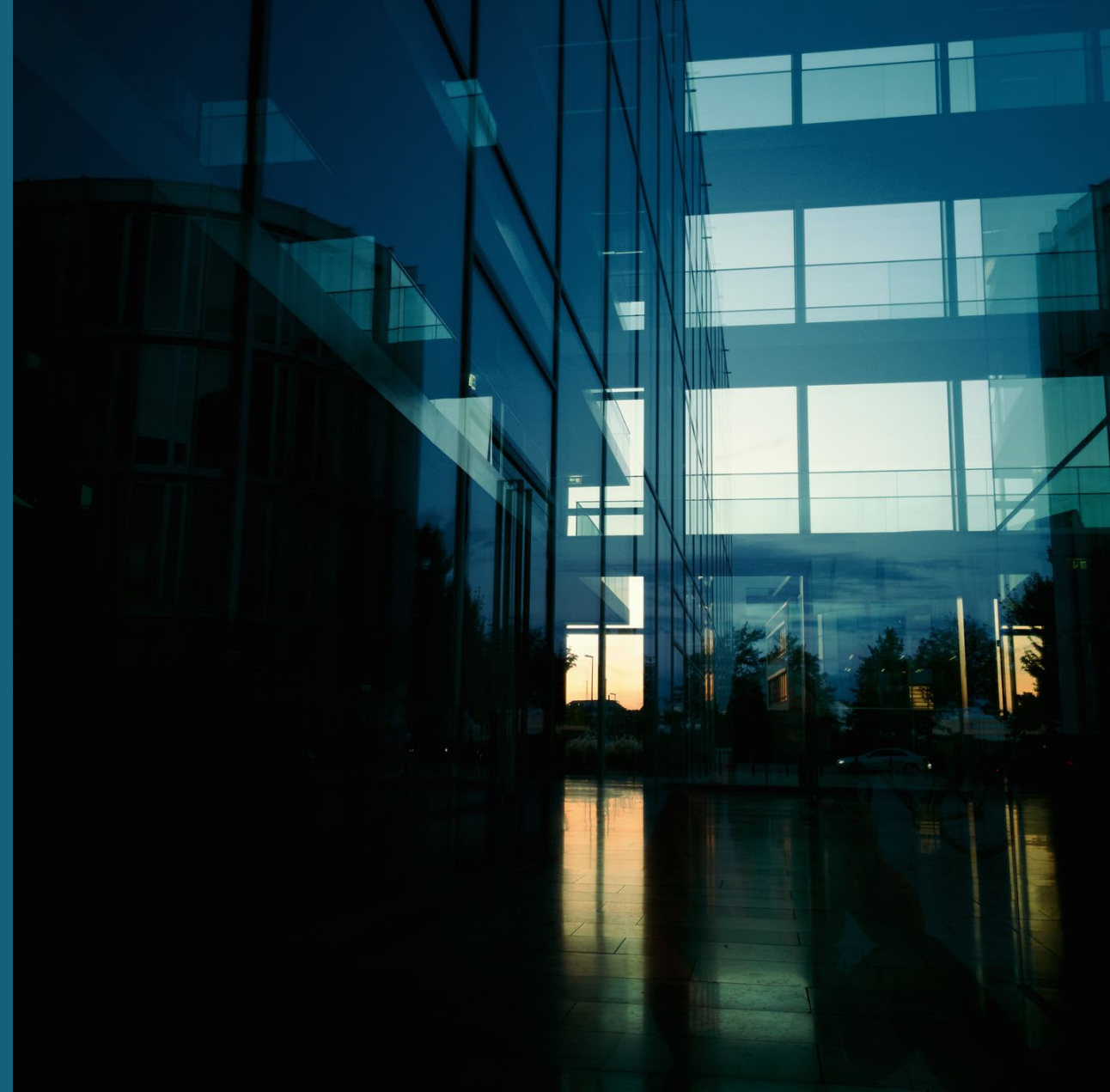


Auditor's Annual Report

Greater Manchester Combined Authority
– year ended 31 March 2021

June 2022



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

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Section 01: **Introduction**

1. Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Greater Manchester Combined Authority ('the Authority') for the year ended 31 March 2021. Although this report is addressed to the Authority, it is designed to be read by a wider audience including members of the public and other external stakeholders.

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



Opinion on the financial statements

We issued our audit report on 20 December 2021. Our opinion on the financial statements was unqualified.

Value for Money arrangements

In our audit report issued on the 20 December 2021 we reported that we had not completed our work on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting. Section 3 confirms that we have now completed this work and provides our commentary on the Authority's arrangements and a summary of our recommendations.

This is our commentary on the arrangements the Authority had in place during the 2020/21 financial year. The Authority believes that good progress has been made in the sixteen months that have passed since the end of that period and that they have taken major steps to address the identified significant weaknesses and associated recommendations highlighted within this report. We will consider this progress as part of our 2021/22 audit and report our findings through our Auditor's Annual Report for 2021/22.



Wider reporting responsibilities

We have not yet received group instructions from the National Audit Office in respect of our work on the Authority's WGA submission. We are unable to commence our work in this area until such instructions have been received and we cannot issue our 2020-21 Certificate until this work is completed.

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and to consider any objection made to the accounts. We did not receive any questions or objections in respect of the Authority's financial statements.

