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ASSOCIATION OF
GREATER MANCHESTER
AUTHORITIES.

Statement of Accounts 2014/15

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Foreword

I am pleased to introduce the Association of Greater Manchester Authorities (AGMA) Statement of Accounts. The Statement of Accounts sets out the financial results of the Association's activities for the year ended 31st March 2015.

The accounts have been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting for 2014/15 based on International Financial Reporting Standards (IFRS) and Service Expenditure Reporting Code of Practice (SERCOP).

The Association sets general policies for carrying out certain region-wide functions. These have been agreed by the 10 constituent districts and are defined in the AGMA constitution. In part they have arisen from the requirements of the 1985 Act (which was with particular reference to Section 48 grants) or from creating central units, under a Lead District, to carry out more efficient provision of certain services on a continuing sub-regional basis.

The Association, through its Executive Board, approves the budget for these functions and determines policy. Regular budget updates are also presented to the executive board throughout the financial year including a year-end outturn report.

The Statement of Accounts forms part of the Association's financial reporting arrangements, however it is necessary, in reading this statement of accounts to appreciate that whilst it has been prepared in line with accounting requirements its information does not relate, in operational practice, to the way AGMA Units are managed. Each AGMA function is managed separately within its own authority on behalf of the AGMA partnership.

AGMA

AGMA was formed after the abolition of the Greater Manchester Council in 1986. The 1985 Local Government Act devolved power to local areas but also recognised that there were some functions that needed to be co-ordinated at a metropolitan level. AGMA was formed to undertake these functions.

The Association is a partnership between the ten district authorities within the Greater Manchester area. These ten authorities co-operate on a number of issues, both statutory and non-statutory, where there is the possibility of improving service delivery by working together. To further increase partnership working, AGMA invited unitary local authorities from the surrounding areas to join AGMA as associate members. Blackburn with Darwen, Blackpool and Warrington Councils responded positively to this invitation with Cheshire East Council joining in 2010. AGMA Associate Members also include Greater Manchester Combined Authority, Greater Manchester Fire and Rescue Authority, The Transport for Greater Manchester Joint Committee, Greater Manchester Police and Crime Commissioner, Greater Manchester Waste Disposal Authority and Greater Manchester Local Enterprise Partnership.

AGMA is not a legal entity and does not own any assets, can not enter into any contractual arrangements or directly employ any staff. Where this is necessary this role is taken on by one of the authorities as a lead authority on behalf of all ten.

In advance of the 2014/15 budget setting process a fundamental review was undertaken to revisit and refocus existing resource provision to more effectively support the ongoing requirements as well as to release resources – both capacity and budget – to support the emerging priorities around AGMA which underpin the delivery of the Greater Manchester Strategy (GMS), most evidently delivering Public Service Reform (PSR).

AGMA Units and Commissions

AGMA funds a number of units and commissions, which have been created under a mix of statutory regulation and partnership agreements. Many of these developed from the dissolution of Greater Manchester Council, and are bound by the AGMA Constitution, signed up to by AGMA member authorities. These cover a range of functions where joint provision benefits the ten local authorities and are based in various locations across Greater Manchester. The units and commissions include:

- Section 48 Grants
- County Records Office
- Specialist Trading Standards Unit
- GM Archaeology Unit
- GM Ecology Unit
- GM Waste and Minerals Unit
- Police and Crime Research
- Police and Crime Support Panel
- Public Service Reform
- Low Carbon Hub
- Green Deal (Including GM Energy Advice Service)
- Improvement and Efficiency – Programme Management Office
- Greater Manchester Integrated Support Team (this unit undertakes work for both AGMA and the GMCA)
- Other AGMA Priorities

More information on the work of the functions and services is available on the AGMA website <http://www.agma.gov.uk/>.

Revenue Expenditure in 2014/15

During the year the units and commissions produced a surplus of £1,650,495 as shown in the Comprehensive Income and Expenditure Statement. This surplus when added to the balance brought forward at the 1st April 2014 provides an accumulated balance of £3,994,168 carried forward at 31st March 2015.

Capital Expenditure in 2014/15

There is no Capital Expenditure incurred by the Association. The Association owns no assets because these are held by the constituent Councils and are contained within the balance sheet of the Lead Districts.

Concluding Remarks

I wish to draw your attention to the statement which shows the responsibilities of the Association and the Treasurer for the Accounts. The statement sets out the requirements of the legislation together with my professional and legal responsibilities for the accounts. I have relied where necessary on the assurances received from the S151 Financial Officers of the Lead Districts in respect of the financial transactions relating to the Units for which they are responsible.

From 1 April 2015, implementation of the Local Audit and Accountability Act 2014 will mean that joint committees, including AGMA, will no longer be required to have their accounts separately audited, therefore the AGMA accounts will be audited as part of the Manchester City Accounts from 2015/16 onwards.

Richard Paver
Treasurer, AGMA

Statement of Responsibilities

The Association's Responsibilities

The Association's requirements are laid out in the AGMA Constitution. These make arrangements for the proper financial administration of its financial affairs and to secure that one of its officers from one of the constituent councils has responsibility for the administration of those affairs. In this Association that officer is the Treasurer.


