

**ANNUAL GOVERNANCE STATEMENT**

**2017-18**

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## **1. INTRODUCTION**

- 1.1 This Annual Governance Statement sets out how the GMCA meets its governance standards detailed in the reviewed Code of Corporate Governance agreed for 2018/19 (elsewhere on the agenda). It also describes how it meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement to accompany the Annual Accounts.
- 1.2 Each year the GMCA publishes an Annual Governance Statement to accompany the Annual Accounts. The Statement provides an overall assessment of the GMCA's corporate governance arrangements and how it adheres to the governance standards set out in this Code. Evidence relating to the principles of this Code is reviewed and analysed to assess the robustness of the GMCA's governance arrangements.
- 1.3 This Statement includes an appraisal of the key controls in place to manage the GMCA's principle governance risks and the effectiveness of systems and processes governing decision-making and financial control. The Statement also provides details of where improvements need to be made. Actions to address significant governance issues are identified and recorded in an action plan (appended to this statement). The Annual Governance Statement is reviewed by the GMCA's external auditors as part of the audit of the annual accounts. The Statement has to remain as a live document until the GMCA's Financial Statements are audited and approved by an appropriately authorised committee of the GMCA and will be updated as necessary and considered with the Authority's Financial Statements.
- 1.4 Moving forward the Senior Management Team has agreed to establish a risk management group to oversee and update the GMCA corporate risk register and also lead the coordination and collation of content and evaluation for inclusion in the Annual Governance Statement for 2018/19. The group will meet six times a year, with four of these meetings to focus on risk management and the others to focus on the Annual Governance Statement.
- 1.5 The functions of the GM Police and Crime Commissioner transferred to the elected Mayor on 8 May 2017. The elected mayor is held to account by the GM Police and Crime Panel.
- 1.6 The functions of the GM Fire and Rescue Authority (GMFRA) transferred to the GMCA on 8 May 2017, with the GMCA becoming the GMFRA for the purposes of the Fire and Rescue Services Act 2004, and the elected Mayor responsible for discharging the functions of the Fire Authority.
- 1.7 The functions of the former Greater Manchester Waste Disposal Authority transferred to the GMCA on 1<sup>st</sup> April 2018, however, prior to its transfer GMWDA had the responsibility to produce separate financial statements. Its draft Annual Governance Statement was considered by the GMWDA's Audit and Scrutiny Committee on 28<sup>th</sup> February 2018. Greater Manchester Waste Disposal functions will be included in the 2018/19 Annual Governance Statement.

## **2. LEGISLATIVE AND POLICY CONTEXT**

- 2.1 The GM mayoral model has been developed to build on the governance arrangements that have evolved in GM since the county authority was disestablished in 1986. Rather than adding an additional tier of governance the GM Mayor acts as an 11th member of the GMCA, supported by a Cabinet involving all Leaders with clear portfolio responsibilities.
- 2.2 The Mayor chairs meetings of the GMCA and, following his election on 4 May 2017, has appointed two Deputy Mayors:
- Baroness Beverley Hughes as Deputy Mayor for Police and Crime;
  - Sir Richard Leese, Leader of Manchester City Council has been appointed as Deputy Mayor of the GMCA.
- 2.3 On public service issues the GMCA members and the Mayor each have one vote, and policy will be agreed by a majority vote. The Mayor is required to consult the GMCA Cabinet on his strategies, which the Cabinet may reject if two thirds of members agree to do so. The GMCA Cabinet will also examine the Mayor's (non Police and Crime) spending plans and again will be able to amend those plans if two-thirds of members agree to do so.
- 2.4 The Association of Greater Manchester Authorities (AGMA), originally established in 1986 following the abolition of the Greater Manchester Council, continues to meet (directly after GMCA meetings) to consider issues over which the GMCA has no statutory responsibility. In practice, some issues relate to the remit of both the GMCA and AGMA: in those instances a joint GMCA/AGMA meeting is held to consider relevant business. The membership of both the GMCA and AGMA consists of the elected Mayor and the ten local authority Leaders (directly elected Mayor in the case of Salford).
- 2.5 The GM Local Enterprise Partnership is a private sector-led voluntary partnership, with a core function to provide strategic leadership and private sector insight (alongside the GMCA) to help deliver the city region's growth ambitions. The GM LEP jointly owns (along with the GMCA) the Greater Manchester Strategy and is responsible for providing strategic direction to ensure that the strategy is successfully delivered.
- 2.6 A range of non-statutory member-led committees and boards sit below the GMCA and LEP, with statutory and responsibility for overseeing work in relation to the various portfolios. GMCA/AGMA scrutiny arrangements were reviewed in 2017/18 with new arrangements now in place. Rather than one committee of 30 members three committees have now been established, each with 15 members, with responsibility for Corporate Issues and Reform; Economy, Business Growth and Skills; and Housing, Planning and Environment.

### **3. POWERS AND RESPONSIBILITIES**

3.1 The functions of the GMCA fall into the following broad headings:

- Transport;
- Economic Development, Regeneration and Housing;
- Health;
- Police and Crime;
- Fire and Rescue;
- Waste Disposal – from 1<sup>st</sup> April 2018

#### **3.2 Transport functions**

3.2.1 These functions include:

- the development of policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within the Greater Manchester area;
- exercise of the functions required to implement those policies;
- preparation of a local transport plan (LTP); [NB: constituent councils also have a duty to carry out their functions to implement the GMCA's policies and LTP]
- the appointment of the Director-General and Board of the Passenger Transport Executive (PTE) known as Transport for Greater Manchester (TfGM);
- the formulation of policies with respect to the provision, availability and convenience of public passenger transport services for the area and ensure that these are secured by TfGM;
- approval of concessionary travel schemes, ticketing schemes and quality partnership schemes;
- approval of new transport schemes to be funded by the Greater Manchester Transport Fund;
- approval of the transport budget and issue of the transport levy to constituent councils in respect of expenditure reasonably attributable to GMCA's transport functions (which is not raised by other means).

3.2.2 Other powers include:

- the power to enter into agreements with constituent councils and Highways England for the construction, improvement and maintenance of roads;
- the power to give grants to bus operators; and
- when the Bus Services Act has been fully enacted the GMCA, as a Mayoral Combined Authority, will have enhanced powers in relation to buses.

3.2.3 Greater Manchester's transport policies are set by the GMCA and the Transport for Greater Manchester Committee (TfGMC). TfGM then:

- implements the decisions made by the Combined Authority and the Committee to improve transport services and facilities in Greater Manchester;
- works to develop detailed plans and strategies to put those wider transport policies into action. TfGM coordinates transport plans, devises sustainable travel initiatives, and provides the information required to enable the GMCA and TfGMC to decide where to invest transport funding.

### 3.3 Economic Development, Regeneration and Housing

3.3.1 The Order that established the GMCA in 2011 gave the GMCA various economic development and regeneration functions, being functions of the constituent councils to be exercised concurrently with those councils.

3.3.2 The functions include:

- the power to promote and improve the economic, social and environmental well-being of the area;
- the promotion of tourism;
- consideration of housing needs and housing conditions in the area;
- local air quality management;
- post-16 education and training.

3.3.3 The Functions Orders made pursuant to the various devolution agreements give the GMCA a range of additional economic development and regeneration functions (including functions relating to housing, spatial planning, compulsory purchase, skills and training).

3.3.4 These new functions include:

- a duty to prepare and publish a spatial development strategy for GM;
- powers to provide, or facilitate the provision of, housing and infrastructure;
- powers to develop and regenerate land;
- powers to acquire land, compulsorily or by agreement;
- powers to designate areas of land as mayoral development areas leading to the establishment of mayoral development corporations (MDCs);
- additional powers in relation to skills and training
- adult education (yet to be agreed)

### 3.4 Health

3.4.1 From April 2016, Greater Manchester received full devolution of all funding and decision-making for health and social care in GM and GMCA, concurrent with the duty on constituent Councils, now has a duty to take such steps as it considers appropriate to improve the health and wellbeing of people in Greater Manchester.