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Section 02:

Audit of the financial statements

2. Audit of the financial statements

The scope of our audit and the results of our opinion

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

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Authority and whether they give a true and fair view of the Authority's financial position as at 31 March 2021 and of its financial performance for the year then ended. Our audit report, issued on 20 December 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021.

Our Audit Completion Report, presented to the Authority's Audit Committee on the 30 November 2021, provides further details of the findings of our audit of the Authority's financial statements. This includes our conclusions on the identified audit risks and areas of management judgement, internal control recommendations and audit misstatements identified during the course of the audit.

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Section 03:

Commentary on VFM arrangements

3. VFM arrangements – Overall summary

Approach to Value for Money arrangements work

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

- **Financial sustainability** - How the Authority plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Authority ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Authority has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements. Where we identify significant risks, we design a programme of work (risk-based procedures) to enable us to decide whether there is a significant weakness in arrangements.

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses. We outline the risks that we have identified and the work we have done to address those risks on pages 9 to 12.

Where our risk-based procedures identify actual significant weaknesses in arrangements, we are required to report these and make recommendations for improvement. We outline the identified significant weaknesses and our associated recommendations on pages 13 to 17.

The table below summarises the outcomes of our work against each reporting criteria. On the following page we outline further detail of the work we have undertaken against each reporting criteria, including the judgements we have applied.

This is our commentary on the arrangements the Authority had in place during the 2020/21 financial year. The Authority believes that good progress has been made in the sixteen months that have passed since the end of that period and that they have taken major steps to address the identified significant weaknesses and associated recommendations highlighted within this report. We will consider this progress as part of our 2021/22 audit and report our findings through our Auditor’s Annual Report for 2021/22.

Reporting criteria	Commentary page reference	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability	18	No	No
Governance	19	Yes – see risks 1 – 3 on pages 9 – 12	Yes – see recommendations 1 – 3 on pages 13 – 16
Improving economy, efficiency and effectiveness	23	Yes – see risks 1 – 3 on pages 9, 10 and 12	Yes – see recommendations 1, 2 and 4 on pages 13, 14, 15 and 17

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3. VFM arrangements – Risks of significant weakness in arrangements

Risks of significant weaknesses in arrangements

We have outlined below the risks of significant weaknesses in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p>1 Greater Manchester Police - HMICFRS Report</p> <p>The December 2020 HMICFRS inspection report in relation to the service provided to victims of crime by Greater Manchester Police identified weaknesses in relation to the reporting of crime in Greater Manchester with over one in five crimes failing to be recorded, and more than one in every four violent crimes.</p> <p>This highlights weaknesses in the governance arrangements for providing effective oversight of Greater Manchester Police through the Mayor’s statutory responsibilities for Police and Crime, in particular due to the lack of accurate data in respect of recorded crime, and indicates risks of significant weaknesses in proper arrangements against the specified value for money reporting criteria areas of:</p> <p>“Improving economy, efficiency and effectiveness” including:</p> <ul style="list-style-type: none"> • how performance information has been used to assess performance to identify areas for improvement; and • how the body evaluates the services it provides to assess performance and identify areas for improvement; <p>“Governance” including:</p> <ul style="list-style-type: none"> • how the body ensures effective processes and systems are in place to communicate relevant, accurate and timely management information and ensures corrective action is taken where needed; • how the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. 	<p>Work undertaken</p> <p>We discussed with management the planned response to the report and progress against the planned improvements. We obtained and reviewed supporting documentation which details the response, actions taken and processes followed.</p> <p>We evaluated the arrangements which have been put in place in response to the HMICFRS report and obtained evidence to ensure the arrangements are adequate and appropriate.</p> <p>Results of our work</p> <p>Notwithstanding GMP’s progress in improving it’s governance structures and performance management framework during 2021/22, in our view, the governance structure and performance management arrangements in place during 2020/21 represented a significant weakness in value for money arrangements for GMCA, particularly relating to the oversight responsibilities which The Mayor and Deputy Mayor have over GMP’s governance arrangements, and in its arrangements during 2020/21 for improving economy, efficiency and effectiveness in services. A summary of the significant weakness in the 2020/21 arrangements and the supporting recommendation for improvement are provided on pages 13 and 14.</p>

3. VFM arrangements – Risks of significant weakness in arrangements

Risks of significant weaknesses in arrangements (continued)

