular meetings between the respective committee chairs were to take place and joint briefings for committee members were to be convened.

Resolved/-

1. That the minutes of the previous meeting of the GMCA Audit Committee, held on 13th March 2024, be approved as a correct record.
2. That an action log to accompany the minutes be provided to all future meetings.
3. That the Internal Audit Charter be shared with Members for their information.

AC09/24/25 Update from the Joint Audit Panel

The GMCA Treasurer provided a verbal update from the Joint Audit Panel meeting that took place on 22 July which included information of the Joint Audit Panel Chair's annual report.

As part of the update, Members noted that the Joint Audit Panel at the meeting had requested for improved readability, simplicity and meaningfulness of the 2023/2024 draft accounts. Panel members also enquired as to GMP's capability to address slippages in capital investment programmes and flagged concerns regarding internal audit recommendations.

The Chair reiterated that the role of the GMCA Audit committee is to take assurance from the work of the Joint Audit Panel and not to duplicate the work that the Panel undertakes.

Resolved/-

1. That the update of the from the Joint Audit Panel be received and noted.
2. That the minutes from the Joint Audit Panel meeting be shared with members of the Committee when available.

AC10/24/25 Head of Internal Audit Annual Opinion 2023/24

The Deputy Director Audit and Assurance, GMCA, introduced a report which provided Audit Committee members with the Head of Internal Audit Opinion.

Members noted that based on the work undertaken by GMCA Internal Audit in respect of 2023/24, the opinion of the Head of Internal Audit is that reasonable assurance is provided on the overall adequacy and effectiveness of GMCA's framework of governance, risk management and internal control.

In response to a comment from a Member regarding the recent cloud strike incident which impacted many public service bodies, officers explained that cyber risk remains high and challenging for the GMCA ICT service. The GMCA remained

unaffected by the cloud strike. Members noted that an independent external cyber security company undertakes such regular penetration tests and audits for GMCA. Cyber security had also been the topic of a committee deep-dive at a previous meeting. In addition, it was noted that significant funding had been identified for cyber security investment as part of the 2024/2025 budget setting arrangements. It was suggested that the topic of Cyber Security would be brought back to the Committee for consideration during the 2024/2025 municipal year.

In response to an enquiry from a Member, officers explained the assurance scoring ratings for each audit being undertaken, noting that absolute assurance can never be provided. The role of the Committee is to explore where there may be vulnerabilities and ask challenging questions on such to ensure that there is a robust system in place and that recommendations are being implemented.

It was suggested that regular updates on the implementation of actions outlined in the audit reports be provided.

In terms of the effectiveness of Internal Audit, a Member raised concerns on the level of resource capacity of the Internal Audit team. The acceleration of change as part of the Integrated Settlement will require additional complexities to be addressed. In response, officers explained that work had already been undertaken in this regard. Members asked that this resource capacity be included in the 2025/26 Internal Audit Plan. In response it was noted that the provision of the Integrated Settlement would reduce the requirement for Internal Audit team to undertake grant funding assessments.

In welcoming the report and the reasonable assurance, a Member raised concerns in respect of GMF&RS adequate level of assurance in responding to incidents and also cyber threats to the organisation. In response, officers explained that limited assurance audits are followed up by Internal Audit and reported to the Committee. In response to the GMF&RS comments, officers highlighted that the adequate assurance was an improvement on earlier reports and the trajectory of improvement was continuing upwards.

Resolved/-

1. That the Head of Internal Audit Opinion 2023/24, be noted, noting that a reasonable assurance is provided on the overall adequacy and effectiveness of GMCA's framework of governance, risk management and internal control.
2. That the Deputy Director of Audit and Assurance and her team be thanked for their continued hard work.

AC11/24/25 Internal Audit Effectiveness

The GMCA Treasurer introduced a report which set out the assessment for GMCA Internal Effectiveness 2023/24 and actions proposed to ensure ongoing effectiveness and quality of the GMCA Internal Audit service.

Members noted that as the Officer responsible for the effective functioning of the Internal Audit Team, the Treasurer must be satisfied that the Internal Audit Service is operating effectively and complying to professional and ethical standards. Details of internal and external quality assurance assessments were highlighted.

A development plan was appended to the report had been created in response to the new Global Institute of Internal Auditor standards that will be introduced in April 2025. Training for Members on these new standards would be provided in due course.

Following a request from a Member in terms of resources, officers noted that there is an long-term ambition to introduce a graduate apprentice role within the Internal Audit service. Members noted that an additional two internal auditor roles were being sought.

Resolved/-

That the report on the internal audit effectiveness be noted.

AC12/24/25 Risk Management Update

The Deputy Director Audit and Assurance, GMCA presented a report that provided 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. The role of Directorate Risk Champions was highlighted. A list of the risk themes and associated draft risks were appended to the report.

It was noted that work was taking place to understand city region risks and how these risks may impact on GMCA. Risk management software was being introduced.

Following an enquiry from a Member, officers noted that changes of government priorities may have a consequential impact on the GMCA Risk Register. Officers also explained that the risk register will be aligned to the priorities within the Greater Manchester Strategy.

Following an enquiry from a Member, officers clarified how the risk scores were reported. Officers highlighted that should Members request, deep dives of particular risks can be brought to future meetings in order to discuss this with the respective risk owners.

The Chair also highlighted the importance of understanding risk appetite on particular functions and GMCA activities.

A Member suggested that the timing of future Committee meeting be coordinated with the Joint Audit Panel meetings in order to receive the most up to date reports and assurance.

Resolved/-

That the Risk Management Update, as set out in the report, be noted.

AC13/24/25 Internal Audit Progress Report

Members considered a report of the Deputy Director Audit and Assurance, GMCA which informed them of the progress made on the delivery of the Internal Audit Plan for 2024/25. Members also noted that it is also used as a mechanism to seek approval of changes to the Internal Audit Plan.

It was noted that since the last meeting in March 2024, two reports have been finalised and published and one in draft from the completion of the 2023/24 audit plan. In addition, three reports from the 2024/25 audit plan (two in draft) and certified eight grants. These included:-

- GMCA Waste Fleet Assets – Maintenance – Substantial assurance
- Corporate Recharge Model – Reasonable
- Procurement Waiver Exemptions – Compliance – Broadly Compliant

A Member requested that high level information in respect of procurement waiver exemptions to understand the reasons for the application of such.

Resolved/-

1. That the Internal Audit progress report be noted.
2. That details of procurement waiver exemptions be provided to a future meeting of the Committee.

AC14/24/25 Audit Action Tracking

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

Following an enquiry from a Member in respect of the use of consultants and contractors, officers undertook to bring back a progress report to the next meeting of the Committee.

Resolved/-

1. That the progress of the implementation of Internal Audit actions, as set out in the report, be noted.
2. That a progress report in respect of the use of consultants and contractors be brought back to a future meeting of the committee

**AC15/24/25 Senior Information Risk Owner (SIRO) Annual Report 2023-2024
Information & Data Governance**

The GMCA Treasurer introduced a report which provided an overview of the key information and data governance activities and performance for the 2023/24 financial year. In addition to this, the report sought to provide assurance to the Audit Committee that GMCA remains compliant with its statutory and regulatory obligations.

The report also provided updates on the activities undertaken as a shared Information and Data Governance service across the GMCA and TfGM, and regionally across Greater Manchester to drive forward the GM Information strategy and set the standard for good information and data practice.

The report detailed at high level, statutory performance and related activities undertaken to support compliance and assurances, provided a breakdown of the type of data protection incidents and gave an overview of the learning and development of staff in this regard.

The report also identified cyber risks, AI technologies policy and knowledge partnership working with Manchester Metropolitan University and the University of Salford. In addition, information asset management and complex data flows were identified as risks.

In respect of Freedom of Information (FOI) requests it was noted that a log of vexatious requests is maintained as part of the case management system. This case management system will also cover data breaches.

In welcoming the report, a Member asked where the responsibility lies to assess the data quality. In response, it was noted that GMCA is working with GMCA Research and Digital Directorates and GMCA has a data quality policy.

In respect of Subject Access Requests (SAR) requests, it was noted that bespoke training is provided to staff and teams. Personal data for employees is held in the I-Trent system.

Following an enquiry from a Member, officers explained that GMCA work closely with GMP who have their own SIO.

Resolved/-

1. That the report and continued to support our delivery and the significant work that has been delivered to drive improvements so that we Enable, Empower and Embed good governance throughout GMCA, be noted.
2. That the Audit Committee agree for the SIO to review performance metrics KPIs for implementation in the 2024/25 report. It is recommended that the KPIs are reviewed over the next financial year.

AC16/24/25 Draft Annual Governance Statement

The GMCA Treasurer and the GMCA Solicitor and Monitoring Officer provided a report which provided the Committee with the draft 2023/24 Annual Governance Statement for comment, prior to coming back to the Committee as a finalised version for approval at the next meeting of the Committee.

Members noted that in respect of GMF&RS the HMIFRS inspection identified the service as the most improved across the UK.

The updated draft AGS included work to support cost of living challenges, the creation of the Bee Network and the HMI for Constabulary and Fire Services.

A Member suggested that the Joint Audit Panel be included in the organogram. Clarity on the role of Paul Dennett as Deputy Mayor was suggested. In addition, information on diversity and gender.

A Member commented that it would be helpful to set out the membership of the Audit Committee as four Independent Members and four Elected Members.

Resolved/-

1. That the draft Annual Governance Statement be noted;

2. That the committee recommends that the draft Annual Governance Statement be amended to include the suggested amendments within the preamble above.
3. That following the insertion of the amendments outlined at (2) above, endorse the Annual Governance Statement for submission to the next meeting of the Committee.

AC17/24/25 Annual Statement of Accounts

The GMCA Treasurer introduced a report which provided an updated on the audited Statement of Accounts 2022/2023 and the draft 2023/2024 Statement of Accounts.

A: Audited Statement of Accounts 2022/2023

Members noted that this report provided the Greater Manchester Combined Authority (GMCA) audited group statement of accounts for 2022/23. The report updated the Committee on the changes since the draft accounts were published and confirms, subject to the committee's approval of the accounts and the unadjusted misstatements, that the final accounts expect to receive an unqualified opinion from the authority's external auditors subject to outstanding issues set out in the report.

It was noted that further discussions on this item would be picked up as part of the External Audit Progress Report at AC07/24/25 below.

B. Draft Statement of Accounts 2023/2024

Members received a report which provided a copy of the Greater Manchester Combined Authority (GMCA) unaudited single entity statement of accounts for 2023/24 and set out the process for approval of the audited group statement of accounts.

In introducing this item, the Treasurer wished to record thanks to the Finance team for their hard work in developing this complex set of accounts.

A presentation was provided which explained the key elements of the draft accounts. Following a comment from a Member regarding the negative balance sheet, officers explained how the long-term pension liabilities and employer contribution were treated each year.

Resolved/-

1. That the update on the unaudited GMCA Single Entity 2023/24 Annual Statement of Accounts, be noted.
2. That the timescales for publication of the unaudited Statement of Accounts and audited Statement of Accounts, which has a statutory deadline of 30 September 2024, be noted.

AC18/24/25 Annual Treasury Management Review 2023/24

The GMCA Treasurer introduced a report which presented the Annual Treasury Management review 2023/2024.

Members noted that the GMCA is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2023/24. It was also noted that the report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

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

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

It was noted that a Member training session on treasury management issues was undertaken during the year on 17 January 2024 in order to support Members' scrutiny role. Members also noted that further training is available should they wish to access this.

The report explained to Members that because of the healthy GMCA cash position a number of loans have been repaid ahead of time to avoid higher interest rates.

A Member highlighted upward pressure on wages.

In respect of the investment portfolio appended to the report, a Member noted that a number of investments which expired in April 2024 and sought details on the forward position. It was noted that currently GMCA has short term investments of three to six months and explained the benefits of this approach. It was noted that this is continually reviewed.

Resolved/-

That the annual treasury management report for 2023/24 be noted and recommend it's approval by the Combined Authority.

AC19/24/25 Assessment of Going Concern

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

Resolved/-

1. Consider and comment on the outcome of the assessment made of the GMCA's going concern position and the conclusion that there is no material risk to going concern.

AC20/24/25 External Audit Progress Report

The External Auditor introduced the Audit Findings report and Members discussed the Greater Manchester Combined Authority (GMCA) audited group statement of accounts for 2022/23.

It was noted that an unqualified audit opinion is anticipated.

The update explained outstanding areas of work in respect of plant equipment at Bury Training Centre and the Fund of Funds. The update also highlighted matters regarding pension liabilities and pension asset ceilings.

Following an enquiry from a Member, it was noted that GMCA holds a separate bank account for the management of low level banking charges.

The Treasurer provided an update on proposed legislation to address the accounting reporting timetable and possible implications for delivering the 2023/2024 accounts by the end of February 2025.

Following an enquiry from a Member, the External Auditor clarified the summary of misstatements in respect of Manchester Fire Control, MIDAS and Manchester Camarata.

Resolved/-

1. That the External Audit Progress Report be received with thanks and noted.
2. That the final statement of accounts for 2022/23 and note the changes to accounts during the audit period be noted;
3. That the GMCA Finance Team be thanked for their hard work in getting these accounts together.

4. That the unadjusted misstatements contained within the report be approved.
That the GMCA Treasurer, in consultation with the GMCA Audit Committee chair, be delegated approve the publication of the final accounts following the audit completion.

AC21/24/25 Draft Committee Work Programme 2024/2025

Members considered the draft committee work programme for 2024/2025 and were invited to suggest potential deep dive topics for consideration by the committee.

Resolved/-

That the draft Committee work programme 2024/2025 be noted.

AC22/24/25 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.

AC23/24/25 Summary of Whistleblowing reports 2023/24

The Deputy Director Audit and Assurance, GMCA which provides Audit Committee Members with a high-level overview of the reports received and investigated through the whistleblowing / counter fraud process. The purpose of the report is to provide Members with an indication of the volume and nature of Whistleblowing activity within GMCA.

Members asked questions and officers responded in respect of how whistle blowing concerns are raised and what training is provided to staff.

Resolved/-

That the summary of whistleblowing reports 2023/2024, as set out in the report, be noted.

GMCA AUDIT COMMITTEE ACTION TRACKER

Minute Number	Agenda item	Action	By whom	Completed
Meeting Date –20th September2023				
AC 07/23	Code of Corporate Governance	A Member suggested that the wording within the document be reviewed.	Governance	On-going
AC 11/23	Update from the Joint Audit Panel	That the Chair of the Joint Audit Panel be invited to the next meeting of the Audit Committee to present the Annual Report.	GMP	Attended15 th November 2023
		That an update on GMP and Fire service recruitment vetting process be provided to the next meeting of this Committee.	GMP	Report presented 15 th November 2023
AC 12/23	Audit Committee Annual Report	An update on RAAC within GMCA and GMP assets will be provided to the next meeting of the Committee.	GMCA Treasurer	Briefing note shared with Members

AC 13/23	Internal Audit Opinion 2022-2023	That a briefing paper be prepared for Members explain the reasons for some authorities entering into Section 114 arrangements, be noted.	GMCA Treasurer	Briefing note shared with Members
AC 14/23	Annual Governance Statement 2022-2023	That a Deep Dive on Trailblazer and the Single Settlement be brought to the November meeting of the Committee.	GMCA Treasurer	Report 15 th November 2023
AC 15/23	Risk Management Update	That an overall update in respect of recruitment and retention be provided to a future meeting of the committee.	Deputy Director Audit and Assurance	Ongoing
AC 15/23	Risk Management Update	That headline outcomes from the GMCA Be Heard Survey be shared with Committee Members.	Deputy Director Audit and Assurance	ongoing
AC 17/23	Audit Action Tracking Follow Up	That an update on Cyber and AI be brought to the next meeting of the Committee.	Deputy Director Audit and Assurance	Scheduled for January 2024 committee.

Meeting Date – 15th November 2023

AC 25/23	Chair's Announcements and Urgent Business	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.	Treasurer	
AC 29/23	Risk Deep Dive - Trailblazer and Single Settlement	That the suggestion for further updates be provided in respect of the change programme, be supported.	GMCA Treasurer/ GMCA Strategy Team	On-going
AC 30/23	Internal Audit Progress Report	That officers undertake to explore how multi-organisational and shared reviews can be included within future reporting to the Committee.	Deputy Director Audit and Assurance	On-going
		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.	Deputy Director Audit and Assurance	On-going

AC 34/23	Audit Committee Work Programme	That officers undertake to explore further training opportunities for Audit Committee members with CIPFA.	Treasurer	Complete – Training arranged
Meeting Date – 24th January 2024				
AC 41/23	Discussion on Audit Committee Arrangements	That officers be instructed to review the length of tenures for Independent Members tenure is set at 2 x 3 years plus 3 x 1 year giving a maximum of 9 years and that proposals to this regard be brought back to the next meeting of this committee.	Treasurer/ Governance and Scrutiny	Report to Committee on 13 th March 2024
		That it be noted that Gwyn Griffiths will be retiring as an Independent Member of the Audit Committee at the end of the municipal year. That a recruitment processes for the appointment of an Independent Member be commenced at the earliest opportunity.	Treasurer/ Governance and Scrutiny	On-going

		That a framework for a Committee Member training and development programme be developed, including induction training, in consultation with Committee members.	Treasurer/ Governance and Scrutiny	On-going
		That specific briefing and training in respect of deep dive topics be introduced and tagged to future meetings of the Committee and linked to the Committee work programme.	Treasurer/ Governance and Scrutiny	On-going as part of the work programme planning process
AC 42/23	Risk Management Update Report	That it be noted that the report will be updated to present new risks changes to the scores of risks be included within the introduction section of the report.	Deputy Director Audit and Assurance	On-going
AC 44/23	Internal Audit Action Follow Up	That it be noted that where high rated recommendations are not completed by the end of February 2024 that the relevant officer be invited to the next appropriate Audit Committee.	Deputy Director Audit and Assurance/Risk Owner	On-going

		That it be noted that officers will undertake to explore how the narrative of future reports can include Audit officer judgements and emerging issues or areas of concern.	Deputy Director Audit and Assurance/	
AC 45/23	Treasury Management Quarter 3 Update	That it be noted that in response to a request from the committee an introductory, explanatory paragraph be included in future Treasury Management update reports.	Treasurer	On-going

Meeting Date 13th March 2024

AC 55/23	Update from the Joint Audit Panel (Police and Crime)	<ol style="list-style-type: none"> 1. That the minutes of the Joint Audit Panel meeting be shared with Audit Committee members. 2. That an update on Vetting be provided to the next meeting of the Committee. 		
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		3. That GMP be contacted to provided contextual information regarding a previous presentation on GMP Vetting arrangements.		
AC 57/23	Risk Management Update	In respect of the operational risk on Behaviours and Culture, a Member sought assurance on how staff are to be supported and understand capacity and capability, given the upcoming changes taking place, including the single settlement. In response, officers noted the ongoing work taking place to articulate the changing nature of the GMCA. It was suggested that details of this work including behaviour and cultural change would be brought to a future meeting of the Committee.		
AC 58/23	Risk Deep Dive - Bus Franchising	Following a request from a Member, officers undertook to share information in respect of the long-term business		

		plan and stress testing involved to understand any financial risk and mitigation in place.		
AC 60/23	Audit Action Follow Up	<p>That the GMCA’s approach to the implementation of new procurement regulations be brought back as a deep dive topic for consideration by the committee.</p> <p>Officers undertook to develop a protocol on how such matters will be treated. A mechanism to provide greater visibility on progress against high-risk items.</p>		
AC 62/23	Internal Audit Charter 2024/2025	That officers undertook to check whether there have been any issues regarding compliance of contractors to provide information in respect of a contract and whether this in in the standard terms and conditions of contract awards.		