3.4.2 Devolution does not change the position of NHS services in GM in relation to the NHS Constitution and Mandate - all of the services will remain firmly part of the National Health Service. However, the new duty enables the GMCA to work in partnership with the constituent councils, Clinical Commissioning Groups and NHS bodies to better integrate health and social care provision across GM, improving outcomes for residents and ensuring the financial sustainability of the health and social care system within GM.

3.4.3 A Strategic Partnership Board, made up of representatives of the 37 partner organisations responsible for health and social care provision in Greater Manchester, is responsible for overseeing the £6bn health and social care budget.

### **3.5 Police, Fire and Waste Disposal functions**

- 3.5.1 The functions of the GM Police and Crime Commissioner (GMPCC) transferred to the elected mayor on 8 May 2017. The statutory powers of the PCC can be delegated to the Deputy Mayor for Policing, with the exception of the duty to set a budget, the duty to prepare a Police and Crime Plan, and the appointment and removal of a Chief Constable. The Elected Mayor, Police and Crime is held to account by the GM Police and Crime Panel which now consists of representatives from each district with crime and anti – social behaviour responsibilities plus 2 independent members.
- 3.5.2 The functions of the GM Fire and Rescue Authority (GMFRA) transferred to the GMCA on 8 May 2017, with the GMCA becoming the GMFRA for the purposes of the Fire and Rescue Services Act 2004, and the elected Mayor responsible for discharging the functions of the Fire Authority. On the 27 April 2018, the Mayor subsequently decided to disestablish the Fire Committee.
- 3.5.3 The functions of the GM Waste Disposal Authority (GMWDA) transferred to the GMCA on 1 April 2018 and the GMWDA was abolished on that date. GMWDA functions are not exercisable in Wigan, which is its own waste disposal authority. The GMCA has decided to establish a new Waste & Recycling Committee which was formally constituted at the GMCA's AGM in June.

### **3.6 Mayoral and non-Mayoral functions**

- 3.6.1 All functions are GMCA functions, but some functions are only exercisable by the Mayor. Functions are deemed 'non-mayoral' unless specified in an Order or other enactment.
- 3.6.2 Powers only exercisable by the Mayor include:
- powers over strategic planning, including CPO powers and the power to establish Mayoral Development Corporations, and the power to create a statutory spatial framework for Greater Manchester (this will need the unanimous approval of the Mayor's Cabinet and CPO and MDC powers require the consent of the Leader(s) of the relevant authority);
  - control of the £300 million recyclable Housing Investment Fund;
  - control of GM's reformed earn back deal;
  - preparation of a Local Transport Plan and supporting policies (subject to approval of at least 7 other GMCA members);
  - responsibility for the role previously covered by the Police and Crime Commissioner and the GM Fire and Rescue Authority.

## **4. GREATER MANCHESTER STRATEGY**

- 4.1 The refreshed Greater Manchester Strategy (GMS) was approved by the GMCA on 28<sup>th</sup> July 2017. The revised GMS is structured under 10 priorities which align with the GM Outcomes Framework and "living well in GM" work which allows us to more clearly respond to issues that cut across multiple policy and organisational boundaries.

- 4.2 The GMCA on 27<sup>th</sup> April 2018 approved a two-year Implementation Plan following a full engagement process with networks and partners from across the public, private and voluntary sectors in GM.
- 4.3 The two-year implementation plan acknowledges the many existing and developing GM strategies and plans are already being delivered, and therefore seeks to capture those areas of action where attention will be focused and that with the collective support from across the GM system can make a transformational difference to the achievement of the GMS ambitions and supporting targets.
- 4.4 The Implementation Plan is structured under ten refreshed GMS priorities, and the actions contained within it, and will form the basis of the work programmes for the CA Portfolio areas of responsibility. The Portfolio leads during 2018/19 will review portfolio governance and accountability (through scrutiny, audit and to the GMCA), to ensure that it is fit for purpose going forward.

## **5. SCOPE OF RESPONSIBILITY**

- 5.1 The Greater Manchester Combined Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.
- 5.2 The GMCA must put in place proper arrangements for the governance of its affairs and effective exercise of its functions, which includes arrangements for the management of risk. The GMCA's Code of Corporate Governance sets out how the GMCA operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the GMCA to choose.
- 5.3 The Code of Corporate Governance and the GMCA's Constitution are reviewed annually to ensure they remain consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government as updated in 2016.
- 5.4 The Annual Governance Statement will be certified by the GMCA Chief Executive and the Mayor, after consideration by the GMCA Audit Committee, before final sign off with the GMC accounts at the end of July.

## **6. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 6.1 Corporate governance describes how the GMCA directs and controls what it does. Good governance provides the conditions for the GMCA and its partners to work



effectively, economically and ethically. The GMCA should carry out its functions in a way that demonstrates accountability, transparency, effectiveness, integrity, and inclusivity. Good governance will support the GMCA to pursue its vision and secure its agreed objectives.

- 6.2 The GMCA's governance framework comprises the legislative requirements, principles, management systems and processes – including the GMCA's Constitution, Operating Agreement and Protocols – and cultures and values through which the Authority exercises its leadership, fulfils its functions, and by which it is held accountable for its decisions and activities.
- 6.3 This Annual Governance Statement demonstrates how the GMCA is doing the right things, in the right way in a timely, inclusive, open, effective, honest and accountable manner.
- 6.4 The following sections of this document describe how the GMCA fulfils the requirements set out in the seven principles of good governance.

## **7. THE GOVERNANCE FRAMEWORK**

- 7.1 The assessment of compliance against the Local Code of Corporate Governance outlines where the GMCA is compliant and also areas where ongoing work is taking place to further improve overall compliance.
- 7.2 The GMCA's framework is structured around 7 good governance principles set out in the 2016 CIPFA guidance which are:
  - a. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - b. Ensuring openness and comprehensive stakeholder engagement
  - c. Defining outcomes in terms of sustainable economic, social, and environmental benefits
  - d. Determining the interventions necessary to optimise the achievement of the intended outcomes
  - e. Developing the entity's capacity, including the capability of its leadership and the individuals within it
  - f. Managing risks and performance through robust internal control and strong public financial management
  - g. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

## **8. ANNUAL REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK**

### **Head of Audit and Risk Management Annual Opinion 2017/18**

- 8.1 The Head of Internal Audit and Risk Management provided a moderate assurance opinion on the adequacy and effectiveness of the governance, risk and control framework for GMCA. This was down from the substantial assurance opinion given in



2016/17. The report did note however that there were no critical or major issues identified and at the time there had been no limited assurance opinions issued during the year over the governance framework or systems of internal control being operated.

- 8.2 This opinion was consistent with feedback from engagement discussions with SMT and the Extended Leadership Team who demonstrated a clear awareness and understanding of these challenges and where development and improvement actions were underway. Without impacting the independence of Internal Audit these views were taken into account when reaching the assurance opinion, as were the emerging opinions from three reports into finance and corporate ICT systems that had not been finalised at the time of the annual opinion.
- 8.3 This opinion reflected the significant scale of change which had taken place and the level of ongoing development work which is required following the integration of bodies into the GMCA in April and May 2017 and the appointment of the GM Mayor. The scale of change and extent of the service integration programme ongoing within the GMCA did mean there was variation in standard systems of risk management, governance and control but there was a positive commitment, plans and capacity across the GMCA to address this during 2018/19. This was reflected in the subsequent publication of the three limited assurance opinions over finance and corporate ICT systems. These reports reflected the need for greater consolidation and consistency of approach and actions are being agreed to address these risks.
- 8.4 The report noted that 2017/18 had been a substantial period of change and that the process of ongoing transition and activity will remain a key area of focus as the GMCA continues with the integration programme, which included the transfer of GM Waste Disposal Authority functions from April 2018; a series of service reviews of operational and support functions; finalisation of business plans; and further development of integrated staffing structures.
- 8.5 Scrutiny and oversight arrangements had been embedded during 2017/18 with committee structures and other governance implemented during the year. This has provided a high level of oversight and challenge to both GMCA and GM Mayoral functions. A key priority for the GMCA Governance team is a review of the overall high level governance framework to ensure top tier committee structures roles, remits and delegated powers are aligned to scrutiny and oversight arrangements and supporting boards.
- 8.6 The GM Strategy was developed and approved in 2017/18 aligning both GMCA and Mayoral priorities with leadership roles and responsibilities assigned. A two year implementation plan has also been produced to support delivery of the GM Strategy and Mayoral priorities, albeit further work was required to ensure functional area business plans and risk management arrangements had a clear association to these in terms of key deliverables, resourcing, staff capacity and performance monitoring.
- 8.7 Organisational capacity and the resource to deliver against strategic initiatives and stated priorities remained a key risk and this was reflected in the corporate risk register ("CRR"). The potential affect on staff morale will be kept under review as the GMCA responds to the challenges of integration and cultural change. Work was well underway in this respect with organisational development activity and policy development and alignment having been progressed; this will be ongoing during 2018. Equally the recommendations arising from the Lord Kerslake report into the emergency response to the Manchester Arena attack needed to be addressed as part of the review of organisation culture and operations.