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p>2 HMICFRS Police Effectiveness, Efficiency and Legitimacy (PEEL) Assessment (March 2022)</p> <p>On 3 March 2022 HMICFRS published the findings from their 2021/22 PEEL assessment. This assessed how good GMP is in ten areas of policing and made graded judgments in nine of these ten areas.</p> <p>GMP was judged “inadequate” in three areas (investigating crime, responding to the public and developing a positive workplace).</p> <p>In addition, HMICFRS raised 4 causes of concern:</p> <ul style="list-style-type: none"> • GMP is failing to respond appropriately to some people who are vulnerable and at risk. • The force does not investigate crime, supervise investigations or update victims to an acceptable standard. • GMP doesn’t currently have the arrangements in place to support and build its workforce. • The force doesn’t currently have a sufficient understanding of either its demand or the capability and capacity of its workforce. <p>In addition to the Victims of Crime report covered in the risk on the previous page, the report further highlights weaknesses in the governance arrangements for providing effective oversight of Greater Manchester Police through the Mayor’s statutory responsibilities for Police and Crime. These matters indicate a risk of significant weaknesses in proper arrangements against the Governance and Improving Economy, Efficiency and Effectiveness reporting criteria detailed on page 8.</p>	<p>Work undertaken</p> <p>We have</p> <ul style="list-style-type: none"> • held discussions with management to understand GMP’s planned response to the report and progress against the planned improvements; • obtained and reviewed supporting documentation which details GMP’s planned response, actions taken and processes followed; and • evaluated the governance arrangements which have been put in place in response to the HMICFRS report and obtained evidence to ensure the arrangements are adequate and appropriate. <p>Results of our work</p> <p>Notwithstanding GMP’s response to the assessment findings to date, in our view, the matters identified within the HMICFRS PEEL assessment (and particularly the areas judged inadequate and the areas for concern) represented a significant weakness in GMCA’s value for money arrangements, particularly relating to the oversight responsibilities which The Mayor and Deputy Mayor have over GMP’s governance arrangements and the arrangements during 2020/21 that were in place for improving economy, efficiency and effectiveness in services. A summary of the significant weakness in the 2020/21 arrangements and the supporting recommendation for improvement are provided on pages 13 and 14.</p>

3. VFM arrangements – Risks of significant weakness in arrangements

Risks of significant weaknesses in arrangements (continued)

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p>3 Greater Manchester Fire and Rescue Service - HMICFRS Report</p> <p>In December 2021 HMICFRS released a report setting out its findings from the third inspection of Greater Manchester Fire and Rescue Services (GMFRS). The report assessed the service against three domains: efficiency, effectiveness and people.</p> <p>GMFRS was judged as “requires improvement” in two areas (effectiveness and efficiency), and “good” in one area (people). The report highlights a number of areas of innovative practice, alongside areas for improvement and a cause of concern. The cause of concern stated:</p> <p><i>“Greater Manchester FRS should have its own marauding terrorist attack (MTA) response that is both resilient, timely and cost effective.</i></p> <p><i>The service should ensure it is properly prepared as part of a multi-agency response to terrorist incidents. This includes the provision of a timely response to ensure public safety. Response procedures must be understood by all staff and properly exercised and tested. This should not come at the cost of wider fire cover for the public.</i></p> <p><i>By the end of October 2021, the service should have a sustainable plan to maintain its response to MTA incidents. This should include meaningful training and exercising for all staff who would be expected to respond to a MTA incident”.</i></p> <p>Alongside the inspection report, HMICFRS released a follow up letter on the cause of concern. This stated HMICFRS had not received an action plan, however it had been provided with a comprehensive business case which was in the processes of being approved.</p> <p>These matters indicate a risk of significant weaknesses in proper arrangements against the Governance and Improving Economy, Efficiency and Effectiveness reporting criteria detailed on page 8.</p>	<p>Work undertaken</p> <p>We have</p> <ul style="list-style-type: none"> • reviewed the findings of the HMICFRS report; • considered the progress against the cause of concern identified in the HMICFRS follow up letter; • obtained and reviewed supporting documentation which details GMP’s planned response, actions taken and processes followed; and • evaluated the arrangements which have been put in place in response to the HMICFRS report and obtained evidence to ensure the arrangements are adequate and appropriate. <p>Results of our work</p> <p>Notwithstanding GMFRS’ response to the assessment findings to date, in our view, the matters identified within the HMICFRS assessment (and particularly the cause of concern) represented a significant value for money weakness for GMCA’s governance arrangements and in its arrangements for improving economy, efficiency and effectiveness in services as they were in 2020/21. We are aware that HMICFRS issued a letter to GMCA on 29 July 2022, confirming the service has made progress in relation to the cause of concern, and that the cause of concern is now considered closed. A summary of the significant weakness in the 2020/21 arrangements identified and the supporting recommendation for improvement is provided on page 15.</p>

3. VFM arrangements – Risks of significant weakness in arrangements

Risks of significant weaknesses in arrangements (continued)

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p>4 Head of Internal Audit Opinion</p> <p>In August 2021 the Authority’s Head of Audit and Assurance issued their Head of Internal Audit Opinion for 2020/21. The opinion provided limited assurance on the overall adequacy and effectiveness of GMCA’s framework of governance, risk management and internal control. The opinion reflected the fact that some of the Authority’s wider governance and organisational risk management arrangements were yet to develop to a mature and consistent state. In particular, an organisational risk management maturity assessment undertaken in late 2020 identified most of the organisation as falling within the ‘emerging’ phase of risk management maturity.</p> <p>During 2020/21, the Head of Audit and Assurance reported a limited assurance Internal Audit Report on performance management arrangements. The weaknesses identified in performance management arrangements were specifically highlighted by the Head of Audit and Assurance as a key factor in the ‘limited’ Head of Internal Audit Opinion for 2020/21.</p> <p>These matters indicate a risk of significant weaknesses in proper arrangements against the Governance and Improving Economy, Efficiency and Effectiveness reporting criteria detailed on page 8.</p>	<p>Work undertaken</p> <p>We discussed with the Head of Audit and Assurance the basis of their limited assurance opinion. We reviewed the approach taken to undertake the risk management maturity assessment and the findings identified from the exercise. We obtained and reviewed supporting documentation which details management’s response, and actions taken to move the assessment to the target maturity level of ‘conforming’ in 2021/22.</p> <p>We reviewed the work undertaken by Internal Audit on the Authority’s performance management arrangements. In particular we focused on the findings raised and the responses to recommendations agreed by management.</p> <p>We evaluated the governance arrangements which have been put in place in response to the Head of Internal Audit Opinion, and in response to Internal Audit’s report on performance management arrangements, and obtained evidence to ensure the arrangements are adequate and appropriate.</p> <p>Results of our work</p> <p>While there has been progress in implementing governance arrangements around risk management and performance management since Internal Audit raised their findings, the issues identified represented a significant value for money weaknesses at the Authority in 2020/21. In particular the weaknesses relate to how the Authority monitors and assesses risk, and how the Authority evaluates the services it provides to assess performance and identify areas for improvement as they were in 2020/21. A summary of the significant weaknesses in arrangements identified and the supporting recommendations for improvement are provided on pages 16 and 17.</p>

3. Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work, we have identified significant weaknesses in the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. These identified weaknesses and associated recommendations have been outlined in the table below.

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation in relation to a significant weakness in Value for Money arrangements	Our views on the actions taken to date
<p>1 Oversight of Greater Manchester Police</p> <p>On the 10 December 2020 HMICFRS published “An inspection of the service provided to victims of crime by Greater Manchester Police”.</p> <p>HMICFRS found that in too many cases, the service provided was not good enough and the report highlighted a number of ‘causes of concern’ relating to crime reporting.</p> <p>The HMICFRS report also highlighted that the force had not overcome the deficiencies in service that it identified in its 2019 integrated police effectiveness, efficiency and legitimacy programme (PEEL) assessment and its 2018 crime data integrity inspection.</p> <p>The extent of the failings detailed within the December 2020 HMICFRS inspection report and GMP’s failure to secure the improvements identified by HMICFRS in its previous inspections / assessments highlight not only significant weaknesses in the services provided to victims of crime, but also significant weaknesses in the Force’s Governance and Performance Management arrangements.</p> <p style="text-align: right;">(continued overleaf)</p>		●	●	<p>GMCA should continue the steps taken during 2021/22 to improve its governance structures and performance management framework in relation to the Mayor’s oversight responsibilities for GMP. This should include:</p> <ul style="list-style-type: none"> • using performance management information to assess the performance of GMP to identify areas for improvement; • monitoring progress made by GMP to address the causes of concern, recommendations and areas for improvement reported in the HMICFRS report and subsequent PEEL assessment; • ensuring effective oversight processes and systems are in place to communicate relevant, accurate and timely management information and that corrective action is taken where needed; and • taking properly informed decisions, supported by appropriate evidence, allowing for challenge and transparency. 	<p>We issued our recommendation for improvement to GMCA on the 27 July 2022. As a result, whilst work has continued to address the findings of HMICFRS, there has not yet been time for the Authority to respond to our recommendation in full.</p> <p>We are however aware that the Authority continues to work closely with GMP in its efforts to address the issues identified by the HMICFRS, and maintains the additional oversight arrangements established to monitor progress.</p>

3. Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement (continued)

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation in relation to a significant weakness in Value for Money arrangements	Our views on the actions taken to date
<p>1 Oversight of Greater Manchester Police (continued)</p> <p>On 3 March 2022 HMICFRS published the findings from their 2021/22 PEEL assessment . This assessed how good GMP is in ten areas of policing and made graded judgments in nine of these ten areas. This was GMP’s first full PEEL assessment since 2018/19.</p> <p>GMP was judged “inadequate” in three areas (investigating crime, responding to the public and developing a positive workplace). In addition, HMICFRS raised 4 causes of concern, relating to GMP’s arrangements: for responding to those who are vulnerable; for supporting and building its workforce; for understanding demand and the capability/ capacity of its workforce; and for investigating crime, supervising investigations and updating victims.</p> <p>Although the PEEL assessment was not published until March 2022 much of the data and intelligence used by HMICFRS when assessing GMP’s arrangements is based on the financial year ended 31 March 2021. Therefore, this is indicative of the issues identified being applicable to the 2020/21 financial year.</p> <p>In our view, the above matters represent a significant weakness in value for money arrangements for GMCA due to the oversight responsibilities which The Mayor and Deputy Mayor have over GMP’s governance arrangements and in its arrangements for:</p> <ul style="list-style-type: none"> • improving economy, efficiency and effectiveness in how GMP uses information about its performance to improve the way it manages and delivers its services; and • how it makes informed decisions and properly manages its risks. 		●	●	<p>GMCA should formally review the new arrangements with GMP to ensure that the changes are embedded and are starting to deliver the required improvements in service performance.</p>	

3. Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement (continued)