Meeting Date 31st July 2024

Minute Number	Agenda item	Action	By whom	Completed
AC06/24/25	Audit Committee Schedule of Meetings 2024/2025	To note that members were to be canvassed on the proposed schedule of committee meetings for 2024/2025.	Governance	Completed
AC08/24/25	Minutes of the Previous Audit Committee Meeting	That an action log to accompany the minutes be provided to all future meetings. That the Internal Audit Charter be shared with Members for their information.	Governance	Completed
AC13/24/25	Internal Audit Progress Report	That details of procurement waiver exemptions be provided to a future meeting of the Committee.	GMCA Treasurer	
AC14/24/25	Audit Action Tracking	That a progress report in respect of the use of consultants and contractors be	Internal Audit	

Audit Committee

Date: 22nd October 2024
Subject: Annual report of the Audit Committee Chair 2023/24
Report of: Audit Committee Chair

PURPOSE OF REPORT:

Annual Report of the Audit Committee Chair.

RECOMMENDATIONS:

There are no recommendations in the report

The GMCA Audit Committee is requested to:

Note the content of the report.

CONTACT OFFICERS:

Grenville Page (Chair). Email c/o paul.harris@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management:

There are no risk management considerations

Legal Considerations:

No legal impact

Financial Consequences – Revenue:

N/A

Financial Consequences – Capital:

N/A

Number of attachments to the report:

Nil

Comments/recommendations from Overview & Scrutiny Committee:

N/A

BACKGROUND PAPERS:

The author has relied on reports to the Audit Committee for the period July 2023 to 31 March 2024.

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

Annual Report of the Audit Committee Chair 2023/24

1. Introduction

- 1.1 I am pleased to present the report of the Audit Committee Chair for the year 2023/24. This report provides a retrospective review of the work of the committee and covers the audit Committee cycle from July 2023 – March 2024.
- 1.2 I thank and commend all the officers and staff of the GMCA who contributed to the work of the committee over the last year. I also thank the members of this Committee for their continued enthusiasm and commitment to scrutinise, challenge and support the GMCA through their participation in Audit Committee meetings.

2. The Audit Committee

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

3. Membership

- 3.1 The Audit Committee comprises 8 members: four elected Members proposed by districts (plus two substitute members) and four Independent Members appointed by GMCA. The quorum for meetings is six members. In the year, the membership comprised the following:

Councillor Christine Carrigan (Stockport Council)

Councillor Dylan Butt (Trafford Council)

Gwyn Griffiths (Independent)

Grenville Page (Independent) (Chair of the Committee)

Cathy Scivier (Independent)

Susan Webster (Independent)

Councillor Mary Whitby (Bury Council)

Councillor Christine Roberts (Wigan Council) (substitute Member)

Councillor Shelly Lanchbury (Manchester City Council) (substitute Member)

4. Meetings

4.1 The Audit Committee met in person, on formally on four occasions during the municipal year on 20th September 2023, 15th November 2023, 24th January 2024, 13th March 2024. The meeting scheduled for 21st July 2023 was inquorate. The substantive items from the inquorate meeting were considered at the September meeting of the committee. All meetings were held at venues that are open to the public and were also live-streamed on the GMCA website.

5. Review of the year

5.1 During the 2023/2024 municipal year, the Audit Committee had a full work programme which was used to provide focus and formulate agenda items for meetings. These items fulfilled the Committee's statutory obligations. This work programme is appended to the report.

5.2 The Committee received regular updates on Risk Management. The risk framework for GMCA has continued to develop, guided by Deputy Director of Audit and Assurance, Sarah Horseman and supported by the Corporate Risk Manager.

5.3 Following a request by Members, a section in the Risk Register Update report will provide details of risks with high inherent scores but that are mitigated to a score of <16, be included for future reports.

- 5.4 Members also requested deep dives of those risks where the level of assurance had been identified by the committee as requiring further scrutiny or where progress has not been made. During the year such deep dives focused on Trailblazer and Single Settlement, Cyber Security and Bus Franchising. The deep dives enabled members to maintain a high level of understanding of the complexities and breadth of GMCA activities.
- 5.5 The Head of Internal Audit Opinion has been received by the Committee which provided reasonable assurance over the arrangements for governance, risk management and internal controls. This opinion is based on the internal audit work undertaken during the year and other sources of external assurance. This opinion reflects the continued progress made in relation to the evolving maturity of risk management arrangements in place within GMCA and in the continued development of the performance management framework, including the 2023/24 business plan and associated periodic reporting against milestones and metrics within it.
- 5.6 The relationship between the Committee and the Joint Audit Panel (Police and Crime), has developed further. As a Committee, Members were delighted to welcome the Joint Audit Panel Chair, Peter Morris to a meeting of the Committee in November, at which we received his Annual Report on the work of the Panel.

The Committee will continue to receive regular updates on the work of the Panel to understand the responsibilities of the Panel and for the committee to have assurance. This relationship has been updated in the Committee's Terms of Reference.

- 5.7 Members recognised the hard work made by the GMCA Finance Team on the production of GMCA's draft unaudited Accounts for 2022/2023 and note that this work has been undertaken in accordance with the timetable laid down by the statutory instrument¹. However, Members are disappointed that the publication of the accounts has been delayed primarily due to a national technical issue in respect of accounting for infrastructure assets which arose during 2022 which has resulted in the audit not being completed. In light of the delays, the Committee agreed to

¹ The Accounts and Audit (Amendment) Regulations 2022

delegate authority to the GMCA Treasurer in consultation with the Chair of the Audit Committee, to finalise the 2022/2023 Accounts upon completion of the audit.

- 5.9 Similar concerns relating to the 2023/2024 audit have been highlighted at the Committee meetings. Members remain hopeful that a resolution to this audit can be achieved.
- 5.10 Members are also pleased to continue to welcome Mazars, External Auditors to committee meetings to provide progress updates on the Audit and advise the Committee on any areas of concern.

6. Looking Forward

- 6.1 The Committee is looking forward to the new municipal year which will see the potential provision of new devolution powers granted to the GMCA. With these new responsibilities, there will be an increase in possible risks to the organisation which will begin with consideration of the draft unaudited accounts and annual governance statement.
- 6.2 Through the receipt of regular reports and the development of a comprehensive work programme, the committee will provide the usual level of robust challenge to corporate governance, audit practice and procedure across the Authority, to ensure that our arrangements are up to date and fit for purpose, communicated, embedded and routinely complied with.
- 6.3 In addition, the committee will request and consider reports in relation to relevant matters which come to our attention during the course of upcoming the year and are encouraged to identify potential or ongoing risks to be the focus of deep dive investigations by members with the relevant risk holder.
- 6.5 Following the end of his term, Gwyn Griffiths retired as an Independent Member of the Committee. A recruitment exercise for the appointment of a new independent member is taking place.

- 6.6 The outcome of the Committee effectiveness exercise last year identified the need for specific training opportunities for members and the undertaking of skills audits for members. Members were invited to participate on Treasury Management and
- 6.7 The wider devolution of responsibilities to GMCA through the Trailblazer devolution agreement will see greater challenges and risks to the Authority, both in terms of financial and governance arrangements. The work of this Committee going forward will continue to challenge and understand that there are robust processes in place to provide the appropriate level of assurance to support the work of the GMCA. As a Committee, Members look forward to working with officers to ensure this is the case.

Grenville Page

GMCA Audit Committee Chair and Independent Member

October 2024

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JOINT AUDIT PANEL

Date: Monday 22nd July 2024

Time: 14:00 – 16:00

Venue: Room 333, Third Floor, GMP Force Headquarters, Central Park, Northampton Road, Newton Heath, Manchester, M40 5BP

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

Kate Green (Deputy Mayor for Safer and Stronger Communities)

Chief Finance Officer (CFO) Ian Cosh (GMP)
Jerry Faulkner (GMP - Assistant Director of Finance)
Sara Ashworth (GMP – Corporate Development Branch)
Wendy O’Neil (GMP – Corporate Development Branch)
Hannah Gamage (GMP - Minutes)
Natalie Showell (GMP - Minutes)

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

Daniel Watson (Mazars - Director (Public and Social Sector))

Apologies Chief Constable Stephen Watson (GMP)
Chief Resources Officer (CRO) Lee Rawlinson (GMP)
Dawn Watson (Mazars – Audit Manager, Public and Social Sector)
Karen Murray (Mazars - Director (Public and Social Sector))
Steve Wilson (GMCA – Treasurer)

M354/JAP Welcome and Apologies for Absence

The Chair welcomed all attendees.

M355/JAP Urgent Business (if any) at the discretion of the Chair

None raised.

M356/JAP Declarations of Interest

None raised.

M357/JAP Approval of April 2024 minutes and actions

The minutes were accepted as a true and accurate record.

M358/JAP Current GMP issues

A discussion took place regarding the assurance work of the Panel. It was suggested that the HMICFRS update item is extended to include other avenues of assurance, to include other areas of reporting on the Force.

M359/JAP Chief Constable's Draft Statement of Accounts 2023/24

An overview of the Chief Constable's Draft Statement of Accounts 2023/24 was provided to the Panel. A thorough discussion surrounding the details of the accounts occurred and a variety of questions on detailed aspects of the accounts were asked by the panel. The panel agreed with the need to make the accounts more user friendly for a lay person to read and comprehend. However, it was noted that the statutory requirements regarding content and layout of the accounts was not helpful in these respects.

Following the above the panel indicated that they would provide minor drafting comments. The Panel approved the draft statement of accounts.

Decision: The panel approved the Chief Constable's Draft Statement of Accounts 2023/24.

M360/JAP Chief Constable's Draft Annual Governance Statement 2023/24

The paper was discussed by the Panel, including the increase in external audit costs. Forvis Mazars explained this was due to the new contract which includes in the fee variations, inflation and charges. It was also highlighted that the finances are managed by the PSA and where there are surplus finances, this is re-distributed.

The Chair commented on the long-term performance of investment against the programme and the impact this has on service delivery and value for money. He requested that Internal Audit add a review to the Internal Audit Plan covering the issues raised.

Assurance and value for money was also mentioned.

M361/JAP Draft Audit Completion Report (Forvis Mazars)

The Panel were asked to note the change in name to Forvis Mazars, which aligned the UK and US teams. Daniel Watson attended the meeting on behalf of Karen Murray.

The backlog (backstop arrangements) will be completed by September, as the deadline for the 2022/23 accounts is September.

A new ministerial decision is due regarding the accounts, and this will be passed through CFO Cosh once Forvis Mazars have been notified.

There is an aim to align the accounts and value for money together for 2023/24. The accounts will be finalised in the upcoming months, along with the GMCA accounts.

No control findings were identified, those which were previously identified have been followed up. The challenges noted were regarding the pensions remedy.

M362/JAP Joint Audit Panel Annual Report 2023 – 24

The Chair went through his introduction to the Annual Report. This will also be presented to the GMCA Audit Committee later in the year.

The Chair passed thanks to his Panel members for their support over the year. Highlights from the paper were outlined.

M363/JAP Head of Internal Audit Opinion 2023/24

An overview on the paper was provided including:

- The assurance for the Force is that there is Reasonable Assurance over the arrangements in place for governance, risk management and internal control.
- This is the same opinion as the previous year.
- An area for future improvement is the target date for implementation of actions is not consistently being met.
- Task and finish groups are being established to progress audit actions and it will be reported on to the Deputy Mayor's Executive (DME) on a monthly, as opposed to quarterly, basis.
- A task and finish group can be created for the External Audit actions, should it be needed.
- The arrangements in place to manage risk in the Force is positive.
- The Plan on a Page (POAP) programme and structures are in place.

M364/JAP Review of Effectiveness of Internal Audit

The report is the annual self-assessment of Internal Audit, which considers a number of factors including ensuring appropriate establishment, independence, objectivity and performance of the service. The results of this were that the service is compliant with Public Sector Internal Audit Standards. A plan is in place to address any areas where improvements were noted, which will be reported to JAP on a regular basis.

As the global Internal Audit standards are revised in January, the Internal Audit team will review the methodology in place to make sure that any changes required as a result of the new standards being implemented and will keep the Panel are updated and implement the changes from April.

M365/JAP Internal Audit Plan Progress Report

The report was discussed, including an outline of the reports which have been issued since the last meeting. The upcoming activities of the Internal Audit team were also noted.

M366/JAP HMICFRS update

The key elements of the report were outlined to the Panel. The only inspection the Force is currently expecting is the next PEEL inspection, which will be in 2025/26, as part of the rolling programme.

The process following the publication of the report was discussed, as the Deputy Mayor explained her legal requirements to provide a response to the reports which provide GMP with recommendations, areas for improvement or causes of concern.

The Panel asked for visuals to be included in future reports, such as charts or graphs.

PART B - REDACTED

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Report of the Chair of the Joint Audit Panel **22nd July 2024** **Annual Report of the Joint Audit Panel**

Overview:

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

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

The Terms of Reference for the Joint Audit Panel requires the Panel to:

- Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the PCC and the Chief Constable.
- Report to the GMCA Audit Committee on Police Fund activity and assurance
- Publish an annual report on the work of the panel.

This report summarises the work of the Joint Audit Panel for the year 2023/24 against the requirements of its terms of reference.

Detail:

In this report, the Chair of the Joint Audit Panel provides an overview of the activity of the Panel during 2023/24. It is supported by details of the Panel's operation throughout the year and its key areas of focus, aligned to its terms of reference.

Recommendations:

Members are requested to note the report and approve for onward presentation to the GMCA Audit Committee.

Chair's Introduction

The Joint Audit Panel (Police and Crime) comprises 5 independent members. This report covers our work during the period 1st April 2023 to 31st March 2024.

In my introduction, I am trying to provide a little background and brief illustration of some of the matters that the Panel consider. The main body of the report provides the details.

GMP is continuing to focus on improving the quality of service – doing the basics well. Its regulator's assessment (HMICFRS PEEL) was that it was the most improving force in the country for the second year running. The Chief Constable recognises the need for further improvement and in particular improving effectiveness, efficiency, and value for money. This is resulting in significant changes being made throughout GMP.

The Audit Panel recognises that change and material change creates risks that need to be managed. These risks can for example be unintended consequences or creating blockages in earlier or later stages of processes. The use of Internal Audit provides assurance and its reports identify areas for improvement which the Panel monitors as a standard item in its meetings.

The Panel also provides a forum to receive the reports of both the Internal and External Auditors and GMP officers on risk management, internal control, value for money and governance issues. It is also keen to see that senior management take appropriate action to implement the agreed actions contained in these reports.

The External Auditor's Opinion on the Chief Constable's Annual Report and Accounts, including the Annual Governance Statement is an important source of assurance for the Panel as is the External Auditor's Value for Money report. The external audit process for all local authorities has been subject to significant delays. For GMP, it's opinion on the accounts and VFM report for 2022/23 were not issued in 23/24. The expectation is that there will be significant catching up in 24/25 by the External Auditor. It is important that this is the case.

I mentioned in my report last year, Baroness Casey's report on the Metropolitan Police Service that reviewed the Met's leadership, recruitment, vetting, training, culture and communications. It recommended how high standards can be routinely met and how high levels of public trust can be restored and maintained. The Panel has had updates on GMP progress in implementing the report's recommendations and it has focussed on the vetting processes.

The financial environment is very challenging, both for the Force and the people of Greater Manchester.

The Audit Panel has continued to focus on financial risk during the year by seeking assurance that appropriate processes of financial control are in place to ensure the delivery of the Police Service and planned changes can be delivered within the resources available and there are adequate contingencies for unplanned events in the medium term. We will continue to seek assurance on the processes in place next year from GMP and GMCA.

It is also very important that the Governance arrangements are comprehensive, effective, and efficient and again the Panel has sought assurance on the arrangements in place.

As always, it was an active year for the Panel reflecting the significant and broad ranging issues faced by GMP and GMCA.

The breadth and depth of our agendas has helped our development and it has been good that we have been able to put in place a training programme for members of the Panel during the year.

I thank the Panel members for their contributions, enthusiasm, commitment, and willingness to learn and the support we have received from GMP and GMCA.

Peter Morris
Chair of the Joint Audit Panel
22nd July 2024

Introduction

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

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

Membership

The following individuals were appointed as independent Members of the Panel following an open recruitment exercise and interviews.

The Committee met five times during 2023/24. Attendance at the meetings has been good demonstrating a commitment to the role and the function of independent challenge and assurance.

One member of the Panel stepped down during the year, recruitment to replace that member will be undertaken.

Member	April 23	Aug 23	Sept 23	Nov 23	Jan 24	%
Mr Peter Morris (Chair)	✓	✓	✓	✓	✓	100%
Mr Ian Cayton	✓	✓	✓	✗	✓	80%
Mr John Starkey	✓	✓	✓	✓	✓	100%
Ms Foluke Fajumi	✓	✗	✓	✓	✓	80%
Ms Hilary Pogson	✓	✓	✓	✗	✗	60%

Accountability Arrangements

The minutes of the Joint Audit Panel meetings are provided to the Deputy Mayor and the Chief Constable as well as to the GMCA Audit Committee. In addition, in consultation with GMCA Audit Committee, the Chair of the Joint Audit Panel has started to provide a summary of each Audit Panel meeting and will attend GMCA Audit Committee to present the annual report of the Panel.

The Panel reviews its performance against its terms of reference, the result of which are included in this annual report.

Effectiveness of the Joint Audit Panel

The Joint Audit Panel undertook a training session during the year to reflect on the Panels' overall effectiveness. It took into consideration the CIPFA Guidance that was issued in the year. The objective of the session was to identify the Panel's Strengths and Weaknesses and agree any actions that are needed to improve the influence and impact of the Panel.

