

GMCA AUDIT COMMITTEE

DATE: 25 January 2023

SUBJECT: Audit Committee Responsibilities and Joint Audit Panel – Police and Crime

REPORT OF: Gillian Duckworth, GMCA Monitoring Officer and Steve Wilson, GMCA Treasurer

PURPOSE OF REPORT

To provide an update following the report to the Audit Committee on 19 October 2022 and to make recommendations.

RECOMMENDATIONS:

Members are requested to:

1. Note the report.
2. Recommend that the GMCA adopt an amendment to the Audit Committee's Terms of Reference as follows:
 - Receive the annual report of the Chair of the Joint Audit Panel – Police and Crime, written summaries of and the minutes of meetings of the Panel as, amongst other things, a means of providing assurance with regard to GMP's internal control environment and risk management framework for the management of operational risk.

CONTACT OFFICERS

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BACKGROUND DOCUMENTS

GMCA Constitution

Equalities Implications – none arising directly out of this report

Climate Change Impact Assessment and Mitigation Measures - none arising directly out of this report

Risk Management – none arising directly out of this report

Legal Considerations – the report sets out the legal implications for the Audit Committee in relation to the work of the Joint Audit Panel

Financial Consequences – none arising directly out of this report

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Number of attachments included in the report: none

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

1. INTRODUCTION

- 1.1. On 19 October 2022 the Audit Committee received a report setting out the legislative and constitutional framework in respect of GMCA audit governance, with particular reference to police and crime functions (PCC functions).

2. GREATER MANCHESTER ARRANGEMENTS

- 2.1. In Greater Manchester the arrangements consist of a GMCA Audit Committee (which oversees all aspects of GMCA including Mayoral functions, which includes PCC functions) and a Joint Audit Panel (Police and Crime) as required by the Financial Management Code of Practice.
- 2.2. The GMCA Audit Committee is appointed solely by the GMCA and comprises of eight members, four co-opted elected members and four co-opted members, who are Independent Persons. Independent Persons must satisfy statutory criteria, apply for a vacancy for the Audit Committee which has been advertised publicly and their appointment approved by the Combined Authority.
- 2.3. The Joint Audit Panel is appointed by both the Chief Constable and Mayor as envisaged by the Financial Management Code of Practice. The Panel comprises of a maximum of five members including the Chair, who are independent of the Chief Constable and the Mayor. Appointments are made following an advertisement and interview process.

3. POLICE AND CRIME COMMISSIONER (PCC) FUNCTIONS

- 3.1. The issue under consideration is the Committee's audit responsibility for PCC functions.

3.2. To recap, the Audit Committee's terms of reference include express reference to PCC functions. The terms of reference are also clear that the Committee oversees all aspects of GMCA including mayoral functions (which include PCC functions).

3.3. Similarly, the terms of reference for the Joint Audit Panel include a section of accountability arrangements which requires the Panel to:

"Report to the Audit Committee of the Combined Authority on an annual basis on the work of the committee and any matters relating to accounts and audit functions".

3.4. There is also some cross referencing between the Committee and the Panel as well as some signposting as to scope. For example, the Audit Committee is expressly tasked with:

- approving under delegated powers the annual statement of accounts for the for GMCA including consolidated figures for Chief Constable of Greater Manchester Police.
- considering reports and assurances from the Head of Audit and Assurance in relation to assurance over the effectiveness of internal audit functions assuring the internal control environments of the Chief Constable.
- considering the Treasurer's arrangements for the maintenance of the Police Fund.

3.5. For the Joint Audit Panel, the terms of reference include the requirement to:

"Report to the GMCA Audit Committee on Police Fund activity and assurance".

4. AUDIT COMMITTEE MEETING – 19 OCTOBER 2022

4.1. The previous report to the Committee concluded that legislation and guidance are adhered to in the terms of reference for GMCA Audit Committee and the Joint Audit

Panel and that reference to the workings of other similar authorities had not provided any greater clarity as the auditing of operational risks.

4.2. The report advised that the GMCA was the elected body that the legislation considers should be financially accountable to the public and therefore it is important that the Committee satisfies itself as to the financial performance of the police service, whether that be in its functioning as a PCC or the Chief Constable. In order to ensure tasks are not duplicated the report recommended that terms of reference of the GMCA Audit Committee should refer to receiving assurance from the Joint Audit Panel with regard to GMP's internal control environment and risk management framework for the management of operational risk.

4.3. The report recommended that the GMCA adopt an amendment to the Audit Committee's Terms of Reference as follows:

Receive the annual report of the Chair of the Joint Audit Panel – Police and Crime and the minutes of meetings of the Panel as, amongst other things, a means of providing assurance with regard to GMP's internal control environment and risk management framework for the management of operational risk

4.4. The Committee noted the report and agreed to delay recommending to the GMCA the adoption of the suggested amendment to the Audit Committee's Terms of Reference, until the Chair of the Audit Committee had met with the Chair of the Joint Audit Panel and that a further report be brought back to a future meeting of the Committee.

5. CONSULTATION WITH CHAIR OF JOINT AUDIT PANEL

5.1. The Treasurer has consulted the Chair of the Joint Audit Panel since the last meeting of the Committee. The Chair of the Panel is agreeable to the following:

- To provide a brief written summary of each Joint Audit Panel meeting capturing the key issues discussed, the outcomes of the discussions and any issues that the Panel would like to bring to the attention of the audit committee
- That the minutes of the meeting are appended to the summary
- The Audit Committee is able to ask for further information or assurances when they receive the report
- The Joint Audit Panel Chair will produce an annual report and attend the Audit Committee to present the report and answer questions
- The Committee and the Panel consider periodic (suggested once a year) joint sessions between the two bodies.

6. RECOMMENDATIONS

6.1. To consider the proposals of the Chair of the Joint Audit Panel.

6.2. To propose to the GMCA a slightly revised amendment to the Terms of Reference of the GMCA Audit Committee to clarify the relationship between it and the Joint Audit Panel as follows:

- Receive the annual report of the Chair of the Joint Audit Panel – Police and Crime, written summaries of and the minutes of meetings of the Panel as, amongst other things, a means of providing assurance with regard to GMP's internal control environment and risk management framework for the management of operational risk.