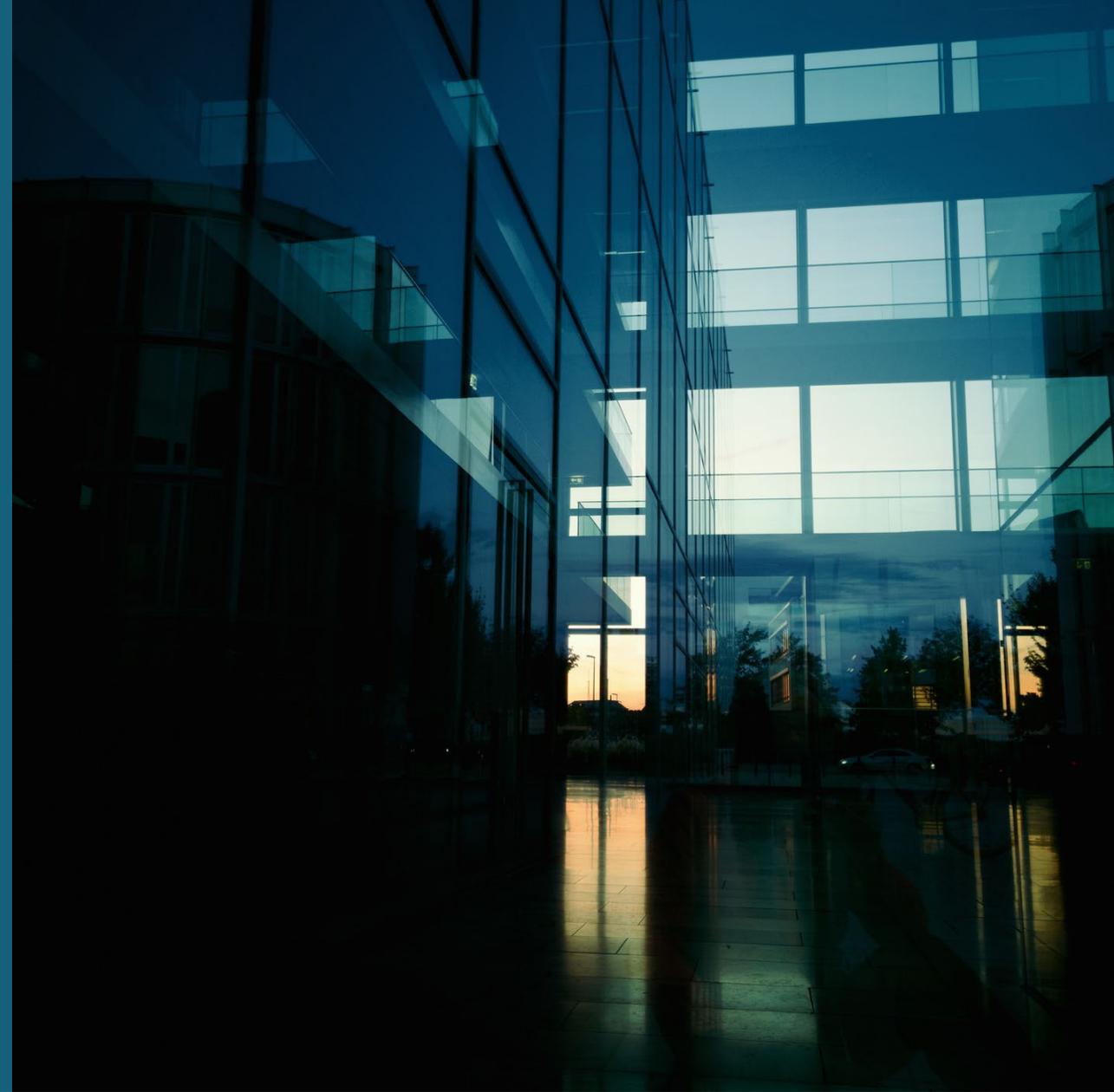


Auditor's Annual Report

Greater Manchester Combined Authority
– year ended 31 March 2022

December 2023



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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 2022. 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.



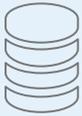
Opinion on the financial statements

We issued our audit report on 9 November 2023. Our opinion on the financial statements was unqualified.



