

**MINUTES OF THE GREATER MANCHESTER COMBINED AUTHORITY
AUDIT COMMITTEE, HELD ON WEDNESDAY 27TH JULY 2022 AT THE GMCA
OFFICES, TOOTAL BUILDINGS, MANCHESTER M1 6EU**

PRESENT:

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

ALSO PRESENT:

Mark Dalton	Mazars
Daniel Watson	Mazars

OFFICERS:

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

AC/01/22 WELCOME, INTRODUCTIONS AND APOLOGIES

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

AC/02/22 APPOINTMENT OF CHAIR 2022/2023

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

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

RESOLVED/-

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

COUNCILLOR SARAH RUSSELL IN THE CHAIR

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

There were no announcements or items of urgent business reported.

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

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

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

RESOLVED/-

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

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

*denotes Substitute Members.

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

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

RESOLVED/-

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

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

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

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

RESOLVED/-

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

AC/07/22 CODE OF CORPORATE GOVERNANCE

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

RESOLVED/-

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

AC/08/22 DECLARATIONS OF INTEREST

RESOLVED /-

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

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

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

RESOLVED/-

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

AC/10/22 UPDATE FROM THE JOINT AUDIT PANEL

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

RESOLVED/-

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

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

AC/11/22 HMICFRS ACTIONS UPDATE

The Deputy Chief Fire Officer and the Head of Service Excellence introduced a report of the Chief Fire Officer, GMFRS, which provided a summary of Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Greater Manchester Fire & Rescue (GMFRS) 2021 round 2 inspection report published on 15th December 2021 and the ongoing improvement activities to address the findings in the report.

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

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

A Member highlighted the potential risk of industrial action by the GMFRS. Officers explained that this matter has been included on the risk register in respect of business continuity. Robust plans were in place with resilience crews. It was also noted that the risk of industrial action was also included in the GMCA risk report.

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

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

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

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

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

RESOLVED/-

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

AC/12/22 CONSTITUTION AND GOVERNANCE UPDATE

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

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

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

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

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

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

RESOLVED/-

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

AC/13/22 SCRUTINY REVIEW RECOMMENDATIONS

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

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

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

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

responsibilities for the work of the Committee. Officers undertook to explore this matter further.

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

RESOLVED/-

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

AC/14/22 RISK MANAGEMENT UPDATE

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

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

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

RESOLVED/-

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

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

The Head of Audit and Assurance, GMCA introduced a report which informed Members of the progress made on the delivery of the Internal Audit Plan for Q1 2022/23 and the finalisation of outstanding reports from 2021/22. Members noted that this is used as a mechanism to approve and provide a record of changes to the internal audit plan.

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

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

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

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

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

RESOLVED/-

That the report be noted

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

The Head of Audit and Assurance, GMCA introduced a report which provided Members of the Audit Committee with the Head of Internal Audit Opinion on the effectiveness of the framework of governance, risk management and internal control at Greater Manchester Combined Authority (GMCA) for the year ended 31 March 2022.

Members were reminded that the GMCA Internal Audit team delivers an annual programme of audit work designed to raise standards of governance, risk management and internal control across the Greater Manchester Combined Authority (GMCA). In accordance with Public Sector Internal Audit Standard 2450 this work is required to culminate in an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

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

RESOLVED/-

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

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

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

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

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

RESOLVED/-

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

AC/18/22 ASSESSMENT OF GOING CONCERN

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

RESOLVED/-

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

AC/19/22 DRAFT ANNUAL GOVERNANCE STATEMENT

Joint report of the Treasurer, GMCA and the Monitoring Officer GMCA which To provide the Committee with the draft 2021/22 Annual Governance Statement (attached as appendix A) for comment, prior to coming back to the Committee as a finalised version for approval in September.

RESOLVED/-

1. That the draft Annual Governance Statement be noted;

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

AC/20/22 UNAUDITED DRAFT STATEMENT OF ACCOUNTS

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

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

RESOLVED/-

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

AC/21/22 TREASURY MANAGEMENT ANNUAL REPORT

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

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

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

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

The report also confirmed that GMCA confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury

management reports by the Audit Committee before they were reported to the full Authority.

RESOLVED/-

That the Treasury Management Annual Report, be noted.

AC/22/22 REPORT OF THE EXTERNAL AUDITOR

The External Auditor, Mazars LLP provided a verbal update.

RESOLVED/-

That the update be received and noted.

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

RESOLVED/-

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

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

RESOLVED/-

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