- 8.8 The development of the new GMCA Corporate Risk Register and emerging risk management and assurance framework was noted as critical to supporting the achievement of strategic objectives and providing ongoing assurance over the management of high level risks facing the GMCA. Actions have already been taken in this respect with the establishment of a Risk and Governance Group reporting to SMT from May 2018.

#### **Annual Review of the System of Internal Audit 2017/18**

- 8.9 The Internal Audit Service for the GM Combined Authority and Mayoral functions is led by the Head of Internal Audit and Risk Management for Manchester City Council under a collaboration arrangement which also includes Bolton Council. The Internal Audit Service for GMCA is predominantly provided by Manchester audit staff, and from 8 May 2017 this included three former Police and Crime Commissioner's Office audit staff now employed by the GMCA who focus on police and crime audit work and report direct to the Head of Internal and Risk Management.
- 8.10 The review of effectiveness of Internal Audit confirmed risks in respect of resourcing as there was a significant under-delivery of planned audit work in 2017/18. This resulted from delays in progressing a collaborative audit structure across the three authorities and is a key priority for the GMCA Treasurer in 2018. Interim plans have been developed to address short term resource requirements in 2018 pending completion of the structure review, approvals, consultation and implementation of proposed changes planned for completion later in the year.

#### **Annual Review of the Role and Responsibilities of the Chief Financial Officer (Treasurer)**

- 8.11 As part of its work on governance and financial management across public services, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued its Statement on the Role of the Chief Financial Officer in Local Government (the Statement) in 2010. For the purpose of the GMCA's Annual Governance Statement, the role of the Chief Financial Officer has been reviewed against the governance arrangements set out in the Statement, which are required to ensure the Chief Financial Officer is able to operate effectively and perform their core duties. Full conformance with these arrangements was confirmed.

### **9. PROGRESS IN ADDRESSING THE CHALLENGES IDENTIFIED IN THE 2016/17 ANNUAL GOVERNANCE STATEMENT**

#### **To refresh the GMCA's Code of Corporate Governance to reflect the powers of the new Mayoral GMCA**

- 9.1 A revised Code of Corporate Governance was developed describing the Greater Manchester Combined Authority's (GMCA) governance arrangements for 2016-17 as

part of the Constitution. This code responded to the substantially changed arrangements of the new CIPFA Local Governance framework published in 2016. A new code for the GMCA was produced for the Mayoral Greater Manchester Combined Authority and was approved as part of the GMCA's new constitution at the Annual General Meeting in June 2017.

#### **To strengthen the GMCA's approach to communications**

- 9.2 There have been significant developments in this area of the GMCA's work, particularly establishing an integrated way of working for communications staff from Fire, Office of the Police and Crime Commissioner, the GMCA and Health.
- 9.3 An integrated team is now in place and work is continuing to develop both internal and external communications. The recommendations of the Member Scrutiny Working Group, reported on the 2016/17 AGS have been fully implemented.

#### **To strengthen risk management arrangements**

- 9.4 A Risk and Governance Group reporting to Senior Management Team has been developed and will oversee regular updates of the Corporate Risk Register and support production of the Annual Governance Statement, and monitoring of agreed improvement actions. This group will also act as the conduit to promote good risk management across GMCA functions and will be supported by the development of tools, guidance and training resources during 2018.

### **10. AREAS TO BE REFLECTED FOR IMPROVED GOVERNANCE FOR 2018**

#### **Business planning and performance monitoring development work.**

- 10.1 The GMCA Business Plan for 2017/18 was produced and published on the website. Work is underway to develop the Plan for 2018/19 due to be published at the end of June. Performance monitoring and targets are included in the plan. In terms of performance monitoring of the GMS delivery this will be monitored via the Implementation Plan and reported through Scrutiny Committees and the GMCA.

#### **Embedding effective scrutiny and oversight, committee structure and work programmes.**

- 10.2 The GMCA Scrutiny Committees have been established and operational since July 2017. All 3 scrutiny committees meet on a monthly basis and have agreed work programmes which are reviewed at each meeting. Induction training for scrutiny members was undertaken and will be repeated annually as required to respond to any membership changes. Process for call in and terms of reference have all been agreed and have worked well during 2017/18.
- 10.3 The GM Police and Crime Panel was reconstituted in 2017 and holds the elected Mayor to account in relation to police and crime functions.

#### **Culture & values – integration of staff structures and work around alignment of roles and responsibilities including; developing staff capacity, improved staff communications.**

10.4 Good progress has been made across these issues in 2017 and work will continue through 2018.

In summary:-

- Integration of staff structures and alignment of roles – A Service Integration Programme was launched earlier this year, overseen by a Programme Board, chaired by the GMCA Chief Executive. This Board reports to the GMCA Resources Committee. An engagement strategy for staff has been agreed and staff involvement and information about the programme, support and other communications are being delivered via Extended Leadership meetings, team meetings, the intranet and individual staff meetings. The trade unions are also engaged in the programme.
- Following the outcome of the Kerslake Review and recommendations, the Mayor has put in place a programme governance structure to oversee a transformation programme for the Fire and Rescue Service. The purpose of this programme is to establish a robust future delivery model for GMFRS. The programme will evaluate the current fitness for purpose of the whole organisation and its governance, proposing changes where appropriate and ensure that the future model is fit to adapt to future challenges which may face GMFRS.
- However, the External Auditors' Audit Findings ISA260 Report for GMCA for the year ending 31 March 2018 contains a proposed qualified 'except for' VFM conclusion in relation to the issues raised in the Kerslake Report in respect of the Fire Service.
- The report acknowledges that a number of actions had been taken prior to the publication of the Kerslake Report, but as the detailed review of the Service is expected to report towards the end of 2018-19, this is outside of the VFM audit period for 2017-18 and could not be taken into consideration.
- The External Auditors' report notes the ongoing detailed review of the Fire Service, the work programme in place to enhance the Fire Service's arrangements and confirms that the External Auditors have not raised any specific recommendations.
- The issues identified in the Kerslake Report were inherited from the previous governance arrangements under the Greater Manchester Fire & Rescue Authority and the GMCA find the 'except for opinion' disappointing given that it relates to a single incident response and that action to move the Service forward has been put in place. The GMCA will be making appropriate representations to the External auditors about the proposed VFM conclusion
- Recent firefighting on moorlands across Greater Manchester has been one of the busiest periods that GMFRS has experienced with firefighters and officers responding to multiple wildfires, with significant support from other agencies, fire and rescue services and the military. It is anticipated that the additional costs associated with this will result in a Bellwin claim to central government.

- Staff communications – an intranet for staff was established during 2017; regular staff bulletins are being released; there have been a series of 'Getting to know you' events held during 2017 and the Chief Executive does regular updates and VLOGs. Work is continuing to develop ideas on continuously improving communications based on staff feedback.
- Organisational Development Strategy – Work started in 2017 to develop an OD Strategy for the organisation and there has been a significant engagement with staff teams and senior managers in developing the strategy. A draft strategy is now being finalised for consultation with staff during this month before final endorsement. The strategy will cover the period 2018 – 2020.