The Treasurer's Responsibilities

The Treasurer is responsible for the administration of the Association's financial affairs. This includes the preparation of the Association's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the code of practice;
- kept proper up to date accounting records;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- certified and dated the Statement of Accounts, to the effect that it represents a true and fair view of the financial position of the Association at the accounting date and its income and expenditure for the year ended 31st March 2015.

I certify that the Responsibilities for the Statement represents a true and fair view of the financial position of AGMA.



Richard Paver
Treasurer, AGMA
18th September 2015

I hereby approve the accounts for AGMA for the year ended 31 March 2015.



Chair of Meeting
18th September 2015

Movements in Reserve Statement

This Statement shows the movement in the year on the balances held by the Association.

	Note	Total £
Balance at 31 March 2013		1,866,268
Movement in Reserves during 2013/14		
Surplus or Deficit (-) on provision of services		813,156
Adjustment to Reserves for Services transferred to Combined Authority		(335,751)
Other Comprehensive Expenditure and Income		
Total Comprehensive Expenditure and Income		477,405
Adjustments between accounting basis & funding basis under regulations		-
Net Increase / Decrease before Transfers to Earmarked Reserves		477,405
Transfers to / from Earmarked Reserves		
Increase / Decrease (-) in Year		477,405
Balance at 31 March 2014 carried forward		2,343,673
Movement in Reserves during 2014/15		
Surplus or Deficit (-) on provision of services		1,650,495
Total Comprehensive Expenditure and Income		1,650,495
Adjustments between accounting basis & funding basis under regulations		-
Increase / Decrease (-) in Year		1,650,495
Balance at 31 March 2015 carried forward	1	3,994,168

Comprehensive Income and Expenditure Statement

This Comprehensive Income and Expenditure Statement summarises the resources that have been generated and consumed in providing services and managing the Association during the last year. It includes all the day-to-day expenses and related income on an accruals basis.

2013/14 Gross Expenditure £	2013/14 Gross Income £	2013/14 Net Expenditure £		2014/15 Gross Expenditure £	2014/15 Gross Income £	2014/15 Net Expenditure £
			Expenditure on Services			
292,762	(306,144)	(13,383)	County Records Office	283,327	(293,886)	(10,559)
3,260,505	(3,331,000)	(70,495)	Grants Unit - Section 48 Grants	3,260,571	(3,313,000)	(52,429)
3,553,267	(3,637,144)	(83,877)	Cultural & Related Services	3,543,898	(3,606,886)	(62,988)
88,290	(88,290)	-	Specialist Trading Standards Unit	82,946	(83,000)	(54)
291,900	(292,000)	(100)	Low Carbon Hub	293,949	(293,949)	-
249,913	(249,912)	1	Police and Crime Research	224,403	(234,979)	(10,576)
			GM Integrated Support Team (GMIST)	1,074,915	(1,147,152)	(72,237)
1,001,110	(1,119,698)	(118,588)	Other AGMA priorities	0	(535,000)	(535,000)
0	(150,000)	(150,000)	Public Service Reform	997,247	(1,100,304)	(103,058)
817,157	(793,513)	23,643	Public Service Reform - Development	5,302,655	(6,696,900)	(1,394,245)
-	-	-	GM Archaeology Service	120,000	(120,000)	-
120,100	(120,000)	100	Ecology Unit	138,000	(137,800)	200
137,673	(137,673)	-	Waste and Minerals Unit	100,000	(100,000)	-
100,000	(100,000)	-	Green Deal	504,523	-	504,523
472,735	(985,000)	(512,265)	Police & Crime Panel Support	129,783	(184,300)	(54,517)
86,518	(179,228)	(92,709)	Agma Hub & Spendpro	159,505	(159,505)	-
-	-	-	GM Spatial Awareness	63,694	-	63,694
-	-	-	Improvement and Efficiency - Programme Management Office	13,762	-	13,762
180,455	(59,814)	120,641				
3,545,850	(4,275,128)	(729,278)	Environmental, Regulatory & Planning Services	9,205,382	(10,792,889)	(1,587,507)
7,099,117	(7,912,273)	(813,156)	Net Cost of Services	12,749,280	(14,399,775)	(1,650,495)
			Surplus for the Year on Continuing Operations excluding operations transferred to the Combined Authority			
7,099,117	(7,912,273)	(813,156)		12,749,280	(14,399,775)	(1,650,495)
			Services Transferred to the Combined Authority			
335,751	-	335,751	Low Carbon Investment Team	-	-	-
7,434,868	(7,912,273)	(477,405)	Surplus For the Year	12,749,280	(14,399,775)	(1,650,495)

I certify that the Comprehensive Income and Expenditure Statement and related accounts present a true and fair view of the financial position of the Association of Greater Manchester Authorities.



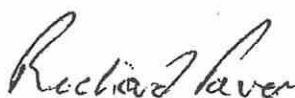
Richard Paver
Treasurer, AGMA
30 June 2015

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the asset and liabilities recognised by the association. The net assets (assets less liabilities) are matched by the general balances.