Wider reporting responsibilities

We have not yet commenced our work on the Authority's Whole of Government Accounts return. We will agree a timescale for completing this work with management and submit our assurance return to the National Audit Office following completion of this work.



Value for Money arrangements

In our audit report, issued on the 9 November 2023, 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 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 identified significant weaknesses and our recommendations.

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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

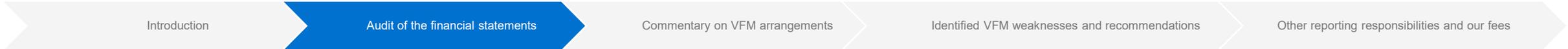
Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs).

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 2022 and of its financial performance for the year then ended. Our audit report, issued on 9 November 2023 gave an unqualified opinion on the financial statements for the year ended 31 March 2022.

Qualitative aspects of the Authority's accounting practices

We reviewed the Authority's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Authority's circumstances.

Draft accounts were received from the Authority on 25 August 2022 alongside supporting working papers. The financial statements prepared by the Authority were generally of good quality, however our audit identified a number of misstatements due to errors in the underlying accounting records. The technical nature of some of the queries identified during the course of the audit meant further time was required and led to a delay in completion of our audit work. We have included an 'other' value for money recommendation in respect of the financial statements in section 3 of this report.



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Section 03:

Commentary on VFM arrangements

3. Commentary on VFM arrangements

Overall summary



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

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

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.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

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.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page [x].

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements**

We make these recommendations for improvement where we have identified a significant weakness in the Authority arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.

- **Other recommendations**

We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant but which still require action to be taken

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

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3. VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	11	No	No	No
 Governance	14	Yes – see pages 23-28	Yes – see pages 23-28	Yes – see page 32
 Improving economy, efficiency and effectiveness	19	Yes – see pages 23-26 and 29-30	Yes – see pages 23-26 and 29-30	No



3. Commentary on VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Background to GMCA’s operating environment in 2021-22

Since March 2020 local authorities have faced a period of unprecedented challenge, both financially and economically, as they are responding to the impact of, and recovery from, the global Covid-19 pandemic. This led to significant changes in how the Authority operates and delivers services to the residents and businesses of Greater Manchester. Throughout the past two years, the Authority has adapted to new ways of working in order to ensure the continuation of service delivery and the provision of new services to support the local communities through the pandemic. More recently, the Borough moved toward recovery from the immediate impact of national restrictions and the outbreaks of new Covid variants.

The financial impact of the pandemic on the Authority has been significant. Given the uncertainties faced by the ten Greater Manchester (GM) Councils as they focus on recovery from the pandemic and continue to be impacted with demand-led pressures, GMCA must deal with the potential impact on the levies raised from general fund budgets. The pandemic also had a significant impact on the Authority’s transport functions with decreased patronage across the bus and tram network. While funding has been provided by central government to support the loss of farebox revenues and to maintain the level of bus services across the region, this is for a finite period and the Authority must adjust in future years to account for the reduction in funding.

As the Authority looks towards 2022/23 and beyond, the financial challenges only increase. In addition to dealing with the recovery from the Covid-19 pandemic, the war in Ukraine has had an adverse impact on the UK economy, with resulting increases in energy costs, supply chain issues and inflation rates reaching highs not seen in recent times. The subsequent increases in the cost of living, which are forecast to continue for the foreseeable future, will mean the Authority needs to pay close attention to its budget position and reassess the impact at regular intervals in order to identify mitigations at the earliest opportunity.

Financial planning and monitoring arrangements

In February 2021, the Authority and Police and Crime Panel approved balanced revenue and indicative capital budgets for 2021-22. The budget reflected the outcome of the Spending Review 2020 and the impact of the Covid-19 pandemic. Throughout the year the Authority updated its budget forecasts, which ensured budgets were up-to-date in the uncertain operating environment of the pandemic. As part of our review, we considered the underlying assumptions made by management, to provide assurance they were reasonable in the context of the operating environment 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, an underspend of £1.97m against the Fire and Rescue Service budget and an underspend of £11.9m against the transport budget at 31 March 2022. 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 2021/22, 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 2021-22, the Authority considered its financial position and budget framework, the regulatory and control environment applicable to GMCA, and the wider economic environment including the impact of Covid and pay and price inflation on the 2022-23 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

The medium term financial plan is developed with GM Local Authority Leaders and Treasurers to ensure alignment of financial plans and sharing of assumptions, opportunities and challenges for GM as a whole. 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. These savings were continued into 2022/23 with a flat cash budget.