### **Information governance and GDPR readiness**

10.5 In line with the requirements of GDPR a Data Protection Officer (DPO) has been appointed ahead of the deadline of 25 May 2018. A senior level group is operating to oversee the ongoing work to ensure GDPR compliance within the foreseeable future.

### **Strengthening of SMT and appointment of a dedicated Monitoring Officer role**

10.6 SMT now meets on a weekly basis chaired by the Chief Executive. The GMCA appointed a dedicated Monitoring Officer at its January 2018 meeting.

### **Audit Assurance Arrangements**

10.7 As noted above progress is required to implement arrangements to ensure the adequacy and effectiveness of internal audit for 2018/19. Interim resources are being secured pending approval and implementation of either a collaborative audit structure to realise the benefits of joint arrangements with Manchester City Council and Bolton Council; or a stand alone GMCA service. A review report will be finalised and provided to the GMCA Treasurer and this will inform next steps and timescales for the implementation of strengthened arrangements.

## **11. CORPORATE RISK REGISTER AND ASSURANCE FRAMEWORK**

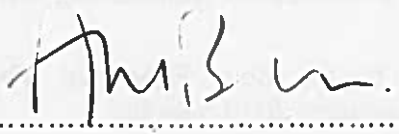
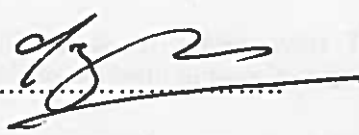
11.1 The GMCA's Corporate Risk Register "CRR" was reviewed and updated to reflect the key strategic risks facing the new Mayoral Combined Authority created in May 2017. This was the first refresh of the GMCA CRR post transition, and took into account the GMCA and Mayoral responsibilities including GM Fire and Rescue Service, and former Office of the Police and Crime Commissioner ("OPCC") and New Economy.

11.2 The GMCA CRR together with the development of the risk strategy that defines the overall approach to risk management across the GMCA was presented to the Audit Committee in January 2018 and approved by Senior Management Team in April 2018. The risk strategy and framework outlines the process for the recording and reporting of risk across the organisation and will be supported by SMT, the GM Mayor's office and a new Corporate Risk Management Group which will have responsibility for

quarterly review and update of the GMCA CRR on behalf of SMT. The group will also have responsibility for the review and update of the Annual Governance Statement.

11.3 The GMCA risk framework acknowledges that the GMP Chief Constable is a Corporation Sole and that the Chief Fire Officer and Chief Executive of Transport for Greater Manchester each operate and oversee existing risk management frameworks within GMFRS and TfGM respectively. It also acknowledges that the joint Police and Crime Audit Panel and TfGM Audit Committee each have separate responsibility for obtaining assurance over risk management arrangements. As such the GMCA risk management framework is designed to work alongside and not duplicate these existing risk management arrangements.

11.4 During 2018-19, further work is required to develop the wider assurance framework that sits alongside this and links to the delivery of the GMS strategy, business planning and performance monitoring processes.

Signed by..........

Andy Burnham, Mayor of Greater Manchester and Eamonn Boylan, Chief Executive on behalf of Members and Senior Officers of Greater Manchester Combined Authority.

Date..... 27<sup>th</sup> July 2018 .....

ANNUAL GOVERNANCE STATEMENT 2017/18

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
Behaving with Integrity	To ensure Members and Officers behave with integrity and lead a culture where acting in the public interest is visible and consistently demonstrated thereby protecting the reputations of the organisation	<ul style="list-style-type: none"> <li>- Code of Conduct Officers Page 131</li> <li>- Code of Conduct Members Page 116</li> <li>- <u>GMCA Constitution</u><sup>1</sup></li> <li>- Whistleblowing Policy (set out in Constitution – pages 148-9 refers to ensure that this keeps pace with the powers of the expanded GMCA</li> <li>- Staff Code of Conduct</li> <li>- Code of Conduct for Members of the PCC Joint Audit and Accounts, joint internal audit arrangements and Ethics Panel</li> </ul>
	To ensuring that the Authority takes the lead in establishing specific standard operating principles or values for the organisation and they are communicated and understood (in accordance with the Seven Principles of Public Life)	<ul style="list-style-type: none"> <li>- Health and Social Care MOU</li> <li>- GMCA Vision detailed in GM Strategy</li> <li>- Operating Agreement entered into between GMCA and the Constituent Councils (Set out in Constitution – Appendix 2)</li> <li>- <u>Health and Social Care MOU</u></li> <li>- <u>GMCA vision</u> is described in detail in 'Stronger Together': the Greater Manchester Strategy</li> <li>- The Greater Manchester Strategy (GMS) is currently being refreshed and the underpinning principles of the new strategy need to be well understood by GM's ten districts, wider partners and communicated in plain English</li> <li>- <u>Documents on Delivering the GMCA Vision</u></li> </ul>
	To lead by example and using these standard operating principles / values as a framework for decision making	<ul style="list-style-type: none"> <li>- Member/ Officer Declarations of Interest – Standard Agenda item on all GMCA meetings</li> <li>- Member complaints – None have been received during 2016/17</li> <li>- Audit / Standards Committee (Set out in Constitution – pages 45-8)</li> <li>- Police Audit Panel (set out in Part 9 of the Constitution)</li> </ul>

<sup>1</sup> Please note that all references to the GMCA Constitution in this report was agreed at the GMCA in June 2017 – weblink below:

[https://www.greatermanchester-ca.gov.uk/downloads/file/313/gmca\\_constitution\\_2017](https://www.greatermanchester-ca.gov.uk/downloads/file/313/gmca_constitution_2017)



Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
		<ul style="list-style-type: none"> <li>- Scheme of Delegation of Functions to Chief Officers / Schedule of Proper Officer (Set out in Constitution – page 32)</li> <li>- GMCA Register of Members and Substitute Members Pecuniary Interests</li> <li>- <u>GMCA Constitution</u></li> <li>- Compliant for 2016-17 but need to ensure that the operation of the GMCA's new governance framework is monitored and adhered to.</li> <li>- <u>GMCA and Audit Committee: Terms of Reference</u></li> <li>- <u>GMCA Complaints Procedure</u></li> <li>- <u>GMCA Register of Members and Substitute Members Pecuniary Interests</u></li> <li>- <u>GMP's Professional Standards Branch to provide the Mayor with the oversight and scrutiny of the GMP's complaints process</u></li> </ul>
<p>To demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating affectively</p>		<ul style="list-style-type: none"> <li>- Whistleblowing Policy (set out in Constitution – pages 207-208)</li> <li>- Code of Conduct for Members (set out in Constitution – page 168)</li> <li>- GMCA Register of Members and Substitute Members Pecuniary Interests</li> <li>- Code of Conduct for Officers (set out in Constitution – page 182)</li> <li>- Anti-Fraud &amp; Corruption Policy (set out in Constitution – page 205)</li> <li>- Member/Officer Relations Protocol (set out in Constitution – page 134)</li> <li>- Minutes show declarations of interest (as required)</li> <li>- Complaints Procedure</li> <li>- <u>GMCA Constitution</u></li> <li>- <u>GMCA Complaints Procedure</u></li> <li>- <u>GMCA Register of Members and Substitute Members Pecuniary Interests</u></li> <li>- Compliant 2016-17 but ongoing work needed to ensure it remains current,</li> </ul>