31.03.14			31.03.15
£		Note	£
	Current Assets		
489,621	Debtors and Payments in Advance	2	585,787
3,946,702	Cash & Cash Equivalents	5	4,774,636
4,436,323			5,360,423
	Current Liabilities		
(1,344,520)	Creditors and Receipts in Advance	3	(1,366,255)
(748,130)	Cash Overdrawn	5	-
(2,092,650)			(1,366,255)
2,343,673	Total Assets Less Current Liabilities		3,994,168
2,343,673	Total Assets Less Liabilities		3,994,168
	Usable Reserves		
2,343,673	General Balances	1	3,994,168
2,343,673	Total Net Worth		3,994,168

I certify that the Balance Sheet and related accounts present a true and fair view of the financial position of the Association of Greater Manchester Authorities at 31 March 2015.



Richard Paver
Treasurer, AGMA
30 June 2015

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the association during the reporting period. The statement shows how the association generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

2013/14 £		Note	2014/15 £
(477,405)	Net Surplus on the provision of services		(1,650,495)
5,875	Adjustments to net surplus on the provision of services for non cash movements	6	74,432
-	Adjustments for items included in the net surplus on the provision of services that are investing and financing activities		-
(471,530)	Net Cash flows from Operating Activities		(1,576,063)
-	Investing Activities		-
-	Financing Activities		-
(471,530)	Net increase in cash and cash equivalents		(1,576,063)
(2,727,043)	Cash and cash equivalents/Cash overdrawn at the beginning of the period		(3,198,573)
(3,198,573)	Cash and cash equivalents/Cash overdrawn at the end of the period		(4,774,636)

Notes to the Financial Statements

1. General Balances / Reserves

	Balance B/Fwd 01.04.14 £	Increase (+ve) £	Decrease (-ve) £	Transfers Between Reserves	Balance C/Fwd 31.03.15 £
County Records Office	68,399	-	-	(68,399)	-
General Reserve	2,261,513	270,011	-	68,399	2,599,923
PSR Development Earmarked Reserve	-	1,394,245	-	-	1,394,245
Programme Management Office	13,761		(13,761)	-	-
Totals	2,343,673	1,664,256	(13,761)	-	3,994,168

2. Debtors

31.03.14 £		31.03.15 £
131	Central Government Bodies	55,300
438,954	Other Local Authorities	482,031
3,456	NHS Bodies	3,456
47,080	Other Entities and Individuals	45,000
489,621	Total	585,787

3. Creditors

31.03.14 £	Creditors and Receipts in Advance	31.03.15 £
53,934	Central Government Bodies	37,993
449,978	Other Local Authorities	452,974
41,989	NHS Bodies	54,457
108,707	Other Entities and Individuals	291,485
689,912	Receipts in Advance (See note 4)	529,345
1,344,520	Total	1,366,255

4. Receipts in Advance

31.03.14 £	Receipts in Advance	31.03.15 £
100,000	Central Government Bodies	529,345
589,912	Other Local Authorities	-
689,912	Total	529,345

5. Cash

This statement identifies the items making up the changes in cash shown on the Cash Flow Statement.

31.03.14		31.03.15
£		£
3,946,703	Bank Current Accounts	4,774,636
(748,130)	Cash Overdrawn	-
3,198,573	Bank Balance and Cash in Hand at 31 March	4,774,636

6. Adjustments for non cash movements

31.03.14	Adjustments to net surplus or deficit on the provision of services for non cash movements	31.03.15
£		£
173,894	Increase in Debtors	96,166
(168,019)	Increase in Creditors	(21,734)
5,875	Total	74,432

7. Grant Income

31.03.14	Grants	31.03.15
£		£
-	PSR Development - Troubled Family 2	4,694,000
-	PSR Development - Further Faster Funding	313,900
-	PSR Development - DCLG Transitional Grant	100,000
-	PSR Health Education	52,655
-	PSR DCLG Cost Benefit Analysis	10,000
39,000	PSR Children's Society Better Start Development Grant	-
-	PCP Grant	55,300
39,000	Total	5,225,855

In 2014/15 a number of public service reform grants have been paid to AGMA on a Greater Manchester wide basis. The majority of the grants have been transferred to the ten authorities to undertake activities on various projects.

8. Amounts Reported for Resource Allocation Decisions

The table below is a reconciliation of the 2014-15 internal management reports (monitoring and outturn) used by the Executive Board to make decisions, and the 2014-15 Comprehensive Income and Expenditure Statement. The segments identified in the subjective analysis are the same segments that are reported to the Executive Board during the year.