The Authority works closely with Greater Manchester Police (GMP) to develop a Police Fund Strategic Financial Outlook (SFO) for three years updated as part of the financial planning to reflect all known pressures and savings and to ensure police spending is contained within resources. The latest SFO reflected the medium term financial impact of the GMP ‘Plan on a Page’ improvement plan in response to HMICFRS fundings including a prioritisation of resources to ensure a balanced plan for delivery. Current and future financial pressures are identified and reported to the Deputy Mayor on a monthly basis and reflected in the SFO.



3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria continued

Arrangements and approach to 2022-23 financial planning

The 2022-23 budget was approved by the Combined Authority in February 2022. This focussed on the organisational priorities set out in the Greater Manchester Strategy (GMS) which was most recently refreshed in 2021. This sets a decade-long route for delivering a vision of Greater Manchester being a place where everyone can live a good life, growing up, getting on and growing old in a greener, fairer more prosperous city-region.

There are four corporate objectives, agreed by all the political leaders, which define the activity GMCA delivers as a business:

- Deliver core/devolved services for the public;
- Secure, and manage, funding and investment at GM level for agreed activity;
- Work with the 10 local authorities to drive collective activity that puts GM at the forefront of tackling social, economic and environmental issues; and
- Ensure GM is speaking with one voice – developing, leading and implementing our evidence-based strategies, building our networks and partnership and influencing policy.

In 2022 the Authority developed a three year Corporate Plan, setting out recent key achievements and identifying priority spending areas for each of the four corporate objectives. These headline priorities are developed further in the detailed delivery activity listed in the annual Business Plan.

The 2022-23 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 1.5% increase in the waste budget and levy charged to districts;
- An increase in the Mayoral General Precept to £102.95 from £90.95 for a Band D property; and
- 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. Commentary on VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



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. In January 2022, the Authority commissioned a review of its current scrutiny function from the Centre for Governance and Scrutiny. The results of this review were released in June 2022 and identified 18 recommendations which the Authority responded to over the course of 2022/23.

Membership of the Audit Committee includes four Independent Persons in addition to the four elected members. Officers regularly attend committee meetings to support members in exercising their oversight responsibilities. The Audit Committee receives regular updates from the police Joint Audit Panel, providing assurance over policing related areas which fall under the Deputy Mayor’s 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 2021/22 and 2022/23 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 2021/22 this provided a moderate assurance opinion, an improvement from the limited assurance opinion given in 2020/21.

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. 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. Following the implementation and embedding of the new policy in 2021/22, the Head of Internal and Assurance repeated the maturity assessment, and showed the organisation had moved to the “Conforming” stage. This demonstrates a framework is in place, is applied consistently across the organisation and that most process are being implemented.

The previous weaknesses identified in risk management arrangements led to us identifying a significant weakness in arrangements. We are satisfied the significant weakness in arrangements have been appropriately addressed during 2021/22 - see pages 26 and 27 for further details.

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3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

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 2021/22 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.

The process for reporting the budget to Officers and Members includes monthly report to leadership and management teams, and to the Deputy Mayor's Executive meetings. Quarterly reports are prepared and presented to the Authority which summarise the position reported to Officers and provides the overall position for the Authority.

Arrangements for the preparation of the Authority's financial statements.

Our 2021/22 Audit Completion Report highlighted several issues relating to the preparation of the Authority's draft financial statements submitted for audit. The issues identified affected significant balances and disclosures within the draft financial statements published by the Authority, such as the Group Accounts not consolidating a material component, the Cash Flow Statement containing material inaccuracies and errors in accounting for the Authority's Property, Plant and Equipment.

Errors in the draft financial statements lead to delays in the audit process, which can then impact on the Authority's financial decision making processes, particularly where the level of general fund reserves are impacted. While we have not identified a significant weakness in the Authority's arrangements, the Authority must seek to address the issues identified as part of future year-end close down procedures. We have included an other recommendation on page 30 of this report.

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

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. We identified a significant weakness in the Authority's arrangements in respect of this.