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation in relation to a significant weakness in Value for Money arrangements	Our views on the actions taken to date
<p>2 Greater Manchester Fire and Rescue Service Cause of Concern</p> <p>In May 2017, GMCA became the Fire and Rescue Authority for Greater Manchester. The fire service, as part of GMCA, operates as Greater Manchester Fire and Rescue Service (GMFRS). In December 2021 HMICFRS published the results of its inspection of Greater Manchester Fire and Rescue Service (GMFRS). This rated the service as requiring improvement in the effectiveness and efficiency areas, and good in the people area.</p> <p>Within the report, HMICFRS raised a cause of concern, relating to GMFRS' arrangements for responding to marauding terrorist attacks and working as part of a multi-agency response to terrorist attacks. In particular the report highlighted issues in the sustainability of current arrangements which were due to run out, and the suspension of training of non-specialised firefighters for marauding terrorist attacks.</p> <p>Although the HMICFRS assessment was not published until December 2021, much of the data and intelligence used by HMICFRS when assessing GMFRS' arrangements is based on the financial year ended 31 March 2021. Therefore, this is indicative of the issues identified being applicable to the 2020/21 financial year.</p> <p>In our view, the cause of concern represents a significant weakness in the Authority's value for money arrangements. In particular, and linked to our "Governance" and "Improving Economy, Efficiency and Effectiveness" value for money reporting criteria:</p> <ul style="list-style-type: none"> • how the Authority evaluates the services it provides and how performance information has been used to assess performance and identify areas for improvement; and • how the Authority ensures effective processes and systems are in place to support properly informed decision making, and to 		●	●	<p>GMCA should continue the steps taken during 2021/22, to respond to the findings of the HMICFRS inspection of Greater Manchester Fire and Rescue Service, including:</p> <ul style="list-style-type: none"> • developing a formal action plan to address the findings of the HMICFRS report, including both the cause of concern and the wider areas for improvement; • ensuring effective processes and systems are in place to monitor progress against the action plan; and • providing regular reports to the Police, Fire and Crime Panel to advise on progress against the action plan, and to allow for sufficient scrutiny of progress made to date. 	<p>We issued our recommendation for improvement to GMCA on the 27 July 2022. As a result, whilst work has continued to address the findings of HMICFRS, there has not yet been time for the Authority to respond to our recommendation in full.</p> <p>We are however aware that HMICFRS issued a letter to GMCA on 29 July 2022, confirming the service has made progress in relation to the cause of concern, and that the cause of concern is now considered closed.</p>

3. Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement (continued)

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation in relation to a significant weakness in Value for Money arrangements	Our views on the actions taken to date
<p>3 Head of Internal Audit Opinion – Risk Management Arrangements</p> <p>In August 2021 the Authority’s Head of Audit and Assurance issued their “Head of Internal Audit Annual Opinion 2020/21”. The opinion provided limited assurance on the overall adequacy and effectiveness of GMCA’s framework of governance, risk management and internal control.</p> <p>The opinion highlighted weaknesses in the Authority’s risk management arrangements. This followed an organisational risk management maturity assessment taking place in late 2020, which identified inconsistencies in risk management arrangements across the organisation. The opinion noted that while there were some formalised approaches in place within directorates, other directorates needed support to evolve their risk management activities. The overall assessment of the organisation was falling within the “Emerging” phase of risk management maturity, where some formal processes are in place, but risk management is applied inconsistently across the Authority. The Authority has set a target to achieve a “conforming” level in 2021/22, where a documented risk management framework exists, and risk management is applied consistent throughout the Authority.</p> <p>In our view, the matters raised in the Head of Internal Audit Opinion in relation to risk management highlights a significant weakness in the Authority’s value for money arrangements. In particular, and linked to our “Governance” value for money reporting criteria, how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls.</p>		●		<p>GMCA should improve its governance arrangements in respect of risk management including:</p> <ul style="list-style-type: none"> • embedding the standardised risk management framework across all directorates; • ensuring effective processes and systems are in place to escalate risks on a timely basis; and • regular reporting of progress made in implementing the revised arrangements to both the Chief Executive Management Team and to the Audit Committee. <p>The Authority should repeat the risk management maturity assessment on a regular basis to measure the progress made achieving the required improvements.</p>	<p>We issued our recommendation for improvement to GMCA on 27 July 2022. As a result, there has not yet been time for the Authority to address our recommendation in full.</p> <p>We are however aware that the Authority has already begun to take relevant actions in order to improve its risk management arrangements. The 2021/22 Head of Internal Audit Opinion reflects progress made in respect of risk management over the past year, and has improved to an overall reasonable level of assurance.</p> <p>We will follow these actions up as part of the 2021/22 value for money commentary</p>

3. Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement (continued)