Subjective Analysis	Cultural & Related Services £000s	Environmental, Regulatory & Planning Services £000s	Total £000's
AGMA Contributions	(3,516,000)	(3,342,305)	(6,858,305)
Other Income		(7,515,000)	(7,515,000)
Total Income	(3,516,000)	(10,857,305)	(14,373,305)
County Records	192,441	-	192,441
Specialist Trading Standards Unit		82,946	82,946
Section 48 Grants	3,260,571	-	3,260,571
Low Carbon Hub	-	292,000	292,000
Public Protection and Research	-	179,424	179,424
GM Integrated Support Team	-	523,763	523,763
Contingency	-	-	-
Public Sector Reform	-	989,827	989,827
Archeology Unit	-	120,000	120,000
Ecology Unit	-	138,000	138,000
Waste and Minerals Unit	-	100,000	100,000
Green Deal	-	504,523	504,523
Police Commissioner Panel support	-	74,483	74,483
PSR Development	-	5,302,655	5,302,655
AGMA Hub & Spend	-	159,505	159,505
GM Spatial Framework	-	63,694	63,694
Improvement & Efficiency - Programme Office	-	13,762	13,762
Total Operating Expenses	3,453,012	8,544,583	11,997,595
Cost of Services - (Surplus)	(62,988)	(2,312,722)	(2,375,710)

Reconciliation to net cost of services in the Comprehensive Income and Expenditure Statement (CIES)	£000s
Cost of services in service analysis - (surplus)	(2,375,710)
Remove amounts reported to management not included in NCS in CIES	
Agreed Carry Forward funding from Reserves - PSR	143,000
Agreed Carry Forward funding from Reserves - Green Deal	343,000
Funding from Reserves - Green Deal VS/VER	161,523
Funding from Reserves - Trafford Prog Office	13,692
Funding from Reserves - Spatial Awareness	64,000
Net cost of services in the Comprehensive Income and Expenditure Statement	(1,650,495)

Reconciliation to subjective analysis.	Service Analysis £000s	Not Included in CIES £000s	Not reported to Management £000s	Total £000s
AGMA Contributions	(6,858,305)	-	-	(6,858,305)
Other Income	(7,515,000)	725,215	(751,685)	(7,541,470)
Total Income	(14,373,305)	725,215	(751,685)	(14,399,775)
Employee Expenses	2,761,614	-	-	2,761,614
Other Service Expenses	9,227,969	-	751,685	9,979,654
Interest payments	8,012	-	-	8,012
Total Operating Expenses	11,997,595	-	751,685	12,749,280
(Surplus) or deficit in the provision of services	(2,375,710)	725,215	-	(1,650,495)

The table below is a reconciliation of the 2013-14 internal management reports (monitoring and outturn) used by the Executive Board to make decisions, and the 2013-14 Comprehensive Income and Expenditure Statement. The segments identified in the subjective analysis are the same segments that are reported to the Executive Board during the year.

Subjective Analysis	Cultural & Related Services £000s	Environmental, Regulatory & Planning Services £000s	Total £000's
AGMA Contributions	(3,546,000)	(3,330,963)	(6,876,963)
Other Income	(91,144)	(1,445,065)	(1,536,209)
Total Income	(3,637,144)	(4,776,028)	(8,413,172)
County Records	292,762	-	292,762
Specialist Trading Standards Unit	-	88,290	88,290
Section 48 Grants	3,260,503	-	3,260,503
Environment Commission	-	291,900	291,900
Public Protection and Research	-	249,913	249,913
Archaeology Unit	-	120,100	120,100
Ecology Unit	-	137,673	137,673
Waste and Minerals Unit	-	100,000	100,000
Green Deal	-	472,735	472,735
Police Commissioner Panel support	-	86,518	86,518
Greater Manchester Integrated Support Team	-	1,200,606	1,200,606
Contingency	-	-	-
Public Sector Reform	-	817,157	817,157
Improvement & Efficiency - Programme Office	-	180,455	180,455
Total Operating Expenses	3,553,265	3,745,347	7,298,612
Cost of Services - Surplus	(83,879)	(1,030,681)	(1,114,560)

Reconciliation to net cost of services in the Comprehensive Income and Expenditure Statement (CIES)	£000s
Cost of services in service analysis - (surplus)	(1,114,560)
Remove amounts reported to management not included in NCS in CIES	
Funding from Reserves - Improvement and Efficiency – Programme Office	134,404
Funding from Reserves - Public Sector Reform	167,000
Funding from Reserves - Core Investment Team	335,751
Net cost of services in the Comprehensive Income and Expenditure Statement	(477,405)

Reconciliation to subjective analysis.	Service Analysis £000s	Not Included in CIES £000s	Net Cost of Services £000s	Total £000s
AGMA Contributions	(6,876,963)	-	(6,876,963)	(6,876,963)
Other Income	(1,536,208)	637,155	(899,053)	(899,053)
Total Income	(8,413,171)	637,155	(7,776,016)	(7,776,016)
Employee Expenses	2,234,332	-	2,234,332	2,234,332
Other Service Expenses	5,055,176	-	5,055,176	5,055,176
Interest payments	9,103	-	9,103	9,103
Total Operating Expenses	7,298,611	-	7,298,611	7,298,611
Surplus in the provision of services	(1,114,560)	637,155	(477,405)	(477,405)

9. Audit Costs

31.03.14 £		31.03.15 £
8,430	Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor	8,430
(1,158)	Audit Commission Rebate	(866)
7,272		7,564

10. Officers Remuneration

AGMA is not a legal entity and can not enter into any contractual arrangements or employ any staff. Where this is necessary this role is taken on by one of the above authorities on behalf of all ten. The number of employees whose remuneration excluding employers' pension contribution was £50,000 or more is shown below. Please note this includes only staff who spend 100% of their time working for AGMA.