Whilst recognising the Panel's strengths (for example in relation to responsibilities around the Annual Governance Statement and Internal Controls), a number of areas of additional focus were identified. One example of this was around IT. The IT support for Internal Audit is provided by an external provider who was invited to present their findings to the Panel on a number of important audits together with external contractors working for GMP. A new Director of IT has been appointed and he has attended 2 panel meetings and set out his initial thoughts on his priorities for the future. The Panel is also considering other options for strengthening its capability and capacity on IT matters. Other actions are included in the Development Plan (Appendix A).

Key Areas of Focus for the the Panel in 2023/24

Governance, Risk and Control

- The Panel reviewed the Annual Governance Statement which is contained within the Chief Constable's Statement of Accounts.
- The Panel received regular updates from the Chief Constable reporting on current priorities and performance
- The Panel reviewed the effectiveness of the system of internal control, taking account of the findings from internal and external audit reviews. The Panel sought assurance throughout the year from management that control issues identified are being addressed.
- The Panel received quarterly updates on the implementation of internal audit actions. The Panel have paid particular attention to outstanding audit actions in order to satisfy themselves appropriate action is being taken to implement agreed actions.
- The Panel received an update on risk management arrangements and was provided with the Force's corporate risk register.

Internal Audit:

- The Panel approved the 2023/24 internal audit plan in April 2023. At each meeting the Panel received progress reports for the delivery of the internal audit plan. These reports have been reviewed and scrutinised by Members.
- The Panel received regular reports on the implementation of previous audit actions. Particular attention was paid to “historic” audit actions which have been open for more than 12 months past their target implementation date. The Panel commissioned Internal Audit and GMP to work to reduce the number of historic open actions.

External Audit

- The Panel oversaw the work of external audit including the scope and approach to their work, their fees, and independence.
- Throughout the year the external auditors outline the significant risks and key judgement areas identified within the planning process and subsequently in the work they do.
- The Panel received the External Audit Annual Report and Value for Money Report for the financial 2021/22. The external auditor issued an unqualified opinion on the Chief Constable's financial statements.

Financial Reporting

- The Panel reviewed the Chief Constable's Statement of Accounts for 22/23. To assist this review the Panel considered overviews of the key financial statements from management and reports regarding compliance with accounting standards, key judgements made in the preparation of the financial statements and compliance with legal and regulatory requirements.

Conclusion

The Panel has considered a broad range of issues within its agreed terms of reference throughout the year and where appropriate has called for additional information or action to be taken.

As part of its overall responsibility for providing assurance to the Deputy Mayor and the Chief Constable on the internal control environment, it has monitored the work of internal audit and the response to internal audit findings.

Priorities for 2024/25

A review of the membership of the Panel will take place as a number of the Panel Member's tenures are due to finish in December 2024.

The Panel will continue to meet regularly in order to review, scrutinise, challenge and provide assurance over the governance, risk management and internal control arrangements across the Force and Mayoral PCC functions in order to ensure the whole system of governance is effective whilst focus is inevitably placed on addressing the HMICFRS recommendations.

Within this context, the priorities for 2024/25 will be:

- Continued focus on the change programme in place to monitor the progress of programmes, including (but not limited to) the Records Management System (RMS)
- Continued focus on GMPs risk management arrangements, with periodic review of the Corporate Risk Register and associated risk management Policies.
- Participating in Audit Panel training sessions to improve familiarisation of operational activities, the operating environment and strategic risks and to develop where necessary Members' skills.
- To review and scrutinise reports arising from each of the internal Audit reviews undertaken during the year and ensure that appropriate action is taken to address any weaknesses identified.
- Receive updates on counter-fraud activities and outcomes.
- Ensure that the Panel supports the External Audit team in its application of the new Audit Code of Practice.

ANNUAL REPORT OF THE JOINT AUDIT PANEL 2023/24

Appendix 1 – Joint Audit Panel Development Plan – Actions

#	Description	Survey	Action	Owner	Status (July 23)
1	Continued training on operational areas of GMP/PCC	2019/20, 2020/21	When it is feasible to accommodate visits from Panel members, these will resume.	GMP to be facilitated by GMP Governance	Ongoing
2	Risk deep dives	2020/21, 2021/22	Include risk deep dives 3-4 times per year within training sessions. Panel chooses which risks to focus on at the next training session at/after their previous meeting.	GMP Governance	In progress, risk register now developed and presented to Audit Panel
3	Stakeholder mapping	2020/21	One of the Panel training sessions to include a session on stakeholder mapping	Facilitated by Internal Audit	Complete
4	Member induction	2020/21	Review and gather feedback on current induction processes. Update as needed	GMP Governance	No new members of the Panel therefore induction training not been refreshed. Will be prepared for any new members.
5	Document library for Panel Members	2021/22	Investigate the possibility of setting up a shared repository for documents that can be shared with members. Possibly through MS Teams?	GMP Governance	Outstanding
6	Partnerships and Collaborations register	2022/23	If a register exists, share it with the Panel. If not, provide information on significant partnerships and collaborations to the Panel.	GMP Governance	Outstanding

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ANNUAL REPORT OF THE JOINT AUDIT PANEL 2023/24

#	Description	Survey	Action	Owner	Status (July 23)
7	Emerging Risks	2022/23	Training session on the risk management process to also incorporate how emerging risks are considered.	Corporate Development Branch	Complete
8	Financial risks/performance	2022/23	Current issues as a standing agenda item on each Panel Meeting to be presented by CFO/Treasurer	GMP/GMCA	Complete
9	Capital Programmes	2022/23	Panel to be sighted on the capital programme to understand the breadth and extent of major programmes of work	GMP	Include in training schedule

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GMCA Audit Committee

Date: 22 October 2024

Subject: Risk Management Update Report

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

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
sarah.horseman@greatermanchester-ca.gov.uk

Paul Chase, Corporate Risk Manager
paul.chase@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management

N/A

Legal Considerations

N/A

Financial Consequences - Capital

N/A

Financial Consequences - Revenue

N/A

Number of attachments included in the report:

BACKGROUND PAPERS: N/A

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

1 INTRODUCTION

This report provides an overview of risk management activity since the last update to the Committee in July 2024.

2 ACTIVITY IN THE PERIOD

2.1 Updates to the directorate risk profile

Risk registers are regularly reviewed to identify any changes in GMCA's risk profile. Recently, a small number of new and amended risks have been identified, including those related to third-party suppliers, new Procurement Regulations, loss of Human Resource Application data, the capacity to embed a GM Local Growth Plan, and conflict of interest within an Investment Zone.

Activities led by workstreams under the 'Next Phase Programme' are reflected in the risk profiles of several teams, particularly those preparing for the 'Integrated Settlement' and enhancing information and data governance.

2.2 Review of the Strategic Risk Profile

Work to refresh the strategic risk profile is ongoing, with several emerging risk themes receiving detailed consideration during our quarterly meetings with senior staff. The themes include: -

- Ensuring we can generate the level of collaboration with and between GM partners needed to achieve the outcomes contained within the next GM Strategy;
- The organisation being ready to maximise the benefits of the Integrated Settlement as the next step of devolution;
- Performance within GMP; and
- The ability to respond effectively to local or national emergencies/ events/ shocks.

A revised Strategic Risk Register will be presented at an upcoming meeting.

2.3 Business Case for Risk Management Software

Work to develop the business case for the procurement of specialist risk software has continued to ensure that the specification will ensure the resulting system is able to deliver the required functionality and provide value for money. The software is intended to provide a more real-time and efficient way of actively managing our complex corporate risk profile.

2.4 A new GMCA Risk Management Strategy

A new Strategy has been drafted and will help embed a more consistent approach to the active management of risk.

A new section on the GMCA intranet is being prepared to share the strategy and templates with staff. A new 'Introduction to Risk Management' E-module' will be launched alongside the Strategy on the Intranet.

2.5 Emerging and significant movements in directorate risks

- Information Data Governance: -
 - **New risk** – 'IGR-15 Third Party Suppliers', where suppliers and contractors do not uphold the standards we require for the management of data and operational digital services.
- Contract Management: -
 - **Amended risk** – '*FIN-03 Contract management*', where our ability to deal with new national procurement regulations, now due to begin in February 2025, have been added to this risk.
- Economy: -

- **NEW risk** – ‘*ESR-25 Development of a GM Local Growth Plan*’ which focuses on the amount of time, capacity and resource necessary, together with clarity from Government, to develop the Local Growth Plan and embed it.
- **NEW risk** – ‘*ESR-21 GM Investment Zone governance*’ where potential conflicts of interest in the prioritisation of projects and the nature of innovation may arise.
- Digital: -
 - **NEW risk** – ‘*DIGR-200 Delays transitioning to a new external firewall*’, which are due to the time associated with the migration from the current external firewall solution to a new solution.
- People Services: -
 - 2 x **New risks** - ‘*Loss of Data (HR System)*’ and ‘*Loss of Application (HR System)*’, where the loss of either would compromise essential services such as payroll.
- The Education, Work and Skills team are currently updating their risk profile.

2.6 EMERGING AND SIGNIFICANT MOVEMENTS IN ORGANISATIONAL RISKS

The next review of the Organisational Risk Register will begin later in Quarter 3 and be informed by updates to the strategic risk profile. It is expected to consider: -

- Implementation of the Next Phase Programme and specifically existing risks around behaviours and culture, governance and decision-making;
- Co-ordination of and delivery of activity within the Integrated Settlement; and
- The continuing level of assurance we have as we defend ourselves against cyber threats.

3 UPCOMING ACTIVITY FROM THE RISK MANAGEMENT ACTION PLAN

The following activities will continue to grow our maturity in managing risks: -

- Following approval of an update strategic risk register a workshop will be arranged to help CEMT review the GMCA's risk appetite;
- Consider risks specified at a 'Greater Manchester system level' that might threaten delivery of the forthcoming updated GM Strategy;
- Further rollout of the 'Active management' approach to tracking the effectiveness of risk controls. This activity is an essential step in preparing data for eventual import into a risk management software system; and
- Launch the of the new Introduction to Risk e-module to staff via the Intranet in conjunction with a revised GMCA Risk Management Strategy.

Appendix 1 – Strategic Risk Register – Risk themes identified for development

(Following first stage review with CEMT on 18/7/24)

RISK THEME	AREA OF RISK BEING DEVELOPED
Working effectively with GM partners	GMCA fails to facilitate collaboration across the GM system.
Secure sufficient funding	Ineffective engagement/ bidding/ lobbying to secure funding for GM priorities.
Robust policy & decision making	Decision making is sub-optimal, making the wrong decisions or not having sufficient and robust evidence base.
Delivery (Services and change)	Delivery of statutory services and contracts (<i>e.g. Waste, Adult Education</i>).
	Delivery of strategic programmes.
	Financial risk arising from operation of the Bee Network.
	Fail to respond effectively to local or national emergencies/ events/ shocks.
Sufficient capability & resources	Insufficient skills and capacity impacts the ability to deliver the opportunities offered by devolution.

Appendix 2 - Escalated Risks

Organisational Risks (October 24)

There are currently 2 organisational risks with a residual risk score of 16 or more. There are 7 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 a major (or multiple) continuity event(s).	Capability and readiness to respond to a major and potentially catastrophic event e.g. a pandemic. Note: 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
OR11	Recruitment into priority roles	Recruitment into roles required to deliver key priorities in the Business Plan.	15	6
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 (October 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, 38 cite risk mitigations that bring the current risk score to below 16 (where inherent risk \geq 16), whilst 19 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	DIGR192	PSTN switchover Wording, inherent and residual rating, and controls updated.	Public Service Telephone Network switchover in December 2025. The process is industry-led, and awareness is low with potential risks to vulnerable residents reliant on the line.	25	20
	DIGR162	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
	DIGR166	Cyber Security	GMCA is subject to a Cyber-attack (See Organisational risk)	25	20
	DIGR188	Digital, data and technology skills gap	Gap in availability and increasing cost of digital technical skills impacting Digital directorate recruitment. Coupled with lower ability to upskill staff and invest in talent like the private sector.	20	16

Directorate	Ref	Risk Title	Description	Inherent Score	Residual Score
Economy	ESR-25	NEW: Development of a GM Local Growth Plan	There is insufficient time, capacity and resource within the organisation - or clarity from Government - to develop the LGP and to ensure it can be embedded with local partners and stakeholders.	25	20
Environment	Environment	Commercial Buildings	Development of a commercial buildings retrofit offer.	16	16
Finance	FIN-11	Strategic Analytical Capability (Single Settlement leadership)	Urgent need to grow capability and capacity to make financial recommendations covering the prioritisation and governance of large amounts of funding under the Single Settlement. This is a systemic risk across directorates.	20	16
	FIN-03	Contract management Amended to include procurement regulations and Contract Management Framework)	Contract management practices fail to optimise commercial performance, guarantee compliance with legal and new procurement) regulations (delayed to February 25), delivery of project outcomes or provide foresight into potential supplier collapse.	20	16
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.	16	20
	RR39	Spending Review and Funding	Funding for 2024/25 represents a one-year settlement and there is a significant risk that future funding will be affected, and one-off funding (Pension Grant & Protection) will not continue. Any investment decisions	15	16

Directorate	Ref	Risk Title	Description	Inherent Score	Residual Score
			to support Service improvements are subject to agreement around precept levels.		
	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.	20	16
	RR40	FF Pensions	2020 Pension Valuation resulted in increased costs of Employer's Contributions and was funded by Home Office grant in 2024/25 with no further commitment beyond that. Risk that this is insufficient to match the increased cost in 2024/25.	12	16
Information Data Governance	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
	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
	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
Stronger Safer Communities	SSC-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	20

Directorate	Ref	Risk Title	Description	Inherent Score	Residual Score
	SSC -15	Confidence in GMP - vulnerable groups and communities.	Declining confidence in GMP particularly among people experiencing inequality (race, gender).	20	16
	SSC -17	Indemnity for legally qualified people and independent panel members	Provision of an indemnity to Legally Qualified Chairs and Independent Panel members in the case they are subject to legal proceeding from challenges to their decision-making.	25	20
WASTE	WR-10	Emissions Trading Scheme	Future cost of Trading Scheme may not be in GMCA or LAD medium to long term budgets.	25	25

Table 2: Directorate risks with an inherent score ≥ 16 and a residual risk score of less than 16

Directorate	Ref	Risk Title	Inherent Score	Residual Score
Digital	DIGR165	Digital Services' core service delivery	20	15
	DIGR164	Forward funding of the GM Digital Platform and related use cases	20	4
	DIGR169	Impact of public sector financial constraints	20	12
	DIGR168	Digital Inclusion funding	20	12
	DIGR183	Timeliness of support for contracts and procurements	16	6
	DIGR184	NWFC CAD replacement programme	20	9
	DIGR187	Organisational data requirements	16	8
	DIGR173	Digital skills demand	16	12
	DIGR191	Digital Inclusion capacity	20	15
	DIGR200	NEW: Delays to transition to new external firewall	20	15
Economy	ESR-11	Innovation Accelerator - Portfolio Performance	16	8
	ESR-19	Innovation Accelerator - Funding cliff edge	16	9
	ESR-20	UK Shared Prosperity Fund and Retained Business Rates	16	6
	NEW: ESR-21	GM Investment Zone - Governance	16	15
Environment	N/A	Heat Pump Offer	16	4
	N/A	Sustainable Consumption and Production Challenge Group	16	12
	N/A	Biodiversity Net Gain	16	12
GMFRS	RR22	Supply Chain and Cost of Living Crisis	16	12
	RR11	Industrial Action	20	10
	RR19	GMFRS Budget	16	9
Information Data	IGR-15	NEW: Third Party Risks	16	12
	IGR-4	Information Asset Management	16	12
Governance	IGR-10	Legislative Change	16	8
Governance	GOV-8	Legal challenge	25	15

Directorate	Ref	Risk Title	Inherent Score	Residual Score
	GOV-9	Major Inquiry	20	15
Stronger Safer Communities	SSC-07	SARC contracting, funding and therapeutic support	16	12
	SSC-12	Ineffective Complaint Handling	16	12
	SSC -13	CSE Reviews	25	15
	SSC -20	Change of Methodology in respect of CSE Review Part 4.	20	12
	SSC -14	GMP performance	20	15
People Services	RR9	Loss of Data (HR System)	20	6
	RR10	Loss of Application (HR System)	20	6
Place	PLA-02	Achievement of net zero / social homes target	20	15
	PLA-03	Places for everyone resource capacity	16	12
	PLA-07	Places for Everyone Legal Challenge	20	12
Reform	PSR-01	Delivery of outcomes (within funding timeframes)	16	12
Waste	WR-02	National Waste and Resources Strategy	16	12
	WR-01	GM Waste & Recycling Contract	16	9

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GMCA Audit Committee

Date: 22 October 2024

Subject: Audit Action Follow Up

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

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

Equalities Impact, Carbon, and Sustainability Assessment:

N/A

Risk Management

N/A

Legal Considerations

N/A

Financial Consequences - Capital

N/A

Financial Consequences - Revenue

N/A

Number of attachments included in the report:

BACKGROUND PAPERS:

N/A

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

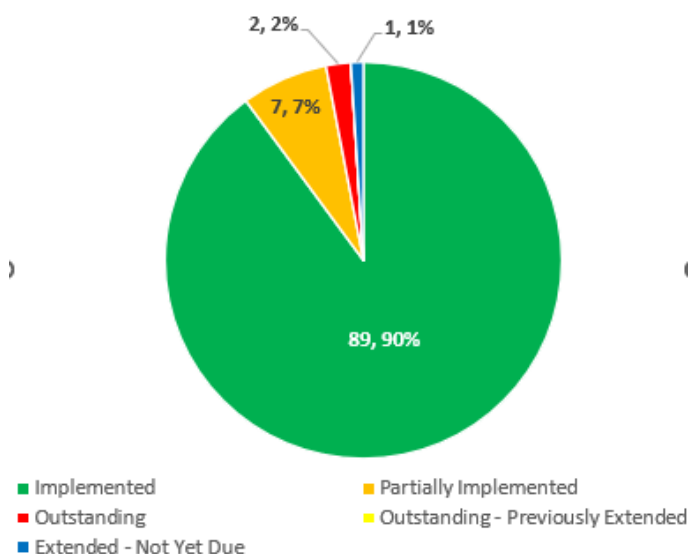
2 Agreed Process

- 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.