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
Demonstrating Strong Commitment to Ethical Values	To seek and establish, monitor and maintain the organisation's ethical standards and performance	<ul style="list-style-type: none"> <li>- Code of Conduct for Members (set out in Constitution – page 116)</li> <li>- Code of Conduct for Officers (set out in Constitution – page 131)</li> <li>- <u>GMCA Constitution</u></li> <li>- Compliant 2016-17 but ongoing work needed to ensure it remains current</li> <li>- Independent Ethics Committee (Policing)</li> </ul>
	To underpin personal behaviour with ethical values and ensure they permeate all aspects of the organisation's culture and operation	<ul style="list-style-type: none"> <li>- Code of Conduct for Members (set out in Constitution – page 116)</li> <li>- Code of Conduct for Officers (set out in Constitution – page 131)</li> <li>- Member / Officer Relations Protocol (set out in Constitution – pages 140)</li> <li>- <u>GMCA Constitution</u></li> <li>- Compliant 2016-17 but ongoing work to ensure the GMCA's development as an employing authority for instance the development of a suite of HR practices which will include including Values and Behaviours are currently under development for 2017/18</li> </ul>
	To develop and maintain robust policies and procedures which place emphasis on agreed ethical standards	<ul style="list-style-type: none"> <li>- GMCA Contract Procurement Rules (set out in Constitution – pages 91)</li> <li>- GMCA Social Value Policy</li> <li>- <u>GMCA Constitution</u></li> <li>- <u>GMCA Social Value Policy</u></li> <li>- Compliant in 2016-17 and these aspects of the new Constitution have been further strengthened</li> <li>- Independent Ethics Committee (Policing)</li> </ul>
	To ensure that external partners act with integrity and in compliance with the ethical standards expected by the organisation	<ul style="list-style-type: none"> <li>- GMCA Contract Procedure Rules (set out in Constitution – pages 91)</li> <li>- Local Enterprise Partnership (LEP)</li> <li>- <u>GMCA Constitution</u></li> <li>- The LEP jointly owns the 'Stronger Together': the Greater Manchester Strategy which describes how we will use economic growth, and the reform of public services, to make the region self-reliant by 2020.</li> </ul>
Respecting the Rule of Law	To ensure that Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	<ul style="list-style-type: none"> <li>- Financial Regulations (set out in Constitution – pages 91 refers)</li> <li>- Review of Committee reports by the Monitoring Officer and Section 73 Officer (Treasurer)</li> </ul>

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
	To create conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	<ul style="list-style-type: none"> <li>- <u>GMCA Constitution</u></li> <li>- Functions reserved to the GMCA (set out in Constitution – pages 22)</li> <li>- Scheme of Delegations of Functions to Chief Officers / Schedule of Proper Officers (set out in Constitution – pages 32 - 43)</li> <li>- Compliance with CIPFA’s Statement on the Role of the Chief Finance Officer in Local Government (CIPFA 2015)</li> <li>- <u>GMCA Constitution</u></li> </ul>
	To strive to optimise the Authority’s legal powers to promote its values and priorities to benefit the citizens and communities of Greater Manchester	<ul style="list-style-type: none"> <li>- Role of Monitoring Officer</li> <li>- Work of the Communications Team</li> <li>- Communications and Engagement Strategy (being updated for 2017/18)</li> <li>- The Mayor supports the GMP Ethics Panel which includes an agreed work programme</li> </ul>
	To deal with breaches of legal and regulatory provisions effectively	<ul style="list-style-type: none"> <li>- Role of Monitoring Officer</li> <li>- Police Audit Panel</li> <li>- GMCA Audit Committee – To check that the finances of the GMCA are managed to high standards of openness, integrity and accountability. It is a legal requirement to have an audit committee.</li> <li>- <u>GMCA Audit Committee – Terms of Reference</u></li> </ul>
	To ensure that corruption and misuse of powers are dealt with effectively	<ul style="list-style-type: none"> <li>- Role of Monitoring Officer</li> <li>- Anti-Fraud &amp; Corruption Policy (set out in Constitution – page 140 refers)</li> <li>- The GMCA Standards Committee (set out in Constitution – pages 58 refers)</li> <li>- The Mayor and Chief Constable have an agreed Anti-Fraud and Corruption Policy and confidential integrity reporting</li> <li>- <u>GMCA Constitution</u></li> <li>- <u>GMCA Standards Committee Terms of Reference</u></li> </ul>

## B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
Openness	To ensure an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	<ul style="list-style-type: none"> <li>- Freedom of Information (FOI)</li> <li>- <u>Livestreaming of GMCA meetings</u></li> <li>- Annual Governance (Assurance) Statement</li> <li>- Inspection Copies kept in reception at the GMCA's offices at Churchgate House</li> <li>- <u>Publication of GMCA Committee Agendas and Minutes on GMCA website</u></li> <li>- <u>Data Protection &amp; FOI on GMCA website</u></li> <li>- <u>Publication of Local Government Transparency Code of data (published on Gov.Uk)</u></li> <li>- <u>GMCA Register of Members and Substitute Members Pecuniary Interests</u></li> </ul>
	To make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	<ul style="list-style-type: none"> <li>- <u>Publication of GMCA Committee Agendas and Minutes on GMCA website</u></li> <li>- <u>Publication of mayoral Decisions on GMCA website (a system for 2017/18 has now been implemented)</u></li> </ul>
	To provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	<ul style="list-style-type: none"> <li>- <u>Forward Plan</u> which accompanies papers for the GMCA and Joint meeting</li> <li>- From May 2017 in the register of Key Decisions</li> <li>- Committee report pro-forma (kept with the GMCA's Governance and Scrutiny Team)</li> </ul>
	To use formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	<ul style="list-style-type: none"> <li>- GMCA Communication and Engagement Strategy</li> <li>- GM Consultation 2016: Phase 2</li> <li>- Various consultation have taken place on the Transport Strategy</li> <li>- Communication and Engagement Strategy (being updated for 2018/19)</li> <li>- Consultation on a new Police and Crime Plan for 2018/21 for GM</li> <li>- <u>GM Consultation Process 2016: Phase 2</u></li> </ul>

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
Engaging Comprehensively with Institutional Stakeholders	<p>To effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</p> <p>To develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p>	<ul style="list-style-type: none"> <li>- Communication and Engagement Strategy</li> <li>- Report of the GM Joint Scrutiny Pool's Task and Finish Group on Education Employment and Skills – Submitted to Joint AGMA/GMCA Executive Board on 29 July 16 (Item 8)</li> <li>- Communication and Engagement Strategy (being updated for 2017/18)</li> <li>- <u>AGMA/GMCA Executive Board on 29 July 16 (Item 8)</u></li> </ul>
		<ul style="list-style-type: none"> <li>- GM Strategy</li> <li>- GMCA Partners including the Local Enterprise Partnership, Greater Manchester Police, Greater Manchester Fire and Rescue Service, Greater Manchester Health &amp; Social Care Partnership</li> <li>- <u>Stronger Together – Greater Manchester Strategy (Summary)</u></li> <li>- <u>Standing Together – Greater Manchester Police &amp; Crime plan</u></li> <li>- <u>GMCA Partners published on GMCA website</u></li> <li>- <u>Police and Crime Panel / Plan and supporting governance structure</u></li> </ul>
	<p>To ensure that partnerships are based on:-</p> <ul style="list-style-type: none"> <li>- Trust</li> <li>- A shared commitment to change</li> <li>- A culture that promotes and accepts challenge among partners</li> </ul>	<ul style="list-style-type: none"> <li>- In the development of the Greater Manchester Strategy, and the refreshing of the strategy</li> <li>- In the development of GM's work on <u>devolution</u> for example</li> <li>- Police and Crime Steering Group Membership</li> </ul>
Engaging with Individual Citizens and Service Users Effectively	<p>To establish a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.</p> <p>To ensure that communication methods are effective and that Members and officers are clear about their roles with regard to community engagement</p>	<ul style="list-style-type: none"> <li>- GMCA Website</li> <li>- Communication Strategy</li> <li>- Communication and Engagement Strategy (being updated for 2017/18)</li> <li>- Observing government best practice guidance or legislation for example when consulting on the Greater Manchester Strategy (GM's sustainable community strategy or the GM Spatial Framework</li> <li>- Guidance on Media within the Member/Officer Relations Protocol (set out in the <u>GMCA Constitution</u> pages 138)</li> <li>- Delegation to Head of Paid Services Co-ordinate press and media relations (set out in the Constitution – pages 135)</li> </ul>
	<p>To encourage, collect and evaluate the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future</p>	<ul style="list-style-type: none"> <li>- <u>Greater Manchester Strategy consultation</u></li> <li>- Updated Transport Strategy 2040 (GMSF evidence being used to understand this) and examples of videos used to engage the public <a href="https://youtu.be/cl6fiVWFNTY">https://youtu.be/cl6fiVWFNTY</a> 1,800 responses from individuals,</li> </ul>