2013/14 31.03.14	2013/14 31.03.15 Re-stated	Remuneration Band	2014/15 31.03.15
Number of Employees	Number of Employees		Number of Employees
2	-	£50,000 – £54,999	-
-	1	£55,000 – £59,999	1
1	1	£60,000 – £64,999	-
1	1	£65,000 – £69,999	-
1	-	£70,000 – £74,999	-
-	1	£80,000 – £84,999	1
1	-	£85,000 – £89,999	-
6	4	Total	2

The 2013/14 Officers remunerations have been restated to basic salary costs as they originally included employers national insurance contributions.

11. Pension Costs

All liabilities are the responsibility of the constituent councils and are in accordance with the principles of IAS 19 which requires Councils to account for retirement benefits when they are committed to paying those benefits rather than the actual date of giving the benefit.

12. Related Party Transactions

The Association is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Association or to be controlled or influenced by the Association.

Greater Manchester Authorities

The ten district councils which comprise AGMA provide the nine leaders and one Mayor who serve as members of AGMA with voting rights for each Executive meeting.

District Contributions	31.03.14 £	31.03.15 £
Bolton	767,162	706,027
Bury	533,679	493,936
Manchester	1,365,149	1,256,748
Oldham	634,797	584,629
Rochdale	601,006	552,958
Salford	658,425	610,253
Stockport	758,523	694,702
Tameside	620,820	571,750
Trafford	639,622	590,551
Wigan	870,819	796,751
Creditors	31.03.14 £	31.03.15 £
Bolton	-	49,725
Bury	11,904	62,484
Manchester	1,650	17,237
Oldham	-	193
Rochdale	135,450	4,588
Salford	80,452	29,280
Stockport	35,929	87
Tameside	9,742	97,763
Trafford	15,184	34,185
Wigan	58,107	56,369
Debtors	31.03.14 £	31.03.15 £
Bolton	97	-
Oldham	-	1,949
Salford	46,904	40,089

Greater Manchester Combined Authority

Since the formalisation of the GMCA on the 1st April 2011, both AGMA and the GMCA share the same executive board comprising nine leaders and one Mayor who serve as members with voting rights for each Executive meeting.

Greater Manchester Combined Authority	31.03.14 £	31.03.15 £
Contributions To AGMA	465,811	-
Contributions from AGMA	335,751	-
Creditors	30,504	74,199
Debtors	342,147	439,128

Members

Members of the Association have direct control over the Association's financial and operational policies.

No members allowances are payable and during 2014/15 no works or services were commissioned from companies where members had an interest.

Officers

There have been no pecuniary interests declared involving the Treasurer or the Secretary of the Association.

12. Accounting Policies - General Principles

The Statement of Accounts summarises the Association's transactions for the 2014/15 financial year and its position at the year-end of 31 March 2015. It has been prepared in accordance with CIPFA Code of Practice on Local Authority Accounting 2014/15 based on International Financial Reporting Standards (IFRS).

The Statement of Accounts are prepared in accordance with the fundamental accounting principles relating to the qualitative characteristics of financial information as set out in the CIPFA code of practice; relevance, materiality, reliability, faithful representation, comparability, verifiability, timeliness and understandability.

The accounts are also prepared in accordance with the three pervasive accounting concepts as defined by the Code of Practice;

i) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Units transfer the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Units.
- Revenue from the provision of services is recognised when the Units can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Units.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

ii) Going Concern

The Statement of Accounts is prepared on a going concern basis, that is, the accounts are prepared on the assumption that the organisation will continue in operational existence for the foreseeable future. This means in particular that the income and expenditure account and balance sheet assume no intention to curtail significantly the scale of operation.

iii) Primacy of Legislative Requirements

Local Authorities derive their powers from statute and their financial and accounting framework is closely controlled by primary and secondary legislation. To the extent that treatments are prescribed by law the accounting concepts outlined above may not apply in all cases. It is a fundamental principle of the CIPFA code of practice that, where specific legislative requirements and accounting principles conflict, legislative requirements shall apply.

Specific reference can be made to the statements of accounting policies contained within the Annual Accounts of the relevant Lead District.

Cash and Cash Equivalents

The cash balance shown on the balance sheet represents cash held by individual Greater Manchester Authorities on behalf of AGMA as at 31st March 2015.

Cost of Support Services

The various District Treasurers have agreed common principles in the calculation of central support costs provided to lead district functions. These principles are based on CIPFA recommended practice and incorporate full cost allocation.

Debtors and Creditors

The accounts of the Association are maintained on an accruals basis which means that amounts due to the Association or amounts owed by the Association are included, whether or not the cash has actually been received or paid in the year.

Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Association when there is reasonable assurance that:

- the Association will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Units are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contributions have been satisfied.

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service (attributable revenue grants and contributions) in the Comprehensive Income and Expenditure Statement.

Reserves

The Association sets aside specific amounts as reserves for future policy purposes or to cover contingencies. When expenditure to be financed from a reserve is incurred it is charged to the service/unit in that year against the net cost of service in the Comprehensive Income and Expenditure Statement.

