

**MINUTES OF THE JOINT GREATER MANCHESTER COMBINED AUTHORITY &
AGMA EXECUTIVE AUDIT COMMITTEE, HELD AT MANCHESTER TOWN HALL
ON FRIDAY, 4 AUGUST 2016**

Present:

Stephen Downs	Independent Member
Councillor Allen Brett	Rochdale MBC
Councillor Colin McLaren	Oldham Council
Councillor John Merry	Salford CC
Councillor Pam Stewart	Wigan Council
Councillor Jean Stretton	GMCA
Councillor Wendy Wild	Stockport MBC

Officers in Attendance:

Richard Paver	GMCA Treasurer
John Farrar	Grant Thornton
Amanda Fox	GMCA Finance
Janice Gotts	GMCA Finance
Tracey Read	GMCA Finance
David Daughney	Transport for Greater Manchester
Susan Ford	GM Integrated Support Team
Nicola Ward	GM Integrated Support Team

AC16/13 APOLOGIES

Apologies for absence were received from Councillor Michael Young (Trafford).

AC16/14 ANNUAL MEETING**a) APPOINTMENT OF CHAIR****Resolved /-**

To appoint Stephen Downs as Chair for the municipal year 2016-17.

b) APPOINTMENT OF VICE CHAIR**Resolved /-**

To appoint Councillor Pam Stewart as Vice Chair for the municipal year 2016-17.

c) TERMS OF REFERENCE

The Committee reviewed its terms of reference and recommended the following amendments:

- Introduction Para 1.2 – to reference the Accounts and Audit Regulations 2015.
- Core Functions Para 1.1 - To reference TfGM re consolidated figures.
- Core Functions Para 4.1 - To reference the Audit Plan and Audit Findings (ISA260) Report and, refer to "recommendations" rather than "concerns".
- Core Functions Para 1.1 – The reference to accounts from Marketing Manchester should be removed.
- Heading – this should refer to AGMA in addition to the GMCA.

Resolved/-

That the Joint GMCA and AGMA Executive Board are recommended to formally approve the amendments of the Audit Committee Terms of Reference.

AC16/15 DECLARATIONS OF INTEREST

None were received.

AC16/16 MINUTES OF THE MEETING 15 APRIL 2016

The minutes of the meeting held 15 April 2016 were submitted for consideration.

Resolved/-

To approve the minutes of the Joint GMCA and AGMA Audit Committee held on 15 April as a correct record, subject to the following amendments:

16/24 - remove reference to a further approval of the External Audit Plan as this is not required.

16/22 – provide further clarity that it is the 'risk plan' which will be a standing item on each Audit Committee agenda.

16/23 – offer further explanation that the value for money information is not a stand-alone report, but included within the External Audit Report.

AC 16/17 AUDIT COMMITTEE WORK PROGRAMME 2016/17

Members considered the Joint GMCA and AGMA Audit Committee Work Programme for 2016/17.

Members discussed the potential for a co-commissioned external contract audit across the GMCA and GM districts. The Treasurer reported that he had begun some soft market testing and will update the Committee in a future report.

The Committee was advised that the 2017/18 accounts would look different going forward to reflect the changes to the GMCA in response to the GMCA Orders whereby a number of bodies would be disestablished and be brought in within the remit of the GMCA. These changes will require a review of the capacity and function of the GMCA and GMA Audit Committee going forward.

Resolved/-

1. To note the Audit Committee Work Programme for 2016/17.
2. To agree that further information regarding the potential for a central single audit contract across GM be submitted to a future meeting.

AC16/18 DRAFT GMCA CODE OF CORPORATE GOVERNANCE

Susan Ford, Policy Manager GMIST took members through an updated Code of Corporate Governance for the GMCA. This is a live document which will be refreshed on a regular basis as new governance arrangements are introduced. The changes will need to be incorporated in the GMCA and AGMA Audit Committee Terms of Reference.

The Committee questioned where the key accountability for certain policies lie, for example should the whistle-blowing policy be overseen by the Audit Committee or Standards Committee and are both committees assured that this is being dealt with appropriately. The Committee was assured that work will be progressed to review the lines of responsibility of the Audit and Standards Committees.

Resolved/-

To agree that officers seek further clarification on the accountability lines between Audit and Standards Committees in relation to certain GMCA policies.

