

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

Present:

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

Officers:

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

In attendance: -

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

AC01/24/25 Apologies for Absence

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

Andrew Lightfoot, Deputy Chief Executive, GMCA.

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

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

Resolved/-

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

GRENVILLE PAGE IN THE CHAIR

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

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

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

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

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

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

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

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

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

Resolved/-

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

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

*denotes Substitute Members:

AC05/24/25 Audit Committee Terms of Reference

Resolved/-

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

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

Resolved/-

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

ORDINARY MEETING

AC07/24/25 Declarations of Interest

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

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

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

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

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

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

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

Resolved/-

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

AC09/24/25 Update from the Joint Audit Panel

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

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

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

Resolved/-

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

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

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

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

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

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

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

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

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

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

Resolved/-

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

AC11/24/25 Internal Audit Effectiveness

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

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

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

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

Resolved/-

That the report on the internal audit effectiveness be noted.

AC12/24/25 Risk Management Update

The Deputy Director Audit and Assurance, GMCA presented a report that provided members of the Audit Committee of changes in the GMCA Strategic and key

operational risks and to provide an update on the risk management activities undertaken since the last meeting. The role of Directorate Risk Champions was highlighted. A list of the risk themes and associated draft risks were appended to the report.

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

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

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

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

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

Resolved/-

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

AC13/24/25 Internal Audit Progress Report

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

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

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

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

Resolved/-

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

AC14/24/25 Audit Action Tracking

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

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

Resolved/-

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

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

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

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

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

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

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

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

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

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

Resolved/-

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

AC16/24/25 Draft Annual Governance Statement

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

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

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

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

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

Resolved/-

1. That the draft Annual Governance Statement be noted;

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

AC17/24/25 Annual Statement of Accounts

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

A: Audited Statement of Accounts 2022/2023

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

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

B. Draft Statement of Accounts 2023/2024

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

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

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

Resolved/-

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

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

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

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

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

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

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

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

A Member highlighted upward pressure on wages.

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

Resolved/-

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

AC19/24/25 Assessment of Going Concern

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

Resolved/-

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

AC20/24/25 External Audit Progress Report

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

It was noted that an unqualified audit opinion is anticipated.

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

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

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

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

Resolved/-

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

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

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

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

Resolved/-

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

AC22/24/25 Exclusion of the Press and Public

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

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

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

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

Resolved/-

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