

Audit Committee

Date: 22nd October 2024
Subject: Annual report of the Audit Committee Chair 2023/24
Report of: Audit Committee Chair

PURPOSE OF REPORT:

Annual Report of the Audit Committee Chair.

RECOMMENDATIONS:

There are no recommendations in the report

The GMCA Audit Committee is requested to:

Note the content of the report.

CONTACT OFFICERS:

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Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management:

There are no risk management considerations

Legal Considerations:

No legal impact

Financial Consequences – Revenue:

N/A

Financial Consequences – Capital:

N/A

Number of attachments to the report:

Nil

Comments/recommendations from Overview & Scrutiny Committee:

N/A

BACKGROUND PAPERS:

The author has relied on reports to the Audit Committee for the period July 2023 to 31 March 2024.

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?	Yes / No [Delete as appropriate]
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
GM Transport Committee	N/A
Overview & Scrutiny Committee	N/A

Annual Report of the Audit Committee Chair 2023/24

1. Introduction

- 1.1 I am pleased to present the report of the Audit Committee Chair for the year 2023/24. This report provides a retrospective review of the work of the committee and covers the audit Committee cycle from July 2023 – March 2024.
- 1.2 I thank and commend all the officers and staff of the GMCA who contributed to the work of the committee over the last year. I also thank the members of this Committee for their continued enthusiasm and commitment to scrutinise, challenge and support the GMCA through their participation in Audit Committee meetings.

2. The Audit Committee

- 2.1 The Audit Committee is a key component of GMCA's corporate governance, providing an independent, high-level focus on the audit, assurance and reporting framework, underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members of GMCA on the arrangements in place in relation to governance, risk management and internal control. It has delegated authority to approve the annual accounts and it oversees year-end financial reporting, the Annual Governance Statement process and internal and external audit arrangements, to ensure efficient and effective assurance arrangements are in place.
- 2.2 The minutes from Audit Committee meetings are presented to meetings of the GMCA.

3. Membership

- 3.1 The Audit Committee comprises 8 members: four elected Members proposed by districts (plus two substitute members) and four Independent Members appointed by GMCA. The quorum for meetings is six members. In the year, the membership comprised the following:

Councillor Christine Carrigan (Stockport Council)

Councillor Dylan Butt (Trafford Council)

Gwyn Griffiths (Independent)

Grenville Page (Independent) (Chair of the Committee)

Cathy Scivier (Independent)

Susan Webster (Independent)

Councillor Mary Whitby (Bury Council)

Councillor Christine Roberts (Wigan Council) (substitute Member)

Councillor Shelly Lanchbury (Manchester City Council) (substitute Member)

4. Meetings

4.1 The Audit Committee met in person, on formally on four occasions during the municipal year on 20th September 2023, 15th November 2023, 24th January 2024, 13th March 2024. The meeting scheduled for 21st July 2023 was inquorate. The substantive items from the inquorate meeting were considered at the September meeting of the committee. All meetings were held at venues that are open to the public and were also live-streamed on the GMCA website.

5. Review of the year

5.1 During the 2023/2024 municipal year, the Audit Committee had a full work programme which was used to provide focus and formulate agenda items for meetings. These items fulfilled the Committee's statutory obligations. This work programme is appended to the report.

5.2 The Committee received regular updates on Risk Management. The risk framework for GMCA has continued to develop, guided by Deputy Director of Audit and Assurance, Sarah Horseman and supported by the Corporate Risk Manager.

5.3 Following a request by Members, a section in the Risk Register Update report will provide details of risks with high inherent scores but that are mitigated to a score of <16, be included for future reports.

- 5.4 Members also requested deep dives of those risks where the level of assurance had been identified by the committee as requiring further scrutiny or where progress has not been made. During the year such deep dives focused on Trailblazer and Single Settlement, Cyber Security and Bus Franchising. The deep dives enabled members to maintain a high level of understanding of the complexities and breadth of GMCA activities.
- 5.5 The Head of Internal Audit Opinion has been received by the Committee which provided reasonable assurance over the arrangements for governance, risk management and internal controls. This opinion is based on the internal audit work undertaken during the year and other sources of external assurance. This opinion reflects the continued progress made in relation to the evolving maturity of risk management arrangements in place within GMCA and in the continued development of the performance management framework, including the 2023/24 business plan and associated periodic reporting against milestones and metrics within it.
- 5.6 The relationship between the Committee and the Joint Audit Panel (Police and Crime), has developed further. As a Committee, Members were delighted to welcome the Joint Audit Panel Chair, Peter Morris to a meeting of the Committee in November, at which we received his Annual Report on the work of the Panel.

The Committee will continue to receive regular updates on the work of the Panel to understand the responsibilities of the Panel and for the committee to have assurance. This relationship has been updated in the Committee's Terms of Reference.

- 5.7 Members recognised the hard work made by the GMCA Finance Team on the production of GMCA's draft unaudited Accounts for 2022/2023 and note that this work has been undertaken in accordance with the timetable laid down by the statutory instrument¹. However, Members are disappointed that the publication of the accounts has been delayed primarily due to a national technical issue in respect of accounting for infrastructure assets which arose during 2022 which has resulted in the audit not being completed. In light of the delays, the Committee agreed to

¹ The Accounts and Audit (Amendment) Regulations 2022

delegate authority to the GMCA Treasurer in consultation with the Chair of the Audit Committee, to finalise the 2022/2023 Accounts upon completion of the audit.

- 5.9 Similar concerns relating to the 2023/2024 audit have been highlighted at the Committee meetings. Members remain hopeful that a resolution to this audit can be achieved.
- 5.10 Members are also pleased to continue to welcome Mazars, External Auditors to committee meetings to provide progress updates on the Audit and advise the Committee on any areas of concern.

6. Looking Forward

- 6.1 The Committee is looking forward to the new municipal year which will see the potential provision of new devolution powers granted to the GMCA. With these new responsibilities, there will be an increase in possible risks to the organisation which will begin with consideration of the draft unaudited accounts and annual governance statement.
- 6.2 Through the receipt of regular reports and the development of a comprehensive work programme, the committee will provide the usual level of robust challenge to corporate governance, audit practice and procedure across the Authority, to ensure that our arrangements are up to date and fit for purpose, communicated, embedded and routinely complied with.
- 6.3 In addition, the committee will request and consider reports in relation to relevant matters which come to our attention during the course of upcoming the year and are encouraged to identify potential or ongoing risks to be the focus of deep dive investigations by members with the relevant risk holder.
- 6.5 Following the end of his term, Gwyn Griffiths retired as an Independent Member of the Committee. A recruitment exercise for the appointment of a new independent member is taking place.

- 6.6 The outcome of the Committee effectiveness exercise last year identified the need for specific training opportunities for members and the undertaking of skills audits for members. Members were invited to participate on Treasury Management and
- 6.7 The wider devolution of responsibilities to GMCA through the Trailblazer devolution agreement will see greater challenges and risks to the Authority, both in terms of financial and governance arrangements. The work of this Committee going forward will continue to challenge and understand that there are robust processes in place to provide the appropriate level of assurance to support the work of the GMCA. As a Committee, Members look forward to working with officers to ensure this is the case.

Grenville Page

GMCA Audit Committee Chair and Independent Member

October 2024