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
	needs	<p>organisations and businesses from across the city-region, as well as from neighbouring areas.</p> <ul style="list-style-type: none"> <li>- Police and Crime Plan 2018-21 – extensive consultation and engagement process</li> </ul>
	To implement effective feedback mechanisms in order to demonstrate how their views have been taken into account.	<ul style="list-style-type: none"> <li>- <u>Consultation process and feedback</u>, for see <u>GMCA work on the Greater Manchester Spatial Framework</u>. 27,000 individual responses to the consultation which are being used to inform thinking about the plan going forward</li> <li>- <u>Launch of Police and Crime Plan 2018-21</u></li> </ul>
	To balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	<ul style="list-style-type: none"> <li>- This is an area for improvement identified by GM's Scrutiny Pool when considering the consultation on the <u>Transport 2040</u> in November 2016</li> <li>- <u>Police and Crime Plan – Community Review Panel</u></li> </ul>
	To take account of the impact of decisions on future generations of tax payers and service users	<ul style="list-style-type: none"> <li>- The application of <u>Cost Benefit Analysis</u> to measuring the impact of GM interventions see <u>New Economy's work</u></li> <li>- GM's work on low carbon see <u>Low Carbon Hub's work</u></li> <li>- <u>Role of Chief Financial Officer (Section 73)</u></li> <li>- <u>GMCA Constitution</u></li> <li>- <u>Mayoral General Precept and Mayor PCC Precept</u></li> </ul>

### C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENT BENEFITS

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
Defining Outcomes	To have a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	<ul style="list-style-type: none"> <li>- GM Strategy – agreed as the overarching Strategy for the interim GM Mayor's work and performance against the Strategy's priorities was in place for 2016/17 and performance will be reported to three Overview and Scrutiny Committees in September 2017 to reflect changes in the governance arrangements of the GMCA for 2017/18.</li> <li>- <u>New Strategy for 2017/18</u> was agreed at GMCA in July 2017 and is to be launched in Autumn 2017</li> <li>- <u>Police and Crime Plan</u> scrutinised through the Police and Crime Panel</li> </ul>

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
	<p>To specify the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</p> <p>To deliver defined outcomes on a sustainable basis within the resources that will be available</p>	<ul style="list-style-type: none"> <li>- GM Strategy and info graphics used in the GM performance report describe the anticipated impacts of the delivery of the GM Strategy.</li> <li>- Police and Crime Plan was launched in March 2018 covering the period to 2021</li> <li>- GM Strategy was reported in a single document to three Overview and Scrutiny Committees in September 2017 and an update is provided every 6 months</li> <li>- Reports on individual programmes and initiatives are taken to the GMCA, boards, sub-groups and Transport for Greater Manchester Committee as part of usual business</li> <li>- Development of an outcome framework for the police and crime plan 2018-21</li> <li>- Police and crime priorities align GMP's work to ensure services are delivered effectively</li> </ul>
	<p>Identifying and managing risks to the achievement of outcomes</p>	<ul style="list-style-type: none"> <li>- GMCA Corporate Risk Register (CRR) which is a standing item on Audit Committee's agenda</li> <li>- Risk Management Review Group</li> <li>- Police and Crime Panel</li> </ul>
	<p>Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available</p>	<ul style="list-style-type: none"> <li>- The GMCA isn't a local authority with a substantial direct delivery to service users, so its engagement with citizens is rather different to other district councils. This matter is being addressed in the new communications strategy.</li> <li>- Reports to GMCA and other governance groups</li> </ul>
Sustainable Economic, Social and Environmental Benefits	<p>To consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</p>	<ul style="list-style-type: none"> <li>- Capital Programme – for both transport and economic development schemes are assessed using a fully rounded appraisal mechanism which includes deliverability alongside social, economic and environmental considerations</li> <li>- GMCA Social Value Policy, Public Services (Social Value) Act 2012</li> <li>- Sustainability Strategy (to be implemented in 2017/18)</li> <li>- Corporate Risk Register</li> <li>- <u>GMCA Capital Programme 2016/17 – 2019/20</u></li> <li>- Revenue Medium Term Financial Strategy (to be implemented for 2018/19)</li> </ul>
	<p>To take a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended</p>	



<b>Good Governance Principle</b>	<b>How the GMCA meets these principles</b>	<b>Where can you see governance in action</b>
	outcomes and short-term factors such as the political cycle or financial constraints	
	To determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	- Communication and Engagement Strategy - Communication and Engagement Strategy (being updated for 2017/18 - Q3/4) - The work of the <u>Low Carbon Hub</u>
	To ensure fair access to services	- Equality Impact Assessment Inclusivity Strategy (to be implemented in 2017/18)

**D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES**

<b>Good Governance Principle</b>	<b>How the GMCA meets these principles</b>	<b>Where can you see governance in action</b>
<b>Determining Interventions</b>	To ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	- Committee report template - Data and Intelligence new economy function
	To consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	- GM Strategy (Example subsidised Transport TFGMC) - Police and Crime Plan exchange - Co-commissioning approach e.g. Victims support, Health Care in Custody
<b>Planning Interventions</b>	To establish and implement robust planning and controls cycles to cover strategy, plans, priorities and targets	- Forward Plan taken to each GMCA meeting in 2018-19 which describes the future decisions - Budget Timetable - Register of Key Decisions <u>June 2017 onwards</u> - <u>Police and Crime Work Panel with oversight from Panel</u>

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
	To engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	<ul style="list-style-type: none"> <li>- Through consultation on key strategies and plans for instance the GM Strategy, Transport 2040, and the GM Spatial Framework</li> <li>- Communications and Engagement Strategy</li> <li>- GMCA Website</li> <li>- Communication and Engagement Strategy (being updated for 2017/18 Q3/4)</li> <li>- GMCA Website</li> </ul>
	To consider and monitor risks facing each partner when working collaborative including shared risks	<ul style="list-style-type: none"> <li>- Risks in respect of partnership are reflected in the Corporate Risk Register presented to Audit Committee. The nature of the GMCA means that much of delivery is achieved through collaboration with GM partners including GMP, GMFRS, TfGM and GM Councils. Given the changes in the GMCA however a formal Partnership Working Policy will be developed 2017/18.</li> <li>- Risk considerations are reflected in policy and financial decision making</li> </ul>
	To ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	<ul style="list-style-type: none"> <li>- Review of organisation's assets and workforce in the transition to a mayoral combined authority, to create a</li> <li>- <u>Devolution to the GMCA and Transition to a directly elected mayor</u></li> </ul>
	To establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	<ul style="list-style-type: none"> <li>- Performance Reports</li> <li>- <u>GMCA Annual Performance Report</u></li> <li>- <u>Police and Crime Annual Report (Mayor)</u></li> </ul>
	To ensure capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> <li>- Performance Reports</li> <li>- <u>GMCA Annual Performance Report</u></li> </ul>
	To prepare budgets in accordance with organisational objectives, strategies and the medium term financial plan	<ul style="list-style-type: none"> <li>- GMCA Capital Programme 2017/18-2020/21</li> <li>- Revenue Budget</li> <li>- Mayoral General and Mayoral PCC budget reports</li> <li>- Mayoral General precept reports</li> <li>- <u>GMCA Non-Transport Budget 2017/18</u></li> <li>- <u>GMCA Transport Budget 2017/18</u></li> <li>- Revenue Medium Term Financial Strategy to be implemented for 2018/19</li> <li>- Treasury Management Strategy 2017-18</li> <li>- <u>GMCA Capital Programme 2017/18</u></li> </ul>
	To inform medium and long term resource	

