

JOINT AUDIT PANEL

Date: 10th September 2020

Time: 11:00 – 12:00

Venue: Online Meeting

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

Assistant Chief Officer Lynne Potts (GMP)
Janet Moores (GMP - Head of Finance)
Matthew Innes (GMP - Deputy Head of Finance)
Candice Simms (GMP - Minutes)

Steve Wilson (GMCA – Treasurer)
Cath Folan (GMCA - Audit Manager (Police and Crime))

Mark Dalton (Mazars - Partner (Public Services))
Amelia Payton (Mazars – Engagement Manager)

Apologies Sarah Horseman (GMCA - Head of Audit and Assurance)
Hilary Pogson (Panel)
Foluke Fajumi (Panel)

M098/JAP Welcome & Apologies for Absence

Apologies were noted from Sarah Horseman, Hilary Pogson and Foluke Fajumi.

M099/JAP Urgent Business (if any) at the discretion of the Chair

None raised.

M100/JAP Declarations of Interest

None raised.

M101/JAP Approval of July 2020 minutes and actions

The Panel approved the previous minutes as a true and accurate record.

M102/JAP External Audit Completion Report

Mazars provided an overview of the External Audit Completion Report for GMP for 2019/20. Subject to the satisfactory completion of the outstanding work, Mazars anticipates issuing an unqualified opinion, without modification, on the financial statements. The anticipated Value for Money conclusion indicates that the Chief Constable had proper arrangements in place to secure economy, efficiency and effectiveness in its use

of resources. Mazars noted there were positive outcomes across all areas of external audit responsibility under the Code of Audit Practice. Mazars thanked GMP for their assistance throughout the audit, particularly given the circumstances surrounding COVID-19.

It was noted the accounts for 2019/20 cannot be signed off until Mazars receive an assurance letter from the auditor of the Greater Manchester Pension Fund following the completion of their audit, evidence requested from the pension payroll administrator XPS is also pending. Assurances are expected to be received during the week commencing 14th September. A revised actuarial report based on the government's proposed remedy for the 'McCloud' case has now been published. The revised valuation indicated that the net liabilities of the Chief Constable had reduced by £82.270m. This has been included within GMPs accounts presented at today's Joint Audit Panel.

Mazars are currently awaiting group instructions from the National Audit Office (NAO) in relation to the whole of government accounts. GMPs return is part of the GMCA return, but as the NAO are yet to confirm that there will be no changes for the prior year audit arrangements, the audit certificate cannot be issued until instruction has been received from the NAO; this is estimated for the end of September.

The report informs of a mis-posting within GMPs accounts, which on correction reduces both the funding from the Mayor and the cost of policing services. This charge was made to GMP from the GMCA and relates to depreciation and revaluation of land and buildings, which initially went through unnoticed but was quickly rectified following the Joint Audit Panel meeting in June. The Panel were assured that this mistake would not transpire at the final stage of publishing the audited accounts, as thorough checks are made by GMP and Mazars.

The Panel noted it may be helpful for the public to be provided with a summary of the accounts, which would incorporate comparisons across previous years to help understand the funding changes with regards to austerity.

ACTIONS: Mazars to liaise with other blue light colleagues to source any examples of short form summary accounts.

M103/JAP Chief Constables Final Statement of Accounts 2019/20

GMP summarised the Amendments to Financial Statements of the Chief Constable of Greater Manchester Police (pg. 106-107). As noted in the report, the overall impact of these adjustments on the financial statements previously presented is to increase total comprehensive income by £95.398m and reduce net liabilities on the balance sheet by £95.398m. Details of the impact of these amendments on the core financial statements can be found within the papers.

GMP informed members that delays with payroll queries were an effect of COVID-19, as the team were not set up to work from home when the regulations changed earlier this year.

M104/JAP Management Assessment of Going Concern

GMP discussed the letter (pg. 109 – 112) which expresses an opinion as to whether the financial statements have been prepared on a going concern basis. The letter summarises how the Force has a clear plan in place to mitigate the current overspend, and has sufficient reserves to balance the budget in the short term if required. It is therefore considered appropriate to prepare the Chief Constable's Statement of Accounts for 2019/20 on a going concern basis. GMP conclude how the Statement of Accounts 2019/20 demonstrates the Force is performing effectively and is in a good position to respond to the current and emerging challenges.

Mazars noted there are live conversations ongoing with clients in the government sector asking treasurers to reconsider going concern post COVID-19. Through discussions with management to create this letter/report, and assurance from the GMCA and other audit procedures, Mazars are comfortable there is no material uncertainty in relation to going concern that would require additional disclosures within GMPs accounts.

The Panel thanked all parties for their contributions in preparing and auditing the accounts to a good standard.

It was noted members of the Panel will be in attendance at the Chartered Institute of Public Finance and Accountancy (CIPFA) Webinar for Audit Committee Members in the Police Sector on 1st October.