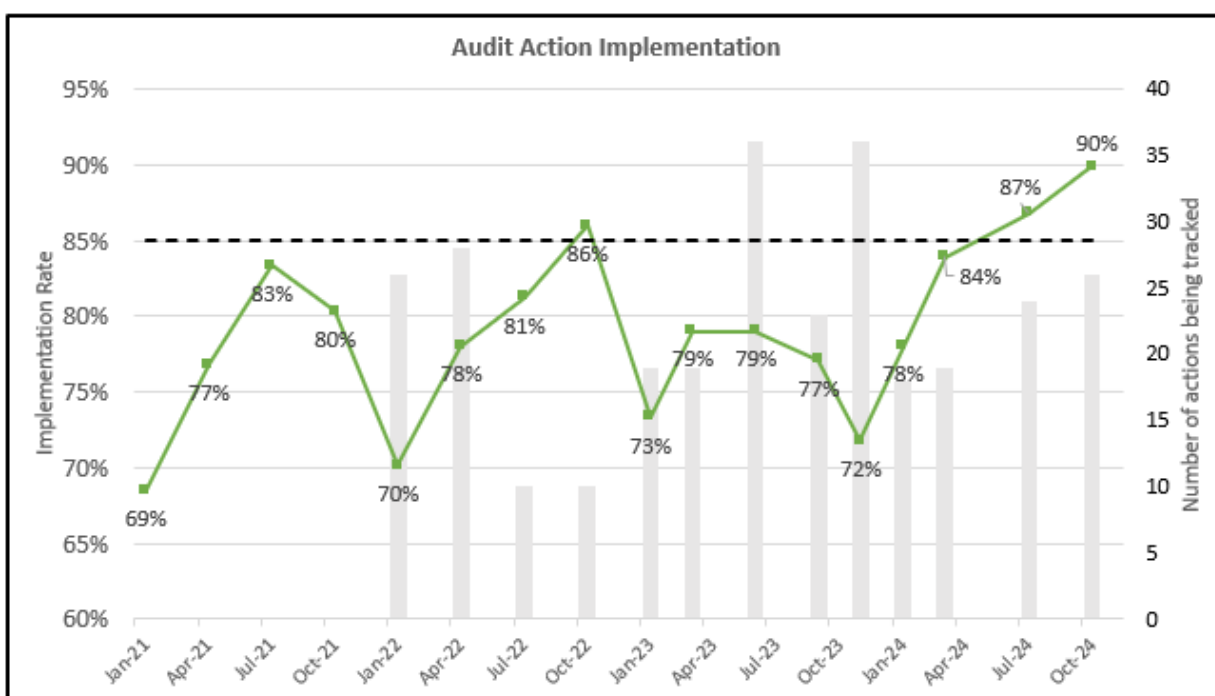
3 Current Status

- 3.1 As of September 2024, **90%** of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.

Audit Action Implementation Rate

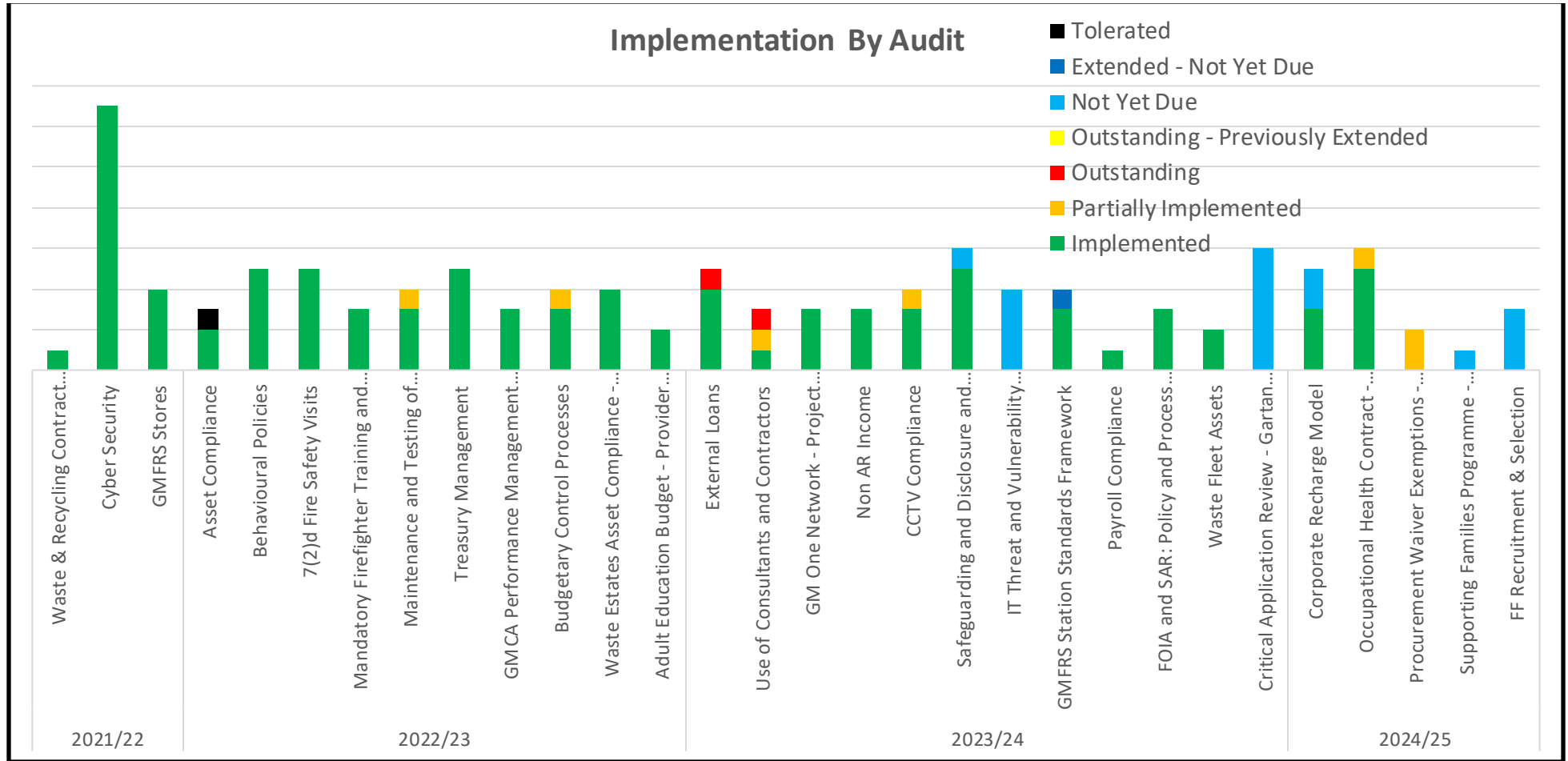


- 3.2 The chart below shows that implementation rates of audit actions along with the number of actions being actively tracked.
- 3.3 The green line on the chart plots the implementation rate, as the chart shows this has increased from 87% in July 2024 to 90% at the end of September 2024. This is the highest the implementation rate has been since we started tracking it.
- 3.4 The grey bars in the chart represent the number of actions actively being tracked in the period. This fluctuates depending on the actions agreed as a result of audit work undertaken but has increased during the current financial year, reflecting the number of actions where target dates have become due in the current period.



4 Analysis of Audit Actions – by Audit

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



4.2 The overall position for implementation of audit actions remains positive. Since our last report, seventeen outstanding actions are now considered fully implemented. Fourteen new actions have become due relating to Audit reports previously shared with Audit Committee.

4.3 We are currently tracking several outstanding high-risk actions and are pleased to note good progress is being made. These include:

Use of Consultants and Contractors: The new Engaging Contractors Policy and procedural guidance was approved by SLT in October and the new system for requesting approval to recruit a contractor has now gone live. Training for the Commercial team will take place at the end of the month to ensure that they can direct hiring managers to the correct approval pathway. Work remains ongoing to improve monitoring and reporting arrangements on use of contractors and spend.

Maintenance and Testing of Operational Equipment: One action remains outstanding which is linked to the rollout of the new Papertrail equipment monitoring system to Stations. A trial at six Stations was due to start in July 2024 however this has been delayed due to requirements linked to rolling out of the technology and the trial will now commence during quarter 3.

Asset Compliance: One low level action in this area has been accepted as a tolerated risk, this related to the storage of fire safety check records on station being moved to an centralised electronic system, at the current time funding is not available to support this and exploration of current systems have not revealed a solution so there are no further plans to take this action forward and management have accepted the risk.

4.4 ICT/Digital – Cyber Security Threat and Vulnerability Management. An independent follow up audit will be conducted during quarter 4 which will assess progress against the four actions (2 High risk / 2 Medium) and the 40+ individual

actions contained in the ICT/Digital remediation plan reported to Audit Committee in January 2024.

- 4.5 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	89	0	13	48	27
Partially Implemented	7	0	3	3	1
Outstanding	2	0	0	2	0
Not Yet Due	17	0	5	9	3
Extended - Not Yet Due	1	0	0	1	0
Outstanding - Previously Extended	0	0	1	0	0
Tolerated	1	0	0	0	1
Total	117	0	22	63	32

5.2 The total number of actions being tracked this quarter is 117. Seven completed actions over two years old have 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.

Status of Overdue Actions at 30 September 2024

The list is sorted by the “age” of each audit action and colour coded based on the risk rating of the action and how long it has been outstanding for.

Original Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
Mar 2023 (Extended to Aug 2024)	Asset Compliance	Limited	Reprocure statutory compliance contracts	High	Implemented – subject to verification	All contracts have been reviewed and reprocured on short term contracts while a wider plan for the service is determined. Anticipated Completion Date: Awaiting evidence to confirm action implemented.
Sept 2023 (Extended to Mar 2024)	Budgetary Control Processes	Reasonable	Service Engagement and financial management training for budget holders.	Medium	Partially Implemented	Following the initial draft run in June the training plan was significantly reworked and a second test run has recently taken place with the Learning Team, the next stage is to incorporate their feedback and develop a roll out plan to all budget holders. Anticipated Completion Date: December 2024
Oct 2023 (Extended to Jan 2024)	CCTV Compliance	Limited	Publish up to date CCTV Policy	High	Partially Implemented	The policy has been subject to an Equality Impact Assessment and the policy approved in principle by Corporate Services Functional Board. To seek final approval at the next GMFRS CLT meeting prior to roll out. Anticipated Completion Date: October 2024.
Nov 2023	Use of Consultants	Limited	Ensure contract agreements &	Medium	Partially Implemented	The new Engaging Contractors policy formalises these requirements. As part of the policy roll out hiring managers will be asked to review

Original Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
	and Contractors		documentation is in place and reviewed.			<p>current agreements to ensure that contract documentation is in place.</p> <p>The new approval system is now live and requires the submission of a business case to support contractor engagement. Commercial Team training to take place in October to support the approval process.</p> <p>Anticipated Completion Date: October 2024</p>
Dec 2023	Use of Consultants and Contractors	Limited	Improve oversight and reporting on use of contractors.	Medium	Outstanding	<p>KPI reporting is still currently focused around IR35 contractors. The new approval process will provide more oversight over the number of non-IR35 contractors in place. Further work is taking place to consider options within the financial management system (BWO) to better identify consultant/contractor spend in readiness for New Procurement Act requirements.</p> <p>Anticipated completion date: Dependent on technical capacity.</p>
Jan 2024	External Loans	N/A	Creation of a GMCA register of significant partnerships to which details of External Loan Partnerships would be added.	Medium	Outstanding	<p>The requirement to hold a register of significant partnerships was recently included in the revisions made to the GMCA Constitution (July 2024). The GMCA Governance and Scrutiny Team will lead on the initial compilation of this this register.</p> <p>Anticipated Completion Date: TBC</p>

Original Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
Mar 2024	Maintenance and Testing of Operational Equipment	Limited	All fleet and equipment will be uniquely identifiable and recorded on a digital cloud-based system. This will include identifying all equipment for inclusion and the roll out of software to stations.	High	Partially Implemented	The system is now set up and ready to be trialled on a small number of stations subject to completion of a DPIA. Trial scheduled for Q4. Anticipated completion March 2025
Mar 2024	Occupational Health Contract: Effectiveness	Reasonable	Reconfirm cyber security and GDPR surrounding the contract.	Low	Partial Implemented	Assurances being sought around provider cyber security and GDPR accreditations. Anticipated Completion Date: TBC
Jul 2024	Procurement Waiver Exemptions – Compliance	Broadly Compliant	Review and clarify the requirements for sign off and approval of waiver exemptions and ensure this is consistently applied.	Medium	Partially Implemented	The Commercial team have updated the waiver exemption approval form, and a final version is available. To be published in October. Anticipated Completion Date: October 2024.
Sep 2024	Procurement Waiver Exemptions – Compliance	Broadly Compliant	To implement written procedural guidance to support the use of waiver exemptions. Maintenance of the central contracts register as the 'single version of truth'	Medium	Partially Implemented	The Commercial team have produced a waiver 'code of practice' document, and this guidance will be published in October. Anticipated Completion Date: October 2024

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GMCA Audit Committee

Date: 22nd October 2024
Subject: GMCA – 2023/24 Annual Governance Statement
Report of: Gillian Duckworth, GMCA Monitoring Officer and Steve Wilson, GMCA
Treasurer

Purpose of Report

To provide the Committee with the 2023/24 Annual Governance Statement (attached as appendix A) for final comments in advance of publication. This had previously been brought to the July 2024 meeting as a draft final statement.

Recommendations:

The Audit Committee is requested to:

- (1) Consider and comment on the Annual Governance Statement;
- (2) Endorse the Annual Governance Statement for publication.

Contact Officers

Gillian Duckworth, GMCA Monitoring Officer

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Steve Wilson, Treasurer to GMCA,

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Lee Teasdale, Senior Governance & Scrutiny Officer, GMCA,

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Equalities Impact, Carbon and Sustainability Assessment:

n/a

Risk Management

The AGS forms part of GMCA's risk management arrangements.

Legal Considerations

Legal requirements are referred to throughout the AGS.

Financial Consequences – Revenue

There are no specific revenue considerations contained within the report.

Financial Consequences – Capital

There are no specific capital considerations contained within the report.

Number of attachments to the report: 1 (Draft Annual Governance Statement)

Comments/recommendations from Overview & Scrutiny Committee

n/a

Background Papers

GMCA Constitution: [GMCAConstitution2023Final.docx.pdf \(greatermanchester-ca.gov.uk\)](#)

Tracking/ Process

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

~~Yes~~/ No

ANNUAL GOVERNANCE STATEMENT 2023-24

CONTENTS

1. Introduction & Purpose of the Annual Governance Statement
 2. GMCA Legislative, Strategic and Policy Context
 3. Addressing the Cost-of-Living Crisis Through Governance Arrangements
 4. Establishment of the Bee Network Committee
 5. HMICFRS Position Update (GMP & GMFRS)
 6. Scope of Responsibility
 7. Audit & Standards Activity 2023/2024
 8. Progress in Addressing the Challenges Identified in the 2023/2024 Annual Governance Statement
 9. Areas for Focus in 2024/2025
 10. Summary
- Appendix - CIPFA SOLACE – Good Governance Principles

INTRODUCTION

1.1 The Annual Governance Statement sets out how the Greater Manchester Combined Authority (GMCA) meets its governance standards detailed in the Code of Corporate Governance. It also describes how it meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement to accompany the Annual Accounts. It is a document which looks back retrospectively over the past year and identifies where the GMCA has demonstrated good governance and looks forward as to areas where focus should be given in relation to governance over the coming year. The GMCA's corporate governance framework is structured around the seven good governance principles set out in the 2016 CIPFA guidance (see fig.1):

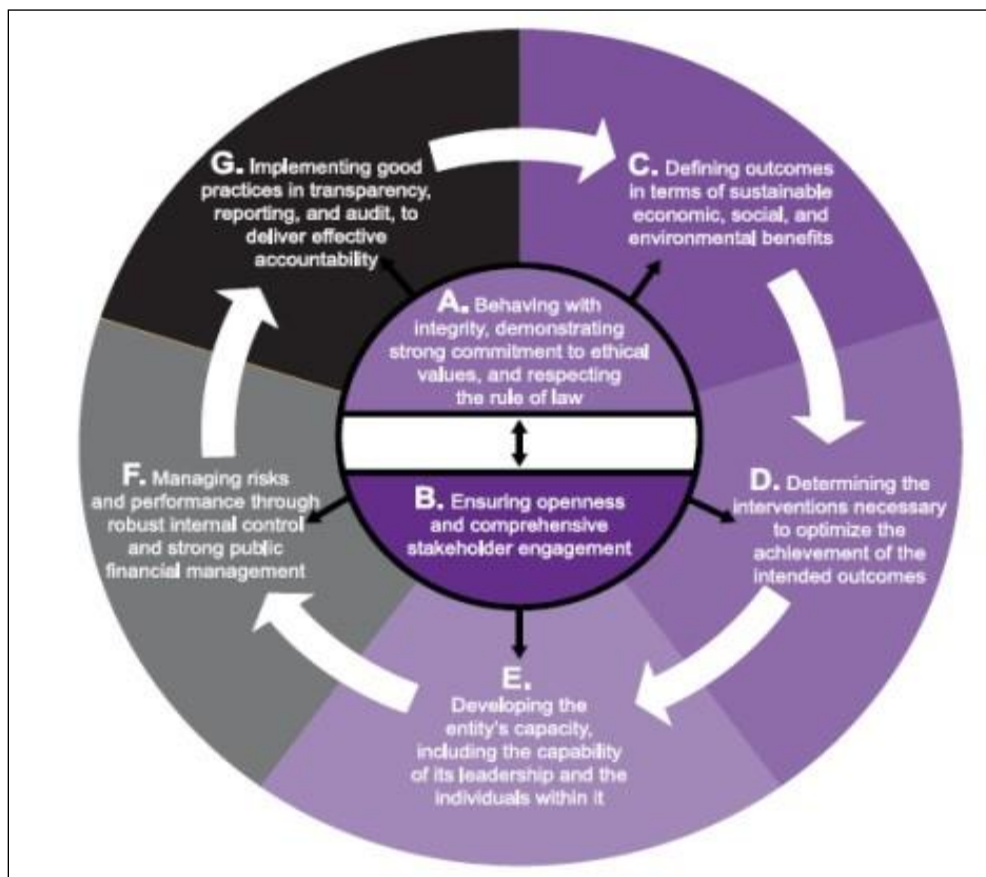


Fig.1 Seven Principles of Good Governance

LEGISLATIVE, STRATEGIC AND POLICY CONTEXT

2.1 The GMCA was established on 1 April 2011 by the Greater Manchester Combined Authority Order 2011 and comprised of ten members, being the Leaders of the constituent councils. The Mayor of Greater Manchester Andy Burnham was re-elected on 4th May 2024 for a term of four years. The Mayor is the chair and 11th member of the GMCA. The Mayor also appoints the Deputy Mayor for Policing and Crime who has substantial delegated authority covering policing and crime. Additionally, the Mayor must also appoint a member of the GMCA to act as a Deputy Mayor and a Vice-Chair of the GMCA (currently City Mayor Paul Dennett).

