

## **Audit Committee**

Date: 19 August 2021  
Subject: Annual report of the Audit Committee Chair 2020/21  
Report of: Audit Committee Chair

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### **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:**

Gwyn Griffiths. Email c/o Steve.Annette@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

BOLTON  
BURY

MANCHESTER  
OLDHAM

ROCHDALE  
SALFORD

STOCKPORT  
TAMESIDE

TRAFFORD  
WIGAN

## 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 1 April 2020 to 31 July 2021.

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

# Annual Report of the Audit Committee Chair 2020/21

## 1. Introduction

I am pleased to present the report of the Audit Committee Chair for the year 2020/21. This covers the period from 1 April 2020 to 31 July 2021.

I thank and commend all the officers and staff of GMCA who have maintained delivery of essential services to the people of Greater Manchester during a most challenging year. I also thank the members of this Committee for their continued enthusiasm and commitment to scrutinise and support the GMCA through their participation in Audit Committee meetings both virtually and in person. I also wish to thank the Governance and Scrutiny team, in particular Steve Annette, for their dedication and tenacity which allowed us to hold effective meetings despite numerous challenges with the technology.

## 2. The Audit Committee

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 governance, risk management and control frameworks. It has delegated power to approve the annual accounts and it oversees year-end financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place. Committee minutes are presented to meetings of the GMCA.

## 3. Membership

The Audit Committee comprises 8 members: four elected members proposed by districts and four independent members appointed by GMCA. Quorum for meetings is six members. In the year the membership comprised the following:

Cllr Chris Boyes (Trafford Council)

Gwyn Griffiths (independent, Chair)

Grenville Page (independent)

Cllr Colin McLaren (Oldham Council)

Cathy Scivier (independent)

Cllr Sarah Russell (Manchester City Council, deputy chair)

Susan Webster (independent)

Cllr Mary Whitby (Bury Council)

I am pleased that the districts proposed and GMCA appointed those councillors who had served on the Committee previously. This delivered continuity of Committee membership, which has been particularly important over the period.

## **4. Meetings**

The Audit Committee met virtually, under temporary provisions introduced by statute, on 30 June 2020, 8 September 2020, 20 November 2020, 22 January 2021 and 27 April 2021. The meeting scheduled for 8 July 2021 was cancelled as it was inquorate due to travel disruption affecting two members and NHS track and trace causing one member to self-isolate. The July meeting has been rescheduled for 27 August 2021.

## **5. Review of the year**

During 2019/20 the Audit Committee had a full agenda for meetings and had training and deep dive sessions outside the formal meetings. The deep dives enabled members to maintain a high level of understanding of the complexities of the GMCA, and to inform the agenda for the formal meetings.

It had been my intention for provision to be made for training to be arranged for the members of the Committee to obtain still deeper knowledge and understanding of GMCA's operations. That provision was to have included longer sessions with senior officers from across the GMCA and focus by individual members on particular areas of GMCA.

In the early part of 2020, the Committee was particularly concerned with the integration of new areas of responsibility into the continuing activities of the GMCA and the preparations for Brexit. The Committee was pleased with the effective integration of new activities and areas of responsibility, which have marked the past four years of GMCA's history.

As regards Brexit, the Committee noted significant preparations made by GMCA in conjunction with other agencies across Greater Manchester. The Brexit preparations looked at both the immediate logistical concerns of separation from the EU, but also potential longer-term impacts on jobs and financial hardship. The Brexit planning exemplifies the GMCA's capability to coalesce cross-agency co-operation to great effect.

In March 2020 the country was faced with the SARS-CoV-2 (COVID-19) pandemic impacting on all activity. One impact of that was to cause much of GMCA's activities to be reshaped to deliver services remotely, with reduced workforce, with severe limitations. In April 2020 I initiated conversations with the Treasurer and Head of Audit and Assurance to ensure that finance, risk and key assurance activities were being maintained in the face of this significant disruption. During the evolution of the pandemic, the Treasurer and Head of Audit and Assurance have made frequent reports to me and to the Audit Committee to ensure we maintain our scrutiny of the GMCA's risks and finances.

Another impact of the pandemic has been the suspension of in-person meetings of the Audit Committee. Following a hiatus, during which we were unable to hold a meeting in April 2020, legislation was passed allowing public meetings to be held remotely using Microsoft Teams. There were accessibility problems associated with the Teams platform throughout the year, but formal meetings were able to be held from June 2020 onwards. Regrettably, it was not possible to carry out the previously successful programme of training sessions and deep dives or to extend the training as had been envisaged. However, meetings have been attended by senior officers from, inter alia, GMFRS, to address external reports and areas of concern to the Committee.

It has been a challenging period for the emergency service arms of GMCA. GMFRS has been addressing issues raised by the Kerslake Report into the Manchester Arena terror

attack and HMICFRS's report – Effectiveness, efficiency and people 2018/19; GMP has had to address issues raised by HMICFRS's Victim Services Assessment Inspection Report from December 2020. It is unfortunate that the Committee has not had the opportunity to engage on a deep level with senior officers in GM Police and GM Fire & Rescue Service, but we note the endeavours being made by those two bodies to respond to the concerns raised. The Joint Audit Panel examines the risk, finance and governance of GMP and reports to the Committee. I am pleased with the engagement between the Joint Audit Panel, the Deputy Mayor and senior police officers to address the various concerns. Recent appointments of a new Chief Constable and Chief Fire Officer are welcomed by the Audit Committee. We wish them every success in their new roles and look forward to meeting with them in coming months.

Financially, the period has been exceptionally challenging for all local authorities. However, except for transport (delivered by TfGM), GMCA is in a much better position than the average authority. TfGM has seen a massive fall in revenues during the lockdowns and has yet to return to normal levels. GMCA has negotiated deals to sustain TfGM with central government, but these are all short term. Accordingly, TfGM remains an area of financial risk to GMCA and this is addressed in the Treasurer's paper(s) on going concern in respect of the annual accounts and audit.

The risk framework for GMCA has continued to develop, guided by Head of Assurance and Audit, Sarah Horseman. In large part because of the rapid expansion in the scope of GMCA, some areas of the GMCA have made good progress on the continuum of risk maturity, whilst others lag. An organisational risk management maturity assessment was undertaken in late 2020, the results of which show that the organisation falls within the "emerging" phase of risk management maturity. Work is ongoing across the organisation to increase the maturity level to a minimum of "conforming" in 2021/22.

Internal Audit activity during the period has been redirected to areas in need of urgent support. This has provided additional capability in front-line areas and much-needed assurance on GMCA's Covid-19 response, but it has meant that the audit plan has fallen behind schedule. Recruitment into the internal audit function has continued and the team is now up to its planned strength. The Committee recognises the dedication and professionalism of the internal audit team and its crucial role across GMCA. We will continue to support the Head of Audit and Assurance and will pay close attention to resourcing of the audit function, levels of significant findings and officers' response to internal audit recommendations.

The production of GMCA's Accounts and Annual Governance Statement was in accordance with the timetable laid down by statutory instrument<sup>1</sup>, and these were made available to the Committee for the (cancelled) July meeting. They will be considered formally at the 27 August meeting, with a view to the audited accounts being approved in a meeting of the Audit Committee in September 2021 and published in line with the statutory timetable.

Gwyn Griffiths  
Independent Member and Chair  
August 2021

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<sup>1</sup> The Accounts and Audit (Amendment) Regulations 2021