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Overall commentary on the Governance reporting criteria

Greater Manchester Fire and Rescue Service – HMICFRS continued

Following HMICFRS’s issuance of the cause of concern as part of the 2021/22 review, GMCA developed a detailed action plan and business case to address the cause of concern alongside wider findings from the HMICFRS inspection report. Fire Officers regularly attended the Police, Fire and Crime Panel to provide updates on progress made in addressing actions, and we have seen evidence of actions being taken to address wider HMICFRS findings such as updating strategy documents where gaps had been identified.

Through progressing the action plan and close engagement with HMICFRS, the regulator formally closed the cause of concern in May 2022. This followed the signing of a collective agreement with the Fire Brigades Union in April 2022. Given this is after the year end, and due to the fact the Cause of Concern was not lifted until May during 2022/23, the weakness remains in place for 2021/22.

Notwithstanding the progress made by the Authority in addressing the Cause of Concern, the issues highlighted by HMICFRS continued to represent a significant weakness in the Authority’s arrangements during 2021/22. Our work in 2022/23 will consider the impact of the lifting of the Case of Concern on our VFM responsibilities in detail.

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

In 2020/21 we identified a significant weakness in the Authority’s arrangements in relation to its oversight responsibilities of GMP. This followed a number of critical reports issued by HMICFRS, namely the December 2020 “An inspection of the service provided to victims of crime by Greater Manchester Police” and the findings from their 2021/22 police effectiveness, efficiency and legitimacy (PEEL) inspection. In December 2020 GMP was moved from the “Scan” phase of monitoring to the “Engage” phase which is the enhanced level of monitoring by the police inspectorate.

The report on the service provided to victims of crime 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 Mayor’s 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 Mayor’s 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 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.

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3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

Greater Manchester Police – HMICFRS continued

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.

In October 2022 HMICFRS issued its Cause of Concern Revisit Letter. This noted the positive progress made by GMP and concluded the force had made sufficient progress to address the concerns in relation to how the force responds to the public and how it builds support and protects its workforce. The letter also confirmed the force had made progress in relation to investigating crime but would keep the cause of concern under review as there is more to do in this area. Most positively the letter confirmed GMP had been removed from the 'Engage' phase of monitoring and would revert to the standard monitoring processes.

Notwithstanding the progress made, and noting GMP's removal from the 'Engage' phase of monitoring, the significant weakness in relation to the oversight of GMP remained throughout 2021/22. We will follow up the continued progress being made as part of the 2022/23 audit.



3. Commentary on VFM arrangements

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



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 we identified a significant weakness in the Authority's arrangements following an internal audit 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. 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.

We have followed up the arrangements put in place by the Authority during 2021/22. Since issuing the internal audit report on performance management, the Authority has worked to develop its performance management arrangements. The Greater Manchester Strategy was refreshed in 2021 and sits alongside the Standing Together Plan for Policing and the GMFRS Fire Plan in defining the organisations vision and objectives. Formal reporting to members on progress against the plan takes place on a regular basis. The strategy is supported by a comprehensive performance management framework, with detailed performance metrics included for each priority area. Performance is reported via live dashboards which allows for review and challenge of performance in each priority area. We are satisfied sufficient progress has been made in this area and no longer consider this a significant weakness in 2021/22.

In our view, the improvements made in the Authority's performance management arrangements are sufficient to address the significant weakness identified in 2020/21. Further detail is set out on pages 28 and 29.

In addition to the above, the weaknesses identified during 2020/21 in relation to GMFRS and GMP represented weaknesses in GMCA's performance management arrangements over the police and fire services. As set out in the Governance section of this report, we have reviewed the updated arrangements put in place throughout 2021/22. Such oversight arrangements include expanded performance monitoring as part of the refreshed Police and Crime Plan. The Police, Fire and Crime Panel has developed a more holistic approach to performance management, linked to the priorities set out in the Police and Crime Plan. This takes the three priorities set out in the plan and assigns key performance indicators to each one. The Panel receives a detailed update on performance at each meeting.

In relation to GMFRS we have seen evidence of GMCA managing the performance of the service through regular updates to the Police, Fire and Crime Panel, with Fire Officers regularly attended the Panel to provide updates on progress made in addressing actions identified by HMICFRS and wider findings.

Notwithstanding the progress made during 2021/22, as set out in the previous section the underlying performance issues remained in place at both GMP and GMFRS throughout the 2021/22 financial year. In our view the significant weaknesses identified in 2020/21 in relation to the oversight of GMP and the evaluation and management of the Fire and Rescue Service remain. Further detail is provided on pages 21 – 25.