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation in relation to a significant weakness in Value for Money arrangements	Our views on the actions taken to date
<p>4 Head of Internal Audit Opinion – Performance Management Arrangements</p> <p>In August 2021 the Authority’s Head of Audit and Assurance issued their “Head of Internal Audit Annual Opinion 2020/21”. The opinion provided limited assurance on the overall adequacy and effectiveness of GMCA’s framework of governance, risk management and internal control. The opinion was, in part, based on a limited assurance internal audit report, which highlighted weaknesses in the Authority’s performance management arrangements.</p> <p>The internal audit report, issued in June 2021, focused on the Authority’s performance management and reporting framework. The report noted a lack of formally defined corporate process for reporting on organisational delivery.</p> <p>The report recommended the Authority sets out the principles for a defined GMCA-wide performance management framework, identifies linkages between the GMS implementation plan and the GMCA Business Plan, and regularly reports on actual delivery against key performance indicators and Business Plan activities.</p> <p>In our view, the matters raised in the Head of Internal Audit Opinion in relation to performance management highlights a significant weakness in the Authority’s value for money arrangements. In particular, and linked to our “Improving Economy, Efficiency and Effectiveness” criteria:</p> <ul style="list-style-type: none"> • how financial and performance information has been used to assess performance to identify areas for improvement, and • how the Authority evaluates the services it provides to assess performance and identify areas for improvement 			●	<p>Greater Manchester Combined Authority should improve its performance management arrangements including:</p> <ul style="list-style-type: none"> • implementing identified corporate performance metrics across the Authority; • ensuring effective processes and systems are in place to monitor the implementation of the new performance management framework by management; and • regular reporting of performance management arrangements to Members, allowing for appropriate scrutiny and transparency in the process. 	<p>We issued our recommendation for improvement to GMCA on the 27 July 2022. As a result, there has not yet been time for the Authority to address our recommendation in full.</p> <p>We are however aware that the Authority has already begun to take relevant actions in order to improve its performance management arrangements. The 2021/22 Head of Internal Audit Opinion reflects progress made in respect of performance management over the past year, and has improved to an overall reasonable level of assurance.</p> <p>We will follow these up as part of the 2021/22 value for money commentary</p>

3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Background to GMCA's operating environment in 2020-21

GMCA's functions have expanded over recent years, with the Authority and the Mayor of Greater Manchester taking on responsibility for fire and rescue, police and crime, waste disposal services and the adult education budget for Greater Manchester. These sit alongside the traditional functions of the Authority covering transport services and economic regeneration. The funding structures for the Authority are therefore complex, with a mixture of grant income, business rates, precepts and levies supporting the services provided by GMCA.

The Authority entered 2020-21 at the start of the national lockdown, and faced a significant operational impact from the effects of the pandemic. Patronage on the transport network across Greater Manchester reduced significantly, leading to material shortfalls in revenue, in particular in relation to fare income. The Authority worked closely with Transport for Greater Manchester and the Department for Transport to secure additional grant funding, mitigating the lost revenues throughout 2020-21.

Financial planning and monitoring arrangements

In February 2020, the Authority and Police and Crime Panel approved balanced revenue and indicative capital budgets for 2020-21. However, due to the impact of the pandemic, the Authority was required to mitigate the financial impact of Covid. Throughout the year the Authority updated its budget forecasts, which ensured budgets were up-to-date in the uncertain operating environment of the pandemic. Updates provided to the Combined Authority meetings considered the impact of Covid on the wider Greater Manchester position as well as focussing on the impact on GMCA. Through these monitoring arrangements the Authority identified and approved a return of circa £26m of waste levy and reserves to the nine Districts to help mitigate the impact of Covid across the region. As part of our review we considered the underlying assumptions made by management, to provide assurance they were reasonable in the context of the pandemic, and were adequately reported throughout the year.

Due to mitigations put in place during the year, the Authority reported a break even position in most areas, and an underspend of £0.5m against the Fire and Rescue Service budget at 31 March 2021. We have considered the arrangements in place in respect of budget management as part of the Governance criteria later in this report.

During the year the Authority reported its financial position and outturn to the Combined Authority and the Corporate Issues and Reform Overview & Scrutiny Committee. We reviewed the reports presented in 2020/21, which contain detail of performance against revenue, with explanations for any significant variances detailed in the report. The Finance reports also contain information on progress against approved capital programme and reasons for over or underspends against the budget profile.

As part of the annual accounts process management completes a review of its ability to operate as a going concern, highlighting any potential financial risks for the following financial year. In 2020-21, the Authority considered the impact of Covid on the 2021-22 budgets against available reserves and detailed cash flow forecasts, supported by the Treasury Management Strategy. Management concluded the Authority remains a going concern with no material risks identified.

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

During 2020/21, the Authority undertook a review of core budgets and reserves, identifying £4.7m of non-recurrent resources which could be released to provide additional support during the pandemic. As part of the 2021/22 budget setting process, permanent savings of £1.6m were identified which help reduce the reliance on contributions from GM districts, and contributes to developments within the Authority.

Over the last few years the Greater Manchester Fire and Rescue Service (GMFRS) Programme for Change has undertaken a whole service review and operating model for GMFRS, which delivered savings and identified investment required to deliver transformational change. As at 31 March 2021 the programme had delivered £5.8m of savings, with a further £1.5m to be identified in future years.

Arrangements and approach to 2021-22 financial planning

The 2021-22 budget was approved by the Combined Authority in February 2021. This focussed on the priorities set out in the Greater Manchester Strategy. The 2021-22 budget is prepared on the following basis and assumptions:

- No change in the transport levy (£105.8m) or statutory charge (£86.7m) from 2020-21
- A 2.9% decrease in the waste levy charged to districts
- No change in the Mayoral General Precept set at £90.95 for a Band D property.
- An increase in the Police Precept of £10 for a Band D property.

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

3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

Decision making arrangements and control framework

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

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

Oversight of the Authority’s decision making arrangements and wider governance arrangements sits within the committee structure of the Authority. The committees include three scrutiny committees, the Standards Committee, the Audit Committee and the Joint Audit Panel. Each committee’s role and responsibilities are set out in terms of reference which identifies the membership of the committee. Membership of the Audit Committee also includes four Independent Persons in addition to the four elected members. Officers regularly attend committee meetings to support members in exercising their oversight responsibilities.