2.2 Kate Green was appointed to the role of Deputy Mayor for Policing and Crime on 9th January 2023 and following the mayoral election a proposal was received from Mayor Andy Burnham that Kate resume the role. This proposal was unanimously ratified at a meeting of the Greater Manchester Police, Fire & Crime Panel on 14th May 2024.

2.3 All members have clear portfolio responsibilities. Listed below is the current leadership structure in Greater Manchester following the May 2024 elections:

Member	Representing	Portfolio Responsibility
Mayor Andy Burnham	GM Mayor	Policy, Reform & Transport
Kate Green	Deputy Mayor for Policing, Fire & Crime	Safer & Stronger Communities
Cllr Nicholas Peel	Bolton	Digital City Region
Cllr Eamonn O'Brien	Bury	Technical Education & Skills
Cllr Bev Craig	Manchester	Economy, Business & Inclusive Growth
Cllr Arooj Shah	Oldham	Equalities & Communities
Cllr Neil Emmott	Rochdale	Culture

City Mayor Paul Dennett	Salford	Healthy Lives & Homelessness (+ Deputy Mayor of the GMCA)
Cllr Mark Hunter	Stockport	Children & Young People
Cllr Gerald Cooney	Tameside	Housing
Cllr Tom Ross	Trafford	Green City Region & Waste
Cllr David Molyneux	Wigan	Resources & Investment

2.4 Each GMCA member appointed by a constituent council appoints a substitute deputy who holds full voting rights in their absence. A request is made to each authority to appoint a member of the opposite gender where possible to help in retaining a gender balance.

2.5 On public service issues the GMCA members and the Mayor each have one vote, and generally questions are decided by a majority vote. Questions on matters requiring a vote of more than a simple majority are set out in the 2011 Order. The Mayor is required to consult members of the GMCA on his strategies. The GMCA also examines the Mayor's (non-Police and Crime) spending plans and is able to amend those plans if two-thirds of members agree to do so.

2.6 Following the withdrawal of central government core funding for Local Enterprise Partnerships (LEPs) the GMCA established the Greater Manchester Business Board which is now fully established with a remit to be as ambitious as possible, maintaining a strong business voice at the heart of city region and maximising economic growth across Greater Manchester. The Board works to a framework of GMS priorities including Innovation; Net Zero; Real Living Wage; Economic Resilience; Marketing and International; Business Support; Investment Finance; Addressing Inequalities; and Skills.

2.7 The GMCA and the Constituent Councils are members of the Association of Greater Manchester Authorities (AGMA). They have entered into joint

arrangements, including an Operating Agreement, and the establishment of a joint committee called the AGMA Executive Board, which oversees the work and strategic direction of AGMA, leads on policy, and has delegated decision-making powers from the 10 Greater Manchester councils. AGMA has the same membership at the GMCA.

2.8 A range of statutory and non-statutory member-led committees and boards sit below the GMCA, with responsibility for overseeing work in relation to the various portfolios. The Scrutiny Function has 20 members (with 20 additional members in a substitute pool) and responsibility for reviewing and evaluating the performance of the Mayor and GMCA, and the way they work with their partners to deliver for local people, contributing to policy development in respect of high profile, complex issues affecting the whole of Greater Manchester, and investigating more complex cross-cutting issues, with a particular focus on the GMCA's forthcoming responsibilities in respect of the trailblazer, single settlement and regional devolution.

2.9 The GMCA Audit Committee, as a statutory body, plays a key role in overseeing risk management, governance systems and financial management. The Committee is represented by 4 elected members and 4 independent members to ensure an appropriate level of oversight.

2.10 A Greater Manchester Joint Audit Panel is also in place to ensure that sufficient focus is given to the resources allocated to policing, and provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes in operation within the Chief Constable's Corporation Sole and the functions of the GMCA responsible for administering the Police Fund (income, expenditure, assets, liabilities).

2.11 The GM Transport Committee was replaced in 2023/24 by the Bee Network Committee that holds an important role in developing transport policy, and advising and supporting the Constituent Councils, the GMCA and Mayor on specific transport issues. This is a strategic body, leading transport decision-

making at the city regional level, and having responsibility for monitoring the performance of Greater Manchester’s transport network, and the performance of Transport for Greater Manchester (TfGM), the local government body responsible for delivering Greater Manchester’s transport strategy and commitments.

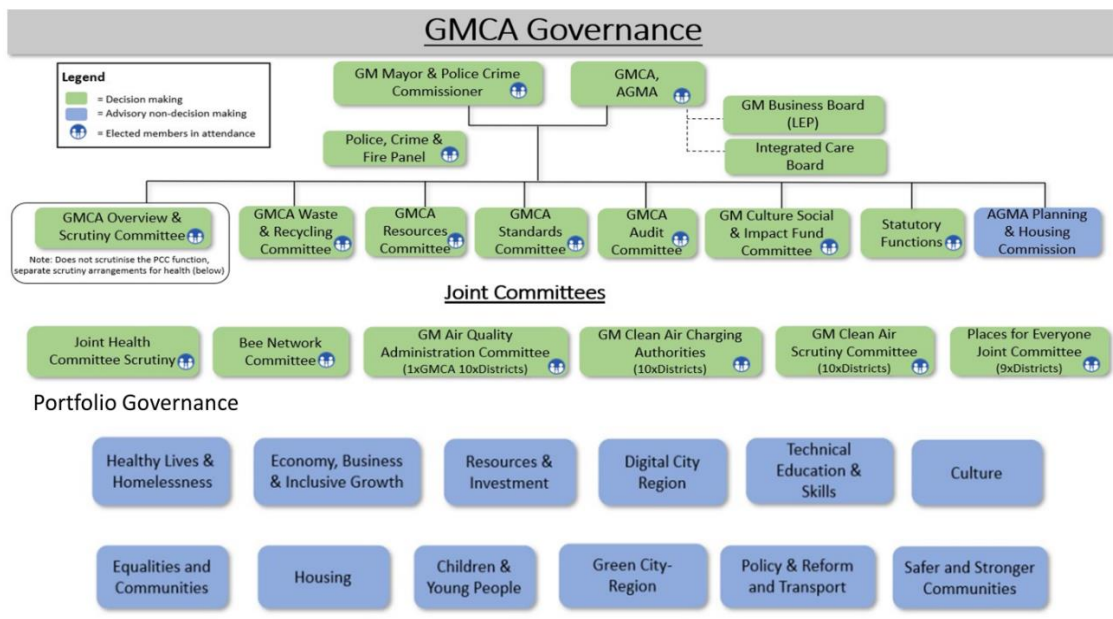


Fig.2 Governance Structure

ADDRESSING THE COST-OF-LIVING CRISIS THROUGH GOVERNANCE ARRANGEMENTS

3.1 The Cost-of-Living Response Group continued to meet bimonthly throughout the year. The group is chaired by the Deputy Chief Executive of GMCA with membership made up from officers from GMCA's Public Service Reform directorate, Local Authority representatives, NHS GM representatives and VCFSE partners. The group have met in the existing format since August 2022, having emerged from the previous GM Humanitarian Assistance Group, which formed part of the COVID-19 pandemic response.

3.2 As the group has developed the topic focus has evolved beyond immediate reactive issues (e.g. administration of the Household Support Fund) to looking at wider issues around financial inclusion and income maximisation. It has been proposed that moving forward, the focus of the group will be on Financial Inclusion rather than the previous focus on the Cost-of-Living Crisis. This aligns with the need to be more proactive in conversation and work, rather than the previous pressing need to be more reactive in the response. The format of the sessions will be similar, continuing to include the sharing of learning and good practice and discussions of new initiative and opportunities.

3.3 The terms of reference and revised name of the group will be decided following the next meeting and consultation with members. It is likely that the group will meet with the same regularity, but with the changed focus, as mentioned, and a modified name to reflect this.

3.4 From a strategic point of view, Greater Manchester finds itself in a very different context as well. We now find ourselves in a new Mayoral Term and with a new national government. The Mayoral manifesto calls for an entirely different way of providing social support and social security. The 'Live Well' initiative, within the Mayor's manifesto, is going to be developing and progressing and this group will be aligning with and connecting into this programme of work moving forward.

ESTABLISHMENT OF THE BEE NETWORK COMMITTEE

- 4.1 Prior to the establishment of the Bee Network Committee – Transport Governance functions took place via an overarching Transport Committee supported by sub-committees focussed upon Bus Services, Metrolink & Rail & Active Travel. The Committee had limited delegations, reducing any opportunities for the Committee to influence strategic decision-making and therefore transport policy. Its role combined elements of both decision-making around relatively minor issues and performance monitoring which was usually considered to be a scrutiny committee function. This had in turn led to a lack of clarity both within and outside of the GM system.
- 4.2 The commencement of the Bee Network, providing local control of the GM transport network, and bus franchising in particular, changed the type and number of decisions being made. GM therefore needed to change the make-up of its decision-making bodies so as to ensure GM's new responsibilities were discharged in an effective and transparent way.
- 4.3 In establishing a new Bee Network Committee a number of principles were set out including support for shared ownership of the transport agenda across GM, informed by local priorities and driven by consensus; support for an integrated approach to policy development to support the delivery of an integrated network; separate decision-making and policy development from oversight and scrutiny; strengthened decision-making, scrutiny and local involvement including enhanced member and public engagement; and ensuring delegation to officers to enable operational flexibility, as appropriate.
- 4.4 In alignment with those principles it was proposed that a new, smaller, and more strategically focussed 'Bee Network Committee' (BNC) would lead transport decision-making at a regional level, taking greater ownership and responsibility for the GM integrated transport network. The BNC strengthened local engagement by increasing opportunities for local councillors and members of the public to contribute to and influence

transport policy and services in their area. Formal scrutiny of the Bee Network Committee was also now part of the work programme of the newly strengthened GM Overview & Scrutiny Committee.

4.5 Although the BNC itself has greater delegated powers from the GMCA, no additional constituent council functions have been transferred or delegated to the BNC.

4.6 This smaller and more focussed board membership now comprises one member from each of the ten constituent councils (in general expected to be the transport portfolio holder), a GMCA appointment, the Mayor, and any additional members appointed by the Mayor for political balance, up to a maximum total membership of 15 members. By bringing together executive members from across the city region, the BNC is able to take a holistic and integrated view of transport in GM, and better supports and co-ordinates activity across district boundaries.

4.7 It is intended that further steps to increase and strengthen member and public engagement will include supporting the constituent councils in implementation of further oversight of the Bee Network at the neighbourhood level.

HMICFRS POSITION UPDATE (GMP & GMFRS)

5.1 Following removed from special measures in September 2022, Greater Manchester Police (GMP) continues to provide regular quarterly performance updates to the GM Police, Fire & Crime Panel for scrutiny. The Force also ensures accountability and ongoing reassurance to the Deputy Mayor on actions taken in response to HMICFRS reports and inspection findings by submitting regular update reports to the Deputy Mayor's Executive which receives governance support through the GMCA. During 2023/24 the Force had been subject to The PEEL Assessment 2023-2025, which found further

significant improvements had been made, but that there were areas that still required further work.

5.2 During the period from September 2023 to January 2024, Greater Manchester Fire & Rescue Service (GMFRS) had undertaken two significant inspections conducted by HMICFRS. A periodic round 3 inspection and a thematic inspection on the handling of misconduct. The subsequent reports and feedback provided an external assessment of the progress made since the last HMICFRS inspection in 2021, as well as the cultural improvements implemented since the appointment of the new Chief Fire Officer in September 2020. The results were very positive with GMFRS having received one of the strongest, if not the strongest HMICFRS report and stood as the most improved fire and rescue service in the country.

5.3 The Police, Fire and Crime Panel (PFCP) continues to hold the Deputy Mayor, Chief Fire Officer and Chief Constable to account on both the improvements at GMP and GMFRS. The PFCP continues as a bi-monthly meeting (from a previous quarterly arrangement) to ensure that it has the scope to scrutinise all issues raised through its work programme. Additionally, the PFCP is also supported by a bi-monthly Steering Group to pick up on deep dive issues that do not fit within the Panel's work programme.

SCOPE OF RESPONSIBILITY

6.1 The GMCA's Code of Corporate Governance sets out how the GMCA operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. The Code of Corporate Governance can be found in Part 7 (Section E) of the [GMCA Constitution](#).¹

¹ [GMCAConstitution2023Final.docx.pdf \(greatermanchester-ca.gov.uk\)](#)

6.2 The Annual Governance Statement demonstrates how the GMCA is delivering its services in the right way in a timely, inclusive and accountable manner and will be certified by the GMCA Chief Executive and the Mayor, after consideration of the draft by the GMCA Audit Committee. GMCA's external auditor reviews the Annual Governance Statement as part of the assessment of their value for money responsibilities.

6.3 The GMCA's governance framework comprises the legislative requirements, principles, management systems and processes – including the GMCA's Constitution, Operating Agreement and Protocols – and cultures and values through which the Authority exercises its leadership, fulfils its functions, and by which it is held accountable for its decisions and activities.

6.4 The appendices of this document describe how the GMCA fulfils the requirements set out in the seven principles of good governance.

AUDIT & STANDARDS ACTIVITY 2022/23

GMCA Audit Committee and Joint Audit Panel (Police and Crime)

7.1 The GMCA Audit Committee is responsible for overseeing the effective operation of the systems of governance including risk management, internal control, and treasury management. It is a legal requirement for the GMCA to have an Audit Committee as this also ensures a high standard of openness and transparency. The Committee met five times during 2023/24. Meetings covered a variety of matters in line with the Committee's Terms of Reference.

7.2 The GMCA Audit Committee oversees all aspects of the GMCA including Mayoral functions. In line with the Home Office Financial Management Code of Practice, the Mayor has also established a Greater Manchester

Joint Audit Panel (Police and Crime) which oversees the control environment of the Chief Constable and the GMCA (Police and Crime) functions, performing the functionality of an Audit Committee. The Panel assists the Mayor in discharging his statutory responsibilities to hold the Chief Constable to account and to help deliver an effective policing service. To minimise duplication and bureaucracy and to maximise value for money shared internal audit arrangements are in place to support the Mayor and the Chief Constable. The GMCA Audit Committee receives the minutes of the Joint Audit Panel as part of its agenda and receives the annual report of the Chair of the Joint Audit Panel. These arrangements were reviewed in 2023/24 and the Audit Committee's Terms of Reference were reviewed to ensure that the responsibilities for the two Committees are clear.

Head of Audit and Assurance Annual Opinion 2023/24

7.3 Based on the work undertaken by Internal Audit in respect of 2023/24 the opinion of the Head of Internal Audit is that reasonable assurance is provided on the overall adequacy and effectiveness of GMCA's framework of governance, risk management and internal control. This opinion is based upon the findings of the audit work undertaken during the year. It is reflective of the continued progress made in relation to the evolving maturity of risk management arrangements in place within GMCA and in the continued development of the performance management framework. The opinion has also taken into consideration other external sources of assurance.

Annual Review of the System of Internal Audit 2023/24

7.4 An external quality assessment (EQA) of the Internal Audit Function was undertaken in 2021/22. The conclusion was that the service complies with PSIAS. A further self-assessment of the effectiveness of the Internal Audit Function was undertaken in 2023/24 by the Deputy Director, Audit

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

7.5 A Quality Assurance and Improvement Programme (QAIP) has been implemented within the Internal Audit Team and an Internal Audit Development Plan developed which is reviewed on a regular basis and updated to reflect any findings or recommendations from either external or internal effectiveness reviews. Progress with the plan is reported to the Audit Committee.

GMCA Standards Committee

7.6 The GMCA has a Standards Committee to deal with matters of conduct and ethical standards regarding members of the Greater Manchester Combined Authority and its committees should they arise. It also provides a reviewing function for key policies in relation to the behaviour and actions of elected members whilst serving in their Greater Manchester capacities. The Committee met in 23/24 to consider the GMCA Complaints Procedure & the Code of Corporate Governance.

PROGRESS IN ADDRESSING THE CHALLENGES IDENTIFIED IN THE 2022/23 ANNUAL GOVERNANCE STATEMENT

Action Identified in 2022/23	Progress Made
<p>Embed the Bee Network Committee within the GMCA Governance Structure.</p>	<p>Following agreement of the governance principles (see section 4 for further detail) the Bee Network Committee commenced with an inaugural AGM on 27th July 2023, at which the Committee's terms of reference and rules of procedure were agreed. It now meets on a regular monthly basis and has been fully incorporated into the GMCA governance structure.</p>
<p>Continuing to address the cost-of-living and inflation crisis via governance and work with external partners.</p>	<p>The Cost-of-Living Response Group continued to meet bimonthly throughout the year. It has been proposed that moving forward, the focus of the group will be on Financial Inclusion rather than the previous focus on the Cost-of-Living Crisis. This aligns with the need to be more proactive in conversation and work, rather than the previous pressing need to be more reactive in the response. The format of the sessions will be similar, continuing to include the sharing of learning and good practice and discussions of new initiative and opportunities. (See section 3 for further detail)</p>

<p>Ensuring full understanding across the authority reporting system in terms of addressing climate crisis issues and low carbon targets.</p>	<p>The use of the co-benefits tool to assess impacts arising from decisions taken is now embedded, supporting greater visibility of the climate impact of GMCA's plans, strategies and delivery.</p>
<p>Ensure that the appropriate governance and decision-making structure is in place to meet the new responsibilities arising through the trailblazer devolution deal and the single settlement as part of that.</p>	<p>The GMCA is continuing to prepare and is fully aware of the governance and accountability requirements that will arise from the trailblazer deal, including a commitment to abide by the English Devolution Accountability Framework and the Scrutiny Protocol; taking the further actions required to enhance scrutiny and audit committee resources and prestige; and a new Accountability Framework underpinning the single settlement.</p>
<p>Ensure that the next steps and further actions contained within the GMCA Corporate Peer Challenge Action Plan are embedded within the 23/24 Business Plan and delivered wherever possible over the coming year.</p>	<p>The Corporate Peer Challenge provided GMCA with a series of recommendations for action, which have been considered and embedded within the Business Plan and aligned with activities being delivered across Directorates.</p> <p>The Peer Challenge team returned in November 2023 for a review visit, a progress report on the original</p>

	<p>recommendations was provided at that time. The Review team were pleased with the progress made to date and confident in GMCA's ability to continue to deliver.</p>
<p>In the GMCA's role as the Lead Authority for the delivery of the GM Mayor Elections in May 2024. Ensure a legally compliant and high-quality delivery of the election.</p>	<p>The GMCA supported the Combined Authority Returning Officer (CARO) to deliver a high quality and legally compliant GMCA Mayoral election, ensuring that electors, candidates and other key stakeholders had confidence in the result.</p> <p>To achieve this, robust governance arrangements were put in place including the establishment of a Project Board which met monthly, to drive and oversee GMCA's corporate delivery model. A dedicated CARO team was also convened with elections and programme management expertise. Existing structures were used to regularly work with 10 GM districts and their Returning Officers (ROs), regarding the detailed arrangements for delivery. This included taking into account that the Mayoral election would be delivered at the same time as their local elections and the City Mayoral election in Salford. Regular updates</p>

	<p>and guidance/legal directions were issued to ensure there was clarity regarding CARO/RO roles and responsibilities throughout all phases of planning and delivery. Following the successful delivery of the Mayoral election, an extensive lessons learnt exercise has been undertaken to capture key findings for next time. This is particularly important given that the Mayoral Election is only scheduled to take place every 4 years.</p>
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AREAS FOR FOCUS IN 2024/25

Good Governance Principle	Action	Lead(s)/GMCA Officer Lead
<i>G: Implementing Good Practices in Transparency, Reporting, and Audit, to Deliver Effective Accountability</i>	<i>Carry out an exercise to demonstrate the organisation's compliance with the Local Government Association's 'Improvement and Assurance Framework for Local Government'. Subsequently developing an action plan to address any gaps in compliance.</i>	<i>Deputy Director Audit & Assurance Monitoring Officer</i>
<i>B: Ensuring Openness and Comprehensive Stakeholder Engagement</i>	<i>Continue to develop robust governance around devolution.</i>	<i>Director of Policy & Strategy Chief Executive</i>
<i>D: Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes</i>	<i>Continue to lobby government for the adoption of the Good Landlord Charter</i>	<i>Deputy Chief Executive</i>
<i>B: Ensuring Openness and Comprehensive Stakeholder Engagement</i>	<i>Support the establishment of governance and oversight of the Bee Network at the neighbourhood level.</i>	<i>Director of Governance & Scrutiny Monitoring Officer</i>
<i>B: Ensuring Openness and Comprehensive Stakeholder Engagement</i>	<i>Ensure fit for purpose robust governance around the newly established Greater Manchester Land Commission.</i>	<i>Director of Governance & Scrutiny Monitoring Officer</i>

<p><i>A: Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values, and Respecting the Rule of Law.</i></p> <p><i>B: Ensuring Openness and Comprehensive Stakeholder Engagement</i></p>	<p><i>Implementation of all best practice arising from the Scrutiny Protocol, ensuring that the organisation remains an exemplar authority in terms of its robust scrutiny processes.</i></p>	<p><i>Director of Governance & Scrutiny</i></p> <p><i>Monitoring Officer</i></p>
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SUMMARY

10.1 The GMCA has demonstrated an ongoing commitment to best practice and good corporate governance within the principles of the framework, shown through a pro-active adoption of this framework and delivery of the improvements suggested in the Annual Governance Statement 2022/23.