VAT

The Association is not separately VAT registered and all VAT transactions are through the accounts of the constituent councils. Income and expenditure excludes any amounts related to VAT, as all VAT is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

13. Authorisation of Accounts for Issue

In line with the requirements of FRS21 "events after the balance sheet date" this set of accounts is authorised for issue by the Treasurer on 18th September 2015. This date is the date after which events will not be recognised in the Statement of Accounts.

Glossary

Accruals

Income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Budget

A statement detailing the associations plans for net revenue expenditure over a specified period of time.

Corporate Governance

This is concerned with the Association's accountability for the stewardship of resources, risk management and the relationship with the community. Each authority's is responsible for its own corporate governance.

Creditors

Amounts owed by the AGMA functions for work done, goods received or services rendered but for which payment has not been made at the balance sheet date.

Debtors

Sums of money due to the AGMA functions but unpaid at the balance sheet date.

Lead District

Each AGMA unit is administered by a member authority – known as the "Lead Authority / District".

Payments in Advance

Sums paid in advance of the period to which they relate.

Receipts in Advance

Sums received in advance of the period in which they are to be applied.

Reserves

A reserve is an amount set-aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

Association of Greater Manchester Authorities

Annual Governance Statement 2014 - 15

1. Scope of Responsibility

- 1.1 The requirement for local authorities to produce an Annual Governance Statement (AGS) was introduced in 2008-9, comprising an assessment of governance arrangements against the principles of the CIPFA / SOLACE Framework for Delivering Good Governance in Local Government. The Association of Greater Manchester Authorities (AGMA) is not a local authority and is not therefore required to produce an AGS. However AGMA's constitution stipulates that governance will be conducted in accordance with CIPFA/SOLACE guidance and this Statement has been produced to comply with this.
- 1.2 This AGS covers the period April 2014 to March 2015 and describes those systems and processes, cultures and values by which AGMA is directed and controlled, and through which it accounts to, engages with and leads the community.
- 1.3 AGMA was established as a joint committee under the AGMA Executive Board for the purposes of exercising agreed functions over their 'combined administrative area'. Each of the parties to the joint committee is a local authority within the meaning of the Local Government Acts 1972 and 2000 for the purposes of their administrative areas.
- 1.4 Prior to the establishment of the Greater Manchester Combined Authority (GMCA), AGMA provided the focus for much of the collaborative work undertaken across Greater Manchester for the last twenty years, albeit that it is not a statutory or accountable body in its own right.
- 1.5 Notwithstanding the establishment of the GMCA in April 2011 (whose statutory remit covers transport, economic development and regeneration functions), the ten districts remain committed to additional joint working in the areas specified in Schedule One of the AGMA constitution, agreed in June 2012.
- 1.6 The AGMA Executive Board provides streamlined decision making, co-ordination of services across the combined administrative area, mutual co-operation, partnering arrangements and added value in the provision of shared services. Its specific objectives are to:
 - improve outcomes in the economic, social and environmental conditions across the combined administrative area;
 - streamline decision making where joint arrangements already exist; and
 - develop and agree current and new areas of joint working

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the AGMA is directed and controlled and its activities through which it is accountable to, engages with and leads the community. The framework comprises the systems, processes, structure, culture and values by which AGMA is directed and controlled, takes effective decisions and is accountable to the regional community. It enables AGMA to conduct its business in accordance with its stated objectives and in compliance with the law and ethical standards. Governance arrangements are in accordance with CIPFA/SOLACE guidance, using Lead Authorities' Standing Orders and Financial Regulations.
- 2.3 The governance framework described below has been in place within the AGMA for the year ending 31 March 2015 and up to the date of approval of the AGMA Annual Statement of Accounts.

3. The Governance Framework

Members

- 3.1 AGMA is a partnership between the ten local authorities within the Greater Manchester area: Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan. To maximise the benefit and impact of partnership working the following unitary local authorities have joined AGMA as associate members: Blackburn with Darwen, Blackpool, Cheshire East, Warrington, GM Fire and Rescue Authority, Transport for Greater Manchester, GM Police and Crime Commissioner and GM Waste Disposal Authority.