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

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

Risk management and monitoring arrangements

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

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

During the latter half of 2020/21, the Head of Audit and Assurance developed a new Risk Management Policy and Framework. We have reviewed this policy and confirmed this provides sufficient detail on the revised process, assigns responsibilities for the management of risks at all organisational levels, and sets out the risk appetite of the Authority.

Prior to rolling out the new Risk Management Policy, internal audit facilitated a baseline assessment of risk management maturity across the organisation. This exercise identified the organisation as a whole as falling within the “Emerging” phase of risk management maturity. This is characterised by inconsistent, non-standardised, risk management activities being undertaken across directorates. Whilst some Directorates had formalised approaches, the same could not be said for all. The assessment identified GMFRS as having a mature risk management framework and processes. Following the exercise, the Head of Audit and Assurance has developed an implementation plan with a target to bring the organisation as a whole to the ‘conforming’ level of risk management maturity in 2021/22.

The weaknesses identified in risk management arrangements were specifically highlighted by the Head of Audit and Assurance as a key factor in the ‘limited’ Head of Internal Audit Opinion for 2020/21.

In our view, these deficiencies in risk management represent a significant weakness in the Authority’s arrangements - see page 16 for further details.

3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Arrangements for budget setting and budgetary control

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

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

The GMCA Chief Executive, in conjunction with Chief Officers, monitors expenditure against this approved budget. Progress against budget is reported on a regular basis to CA meetings, showing forecast variations from the budget allocated. During 2020/21, the Authority also received reports on the impact of Covid which helped to inform budgetary decision making and identified funding to pass back to Districts.

The Corporate Issues and Scrutiny Committee provides oversight to the budgetary process through receipt of quarterly budget monitoring reports. During the 2020/21 financial year, management regularly presented reports to the Corporate Issues and Scrutiny Committee covering the financial impact of Covid and progress in developing the 2021/22 budgets. This enabled effective oversight and scrutiny of the process in what was a financially challenging year.

Greater Manchester Fire and Rescue Service

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

Greater Manchester Fire and Rescue Service - HMICFRS

In August 2020, HMICFRS were commissioned by the Home Secretary to inspect how fire and rescue services in England were responding to the COVID-19 pandemic. HMICFRS were asked to consider what is working well and what is being learned; how the fire sector was responding to the COVID-19 crisis; how fire services were dealing with the problems they face; and what changes are likely as a result of the COVID-19 pandemic. GMFRS was inspected between 2 and 13 November 2020. HMICFRS's inspection letter identified a number of positives from the service's initial response to the pandemic. However, a number of areas of focus were identified in order to manage the pandemic on an ongoing basis.

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

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

In our view, the issues highlighted above in relation to the case for concern represent a significant weakness in the Authority's arrangements. See page 15 for the associated significant weakness and recommendation.

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3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Greater Manchester Police

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

Greater Manchester Police - HMICFRS

On the 10 December 2020 HM Inspectorate of Constabulary and Fire & Rescue Service (HMICFRS) published "An inspection of the service provided to victims of crime by Greater Manchester Police". This inspection was carried out to establish the extent to which GMP provides a good service to victims of crime and to follow up areas of concern raised through previous HMICFRS inspections and assessments.

HMICFRS found that in too many cases, the service provided is not good enough. The Report highlighted a number of 'causes of concern' relating to crime reporting. These included:

- The force is failing to make sure it correctly records all reported crimes, particularly violent crime. As a result, these crimes are often not investigated and victims are not always safeguarded.
- The force is failing to make sure investigation plans are always completed to an acceptable standard and not adequately supervising investigations. This leads to poor standards of some investigations, a lack of timely progression of investigations and a failure to adequately document and mitigate the risk to victims, including vulnerable victims.
- The force is inappropriately concluding crime investigations with cautions and community resolutions that aren't appropriate and in which it doesn't consult the victim.

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

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

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

On 3 March 2022 HMICFRS published the findings from their 2021/22 police effectiveness, efficiency and legitimacy (PEEL) inspection. The inspection assessed how good GMP is in ten areas of policing, the report made graded judgments in nine of these ten areas. The judgement concluded that GMP were "inadequate" in three areas, "requires improvement" in five areas and "adequate" in one area.

In addition to the one accelerated cause of concern reported in September 2021, HMICFRS reported three further causes of concern in the following areas: the force does not investigate crime, supervise investigations or update victims to an acceptable standard; Greater Manchester Police doesn't currently have the arrangements in place to support and build its workforce; the force doesn't currently have a sufficient understanding of either its demand or the capability and capacity of its workforce.

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

3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Greater Manchester Police – iOPS Project – Policeworks Application

The application ‘Policeworks’ went live within GMP in July 2019 as part of the iOPS project within the IS Transformation Programme. GMP officers and staff have reported issues with the system performance and functionality of Policeworks between go-live and the present.

Due to the well publicised issues with the system, GMP commissioned two independent reviews into the Policeworks application with the aim of reviewing the performance of the system and considering if fixes can be applied which would result in the system being fit for purpose. The reviews highlighted a number of issues including with the initial scoping of the system as part of GMP’s procurement process and with the ongoing contract management arrangements.