Arrangements for effective partnership working

GMCA and the Greater Manchester Mayor have a major role in partnership working across Greater Manchester across the public, voluntary and private sectors. The Authority often plays a central role of coordinating and convening partnerships. The development and delivery of the GMS and other portfolio strategies are undertaken by the GMCA on behalf of the wider GM partnership. GMCA supports governance through the Local Enterprise Partnership with four GM leaders sitting on the Board. 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 the implementation of bus franchising across Greater Manchester and the Mayor's cycling and walking challenge fund. Where partnership arrangements are in place, we have seen evidence of governance arrangements being considered from the outset.

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.

Other than the weaknesses highlighted in 2020/21 which remain as at 31 March 2022 (see above), we have not identified any other / new significant weaknesses in relation to the Improving Economy, Efficiency and Effectiveness reporting criteria.

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Section 04:

Identified VFM weaknesses in arrangements and our recommendations

4. Identified VFM weaknesses in arrangements and our recommendations

Identified significant weaknesses in arrangements and our recommendations



4. VFM arrangements – Prior year significant weaknesses and recommendations

Progress against significant weaknesses and recommendations made in the prior year

As part of our 2020/21 audit work, we identified the following significant weaknesses, and made recommendations for improvement in the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. These identified weaknesses have been outlined in the table below, along with our view on the Authority's progress against the recommendations made, including whether the significant weakness is still relevant in the 2021/22 year.

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>1 Oversight of Greater Manchester Police 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>(continued overleaf)</p>	<p>Governance</p> <p>Improving the 3Es</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 	<p>We have reviewed the revised arrangements put in place at both GMP and within GMCA covering the Mayor's oversight responsibilities for GMP. Such arrangements include the Improvement Programme – Plan on a Page which sets out the key activities to deliver improvement and address identified concerns. The plan is monitored through the Performance Management Framework, with a Weekly Accountability Report documenting progress made in delivering agreed improvement actions.</p> <p>Regular updates are presented to the Police, Fire and Crime Panel covering engagement with HMICFRS and progress made against action plans.</p> <p>In addition to the arrangements on the previous page, performance monitoring has expanded as part of the refreshed Police and Crime Plan. The Police, Fire and Crime Panel has developed a more holistic approach to performance management, linked to the priorities set out in the Police and Crime Plan.</p>	<p>As at 31st March 2022 the weaknesses in arrangements remained, however we note the significant progress made in addressing these after the year end, including GMP's removal from the 'Engage' phase of monitoring, and as set out in the HMICFRS PEEL report in December 2023.</p>

4. VFM arrangements – Prior year significant weaknesses and recommendations

Progress against significant weaknesses and recommendations made in the prior year (continued)

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<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>Governance</p> <p>Improving the 3Es</p>	<ul style="list-style-type: none"> taking properly informed decisions, supported by appropriate evidence, allowing for challenge and transparency. <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>	<p>This takes the three priorities set out in the plan and assigns key performance indicators to each one. The Panel receives a detailed update on performance at each meeting.</p> <p>These arrangements began to be embedded within 2021/22 and continued to do so in 2022/23. We have continued to monitor HMICFRS findings since year end. In particular we have noted a further report issued by HMICFRS in February 2023 which identifies six causes of concern arising from an inspection of custody suites at GMP. The PEEL assessment report issued by HMICFRS in December 2023 shows good progress made by the force, with two areas being rated as "Good", five areas being rated "Adequate", and one area rated as "Requires Improvement".</p> <p>While it is pleasing to see the progress made against our recommendations, it is too early to conclude that these had taken proper effect as at 31 March 2022. We will revisit this assessment considering the more recent HMICFRS findings as part of our 2022/23 audit.</p>	

4. VFM arrangements – Prior year significant weaknesses and recommendations

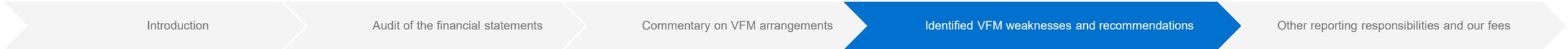
Progress against significant weaknesses and recommendations made in the prior year (continued)

