

Minutes of the meeting of the GMCA Audit Committee, held on Wednesday 19th March 2025, at The Friends' Meeting House, Lloyd Street, Manchester.

Present:

Councillor Dylan Butt	Trafford Council
Councillor Colin McLaren	Oldham Council
Councillor Emily Mort	Bolton Council
Grenville Page	Independent Member (Chair)
Catherine Scivier	Independent Member
Susan Webster	Independent Member

Officers:

Steve Wilson	GMCA Group Chief Finance Officer
Sarah Horseman	GMCA Deputy Director, Audit and Assurance
Damian Jarvis	Internal Audit, GMCA
Phil Swan	Digital Director, GMCA
Paul Wilkinson	Head of Digital Solutions, GMCA
Paul Harris	GMCA Senior Governance and Scrutiny Officer

In attendance: -

Joe Broom	Forvis Mazars, External Auditor
Tony Cobain	Mersey Internal Audit Agency

AC55/24/25 Apologies for Absence

Apologies for absence were received and noted from Councillor Elliott Moss (Bury) and Councillor Andrew Simcock (Manchester).

AC56/24/25 Chair's Announcements and Urgent Business

The Chair extended a welcome to those present. An update on the recruitment of Independent Members to the Audit Committee and the Joint Audit Panel (Police and Crime) was provided. A Committee member was sought to sit on the interview panel for the Audit Committee Independent Member position.

The Group Chief Finance Officer advised the Committee that the GMCA budget proposals 2025/2026 had been approved at the GMCA meeting on 7th February 2025.

There were no items of urgent business reported.

Resolved/-

1. That the update be received and noted.
2. That it be noted that Councillor Dylan Butt be included as a member of the Independent Member interview panel.

AC57/24/25 Declarations of Interest

There were no declarations of interest made by any member of the committee in respect of any item on the agenda.

AC58/24/25 Minutes of the Previous Audit Committee Meeting

The minutes of the meeting of the Audit Committee held on Wednesday 22nd January 2025 were submitted.

Resolved/-

That the minutes of the previous meeting of the committee, held on Wednesday 22nd January 2025, be approved as a correct record.

AC59/24/25 Joint Audit Panel Update

The GMCA Group Chief Finance Officer provided an update on the work of the Joint Audit Panel since the last meeting of the Committee, which set out the key issues considered by the Panel at the meeting on 29th November 2024 and 30th January 2025.

The update explained that the Joint Audit Panel Independent Member recruitment process was underway.

Members noted that the 2025/2026 GMP budget was to be considered at an upcoming meeting of the Police, Fire and Crime Panel.

It was noted that the 2023/2024 GMP Annual Accounts had been approved.

Resolved/-

That the Joint Audit Panel update be received with thanks and noted.

AC60/24/25 Risk Management Update

The Deputy Director Audit and Assurance, GMCA introduced a report which informed Members of updates to the GMCA Corporate risk register. The report also referenced the findings of the Integrated Settlement Readiness assessment in relation to risk management and provided an update on the risk management activities undertaken since the last meeting of the Committee.

In noting the significant changes to the directorate risk registers outlined in the report, a Member enquired if the mitigating activities arising from the changes were adequate. In response, officers explained that directorate actions are helpful to the scoping work for the 2025/2026 Internal Audit Plan.

In response to an enquiry from a Member regarding the business case for the provision of risk management software, officers explained the software would allow for better linkages across directorate and strategic risk registers.

Following an enquiry from a Member in respect of PFI contracts, officers clarified the arrangements relating to the Stretford Fire Station contract.

Resolved/-

That the Risk Management update report be noted.

AC61/24/25 Risk Deep Dive - Integrated Settlement Readiness

The Group Chief Finance Officer provided a verbal update which gave an overview of the work being undertaken by Deloitte in relation to the readiness of the GMCA to deliver the Integrated Settlement.

Members noted that earlier, notification had been received from Government that the final version of the readiness check had now been signed off.

The readiness check reviewed four thematic areas, namely Strategy, Planning and Governance; People and Capability; Financial; and Performance Management. A scoring process against these thematic areas was explained.

It was noted that the recommendation from this process will help to draw out best practice across the Group.