As part of the procurement process GMP included within the scope of the system that the anticipated volumes of events to be recorded on the system as 720,000 per annum. As of February 2021 the actual number of events to be recorded was 1,930,500 per annum. This, along with other examples highlight issues with GMP’s scoping of the system they were procuring which has led to capability and functionality issues with the system developed and implemented.

The independent report commissioned by GMP concluded that there is little evidence of a robust contract management approach adopted by GMP for a contract of this scale, value and associated risk. The review also established officers undertaking the ‘operational’ contract management role were not aware of, or understood the commercial contractual obligations required to be complied with by the supplier. In particular, there is evidence to demonstrate the contract performance management model and Service Level Agreements (SLA) were not being managed by GMP in line with the performance management measures stated in the Deployment Order.

Due to the issues identified within the application a number product defect fix releases and upgrades have been implemented in an attempt to improve the system functionality. Of the seven main product releases, none have been delivered to the originally planned date, four of the product releases have been implemented between 30 days and 28 weeks late. However, despite the system upgrades, the Chief Constable and the Deputy Mayor have ultimately concluded that Policeworks cannot be adapted or fixed to fully meet the needs of the Force, therefore a new system is to be procured.

In our view, the issues highlighted above and on the previous page in relation to GMP’s governance represent a significant weakness in the Authority’s arrangements in relation to its oversight responsibilities for GMP. See page 15 for the associated significant weakness and recommendation.

3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

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

Arrangements for assessing performance and evaluating service delivery

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

During 2020/21, internal audit conducted a review of the Authority's performance management and reporting framework operating at both strategic and directorate level. The review provided a limited assurance opinion over the design and effectiveness of the performance management framework. In particular it noted the lack of a formally defined corporate process for reporting on organisational delivery beyond the GMS outcomes framework. The review identified four findings and recommendations to improve performance management across the organisation, including developing an organisation-wide performance management framework, and reporting actual delivery against KPIs on a regular basis.

The weaknesses identified in performance management arrangements were specifically highlighted by the Head of Audit and Assurance as a key factor in the 'limited' Head of Internal Audit Opinion for 2020/21.

In addition to the above, the weaknesses identified in relation to GMFRS on page 20, and GM Police on page 22 represent weaknesses in GMCA's performance management arrangements over the police and fire services. In particular these relate to how the Authority uses performance information to assess performance and identify areas for improvements in the police and fire services, and how the Authority evaluates the services it provides to assess performance and identify areas for improvement.

In our view, these deficiencies in performance management represent significant weaknesses in the Authority's arrangements - see pages 13 – 15 and 17 for further details.

Arrangements for effective partnership working

The Authority works closely with the ten local authorities in Greater Manchester in delivering its priorities, per the GMS.

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

We have seen examples of this effective partnership working through the year, with TfGM supporting the Mayor in making his decision to implement bus franchising across Greater Manchester. This included preparing a report on the impact of Covid-19 on the proposed bus franchising arrangement, followed by a period of public consultation.

Where partnership arrangements are in place, we have seen evidence of governance arrangements being considered from the outset. This includes the GM Clean Air Plan where governance arrangements were set up in March 2021 allowing GMCA to work effectively with the Greater Manchester Councils and follow appropriate decision making processes.

Arrangements for commissioning services

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

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

There is currently ongoing work to strengthen procurement arrangements to ensure alignment to the GMCA's wider values such as Real Living Wage, carbon neutral commitment and a supporting small/medium enterprise and local organisations.

04

Section 04:

**Other reporting responsibilities and
our fees**

4. Other reporting responsibilities and our fees

Matters we report by exception

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

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

We have not exercised any of these statutory reporting powers.

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

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

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data, and to carry out certain tests on the data. We have not yet received group instructions from the National Audit Office in respect of our work on the Authority's WGA submission. We are unable to commence our work in this area until such instructions have been received and we cannot issue our 2020-21 audit certificate until this work is completed.

4. Other reporting responsibilities and our fees

Fees for work as the Authority's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Audit Committee in April 2021. Having completed our work for the 2020/21 financial year, we can confirm that our fees are as follows:

Area of work	2019/20 fees	2020/21 fees
Scale fee in respect of our work under the Code of Audit Practice	£70,000	£70,000
Additional testing on Defined Benefit Pensions Schemes and Property, Plant and Equipment	£10,000	£10,000*
Additional testing as a result of the implementation of new auditing standards: ISA 220 (Revised): Quality control of an audit of financial statements; ISA 540 (Revised): Auditing accounting estimates and related disclosures; and ISA570 (Revised): Going Concern;	-	£2,000*
Other additional costs (2020/21 relates to the work of our valuations specialist on the waste asset valuations)	£18,725	£9,000*
Additional work arising from the change in the Code of Audit Practice and VFM reporting including: - additional audit work / reporting in relation to the VFM risks identified	-	£12,000* £10,000*
Total fees	£98,725	£113,000**

- Fee variations subject to approval and confirmation by Public Sector Audit Appointments Ltd

** The final fee is subject to confirmation and satisfactory completion of the work required on the Authority's Whole of Government Accounts return.

Fees for other work

We confirm that we have not undertaken any non-audit services for the Authority in the year.

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*where permitted under applicable country laws.