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<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>(continued overleaf)</p>	<p>Governance</p> <p>Improving the 3Es</p>	<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>Following HMICFRS's issuance of the cause of concern as part of the 21/22 review, GMCA developed a detailed action plan and business case to address the cause of concern alongside wider findings from the HMICFRS inspection report.</p> <p>Fire Officers regularly attended the Police, Fire and Crime Panel to provide updates on progress made in addressing actions, and we have seen evidence of actions being taken to address wider HMICFRS findings such as updating strategy documents where gaps had been identified.</p> <p>Through progressing the action plan and close engagement with HMICFRS, the regulator formally closed the cause of concern in May 2022. This followed the signing of a collective agreement with the Fire Brigades Union in April 2022. Given this is after the year end, and due to the fact the Cause of Concern was not lifted until May during 2022/23, the weakness remains in place for 2021/22.</p>	<p>As at 31st March 2022 the weaknesses in arrangements remained, however we note these were resolved with HMICFRS by May 2022.</p>

4. VFM arrangements – Prior year significant weaknesses and recommendations

Progress against significant weaknesses and recommendations made in the prior year (continued)

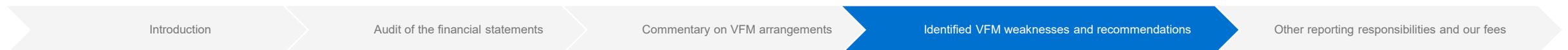
Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>2 Greater Manchester Fire and Rescue Service Cause of Concern (continued)</p> <p>In our view, the cause of concern represents a significant 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 ensure corrective action is taken where needed. 	<p>Governance</p> <p>Improving the 3Es</p>			



4. VFM arrangements – Prior year significant weaknesses and recommendations

Progress against significant weaknesses and recommendations made in the prior year (continued)

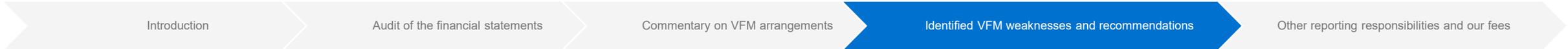
Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>3 Head of Internal Audit Opinion – Risk Management Arrangements</p> <p>In August 2021 the Authority’s Head of Audit and Assurance 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>(continued overleaf)</p>	<p>Governance</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>Following the original assessment of risk maturity, the Authority developed a revised Risk Management Framework, and an associated action plan for rolling out to the wider Authority. The Framework was reviewed by both the Authority’s Senior Leadership Team and the Audit Committee prior to being rolled out. The Audit Committee received regular updates throughout the year on progress against the action plan.</p> <p>At the end of 2021/22, the Head of Audit and Assurance repeated their maturity assessment of each Directorate. The results showed that overall, GMCA improved its maturity assessment, moving from being categorised as “Emerging” to “Conforming” within the risk maturity model. This was the level that the Authority aimed to achieve this year. The Head of Internal Audit issued a “moderate” assurance opinion for 21/22. This specifically referenced improvements in the Authority’s risk management arrangements over the course of the year.</p>	<p>We are satisfied the Authority addressed the weakness in arrangements in 2021/22.</p>



4. VFM arrangements – Prior year significant weaknesses and recommendations

Progress against significant weaknesses and recommendations made in the prior year (continued)

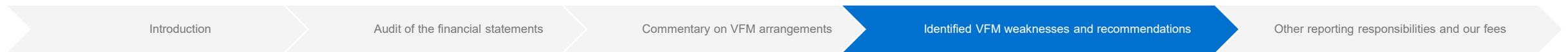
	Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
3	<p>Head of Internal Audit Opinion – Risk Management Arrangements (continued)</p> <p>In our view, the matters raised in the Head of 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>	Governance			



4. VFM arrangements – Prior year significant weaknesses and recommendations

Progress against significant weaknesses and recommendations made in the prior year (continued)