AC16/19 GMCA CORPORATE RISK REGISTER AND ASSURANCE MAP

Members received a report from Richard Paver, GMCA Treasurer and Tom Powell, Head of Audit and Risk Management which provided the latest update on the risk register following a refresh of the assurance map format. There were a number of new risks added to reflect the current political and economic climate.

A member commented that the figures in the date created column were inaccurate and requested officers clarify and re-circulate the report.

Resolved/-

1. To note the GMCA Corporate Risk Register and Assurance Map.

2. To agree to clarify the dates within the 'date created' column and that officer be requested to re-circulate the report.

AC16/20 GM STRATEGY PERFORMANCE REPORT

Members received a report of Sir Howard Bernstein, Head of the Paid Service for the Greater Manchester Combined Authority, which provided a draft Annual Performance Report for their assurance that the GMCA is delivering its priorities as set out in the Greater Manchester Strategy.

Members questioned the areas of most significant challenge for the GMCA. The data highlighted concerns about the number of houses available in GM and this remains a priority with a number of on-going programmes of work.

All-age all-cause mortality rates could also be improved across GM, and the Health and Social Care Strategic Plan has been focussed on interventions to achieve this ambition.

Members were also concerned about the low numbers in relation to apprenticeship targets. Officers reported that there has been a significant increase in apprenticeships across all ages but an issue remains regarding the engagement of the younger age group, this is a particular focus of the Employment and Skills Partnership.

The Committee challenged those secondary indicators and milestones where no performance data or update is available, as they do not contribute to the performance monitoring of the Strategy. Members felt that all KPIs should be measurable or not included.

Resolved/-

1. To note the performance of the GMCA against the GM Strategy.
2. To agree that the secondary indicators and milestones be reviewed to ensure that they can be updated or removed from the GM performance framework if no value added.

AC16/21 GMCA UNAUDITED ACCOUNTS FOR 2015-16

Members received a cover report and the GMCA un-audited Accounts for 2015-16.

The Committee was advised that the GMCA has recently become a member of the Greater Manchester Pension Fund to enable current and future employees to access the pension scheme benefits. Subsequently pension disclosures are a new element of the accounts following the appointment of direct employees of the GMCA.

It was suggested that the narrative on page 23 be reviewed in the light of Brexit and the current political landscape.

A member also commented that there was no mention of pension scheme asset / liability on page 98.

Members also queried the increase of direct employees of TfGM. It was reported that there had been general staff reductions at TfGM over the past few years however, recent appointments had been made as a result of in-sourcing particular functions and bringing in specialised staff to deliver specific funded projects.

Resolved/-

1. To note the un-audited accounts for 2015-16.
2. To agree that officers are requested to review the accounts to reflect the pension scheme asset / liability.

AC16/22 GMCA REVENUE AND CAPITAL OUTTURN

The GMCA/AGMA Audit Committee reviewed both the GMCA Revenue Outturn and Capital Outturn reports together, as they had both already been accepted by the GMCA and were provided for additional detail and context.

Resolved/-

To note the GMCA revenue and capital outturn reports.

AC16/23 AGMA INFORMAL SET OF ACCOUNTS AND REVENUE OUTTURN

Members received an informal report of the AGMA accounts and revenue outturn for 2015-16, presented for transparency but no longer a formal requirement.

Resolved/-

To note the AGMA Informal set of accounts and revenue outturn for 2015-16.

AC16/24 FINAL ACCOUNTS LETTER IN RESPONSE TO EXTERNAL AUDIT QUESTIONS

John Farrar, External Auditor from Grant Thornton provided a copy of the letter from the Committee Vice Chair in response to their questions regarding the accounts.

Resolved/-

To note the final accounts letter.

AC16/25 EXCLUSION OF THE PRESS AND PUBLIC

Resolved/-

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 item of business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

AC16/26 ANTI FRAUD REPORT 2016

The Committee received a summary report of the outcomes of investigation work undertaken during 2015/16 with regards to emerging fraud risks.

Resolved/-

To note the annual fraud report for 2015-16.

AC16/27 FUTURE MEETINGS

Resolved/-

To agree the proposed dates for 2016/17 meetings as follows:

Friday 23 September 2016 12-2pm, Committee Room 2, MCC
Friday 20 January 2017 12.30-2.30pm, Scrutiny Room, MCC
Friday 13 April 2017 12-2pm, Scrutiny Room, MCC