Members noted that GMCA scored strongly across all four areas and received helpful recommendations in respect of the maturity of the relationships across the system; the strength of the ways of working and the strength of strategy. In addition, the TfGM farebox approach was positively identified as a strength.

The update also explained the work to develop a Strategic Workforce Plan for the Group as part of the 2026/2027 budget process. In addition, it was noted that an Action Plan to the Year 1 recommendations was being developed and the Committee will be updated on the implementation of this work.

A Member asked how clear the outcomes across the five pillars of the integrated settlement will be. In response, it was noted that there will be a 1-year outcome this year, however a multi-year outcome approach will be finalised following the spending review process.

Following an enquiry from a Member, officers explained the Integrated Settlement approach will provide a single grant approach and a single set of outcomes which will allow for better funding flexibility.

Resolved/-

That the verbal update be received with thanks and noted.

AC62/24/25 Internal Audit Plan 2025/26 (Draft)

The Deputy Director Audit and Assurance, GMCA, introduced a report which shared with Members of the Audit Committee the draft Internal Audit plan for 2025/26 for GMCA and GMFRS for 2025/26. Members noted the proposal for a rolling annual plan which evolves to reflect the changing risk environment and remains relevant to the organisation's assurance needs.

Following a question from a Member in respect of Internal Audit capacity and recruitment matters, officers explained that currently, a full time auditor and an additional auditor on a fixed term contract was being sought. Members questioned whether this approach would satisfy the capacity pressures within the Internal Audit team. In response, officers also explained that the funding was made available as part of the introduction of the Integrated Settlement to support costs. The potential for a group approach to recruitment and internal development opportunities were noted.

A Member suggested that there was potential for a collaborative shared service across the GMCA and ten local authorities.

In response to a comment from a Member, it was noted that a governance review was taking place across the Group. In addition, it was suggested that TfGM and transport budget would be a suitable topic for a deep dive review by the Committee.

Resolved/-

1. That the draft Internal Audit plan for 2025/26, as set out in the report, be approved.
2. That updates on the Governance Review and the Internal Audit recruitment be provided to a future meeting.

AC63/24/25

Internal Audit Charter

The Deputy Director Audit and Assurance, GMCA which presents Members with the Internal Audit Charter which includes the changes required by the new Global Internal Audit Standards which are coming into effect on 1 April 2025.

Members noted that the Internal Audit Mandate which specifies the authority, role, and responsibilities of the internal audit function and empowers the internal audit function to provide the Audit Committee and senior management with objective assurance, advice, insight, and foresight.

Resolved/-

That the Internal Audit Charter and Mandate, as set out in the report, be approved.

AC64/24/25

Internal Audit Progress Report

The Deputy Director Audit and Assurance, GMCA, introduced a report which informed Members of the Audit Committee of the progress made in the delivery of the Internal Audit Plan for 2024/25 and the implementation of agreed audit actions. Members also noted that the report also is used as a mechanism to seek approval of changes to the internal audit plan.

Since the last meeting in January 2025, we have finalised and published four reports,

- Joint Emergency Service Interoperability Principles (JESIP) - Reasonable assurance.
- Equality Impact Assessments (EIA) - Limited assurance
- Net Zero Carbon Achievement - Position Statement
- IT Follow Up Reports - Progress Update

Following an enquiry from a Member regarding IT reports, particularly Helpdesk staff and the use of the Hornbeam system, officers undertook to explore this matter further and update the Committee.

In response to an enquiry from a Member, officers undertook to provide details of the partnership register arrangements.

A Member asked on the progress of the CCTV compliance action. In response, officers explained that work on this matter was ongoing.

Resolved/-

1. That the Internal Audit progress report and implementation of agreed audit actions outlined in the report, be noted.
2. That the changes to the Audit Plan, as set out at Appendix C to the report, be approved.

AC65/24/25 2024/25 Accounting Policies and Critical Accounting Judgements

The Group Chief Finance Officer introduced a report which provided a copy of the Greater Manchester Combined Authority (GMCA) draft Accounting Policies and Critical Accounting Judgements for the 2024/25 financial statements.

In response to an enquiry from a Member, officers clarified the position of lease assets referenced in the report.

A Member asked what assurances there were in place to ensure that appropriate accounting arrangements in year are the best fit for the future rather than having to change policies retrospectively. In response, it was noted that financial reporting guidance from profession bodies and external auditors is sought to support financial policy development.