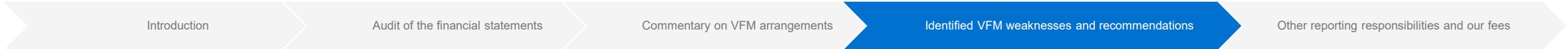
Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p>4 Head of Internal Audit Opinion – Performance Management Arrangements</p> <p>In August 2021 the Authority’s Head of Audit and Assurance 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>(continued overleaf)</p>	Improving the 3Es	<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>Since issuing the internal audit report on performance management, the Authority has worked to develop its performance management arrangements. The Greater Manchester Strategy was refreshed in 2021 and sits alongside the Standing Together Plan for Policing and the GMFRS Fire Plan in defining the organisations vision and objectives. Formal reporting to members on progress against the plan takes place on a regular basis.</p> <p>The strategy is supported by a comprehensive performance management framework, with detailed performance metrics included for each priority area. Performance is reported via live dashboards which allow review and challenge of performance in each priority area.</p> <p>The Authority’s Senior Leadership Team receive regular reports detailing performance against the strategy. This includes detailed KPIs for each directorate within the Authority, as well as Authority wide ‘corporate health’ metrics.</p>	We are satisfied the Authority addressed the weakness in arrangements in 2021/22.



4. VFM arrangements – Prior year significant weaknesses and recommendations

Progress against significant weaknesses and recommendations made in the prior year (continued)

	Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
4	<p>Head of Internal Audit Opinion – Performance Management Arrangements (continued)</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. 				



4. Identified VFM weaknesses in arrangements and our recommendations

Identified other weaknesses in arrangements and our recommendations

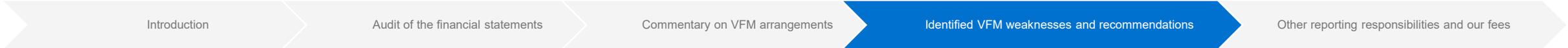


4. VFM arrangements - Identified other weaknesses and our recommendations

Identified other weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified one non-significant weakness in the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. Further detail on the weaknesses is included on page 16. The identified weakness and associated recommendation has been outlined below.

Identified other weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation for improvement	Our views on the actions taken to date
<p>1 Preparation of the Authority's financial statements Our 2021/22 Audit Completion Report highlighted several issues relating to the preparation of the Authority's draft financial statements submitted for audit. The issues identified affected significant balances and disclosures within the draft financial statements published by the Authority, including the Group Accounts, the Cash Flow Statement and errors in accounting for the Authority's Property, Plant and Equipment.</p> <p>The Authority's financial statements are key to ensuring the Authority, its members, its leadership and the wider public understand how effectively its resources have been utilised during the year. Errors in the draft financial statements lead to delays in the audit process and can mean decisions are made on inaccurate information.</p>		●		<p>The Authority should review the errors identified as part of the 2021/22 audit and ensure its accounts closedown plan is updated to address these findings.</p> <p>Quality assurance processes should include appropriate review and challenge of the more complex areas of the accounts where errors are more likely to occur.</p>	<p>There has not yet been sufficient time for the Authority to address these findings. We will follow this up in our 2022/23 audit.</p>



05

Section 05:

**Other reporting responsibilities and
our fees**

5. 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:

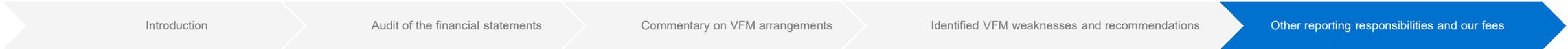
- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

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 commenced our work on the Authority's Whole of Government Accounts return. We will agree a timescale for completing this work with management and submit our Assurance Statement to the National Audit Office following completion of this work.



5. 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 2022. Having completed our work for the 2021/22 financial year, we can confirm that our fees are as set out below. Please note additional fees are subject to approval by Public Sector Audit Appointments Ltd (PSAA). There is a 25% increase in the PSAA agreed additional fee rate in 2021/22.

Area of work	2020/21 fees	2021/22 fees
Planned fee in respect of our work under the Code of Audit Practice	£70,000	£70,000
Additional testing on Defined Benefit Pensions Schemes (including work on the triennial revaluation) and Property, Plant and Equipment	£19,000	£32,500
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	£2,500
Additional testing on the Authority's investments held at fair value including use of experts	-	£8,000
Additional testing arising from the implementation of the statutory override in respect of infrastructure assets	-	£10,000
Additional testing arising from errors identified in the financial statements including cash flow and group accounts	-	£17,750
Additional work arising from the change in the Code of Audit Practice and VFM reporting	£12,000	£15,000
Additional work arising from the follow up of prior year VFM risks	£10,000	£6,250
Total fees	£113,000	£162,000

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*where permitted under applicable country laws.