10.2 As the organisation moves forward in 2024 and 2025, the refresh of the Greater Manchester Strategy will be key in leading on its strategic direction and values. There is a strong focus on delivery with robust arrangements put in place to monitor delivery, performance and risk, underpinned by strong governance arrangements, which are designed to support this delivery. The arrival of a new national government could have a significant impact on the trajectory and future economic plans for the region, and the GMCA and its partners across the public, private and voluntary, community and social enterprise sectors will seek to use this opportunity to truly deliver on its longer-term ambitions to ensure that Greater Manchester is a region in which no resident feels left behind.

10.3 The Trailblazer & Single Settlement Devolution Deal will be a hugely significant development for the region, giving the ability to create the country’s first integrated technical education city-region, creating a region

that delivers outcomes for both young people and employers, through a new partnership board with the Department for Education . More influence on regional rail services to deliver a London-style integrated public transport system - the Bee Network – by 2030. £150m of brownfield funding and powers to underpin the new Greater Manchester Good Landlord Charter, which aims to raise standards in the social and private rented sectors; and a single funding settlement similar to Scotland and Wales - the first time such a flexible grant has been given to an English region . It will be vital to continue to ensure the most robust governance arrangements are in place to deliver the opportunities within this for the residents of Greater Manchester.

Signed by.....

Signed by.....

Andy Burnham, Mayor of Greater Manchester and Caroline Simpson, Chief Executive on behalf of Members and Senior Officers of Greater Manchester Combined Authority.

Date.....

Appendix – CIPFA SOLACE – Good Governance Principles

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

The GMCA reviewed and updated its Constitution during 2024 and was agreed by the CA in July 2024, to ensure it remains relevant and appropriate. A further review is due in the autumn of 2024 to incorporate devolution arrangements. The Constitution incorporates an Operating Agreement between the GMCA and the ten Constituent Councils, which governs the exercise of concurrent functions.

The GMCA Standards Committee meets as required and deals with matters of conduct and ethical standards of GMCA Members.

A Code of Conduct for Officers and for Members form part of the GMCA Constitution. The Code of Conduct for Members is reviewed annually by the Standards Committee. The GMCA Standards Committee has the ability to undertake a review should any member of the GMCA or its committees fail to adhere to the Code. Each member receives an annual reminder of their duties under the Code.

A Whistleblowing Policy and Procedure is in place, which has been reviewed and updated in February 2023. Information on how to report concerns are easily located on both the external facing website and the staff intranet. An Anti-Fraud and Corruption Policy forms part of the Constitution.

The Complaints Procedure was updated in December 2023 to ensure that it is in line with the latest guidance from the Local Government & Social Care Ombudsman. Information on how to submit complaints pertaining to each individual area of the GMCA's remit, the process, and relevant FAQs are provided on the external website.

Declarations of Interest is a standard agenda item on all GMCA meetings, minutes from which are published on the external website, and members are asked to complete a register of their personal and pecuniary interests on an annual basis.

These are uploaded to each councillor's individual portfolio via the GMCA's governance portal and are also viewable on the website. A review of member/officer relations also took place during 2022/23 which added further clarity around interactions through social media, impartiality and the rights of members to inspect GMCA documents.

A Greater Manchester [Independent Ethics Committee²](#) is in place to help build trust and public confidence in policing. The Committee advises the Deputy Mayor for Policing and Crime, and Greater Manchester Police on the complex dilemmas that policing faces in the modern world. The committee has been given a wide remit, with GMP pledging to give access to the service's systems and people. When established, it was the first of its type in the country. The committee decides which issues it wants to consider, as well as having issues referred in by both GMP and the Deputy Mayor. Members of the public can raise issues with the committee - but it does not consider individual complaints about police. The committee considers both broad thematic issues - such as discrimination, safe drug use, and surveillance - and practical day-to-day issues, such as the use of body-worn cameras by police officers.

'Role of the Monitoring Officer' is a statutory role under section 5 of the Local Government and Housing Act 1989. The Monitoring Officer is to report on matters they believe are, or are likely to be, illegal or amount to maladministration; to be responsible for matters relating to the conduct of members; and to be responsible for the operation of the Constitution.

Areas for Focus in 2024/25

- Implementation of all best practice arising from the Scrutiny Protocol, ensuring that the organisation remains an exemplar authority in terms of its robust scrutiny processes.

² [Ethics Committee - Greater Manchester Combined Authority \(greatermanchester-ca.gov.uk\)](https://www.greatermanchester-ca.gov.uk)

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Meetings of the GMCA and its committees are live-streamed and retained for later viewing by all members of the public via the GMCA's YouTube channel/Public-I portal. GMCA Committee agendas, reports, and minutes are published on the GMCA website. Inspection Copies of papers for each meeting are kept in reception at the GMCA's offices at Churchgate House and the entrance foyer to the building.

The GMCA website includes publication of all Key Decisions, Officer and Mayoral Decisions, and Forthcoming Decisions. Reports for GMCA Committees are released into the public domain unless specifically excluded for items that are private and confidential; such reports must be marked Part B, and justification for keeping a decision confidential must be provided.

The GMCA is committed to ensuring that public meetings are DDA compliant, and all venues have now been confirmed as compliant – this includes the use of hearing loops and the ability to produce agenda papers in alternative formats if requested. Work has taken place to ensure that the GMCA Boardroom is a suitable venue for most Committees of the GMCA going forward – this will allow for consistency in public knowledge of where meetings are taking place. The GMCA meeting however will continue to take place across the ten GM authorities throughout the year, offering the best opportunity to all residents of the region to be able to attend a meeting in their borough.

The GMCA runs a Consultation Hub website to ensure that local residents are able to actively engage with decisions and projects. Recent consultations included topics such as The Places for Everyone main modification phase and the GMFRS Fire Cover Review. The Fire Cover Review was a strong example of a consultation resulting in an improved outcome for the public with day crewing proposals at two stations being reversed following feedback.

The GMCA is founded on a long-term relationship between local authorities through the previous arrangements under the Association of Greater Manchester Authorities.

The GMHSCP Board was replaced by the GM Integrated Care Partnership (ICP) on 1 July 2022. This is one of two statutory components of an Integrated Care System, alongside the Integrated Care Board.

The ICP contains three key features:

1. The forum that brings the ICB and Local Authorities together and connects them to partners from other sectors
2. Responsible for producing the GM wide health and care strategy and
3. The forum in which partners can hold each other to account for meeting the strategy and improving outcomes.

By law, the ICB and each of the Local Authorities in the area of the Integrated Care System must be represented. The minimum core membership of the GM ICP consists of the ICB Chair and elected members of 10 Local authorities.

New governance arrangements for the implementation of the Health and Care Bill commenced on 1 July 2022 and a statutory integrated care system for GM is now in place.

In addition, the GMCA continues to maintain formal and informal partnerships through committees such as the Bee Network Committee; Planning and Housing Commission; Police, Fire and Crime Panel; GM Culture and Social Impact Fund Committee; GM Green City Region Partnership; and the GM Business Board.

The GMCA has been tasked as the lead authority for supervising the UK Shared Prosperity Fund (UK SPF) in the GM region – the UK SPF being the domestic replacement for the European Structural and Investment Fund (ESIF). The GMCA has developed an investment plan with as wide a range of local stakeholders as possible, the Plan went on to be approved by the government in December 2022. The UK Shared Prosperity Fund Board continues to meet quarterly with a diverse

board of local stakeholders and is now actively delivering on a wide range of the proposals agreed within the investment plan.

The GM VCSE Accord ensures that there is a shared commitment and close partnership working with Greater Manchester's 16,000 VCSE organisations.

Community engagement events regularly take place (including the GM Youth Combined Authority; the Mayor's Disabled Peoples Panel; LGBTQ+ Panel; and the Faith, Race & Women's Panel). Regular feedback mechanisms are offered through the proactive use of social media platforms and the supporting of surveys such as the 'GM Big Disability Survey' – which provided important insight into the issues faced by disabled people across GM during the Covid-19 pandemic and subsequent cost-of-living crisis.

Areas for Focus in 2024/25

- Continue to develop robust governance around devolution
- Support the establishment of governance and oversight of the Bee Network at the neighbourhood level.
- Ensure fit for purpose robust governance around the newly established Greater Manchester Land Commission.
- Implementation of all best practice arising from the Scrutiny Protocol, ensuring that the organisation remains an exemplar authority in terms of its robust scrutiny processes.

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

The coronavirus pandemic had highlighted more than ever the importance of securing Greater Manchester's long-term ambition to create a green and prosperous city-region. The Clean Air Plan, Spatial Framework and Minimum Licensing Standards plans form part of this vision, looking to offer a better quality of life for everyone living and working in the city-region.

The GM Strategy and Implementation Plan have been agreed as the overarching Strategy for all GM work. Performance against the Strategy's priorities and performance is reported to Scrutiny on a 6-monthly basis and is used to aid in shaping the work programme. The GM Strategy and information graphics used in the GM performance report describe the anticipated impacts of the delivery of the GM Strategy.

The GMCA Business Plan further defines GMCA's vision, objectives and outcomes in relation to economic, social and environmental developments within GM. The GMCA Business Plan and subsequent publications have been developed with stakeholders to ensure the organisational priorities and objectives are in line with shared ambitions.

The Greater Manchester Strategy refresh was finalised and agreed in September 2021 with a progress report provided in July 2022. The refreshed Strategy incorporates the objectives and actions from the Living with Covid plans and also the Mayoral Manifesto commitments. There is a strong focus on delivery with robust arrangements put in place to monitor delivery, performance and risk, underpinned by strong governance arrangements, which are designed to support this delivery. There will be a continued focus on ensuring the effective delivery of the GMS priorities through strong governance arrangements, which are designed to support this delivery. Progress monitoring reports are produced for the GMS every six months, which are published as part of GMCA papers and on the GMS webpages.

A refresh of the Strategy will take place in 2024, in line with the new Mayoral term, changing national Government priorities and delivery of the Single Settlement from April 2025.

Greater Manchester's long-term ambition to create a green and prosperous city region is more vital than ever given the increasing detrimental impact of climate change. Brought together, the developing Greater Manchester Spatial Framework, Clean Air Plan and Minimum Licensing Standards provide a holistic view of the city region's economic, social and environmental ambitions, looking to offer a better quality of life for everyone living and working in the city-region. Greater Manchester's Five-Year Environment Plan sets out a further suite of actions that will support the conurbation's goal of carbon neutrality by 2038.

Capital programmes for both transport and economic development schemes are assessed using a fully rounded appraisal mechanism which includes deliverability alongside social, economic and environmental considerations.

The GMCA Social Value Policy is actively applied in commissioning and procurement activities. This Policy will support commissioners to set out their procurement and contract management requirements to maximise relevant social value, and providers to develop and submit proposals.

The rising costs of living, inflation and other national & international factors are affecting the trajectory and resilience of the GM economy - therefore the Authority also reports to the GMCA with the regular 'GM Economic Resilience Dashboard' to understand how these factors are impacting. The Dashboard summarises the latest responses to insights, as the GMCA, Greater Manchester Business Board and other partners across the public, private and voluntary, community and social enterprise sectors continue to drive the ambitions set out in the Greater Manchester Local Industrial Strategy and Greater Manchester Economic Vision. The rising cost-of-living has emerged as a key issue for the GM economy and the Authority is working to provide greater intelligence to support the analysis of the impact.

D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

The strategic, crosscutting nature of much of the GMCA's work means that delivery is often achieved through collaboration with GM partners including GMP, TfGM, the GM Integrated Care Partnership and GM Councils.

A strong evidence base is developed to underpin all decisions of the GMCA, including a robust evaluation of service delivery. One example of this is the devolved Working Well: Work and Health Programme, which helped approximately one in five of its clients into a job and the principles of which are now being used in nationally commissioned programmes.

Internal and external stakeholders are engaged through consultation on key strategies and plans – for instance the GM Strategy, Culture Strategy, and the GM Spatial Framework – to help determine how services and other courses of action are planned and delivered. The GM Good Employment Charter which launched in January 2020 was co-designed with employers, trade unions, professional bodies and academics; and the GM Good Landlord Charter was now being developed in conjunction with Greater Manchester Housing Providers (GMHP) to deliver a scheme that will reaffirm Greater Manchester's commitment to deliver safe, decent, and affordable housing for all residents, and acknowledge that housing is fundamental to people's health and wellbeing. The Good Landlord Charter has also been the subject of a public consultation which closed on 26th February 2024. Responses from this are being analysed and will feed into the development and implementation of the Good Landlord Charter throughout 2024.

To ensure robust planning that covers strategy, plans, priorities and targets, the GMCA operates a Budget Timetable including peer scrutiny from Leaders and Treasurers on each of the GMCA budgets.

Building on the findings of the Greater Manchester Independent Inequalities Commission Report, the GMCA co-benefits tool requires all decisions to be taken

with information provided about the likely arising impacts of the proposal, both positive and negative. As part of the completion of the co-benefits tool equalities impact assessments are also completed for any proposals which impact on people with protected characteristics.

The GMCA seeks to achieve 'social value' through service planning and commissioning. A Procurement Strategy is part of the GMCA Constitution, and this is supported by a GMCA Social Value in Procurement Policy. The GM Procurement Hub offers a centralised procurement service that can support joint commissioning across GM organisations.

An updated social value policy has been developed, with closer links to the Greater Manchester Strategy. The new policy will ensure social value plays a key role in the city region's public procurement and wider priorities, sitting at the heart of work to tackle inequalities and build a better, fairer and greener economy in Greater Manchester. The updated framework guides the delivery of social value within public sector contracts across the GMCA, individual local authorities and NHS organisations. It supports commissioners to set out their procurement and contract management requirements to maximise relevant social value, and providers to develop and submit proposals.

Areas for Focus in 2024/25

- Continue to lobby government for the adoption of the Good Landlord Charter.

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

Each Member has a clear role profile in relation to their portfolio. The assigned portfolios are published through the GMCA website, so members of the public are aware of which member of the GMCA has strategic responsibility for which area. Leaders meet regularly with senior officers in relation to their portfolio.

Member Induction Sessions are held at the beginning of each year, and Member capabilities and skills are supported through the Member development programmes. Informal briefings are provided to Members in advance of all Audit Committees and the Overview and Scrutiny Committee.

The Chief Executive Officer's role includes oversight of Transport for Greater Manchester. Part 3 of the GMCA Constitution sets out a Scheme of Functions Delegated to Chief Officers and those exercisable only by the GMCA to ensure clarity over the types of decisions that are delegated and those that are reserved for collective decision making of the Board.

Strategic management oversight and direction is provided through the Chief Executives Management Team, which is also the Incident management Group for emergencies, the Senior Leadership Team. The wider Leadership Team, Senior Leadership Team and Extended Leadership Teams meet regularly to discuss and share knowledge.

An increased focus on leading the delivery of system change through the Greater Manchester Strategy with improved co-ordination the GMCA and with Place has required:

- A wider range of Directors coming together to pull the 'professional specialisms' from across the CA together to lead/drive the organisation as a whole to meet agreed priorities. No one team can deliver system change
- A generic 'Director' role with a specialist portfolio – to show role is about working cross the organisation with 'blocks of activity' grouped under

Directors. By definition these 'Directorates' will rely on each other to deliver 'whole system change'.

- Corporate/Enabling Services are integral part of driving forward overall outcomes of the CA and the work of individual Directorates

These renewed directorates have been based on what the CA is trying to achieve:

- We want everyone to be Life Ready with the skills needed throughout live to succeed (Education/Skills block)
- We want people to have good jobs in a prosperous economy (Economy block)
- We want people to live in vibrant and safe places (Place Making and Police/Fire/Criminal Justice blocks)
- We want GM to be a Low Carbon city region at the forefront of the 4th Industrial Revolution (Green and Digital blocks)
- We want joined-up public services that support individuals' holistically, focussing on prevention and the promotion of the best life chances (Public Service Reform block)

A comprehensive GMCA Corporate Plan is in place and can be found on the GMCA's [website](#)³. The Corporate Plan provides insight into the city region and the related devolution arrangements; how the GMCA works in terms of its staff, partnerships, business and governance; its business model, resources and funding arrangements; achievements and most importantly the key priorities looking forward. Additional to the Corporate Plan, an annual GMCA Business Plan is produced for organisational use. This includes the activities to be delivered through the year, with detailed Directorate Plans included. All the priorities are drawn from the GMS and monitoring performance against the GMS is delivered through the progress reports, underpinned by comprehensive performance dashboards, which are reported through the Scrutiny Committee, and to the GMCA, on a six-monthly basis.