Constitution

- 3.2 The Constitution sets out the principles which govern how AGMA will operate, including the powers and functions of the Executive Board. It includes AGMA's general, financial and specific functions, Board Terms of Reference, Rules of Procedure and joint scrutiny arrangements. Together with the governance structure, it was substantially reviewed and revised in 2012 and approved by the Executive Board in January 2012.
- 3.3 The Executive Board is the decision making body for those policy areas agreed by the AGMA districts. It consists of representatives of all member authorities (9 Leaders and the elected Mayor of Salford City Council) and representatives of the GM Fire and Rescue Service, Police and Crime Commissioner, Waste Disposal Authority and Transport for Greater Manchester. Representatives from associate members may attend Board meetings and participate in debates, but cannot vote. The Board Chair is elected from the 10 members and up to three Vice Chairs may be appointed from different political groups. The Board currently meets on the last Friday of every month. Its meetings are public, and rotate around the 10 districts.
- 3.4 Whilst its role is now reduced, the AGMA Executive Board continues to undertake a number of functions, notably those that the GMCA has no statutory remit to undertake. A key role includes monitoring the budgets and expenditure of authorities or bodies which have the power to issue a precept or levy on member councils (other than the GMCA, such as the GM Fire and Rescue Authority and the GM Waste Disposal Authority). AGMA also provides oversight over the key policy areas of health, improvement and efficiency / public service reform, and the development of the Greater Manchester Spatial Framework.
- 3.5 Below the formal structure of AGMA and under-pinning the wider array of Greater Manchester organisations, the Wider Leadership Team (WLT) acts as the senior officer team for the AGMA Executive Board (and the GMCA), ensuring that conurbation-wide business is well managed and effectively co-ordinated with all other activity with a Greater Manchester ambit. WLT consists of the Chief Executives from the ten district authorities plus similar level representation from GM Police, GM Fire and Rescue Service, TfGM, Health, the Manchester Growth Company, New Economy and from other bodies as appropriate. The AGMA's Treasurer and Secretary are also members of WLT. This level of officer involvement has proved to be important in providing leadership and strategic direction on key priorities and in helping to ensure that decisions are efficiently and effectively followed up with delivery.
- 3.6 Responsibility for providing legal financial, secretarial and communications advice and support services is also allocated to Lead Authorities. To provide accountability for these functions the Executive Board annually appoints:
- A secretary
 - A treasurer
 - Such other officer(s) as may be deemed appropriate

Other Greater Manchester structures - Units, GM Commissions and Strategic Partnerships

Scrutiny Pool

- 3.7 The Greater Manchester Scrutiny Pool is now in its sixth year of operation, having been formed in 2009 following changes to the AGMA Executive's constitution. Following the establishment of the GMCA, its remit was widened further to incorporate scrutiny of the GMCA, TfGM, TfGM and the Manchester Growth Company in addition to the AGMA Executive Board and the GM Commissions, including the Low Carbon Hub and Interim GM Health and Wellbeing Board.
- 3.8 It comprises 30 elected councillors, three from each of the ten constituent district authorities, reflecting their political balance and including representatives from both sexes. Members serve on the Scrutiny Pool on an annual basis but can and do serve for consecutive years.
- 3.9 The Scrutiny Pool's key functions are to hold the sub-regional decision makers to account through monitoring their key decisions and having the opportunity to 'call in' any decisions which the members deem require further scrutiny and challenge. The Pool also undertake pre-policy scrutiny where they can act as a 'critical friend' to highlight key issues, areas for further work, and challenge GMCA and AGMA policies at a developmental stage. The Pool has the potential to highlight any areas of particular strategic importance for the people of Greater Manchester for review and make relevant recommendations to the AGMA Executive Board, GMCA or TfGM. The Pool also undertakes a performance monitoring role in relation to the Greater Manchester Strategy (GMS) to ensure that it is being delivered effectively.

Service Areas

- 3.10 AGMA funds the following service areas, each managed by a lead Authority, covering a range of functions and/or services where joint provision benefits the ten districts. They are:
- AGMA Grants Unit
 - AGMA Procurement Hub
 - Greater Manchester Spatial Framework
 - Greater Manchester County Records Office
 - Greater Manchester Specialist Trading Standards Unit
 - Greater Manchester Ecology
 - Greater Manchester Waste and Minerals Unit
 - Greater Manchester Archaeological Advice Service
 - Greater Manchester Integrated Support Team
 - Greater Manchester Public Service Reform Team
 - Greater Manchester Low Carbon Hub
 - Greater Manchester Policy Protection and Research Team
 - Greater Manchester Police and Crime Panel Support

Commissions

- 3.11 AGMA (Association of Greater Manchester Authorities) is a Joint Committee of the 10 district authorities. Prior to the establishment of the GMCA, it provided the focus for much of the collaborative work undertaken across Greater Manchester for the past 20 years, albeit that it was not a statutory or accountable body in its own right. Whilst its role is now reduced, it continues to undertake a number of functions, notably those that the GMCA has no specific remit to undertake. A key role includes monitoring the budgets and expenditure of authorities or bodies which have the power to issue a precept or levy on member councils (other than the GMCA, such as the GM Fire and Rescue Authority and the GM Waste Disposal Authority). AGMA also looks to oversee the policy areas of health, and improvement and efficiency.

- 3.12 To support the work of AGMA and to help deliver the Greater Manchester Strategy, a number of strategic Commissions were established in 2009 to act as a focus for collaborative working on key, conurbation-wide policy agendas. These high level structures were reviewed in 2012-13 and now comprise:

- Planning and Housing Commission (meets quarterly); the
- Police and Crime Panel (meets 3 times a year);
- Greater Manchester Interim Health and Wellbeing Board (meets quarterly); and the
- Low Carbon Hub (meets quarterly).

- 3.13 Each Commission is formed from a mix of elected members and other representatives from the private sector, other public sector agencies and the third sector the precise composition being determined by the Group's remit.