Resolved/-

1. That the proposed Accounting Policies and the Critical Accounting Judgements to be applied in the preparation of the 2024/25 financial statements, as set out in the report, be approved and adopted; and
2. That delegated authority be granted to the GMCA Group Chief Finance Officer to make amendments to these policies and judgements if required.

AC66/24/25 Treasury Management Practices

The Group Chief Finance Officer presented a report which asked Committee Members to review the Treasury Management Practices for 2025/26 and to also consider the approval of these Practices.

Resolved/-

That the Treasury Management Practices 2025/2026 be approved, as set out in the report.

AC67/24/25 Treasury Management Strategy Statement

The Group Chief Finance Officer presented a report which set out the proposed Treasury Management Strategy Statement, Borrowing Limits and Prudential Indicators for 2025/26 to 2027/28 for the Authority. Members noted that the Strategy reflected the 2024-2028 capital programme for Transport, Economic Development, Fire and Rescue, Waste and Police.

Resolved/-

That the Treasury Management Strategy Statement, Borrowing Limits and Prudential Indicators for 2025/26 to 2027/28 as set out in the report be approved and that the Committee recommends the approval of the Treasury Strategy by the GMCA at its meeting in March.

AC68/24/25 Capital Strategy

The Group Chief Finance Officer which reminded members that the Capital Strategy sets out the over-arching principles and processes by which the capital and investment decisions set out in the Capital Programme will be prioritised against the key aims of the Greater Manchester Strategy (GMS).

Members noted that the Capital Strategy considers the funding implications of the Capital Programme and where borrowing is required, the Treasury Management Strategy sets out how this will be managed during the year along with the policy for

managing investments. The Treasury Management Strategy also incorporates the statutory prudential indicators along with the Minimum Revenue Provision Policy to be adopted for 2025/26.

It was also noted that the Capital Strategy provides an overview of the governance arrangements for capital investment decisions and outlines the Authority's arrangements for managing risk.

Resolved/-

The Audit Committee is requested to recommend the approval of the Capital Strategy for 2025/26 to the GMCA.

AC69/24/25 Treasury Management Quarter 3 Update

The Group Chief Finance Officer introduced a report which updated Members on treasury management activities during the third quarter of 2024/25.

In response to an enquiry from a Member relating to the ratio of financing costs to net revenue stream, officers undertook to share a breakdown with committee members.

Following an enquiry from a Member relating to the GMCA investment portfolio and the wider financial challenges of local authorities, officers explained the processes in place.

Resolved/-

That the report on treasury activities during the third quarter of 2024/25 and the forecast prudential and treasury indicators in Appendix 1 to the report, be noted.

AC70/24/25 External Auditor Report

Joe Broom, Forvis Mazars, External Auditor provided a report which informed the Committee of the work undertaken on the audit of financial statements, provided a

commentary on the Value for Money arrangements and outlined other reporting requirements.

In response to an enquiry from a Member, the External Auditor explained the process in the treatment of the pension fund misstatements.

Following an enquiry from a member in respect of group statements, it was noted that GMP and TfGM had undertaken a review and have had received a full set of audited accounts.

Resolved/-

That the report of the External Auditor be noted.

AC71/24/25 Audit Committee Work Programme 2025 -2026

Members considered the longer-term committee work programme, noting that thought was needed on deep dive topics and when the topics would be presented to the committee.

Resolved/-

That the Committee Work Programme be noted.

AC72/24/25 Acknowledgement

Members noted that this was to be the last meeting attended by Cathy Scivier and they wished to record their thanks to Cathy for her hard work, commitment and support to the work of the Committee during her eight years as an independent member.

The Chair also highlighted the intention to establish GM Audit Committee Chairs' network to share learnings and experience. The Chair undertook to write to respective local authority Audit Committee Chairs regarding this collaborative approach.

AC73/24/25 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.

AC74/24/25 Risk Landscape of Cyber Security

Members received a presentation from MIAA in respect of the cyber security landscape.

Members asked question in respect of AI technology, security arrangements, resourcing, recruitment and staff in-house training.

Members also asked for responses to the ten questions outlined in the presentation.

Resolved/-

1. That the presentation be received with thanks and noted.
2. That a response to the ten questions outlined in the presentation be shared with Committee members.