³ [Corporate Plan 2022-2025 \(greatermanchester-ca.gov.uk\)](#)

During 2022/23, the GMCA had put itself forward as the first Combined Authority to go through the Local Government Association's Corporate Peer Challenge. The authority sought an external view on what it was doing well and what needed to improve on in order to help the authority meet its organisational objectives and make a difference to the lives of the people in Greater Manchester. In February 2023 the independent LGA peer challenge team published its final report. The report was overwhelmingly positive recognising the many strengths of GMCA, and by extension Greater Manchester as a whole. The report made 15 core recommendations where the reviewers felt there was opportunity for development, exploration of additional activities, or where collectively Greater Manchester could do something different or further than currently. It also highlighted some of the significant risks and future funding challenges. These have been captured within an action plan that will subsequently feed into the GMCA Business Plan.

The GMCA has developed a GM Good Employment Charter which has continued to expand its membership and support throughout 2023/24. The GMCA itself has achieved Member status through its own excellent employment practices.

The integrated staff Personal Development Plans first developed through 2017/18 as part of enhanced HR and organisational development service for overall GMCA continue to take place. Further initiatives include:

- The launching of a health and wellbeing area on the intranet that includes a comprehensive suite of online support, virtual learning and opportunities to have face to face support
- An expanded portfolio of e-learning modules for staff and manager including equality and diversity awareness
- The launch of Mi Learning with a suite of new and improved managerial support tools to help people managers improve their knowledge and skills
- A 'Festival of Learning' is also held several times a year, during which a series of presentations and events are held to upskill and build the knowledge base of colleagues through the organisation.

- Leadership Development Programme procured and being rolled out across GMFRS
- Annual 'B-Heard' surveys are held to give colleagues a chance to share their views on how it feels to be a part of the GMCA and how they can help to shape the future of the organisation.

In order for GMCA staff to be able to work in a way that allows them to do their job effectively whilst supporting health and wellbeing needs – a flexible and hybrid Working Policy is in place.

As an employer, the GMCA wants to become an organisation where staff are managed through their performance and contribution to organisational objectives rather than the time they are at their desk.

The GMCA is moving away from traditional methods of management by trusting and empowering our staff to deliver its organisational objectives in the best way that suits the business and their individual needs.

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

The Audit Committee is responsible for overseeing the effective operation of the systems of governance, risk and Internal control arrangements. Through the delivery of a risk-based Internal Audit Plan, Internal Audit provide assurance to the Committee around the effectiveness of the arrangements for governance, risk management and the effectiveness of the internal control environment.

The Internal Audit Plan is approved by Audit Committee, and Internal Audit provide quarterly progress reports to Audit Committee. In line with Public Sector Internal Audit Standards (PSIAS), the Deputy Director, Audit and Assurance produces an Annual Head of Internal Audit Opinion.

GMCA has a risk management framework in place. The Deputy Director, Audit and Assurance is responsible for the development and implementation of the framework but ownership of risk lies within GMCA Leadership and within Directorates. The Corporate Risk Register consists of the Strategic Risks faced by GMCA as well as the high scoring cross-organisational and Directorate risks. This provides an organisation-wide view of the risks that require management. The GMCA Audit Committee receives quarterly updates on the risk management and any significant movement and changes in the risk profile.

There is an established scrutiny / call-in process whereby any Member of Constituent Councils can refer items for possible scrutiny. Areas for the scrutiny committee to are also proposed by the Chair and other members of the committee who are the owners of the committee's work programme.

The Information Governance Transformational Change Programme has been developed to delivers transformational change across Greater Manchester. Project areas range from organisational interventions to pan GM work. All outcomes delivered by the Change Programme are aligned to the fulfilment of the Vision of the GM Information Strategy. The GMCA Information Governance team is running

this project to improve the existing processes of fulfilling information rights and transparency requirements requests in line with legislative, regulatory and best practise recommendations, as laid out with the Freedom of Information Act 2000, Environmental Information Regulations 2004. The success of the project will build upon the developments around Information Asset Management, and will depend on management and staff across GMCA, GMFRS and TfGM (the organisations supported by the IG shared service) being receptive to, contributing to and eventually adopting the changes and activities delivered as part of this project.

GMCA's Revenue and Capital Budget and Monitoring Reports; Mayoral General Revenue and Capital Budget and Monitoring Reports; Mayoral Police and Crime Revenue and Capital Budget and Monitoring Reports; Treasury Management Strategy and Treasury Management Outturn Reports are all subject to appropriate reviewing, scrutiny and challenge where appropriate.

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

Transparency of decision-making is achieved through live streaming key meetings, a centralised FOI process, and through the GMCA Communications Strategy.

In terms of reporting: the annual accounts with narrative introduction; GMCA Annual Performance Report; Police and Crime Annual Report; Head of Internal Audit Annual Opinion; Annual Governance Statement; and Statement of Accounts are considered by the GMCA Audit Committee and the GMCA and contained within publicly viewable agendas.

External Auditors (Mazars) produce annual reports upon the conclusion of their work. The Audit Committee has oversight on the final accounts process. Actions taken to implement External Audit Recommendations will be reported as part of a combined audit recommendations tracker for 2023/24 as part of a revised audit action tracking process.

The Annual Internal Audit Opinion sets out compliance with the Public Sector Internal Audit Standards (PSIAS) and for 2023/24 confirmed that work had been undertaken in line with PSIAS.

Areas for Focus in 2024/25

- Carry out an exercise to demonstrate the organisation's compliance with the Local Government Association's 'Improvement and Assurance Framework for Local Government'. Subsequently developing an action plan to address any gaps in compliance.

Audit Committee

Date: 22 October 2024

Subject: Quarterly Treasury Management Update – 30 June 2024

Report of: Steve Wilson, Treasurer

Purpose of Report

To update Members on treasury management activities during the first quarter of 2024/25.

Recommendations:

Members are requested to:

1. Note the report on treasury activities during the first quarter of 2024/25 and the forecast prudential and treasury indicators in Appendix 1.

Contact Officers

Steve Wilson

Treasurer

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Director of Operational Finance

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Report authors must identify which paragraph relating to the following issues:

Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management

There are considerable risks to the security of the GMCA's resources if appropriate Treasury Management strategies and policies are not adopted and followed. The GMCA has established good practice in relation to Treasury Management.

Legal Considerations

This report fulfils the statutory requirements to have the necessary prudential indicators to be included in a Treasury Management Strategy.

Financial Consequences – Revenue

Financial revenue consequences are contained within the body of the report.

Financial Consequences – Capital

Financial capital consequences are contained within the body of the report.

Number of attachments to the report:

None

Comments/recommendations from Overview & Scrutiny Committee

N/A.

Background Papers

[Treasury Management Strategy Statement, GMCA 22 March 2024](#)

Tracking/ Process

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

No

Exemption from call in

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

N/A

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

- 1.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that Members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Authority is implementing best practice in accordance with the Code.

2. Economics update

- 2.1 The first quarter of 2024/25 saw:
- a) Gross Domestic Product (GDP) growth flatlining in April 2024 following positive Q4 2023/24 growth figures of 0.7% q/q.
 - b) A stalling in the downward trend in wage growth, with the headline 3myr rate staying at 5.9% in April 2024.
 - c) Consumer Price Index (CPI) inflation falling from 2.3% in April 2024 to 2.0% in May 2024.
 - d) Core CPI inflation decreasing from 3.9% in April 2024 to 3.5% in May 2024.
 - e) The Bank of England holding rates at 5.25% in May 2024 and June 2024.
 - f) 10-year gilt yields climbing to 4.35% in April 2024, before closing out at 4.32% in May 2024.
- 2.2 The news that the economy grew by 0.7% q/q in Q4 2023/24 confirmed that it moved out of its very mild technical recession that prevailed at the back end of 2023. However, data released for April 2024 and May 2024 so far shows a slight stalling in the recovery, with GDP data for April 2024 coming out at 0.0% m/m, as inclement weather weighed on activity. Moreover, the fall in the composite Purchasing Manager Index output balance from 53.0 in May 2024 to 51.7 in June 2024 confirms tepid growth.
- 2.3 On a more positive note, the 2.9% m/m increase in retail sales volumes in May 2024 more than reversed the 1.8% m/m drop in April 2024 as rainfall returned to seasonal norms. The strength was broad-based across the retail sector, including online, (+5.9% m/m) suggesting an underlying strengthening in sales beyond weather effects. With inflation falling back to target, Bank Rate likely to be reduced soon and with consumer confidence improving, retail sales may well continue to strengthen.

- 2.4 Stronger consumer spending, as low inflation allows households' real incomes to strengthen and the drag from higher interest costs fades, suggests that real consumption will strengthen substantially over the next two years. However, investment will only make a modest contribution to GDP growth. With the industrial sector still 12% smaller than in 2019, excess capacity will continue to cap the need for industrial firms to invest. But improving business sentiment should raise investment by services' firms. Further, a fall in mortgage rates should trigger a recovery in residential investment. Overall, strong consumer spending is likely to be the backbone of GDP growth, along with government consumption. Our colleagues at Capital Economics forecast that following GDP growth of 1.0% in 2024, activity will continue to surprise to the upside with GDP growth of 1.5% for both 2025 and 2026 (consensus forecasts are 1.2% and 1.4% respectively).
- 2.5 Nonetheless, the on-going stickiness of wage growth in April 2024 will be a lingering concern for the Bank of England. The 3myy rate of average earnings growth stayed at 5.9% in April 2024 (consensus 5.7%), whilst the more timely 3m annualised rate rebounded from 5.9% to 9.3%. This stickiness partly reflected April 2024's 9.8% increase in the minimum wage. This leaves the Bank of England's forecast for a fall back in regular private sector pay growth from 5.8% in April 2024 to 5.1% in June 2024 looking a challenge.
- 2.6 Despite the stickiness of wage growth in April 2024, sharp falls in employment and a move up in unemployment suggests that wage growth will soon be back on a downward path. The 139,000 fall in employment in the three months to April 2024 was accompanied by a rise in the unemployment rate from 4.3% to 4.4%. This was the fourth increase in a row and took it to its highest level since September 2021. The rise would have been larger were it not for the 132,000 increase in inactivity in the three months to April 2024 as the UK's disappointing labour market participation performance since the pandemic continued. The vacancies data also paint a picture of a slowly cooling labour market. The number of job vacancies fell from an upwardly revised 908,000 to 904,000, leaving vacancies 31% below the peak in May 2022, but 11% above the pre-pandemic level.
- 2.7 The fall in CPI inflation in May 2024 back to the Bank's 2% target for the first time since July 2021 will have come as welcome news to the Bank. Furthermore, with CPI inflation of 3.3% in the United States (US) and 2.6% in the Euro-zone in May 2024, the UK appears to have won the race to get CPI inflation back to 2.0%. A further easing in food inflation from 2.8% in April 2024 to 1.6% in May 2024 played

a part in the fall in overall CPI inflation and with food producer price inflation at just 0.2% in May 2024, food price inflation will probably soon fall to zero.

- 2.8 The core rate also fell back from 3.9% to 3.5%. Within that, core goods CPI inflation slipped below zero for the first time since October 2016. As expected, clothing/footwear, recreation/culture and restaurants/hotels categories inflation declined, reflecting base effects from big increases in May 2023. While services inflation fell from 5.9% to 5.7%, this decline was smaller than the Bank of England expected (forecast 5.3%). And the timelier three-month annualised rate of services prices has rebounded from 8.5% to 9.2%. This suggests that the persistence in domestic inflation that the Bank is worried about is fading more slowly than it thought. Even so, there is scope for inflation to fall further.
- 2.9 There was little chance that the Bank would cut rates at its June 2024 meeting, given upside surprises on services CPI inflation and wage growth. But several developments implied a rate cut is getting closer (August 2024?). First, two members of the Monetary Policy Committee (MPC), Ramsden and Dhingra voted again to reduce rates immediately to 5.00%. Second, despite the recent run of stronger inflation and activity, the minutes noted “indicators of inflation persistence had continued to moderate” and that a range of indicators suggest pay growth had continued to ease. And there was new wording that members of the MPC will consider all the information available and how this affects the assessment that the risks from inflation persistence are receding “as part of the August 2024 forecast round”.
- 2.10 Throughout the quarter there was a degree of volatility in the gilt market and, by way of example, the 10-year gilt yield rose from 4.05% on 2 April 2024 to finish at 4.15% on 28 June 2024 but it has exceeded 4.30% on several occasions. Overall, investors judged that interest rates will need to remain high for longer to keep inflation around the 2.0% target.
- 2.11 Meanwhile, the Financial Times Stock Exchange (FTSE) 100 broke through the 8,000 mark in April 2024 for the first time since its brief three-day flutter in February 2023 and reached a record closing high of 8,446 on 15 May 2024. However, by the end of the quarter, despite AI-fuelled rises in the US S&P500, it finished rather tamely and had fallen back to 8,164. Arguably, significant interest rate cuts and an on-going UK economic recovery will be required for a further resurgence to take hold.

2.14 MPC meetings 9 May 2024 and 20 June 2024

- a) On 9 May 2024, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20 June 2024.
- b) Nonetheless, with UK CPI inflation now back at 2% and set to fall further over the coming months, Ramsden and Dhingra – who voted again to reduce rates immediately to 5.00% in June 2024 – may shortly be joined by some members in the no-change camp, for whom the June 2024 decision was “finely balanced” as the upside news on services price inflation was more likely to be a reflection of one-off effects and volatile components rather than factors that would push up “medium-term inflation”.
- c) Of course, what happens outside of the UK is also critical to movement in gilt yields. The US Federal Open Market Committee (FOMC) has already hiked short-term rates to a range of 5.00%-5.25%, but a further increase is pencilled in for July 2024, whilst the European Central Bank (ECB) looks likely to raise its Deposit rate at least once more to a peak of 3.75%, with upside risk of higher to come.

3. Interest rate forecasts

- 3.1 The Authority has appointed Link Group as its treasury advisors and part of their service is to assist the Authority to formulate a view on interest rates. The Public Works Loan Board (PWLB) rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012.
- 3.2 The latest forecast, updated on 28 May 2024, sets out a view that both short and long-dated interest rates will start to fall once it is evident that the Bank of England has been successful in squeezing excess inflation out of the economy, despite a backdrop of a stubbornly robust economy and a tight labour market.
- 3.3 The General Election is not expected to have a significant impact on UK monetary policy. There is minimal leeway for further tax cuts or added spending without negatively impacting market sentiment. It may even be the case that the Bank of England will steer clear of an August 2024 rate cut – should that be supported by the inflation data – in favour of weighing up fiscal policy implications and market sentiment in the aftermath of the election.

- 3.4 Accordingly, Link’s central case is still for a rate cut before the end of September 2024, but they are not committed to whether it will be in August 2024 or September 2024. Thereafter, the path and speed of rate cuts is similar to that which they previously forecast, with Bank Rate eventually falling to a low of 3% by H2 2026.
- 3.5 However, given the increased uncertainty surrounding Link’s central gilt market forecasts, and the significant issuance that will be on-going from several of the major central banks, it has marginally increased its PWLB forecasts by c20 to 30 basis points across the whole curve since the previous quarter.
- 3.6 In summary, regarding PWLB rates, movement in the short-end of the curve is expected to reflect Link’s Bank Rate expectations to a large degree, whilst medium to longer-dated PWLB rates will remain influenced not only by the outlook for inflation, domestically and globally, but also by the market’s appetite for significant gilt issuance (£200bn+ for each of the next few years). As noted at the Link March 2024 Strategic Issues webinars, there is upside risk to that part of their forecast despite the Debt Management Office skewing its issuance to the shorter part of the curve.

Link Group Interest Rate View 28 May 2024

	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.00	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
3 month ave earnings	5.30	5.00	4.50	4.00	3.50	3.30	3.30	3.30	3.30	3.00	3.00	3.00
6 month ave earnings	5.30	4.90	4.40	3.90	3.50	3.30	3.30	3.30	3.30	3.10	3.10	3.20
12 month ave earnings	5.10	4.80	4.30	3.80	3.50	3.40	3.40	3.40	3.40	3.20	3.30	3.40
5 yr PWLB	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.90	3.90	3.90	3.80
10 yr PWLB	5.00	4.80	4.60	4.40	4.30	4.10	4.10	4.10	4.00	4.00	4.00	3.90
25 yr PWLB	5.30	5.20	5.00	4.80	4.70	4.50	4.50	4.40	4.40	4.40	4.30	4.30
50 yr PWLB	5.10	5.00	4.80	4.60	4.50	4.30	4.30	4.20	4.20	4.20	4.10	4.10

- 3.7 Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- 3.8 The Link forecast for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

4. Annual Investment Strategy

4.1 The Treasury Management Strategy Statement (TMSS) for 2024/25, which includes the Annual Investment Strategy, was approved by the Authority on 22 March 2024. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Authority's investment priorities as being:

- a) Security of capital
- b) Liquidity
- c) Yield

4.2 The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Authority's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

4.3 As shown by the charts below and the interest rate forecasts in section 2, investment rates have remained elevated during the first quarter of 2024/25 but are expected to fall back through the second half of 2024 as inflation reduces and the MPC starts to loosen monetary policy.

4.4 Creditworthiness

4.4.1 There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

4.5 Investment counterparty criteria

4.5.1 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management.