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
Optimising Achievement of Intended Outcomes	<p>planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy</p> <p>To ensure the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints</p> <p>To ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</p>	<ul style="list-style-type: none"> <li>- Revenue Medium Term Financial Strategy to be implemented for 2018/19</li> <li>- <u>GMCA Capital Programme 2017/18</u></li> <li>- Revenue Medium Term Financial Strategy to be implemented for 2018/19</li> <li>- <u>Revenue Budget</u></li> <li>- Mayoral General and Mayoral PCC budget reports</li> <li>- Mayoral General precept reports</li> <li>- <u>GMCA Capital Programme 2017/18</u></li> <li>- <u>GMCA Non-Transport Budget 2017/18</u></li> <li>- <u>GMCA Transport Budget 2017/18</u></li> <li>- Revenue Medium Term Financial Strategy to be implemented for 2018/19</li> <li>- Police precept consultation exercise Dec 2017 – Jan 2018</li> </ul>
	<p>To ensure the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</p> <p>To ensure the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes"</p>	<ul style="list-style-type: none"> <li>- <u>GMCA Capital Programme 2017/18</u></li> <li>- Revenue Medium Term Financial Strategy to be implemented for 2018/19</li> <li>- Mayoral General and Mayoral PCC budget reports</li> <li>- Mayoral General precept reports</li> </ul>
		<ul style="list-style-type: none"> <li>- Procurement Strategy see the GMCA's constitution</li> <li>- <u>GMCA Social Value Policy</u></li> <li>- Contract Management Guidance as part of the GMCA's financial regulations</li> <li>- Further strengthened in the most recent update of the GM's financial regulations in the 2017 Constitution</li> </ul>

**E. DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT**

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
Developing the Organisation's Capacity	<p>To review operations, performance use of assets on a regular basis to ensure their continuing effectiveness</p> <p>To improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Authority's resources are allocated so that outcomes are achieved effectively and efficiently</p> <p>To recognise the benefits of partnerships and collaborative working where added value can be achieved</p>	<ul style="list-style-type: none"> <li>- <u>GMCA Annual Performance Report</u></li> <li>- <u>Need to review in light of GMCA's new functions</u></li> <li>- <u>Corporate Risk Register</u></li> <li>- <u>Review of organisation as part of the transition to a mayoral combined authority</u></li> <li>- <u>Cost Benefit Analysis work undertaken by the Research team</u></li> </ul>
		<ul style="list-style-type: none"> <li>- This is a key principle of GM's work on devolution</li> <li>- The nature of the GMCA means that much of delivery is achieved through collaboration with GM partners including GMP, GMFRS, TfGM and GM Councils. Given the changes in the GMCA however a formal Partnership Working Policy will be developed 2017/18</li> <li>- Examples of the Justice and Rehabilitation Executive Board and Health and Justice Board</li> </ul>
	To develop and maintain an effective workforce plan to enhance the strategic allocation of resources	<ul style="list-style-type: none"> <li>- Strategic Management Meetings</li> <li>- Need to develop in 2017/18 as the GMCA now is an employing authority</li> </ul>
Developing the capability of the organisation's leadership and other individuals	<p>To develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</p> <p>To publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p> <p>To ensure that there are structures in place to</p>	<ul style="list-style-type: none"> <li>- Member Officer Protocol in GMCA Constitution</li> <li>- <u>GMCA Constitution</u></li> </ul>
		<ul style="list-style-type: none"> <li>- Scheme of Functions Delegated to Chief Officers and those exercisable only by the GMCA is set out in part 3 of the <u>GMCA Constitution</u></li> <li>- Mayoral PCC functions set out in Part 9 of the <u>GMCA Constitution</u></li> </ul>
		<ul style="list-style-type: none"> <li>- Agenda and Minutes available on the website and meetings of the</li> </ul>

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
	<p>encourage public participation</p> <p>To ensure that the Mayor has a clearly defined leadership role within a structure whereby the Chief Executive leads the Authority in implementing strategy</p>	<p>GMCA are webcast</p> <ul style="list-style-type: none"> <li>- <u>GMCA Constitution</u></li> </ul>
	<p>To publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p>	<ul style="list-style-type: none"> <li>- Scheme of Functions Delegated to Chief Officers</li> <li>- <u>GMCA Constitution</u></li> <li>-</li> </ul>
	<p>To ensure the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority</p>	<ul style="list-style-type: none"> <li>- Scheme of Functions Delegated to Chief Officers</li> <li>- <u>GMCA Constitution</u></li> </ul>
	<p>To develop the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged ensuring Members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis ensuring personal, organisational and system-wide</p>	<ul style="list-style-type: none"> <li>- Member capabilities and skills are supported through the Member development programmes of the ten GM Councils</li> <li>- Member Induction Session at the beginning of the Municipal Year</li> <li>- Informal briefings to Members in advance of all Audit Committee and now Overview and Scrutiny Committees</li> <li>- Wider Leadership Team, Senior Leadership Team and Extended Leadership Teams meet regularly to discuss and share knowledge</li> <li>- New integrated staff Personal Development Plans developed for 2017/18 as part of enhanced HR and organisational development service for overall GMCA</li> <li>- Audit Committee Training and Development Programme</li> </ul>

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
	development through shared learning, including lessons learnt from governance weaknesses both internal and external	
	To ensure that there are structures in place to encourage public participation	- Development of GM Perception Survey for Police and Crime 2018/19 - Links with district networks through Community Safety Partnerships - Independent Custody Visitors Scheme - Seeking Independent expert advice
	To take steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	
	To hold staff to account through regular performance reviews which take account of training or development needs	Personal Performance Reviews
	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	Health and Wellbeing Initiatives

#### F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Good Governance Principle	How the GMCA meets these principles	Where can you see governance in action
Managing Risk	To recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making	- GMCA Corporate Risk Register (CRR) was reviewed and updated during 2017-18. The CRR is owned and reviewed by SMT. - GMCA Audit Committee has responsibility for overseeing risk management arrangements and receive quarterly updates on the CRR - Risk management is embedded through the activities of GMCA, but further work is required to develop the risk strategy and approach to ensuring there is an integrated risk and assurance governance framework operating across GMCA and which takes into consideration

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	<p>To implement a robust and integrated risk management arrangements and ensuring that they are working effectively</p> <p>To ensure that responsibilities for managing individual risks are clearly allocated</p>	<p>Fire and Rescue and other partner organisations including Police and Transport for Greater Manchester. Development and implementation of the risk strategy and framework is a key priority for 2018/19.</p> <ul style="list-style-type: none"> <li>- Risk strategy and assurance framework is being developed for roll out during 2018-19.</li> <li>- The CRR and draft risk strategy was presented to GMCA Audit Committee in January 2018. Review of the CRR is a standing agenda item at GMCA Audit Committee.</li> <li>- Corporate Risk Register</li> <li>- Commissioners business plan and risk register</li> <li>- The GMCA CRR identifies risk ownership for specific risks</li> <li>- SMT own the CRR</li> <li>- Development of the risk strategy and framework will be supported by SMT, GM Mayor office and a new Corporate Risk Management Group which will have responsibility for quarterly review and update of the GMCA CRR on behalf of SMT</li> </ul>
Managing performance	<p>To monitor service delivery effectively including planning, specification, execution and independent post implementation review</p> <p>To make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</p> <p>To ensure an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system) Encouraging effective and</p>	<ul style="list-style-type: none"> <li>- Performance Reports</li> <li>- Reports to WLT and Senior</li> <li>- Budget Monitoring Reports</li> <li>- <u>GMCA Revenue Update 201617</u></li> <li>- Publication of agendas and minutes of meetings</li> <li>- Committee Report Template (options/analysis section)</li> <li>- Key Decision Publication</li> <li>- <u>GMCA Meeting Page on website</u></li> <li>- Audit Committee</li> <li>- Scrutiny Committees</li> <li>- Areas for Scrutiny proposed by the Chairman and other Members of the committees</li> <li>- Ability of any Member of Constituent Councils to refer items for possible scrutiny</li> <li>- <u>GMCA Website</u></li> <li>- <u>Detailed Design of Scrutiny / Call-in process</u></li> </ul>