Greater Manchester Joint Health Scrutiny Committee (formerly Greater Manchester Health Scrutiny Panel)

- 3.14 The Greater Manchester Health Scrutiny Panel had been established for over ten years, with a specific remit to scrutinise major strategic developments within the acute health care service. This year the Panel's work has focused on providing oversight and scrutiny of the Healthier Together programme. To meet the legislative requirements of this function the Panel has been reconstituted as a joint committee. Members include representatives from each Greater Manchester authority, normally a member of each authority's Health Scrutiny Committee and from October by a representative of Derbyshire County Council joined the committee, Derbyshire are also undertaking a Healthier Together consultation. The workload associated with Healthier Together consultation has required the committee to meet ten times this financial year.

GM Local Enterprise Partnership

- 3.15 Although not a formal part of the AGMA/GMCA governance arrangements, the Greater Manchester Local Enterprise Partnership (LEP) is a business-led body that includes representation from the Chair and three further representatives of the GMCA. The LEP adds value to Greater Manchester partnerships between local government, businesses and other partners in further and higher education, and across the public, private and voluntary and community sectors. It also provides important support in terms of policy advice and strategic direction to GM and the LEP also fulfils a performance review and management role to New Economy. The GMCA works closely with the LEP, a process which is helped by the inclusion of four GMCA members as Board members and the LEP's minutes being submitted to the GMCA.

Decision-making

- 3.16 Agendas and reports for AGMA are issued to members and published online (www.agma.gov.uk) according to the standard 5 day period which is the statutory norm in local government, and the same standard is maintained for Scrutiny Pool and Commission meetings. AGMA meetings take place on the same day as the GMCA according to a cycle which ensures that each Greater Manchester district Town Hall or Civic Centre hosts at least one meeting of the GMCA each year. All meetings are held in public, except in those few cases where reports contain confidential information, and the public are excluded during discussion and decision-making on such items.
- 3.17 A Forward Plan identifying the major, strategic decisions that the AGMA will be required to make over a period of four months is updated and presented at each meeting. The Scrutiny Pool then receives notice of all decisions made by AGMA within 2 days of the respective meeting. Members of the Scrutiny Pool then have 5 days to determine whether they wish

to exercise their right to call-in (provided at least 5 members agree to call-in a specific decision), as outlined above.

Financial Management

- 3.18 One of the most important responsibilities of AGMA is to determine, agree and monitor the AGMA budget. In terms of the budget setting process, a comprehensive report was presented for approval in January 2015 which detailed the forecast outturn position for 2014/15 and provided a proposed AGMA budget for 2015/16. Any significant issues or areas of concern can then be reported back as appropriate to the Authority.

4. Conclusion

On the basis of the sources of assurance set out in this statement, we are satisfied that throughout the year and up to the date of the approval of the accounts, AGMA had in place a satisfactory governance framework which facilitated the effective exercise of the joint committee's functions.

Terms of Reference

Regulatory Bodies, Other Bodies and Regulatory Framework

CIPFA (Chartered Institute of Public Finance and Accountancy)

The leading professional body for public sector accounting. CIPFA advises central government and other bodies on local government and public sector finance matters.

<http://www.cipfa.org.uk/>

Code of Practice on Local Government Accounting in the United Kingdom 2014/15

Detailed guidance on the proper accounting treatment to be used in the preparation of local authority statement of accounts.

International Financial Reporting Standards (IFRS)

These accounting standards prescribe the methods by which published accounts should be prepared and presented and compliance is mandatory; any departure must be clearly disclosed within the published accounts. The Code incorporates these accounting standards to the extent that they comply with specific legal requirements and are relevant to the activities of the local authority.

Local Enterprise Partnership (LEP)

LEPs are designed to support business and local authorities to grow the local private sector, tackle major barriers to growth and develop shared strategies for the local economy to increase job creation.

North West Improvement and Efficiency Partnership (NWIEP)

The North West Improvement and Efficiency Partnership (NWIEP) is a partnership dedicated to helping local authorities and their partners achieve efficiency and improvement objectives, as set out in the North West Improvement and Efficiency Partnership Strategy. The NWIEP contributes towards the delivery of the North West's ambitious local-area and multi-area agreements by commissioning and co-ordinating support to drive improvement in public services for local people.

<http://www.nwiep.org.uk/>

AGMA Member Authorities

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Bury MBC

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Manchester City Council

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION OF GREATER MANCHESTER AUTHORITIES

Opinion on the financial statements

We have audited the financial statements of the Association of Greater Manchester Authorities (AGMA) for the year ended 31 March 2015 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

This report is made solely to the Executive Board of AGMA in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AGMA for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Treasurer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to AGMA's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Treasurer's Explanatory Foreword to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Association of Greater Manchester Authorities as at 31 March 2015 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Opinion on other matters

In our opinion, the information given in the Treasurer's Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires AGMA to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

Other matters on which we are required to conclude

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that AGMA has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are also required by the Audit Commission's Code of Audit Practice to report any matters that prevent us being satisfied that the audited body has put in place such arrangements.

We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission in October 2014, we have considered the results of the following:

- our review of the annual governance statement.

As a result, we have concluded that there are no matters to report.

Certificate

We certify that we have completed the audit of the accounts of the Association of Greater Manchester Authorities in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Mark Heap
Director, for and on behalf of Grant Thornton UK LLP

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28 September 2015