4.6 CDS prices

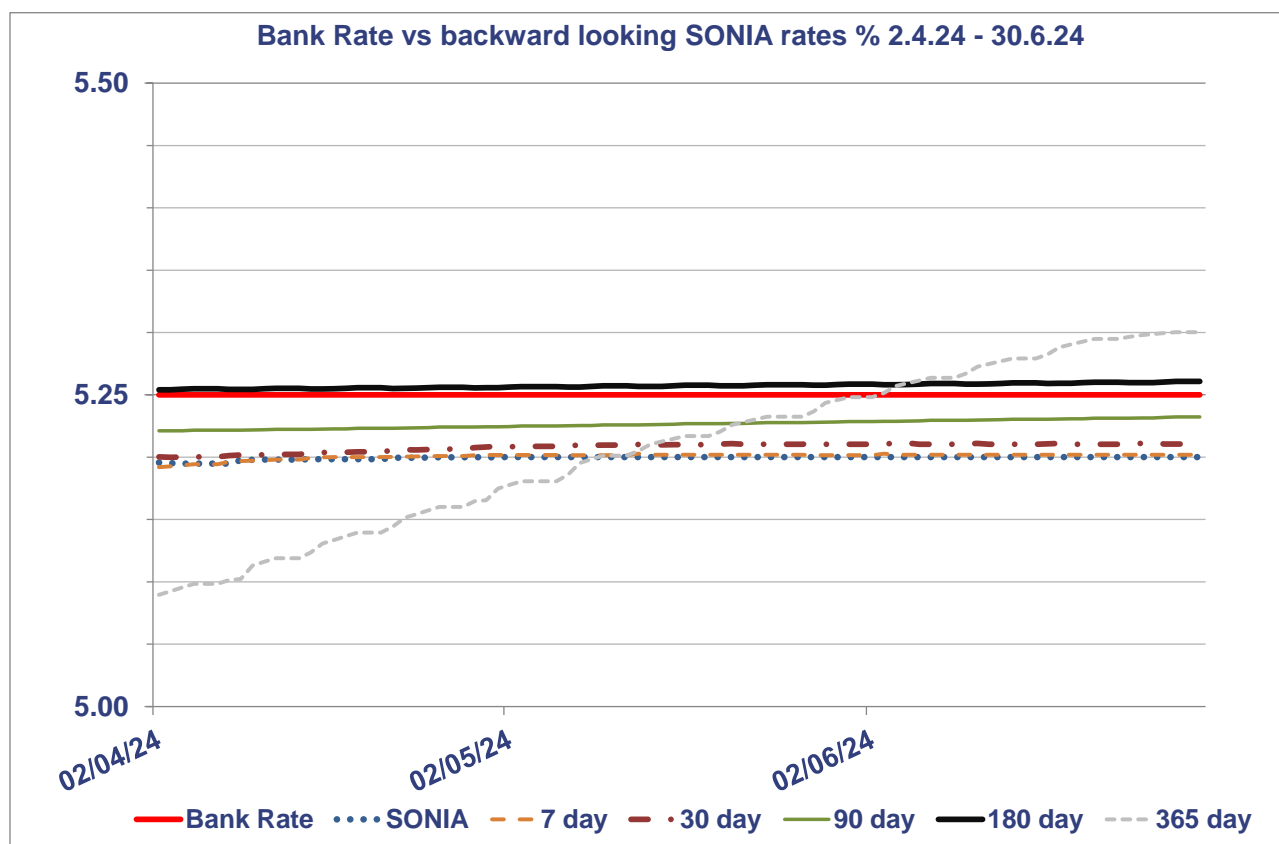
4.6.1 For UK banks, these have remained low, and prices are not misaligned with other creditworthiness indicators, such as credit ratings. Nevertheless, it remains

important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

4.7 Investment balances

4.7.1 The average level of funds available for investment purposes during the quarter was £342m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

4.8 Investment performance year to date as of end-June 2024



	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.20	5.20	5.21	5.23	5.26	5.30
High Date	2 April 2024	3 May 2024	13 May 2024	26 June 2024	28 June 2024	28 June 2024	28 June 2024
Low	5.25	5.20	5.20	5.21	5.23	5.26	5.21
Low Date	2 April 2024	4 April 2024	2 April 2024	3 April 2024	2 April 2024	2 April 2024	2 April 2024

	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
Average	5.25	5.20	5.20	5.21	5.23	5.26	5.21
Spread	0.00	0.01	0.01	0.01	0.01	0.01	0.21

4.8.1 The Authority achieved an average rate of 5.37% which outperformed the average backward looking SONIA rate by 17 bps. The Authority's budgeted investment return for 2024/25 is £2.257m, and performance for the year to date is £4.263m above budget

4.9 Approved limits

4.9.1 Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30 June 2024.

4.9.2 A full list of investments held as of 30 June 2024 is in Appendix 2.

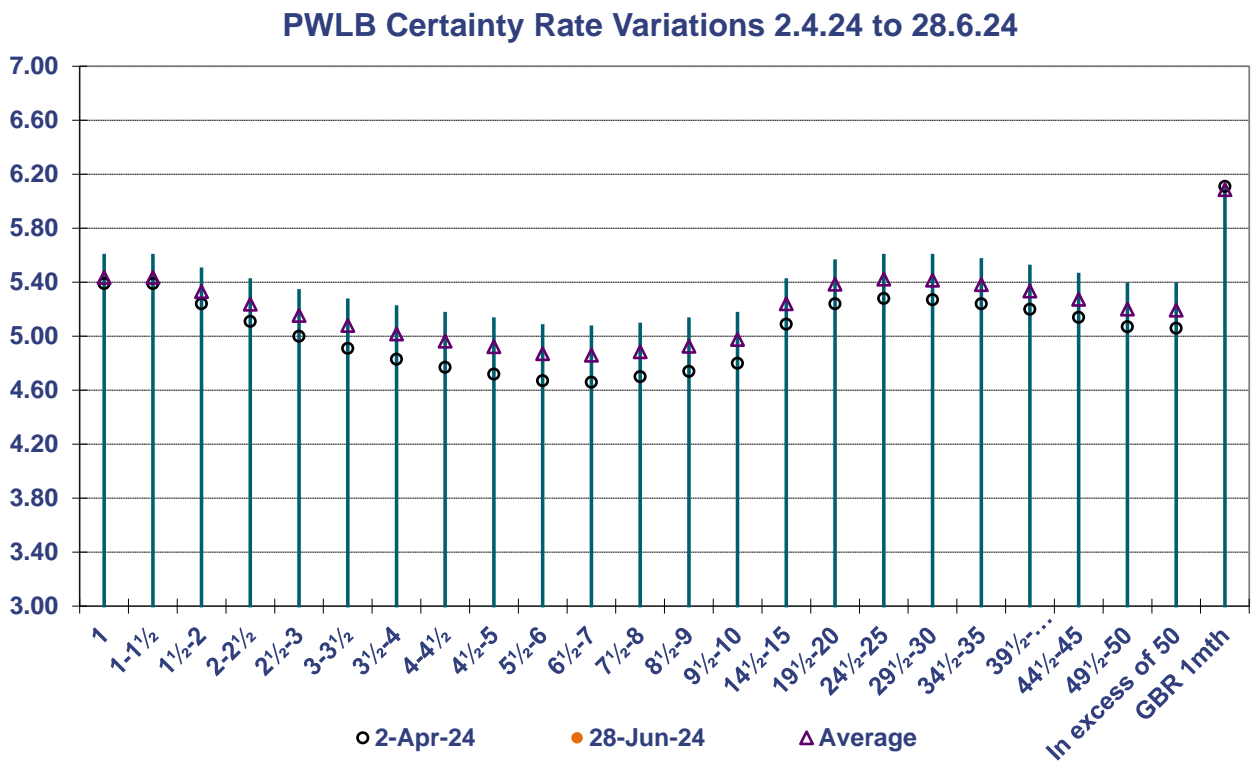
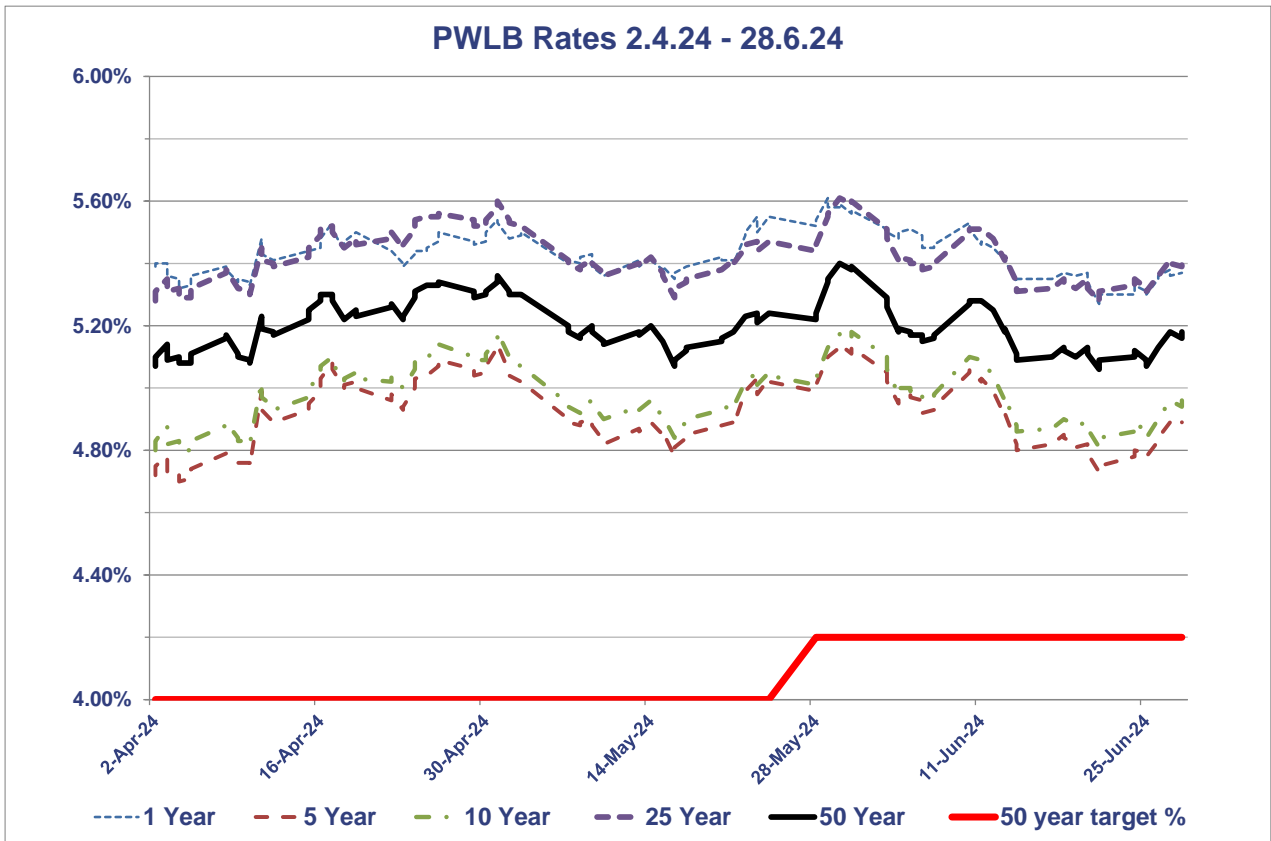
5. Borrowing

5.1 No borrowing was undertaken during the quarter ended 30 June 2024. It is anticipated that borrowing will be undertaken during this financial year.

5.2 PWLB maturity Certainty Rates 1 April to 30 June 2024

5.2.1 Gilt yields and PWLB rates remained relatively stable between 1 April 2024 and 30 June 2024. Having said that, the spread between the low and high points during the quarter was between 0.3% and 0.45% across the curve.

5.2.2 The 50-year PWLB Certainty Rate target for new long-term borrowing (the low point of our forecast on a two-year timeline) started 2024/25 at 4.00% and increased to 4.20% on 28 May 2024. As can be seen, with rates remaining elevated across the whole of the curve, it is advised to not borrow long-term unless the Authority wants certainty of rate and judges the cost to be affordable.



High/ Low/ Average PWLB Rates for 2 April 2024 – 28 June 2024

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	5.27%	4.70%	4.80%	5.28%	4.27%
Date	21 June 2024	4 April 2024	2 April 2024	2 April 2024	21 June 2024
High	5.61%	5.14%	5.18%	5.61%	5.40%
Date	29 May 2024	1 May 2024	1 May 2024	30 May 2024	30 May 2024
Average	5.43%	4.92%	4.98%	5.42%	5.20%
Spread	0.34%	0.44%	0.38%	0.33%	0.34%

6. Debt rescheduling

- 6.1 Debt rescheduling opportunities have remained a possibility in the current quarter for those authorities with significant surplus cash and a flat or falling Capital Financing Requirement in future years.
- 6.2 In May 2024, the Authority repaid a £10m Lender Option, Borrower Option (LOBO) loan to FMS Wertmanagement AoR after notification from the lender that the interest rate would rise from 4.26% to 6.35%.

7. Compliance with Treasury and Prudential Limits

- 7.1 The prudential and treasury Indicators are shown in Appendix 1.
- 7.2 It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. During the quarter ended 30 June 2024, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2024/25. The Treasurer reports that no difficulties are envisaged for the current or future years in complying with these indicators.
- 7.3 All treasury management operations have also been conducted in full compliance with the Authority's Treasury Management Practices.

APPENDIX 1: Prudential and Treasury Indicators for 2024/25 as at 30 June 2024

Treasury Indicators	2024/25 Budget	2024/25 Forecast
Authorised limit for external debt	£2,683.021m	£2,716.710m
Operational boundary for external debt	£2,556.622m	£2,599.413m
Gross external debt as at 31 March 2025	£1,344.134m	£1,402.966m
Investments as at 31 March 2025	£50.000m	£50.000m
Net borrowing as at 31 March 2025	£1,294.134m	£1,352.966m

Prudential Indicators	2024/25 Budget	2024/25 Forecast
Capital expenditure	£722.758m	£685.755m
Capital Financing Requirement (CFR)	£2,527.977m	£2,512.777m
Annual change in CFR	£53.325m	£97.721m
In year borrowing requirement	£155.750m	£100.000m
Ratio of financing costs to net revenue stream	15.4%	8.6%

APPENDIX 2: Investment Portfolio

Investments held as of 30 June 2024 compared to our counterparty list:

Institution	Instrument Type	Start	Maturity	Yield	Principal
Barclays Bank PLC (NRFB)	Call (Instant Access)			4.65%	£6,940,000
TfGM	Call (Instant Access)			0.00%	£37,048,000
Debt Management Office	Fixed Term Deposit	26/06/2024	01/07/2024	5.19%	£19,200,000
Aberdeen City Council	Fixed Term Deposit	14/06/2024	30/09/2024	5.30%	£5,000,000
Aberdeenshire Council	Fixed Term Deposit	29/04/2024	29/08/2024	5.40%	£5,000,000
Blackpool Council	Fixed Term Deposit	30/04/2024	31/07/2024	5.45%	£13,000,000
Blackpool Council	Fixed Term Deposit	26/06/2024	30/09/2024	5.30%	£10,000,000
Bury MBC	Fixed Term Deposit	24/06/2024	24/09/2024	5.25%	£10,000,000
Central Bedfordshire Council	Fixed Term Deposit	17/06/2024	17/09/2024	5.25%	£10,000,000
Central Bedfordshire Council	Fixed Term Deposit	24/06/2024	30/08/2024	5.25%	£5,000,000
Cheltenham Borough Council	Fixed Term Deposit	21/06/2024	23/09/2024	5.25%	£5,000,000
Cheshire East Council	Fixed Term Deposit	19/04/2024	19/07/2024	5.50%	£10,000,000
Cornwall County Council	Fixed Term Deposit	10/06/2024	01/07/2024	5.25%	£15,000,000
Cornwall County Council	Fixed Term Deposit	10/06/2024	12/08/2024	5.25%	£5,000,000
Kingston upon Hull City Council	Fixed Term Deposit	08/04/2024	08/07/2024	5.30%	£10,000,000
North Tyneside MBC	Fixed Term Deposit	03/06/2024	03/07/2024	5.30%	£5,000,000
Plymouth City Council	Fixed Term Deposit	11/04/2024	11/07/2024	5.40%	£5,000,000
South Yorkshire Fire & Rescue	Fixed Term Deposit	18/03/2024	01/08/2024	6.65%	£5,000,000
Stockport MBC	Fixed Term Deposit	05/06/2024	02/09/2024	5.25%	£5,000,000
Stockport MBC	Fixed Term Deposit	24/06/2024	16/09/2024	5.25%	£15,000,000
Suffolk County Council	Fixed Term Deposit	28/06/2024	30/09/2024	5.28%	£5,000,000
Surrey County Council	Fixed Term Deposit	27/06/2024	27/11/2024	5.25%	£10,000,000
Telford & Wrekin Council	Fixed Term Deposit	24/06/2024	30/09/2024	5.30%	£5,000,000
Lloyds Bank PLC (RFB)	Fixed Term Deposit	18/04/2024	18/07/2024	5.28%	£6,500,000
Lloyds Bank PLC (RFB)	Fixed Term Deposit	07/06/2024	07/08/2024	5.29%	£7,500,000
Lloyds Bank PLC (RFB)	Fixed Term Deposit	07/06/2024	07/10/2024	5.25%	£7,500,000
SMBC Bank International PLC	Fixed Term Deposit	31/05/2024	31/07/2024	5.36%	£5,000,000
SMBC Bank International PLC	Fixed Term Deposit	31/05/2024	30/08/2024	5.36%	£5,000,000
SMBC Bank International PLC	Fixed Term Deposit	31/05/2024	30/09/2024	5.33%	£8,800,000
Banks and Local Authorities					£261,488,000
MMF CCLA	Money Market Fund			5.21%	£5,620,000
MMF Aviva	Money Market Fund			5.24%	£25,000,000
MMF Federated Investors (UK)	Money Market Fund			5.22%	£25,000,000
MMF Aberdeen	Money Market Fund			5.22%	£25,000,000
Money Market Funds					£80,620,000
Total					£342,108,000

APPENDIX 3: Approved countries for investments as of 30 June 2024

Based on lowest available rating

AAA

- a) Australia
- b) Denmark
- c) Germany
- d) Netherlands
- e) Norway
- f) Singapore
- g) Sweden
- h) Switzerland

AA+

- a) Canada
- b) Finland
- c) U.S.A.

AA

- a) Abu Dhabi (UAE)
- b) Qatar

AA-

- a) Belgium
- b) France
- c) U.K.

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GMCA AUDIT COMMITTEE

Date: 22 October 2024

Subject: GMCA Audit Committee Work Programme 2024-2025

Report of: Steve Wilson, GMCA Treasurer

PURPOSE OF REPORT

To ask the Audit Committee members to consider and comment on a work programme of items that will provide a focus for the work of the Committee for the 2024/25 municipal year.

RECOMMENDATIONS:

The Audit Committee is requested to:

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

CONTACT OFFICERS:

Steve Wilson, GMCA Treasurer

Steve.wilson@greatermanchester-ca.gov.uk

Paul Harris, Senior Governance Officer, GMCA

Paul.harris@greatermanchester-ca.gov.uk

Equalities Implications: N/A

Climate Change Impact Assessment and Mitigation Measures: N/A

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

Legal Considerations – none

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

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

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

BACKGROUND PAPERS:

None

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

GMCA Audit Committee – Work Programme 2024-25

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

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

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

* Part B (Private) meeting items