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	<p>constructive challenge and debate on policies and objectives to support balanced and effective decision making</p> <p>To provide members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p> <p>To ensure there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements )</p>	<ul style="list-style-type: none"> <li>- <u>Police and Crime Panel</u></li> <li>- <u>GMCA Annual Performance Report</u></li> </ul>
Robust Internal Control	<p>To align the risk management strategy and policies on internal control with achieving the objectives</p>	<ul style="list-style-type: none"> <li>- Financial Regulations</li> <li>- Contract Standing Orders</li> <li>- GMCA Audit Committee is responsible for overseeing the effective operation of the systems of governance, risk and internal control arrangements</li> <li>- Internal Audit Plan approved by Audit Committee</li> <li>- Internal Audit quarterly progress Reports to Audit Committee</li> <li>- Head of Internal Audit Annual Assurance opinion</li> <li>- Further development of the Internal Audit annual plan to link to risk and assurance activity to business planning priorities and the GMS</li> <li>- Internal Audit Service provided to the GMCA by Manchester along with directly employed staff. Restructure of this service due to be completed during 2018.</li> <li>- Head of Internal Audit Annual Assurance opinion</li> <li>- Annual Governance (Assurance) Statement</li> <li>- Assurance Framework and Integrated Risk Management Plan within GMFRS</li> <li>- External Audit review of AGS</li> </ul>
	<p>To evaluate and monitor the Authority's risk management and internal control on a regular basis</p> <p>To ensure effective counter fraud and anti-corruption arrangements are in place</p>	<ul style="list-style-type: none"> <li>- GMCA counter fraud arrangements are provided by the Internal Audit Service</li> <li>- GMCA Whistleblowing Policy and reporting process has been refreshed. Anti-Money laundering Policy and procedures was published</li> <li>- Development of a GMCA counter fraud strategy and policy framework</li> </ul>

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		<p>is a priority for 2018/19 .</p> <ul style="list-style-type: none"> <li>- <u>GMCA Constitution</u></li> <li>- <u>GMCA Website</u></li> </ul>
	<p>To ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p>	<ul style="list-style-type: none"> <li>- Annual Governance (Assurance) Statement</li> <li>- Internal Audit annual plan for GMCA and assurances from TfGM and GMP</li> <li>- Head of Internal Audit Annual Assurance opinion</li> <li>- Quarterly review and update of the GMCA CRR - this will be updated following the -Risk and Assurance Mapping Review)</li> </ul>
Managing data	<p>To ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p>	<ul style="list-style-type: none"> <li>- Information Governance / Data / GDPR</li> <li>- Information Security Policy</li> <li>- Data Protection Guidance</li> <li>- Information Security section on the Intranet</li> <li>- Preparation for GDPR Compliance Appointment of DPO (by May 2018)</li> </ul>
	<p>To ensure effective arrangements are in place and operating effectively when sharing data with other bodies</p>	<ul style="list-style-type: none"> <li>- Information Security Policy</li> <li>- Data Protection Guidance</li> <li>- Information Security section on the Intranet</li> </ul>
	<p>To review and audit regularly the quality and accuracy of data used in decision making and performance monitoring</p>	<ul style="list-style-type: none"> <li>- Key Performance Indicator Definitions</li> </ul>
Strong public financial management	<p>Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance</p>	<ul style="list-style-type: none"> <li>- Revenue Budget</li> <li>- GMCA Capital Programme 2017/18</li> <li>- Grant Thornton Audit Findings Report</li> <li>- GMCA Non-Transport Budget 201718</li> <li>- <u>GMCA Transport Budget 201718</u> <u>GMCA Capital Programme 201718</u></li> <li>- Revenue Medium Term Financial Strategy to be implemented for 2018/19</li> <li>- Mayoral General and Mayoral PCC budget reports</li> <li>- Mayoral General precept reports</li> <li>- Police and Crime Plan</li> </ul>
	<p>Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and</p>	<ul style="list-style-type: none"> <li>- Budget monitoring reports</li> <li>- <u>GMCA Revenue Update 201718</u></li> </ul>

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	controls	

### G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

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Implementing good practice in transparency	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	<ul style="list-style-type: none"> <li>- Narrative introduction to the annual accounts</li> <li>- <u>Live streaming key meetings</u></li> <li>- <u>Publication of a full suite of transparency data for wider GMCA function</u></li> <li>- In the next year the GMCA needs to consolidate process for Freedom of Information requests across the new mayoral GMCA</li> <li>- This will be addressed by the refreshed GMCA Communications Strategy</li> </ul>
Implementing good practice in reporting	To publish an Annual report that sets out how the Authority has performance, charting city region's progress towards delivering the vision To publish an Annual review that sets out the effectiveness of its governance framework including its system of internal control and an Annual Governance Statement which is published alongside its accounts	<ul style="list-style-type: none"> <li>- Included in the narrative introduction to the GMCA Annual Accounts</li> <li>- <u>GMCA Annual Performance Report</u></li> <li>- <u>Police and Crime Annual Report</u></li> <li>- Head of Internal Audit Annual Assurance opinion</li> <li>- Annual Governance Statement</li> </ul>
Assurance and effective accountability	Reporting at least annually on performance, value for money and the stewardship of its resources To ensure Members and senior management own the results	<ul style="list-style-type: none"> <li>- Statement of Accounts</li> <li>- Annual Governance (Assurance) Statement</li> <li>- GMCA Unaudited statement of Accounts 2017-18</li> <li>- Sign off of Annual Governance (Assurance ) Statement</li> <li>- Accounts by the Chair of Audit Committee and Narrative Report by the Treasurer</li> <li>- Approval of Statement of Accounts by Audit Committee</li> <li>- Annual Governance (Assurance) Statement</li> <li>- Annual review Code of Corporate Governance</li> </ul>
	To ensure robust arrangements for assessing the extent to which the principles contained in	

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	<p>the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)</p>	
Assurance and effective accountability	<p>To ensure that the Framework is applied to jointly managed or shared service organisations as appropriate</p> <p>To ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations</p>	<ul style="list-style-type: none"> <li>- Annual Governance (Assurance) Statement</li> <li>- Annual accounts process</li> <li>- Key priority for 2017/18 is the production of a set of consolidated accounts for GMCA and early closedown and sign off timetable.</li> <li>- New External Auditors (Mazzars) appointed from 1 April 2018. Ongoing dialogue between incoming and outgoing auditors to ensure smooth transition.</li> </ul>
	<p>To ensure that recommendations for corrective action made by external audit are acted upon</p>	<ul style="list-style-type: none"> <li>- External Auditor (Grant Thornton) Audit Findings Report</li> <li>- Oversight by Audit Committee on 2017/18 final accounts process</li> <li>- Debrief meetings have taken place with the External Auditor on the lessons learned from previous final accounts closedown issues.</li> <li>- Actions taken to implement External Audit Recommendations will be reported as part of a combined audit recommendations tracker</li> </ul>
	<p>Ensuring an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon</p>	<ul style="list-style-type: none"> <li>- Internal Audit Service provided to the GMCA by Manchester. Restructure of this service due to be completed during 2018</li> <li>- Annual Internal Audit Report sets out compliance with the Public Sector Internal Audit Standards (PSIAS). The Service provided by Manchester City Council was subject to External Quality Assessment in 2017 and was reported to Manchester City Council Audit Committee</li> </ul>
	<p>Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p>	<ul style="list-style-type: none"> <li>- Self-assessment review of Manchester City Council Audit Service (who manage the GMCA's audit function) which included an external peer review by Liverpool City Council.</li> </ul>
	<p>Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p>	<ul style="list-style-type: none"> <li>- Annual Governance (Assurance) Statement</li> <li>- TfGM Audit Committee</li> <li>- Police Audit Panel</li> </ul>

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	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	- The nature of the GMCA means that much of delivery is achieved through collaboration with GM partners including GMP, GMFRS, TFGM and GM Councils. Given the changes in the GMCA however a formal Partnership Working Policy will be developed 2017/18.

9 May 2018