MINUTES OF THE JOINT GREATER MANCHESTER COMBINED
AUTHORITY & AGMA EXECUTIVE AUDIT COMMITTEE, HELD AT
MANCHESTER TOWN HALL ON FRIDAY, 15 APRIL 2016

Present:

Mayor Ian Stewart  GMCA (Chair)
Councillor Colin McLaren  Oldham Council
Councillor David Lancaster  Salford CC
Councillor Patrick Myers  Trafford Council
Councillor Pam Stewart  Wigan Council

Officers in Attendance:

Richard Paver  GMCA Treasurer
Tom Powell  Internal Audit and Risk Management, MCC
Mark Heap  Grant Thornton
Michael Lafon  Manchester Growth Company
Amanda Fox  GMCA Finance
Susan Ford  GM Integrated Support Team
Kerry Bond  GM Integrated Support Team

AC16/13  APOLOGIES

Apologies for absence were received from Stephen Downs and Paul Simpson.

AC16/14  CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS

Mayor Ian Stewart advised members that this would be his last GMCA AGMA Audit Committee meeting as he would be standing down in May, therefore a new Chair would need to be elected at the Audit Committee AGM in July.

Resolved/-

To place on record thanks and appreciation to GMCA AGMA Audit Committee members and officers for the hard work and contribution they have made to the GMCA AGMA Audit Committee.

Cllr Pam Stewart, Vice Chair requested that thanks and appreciation to Ian Stewart for the hard work, contribution he has made to the Joint GMCA AGMA Audit Committee meeting and guidance to it’s members be recorded.

AC16/15  DECLARATIONS OF INTEREST

None were received.
AC16/16 MINUTES OF THE MEETING 22 JANUARY 2016

Resolved/-

That the minutes of the Joint GMCA and AGMA Audit Committee held on 22 January 2016 be approved as a correct record.

AC 16/17 AUDIT COMMITTEE WORK PROGRAMME 2016/17

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

Resolved/-

To note the Audit Committee Work Programme for 2016/17.

AC16/18 GMCA CORPORATE RISK REGISTER AND ASSURANCE MAP

Members received a report from Richard Paver, Treasurer to the Greater Manchester Combined Authority and Tom Powell, Head of Audit and Risk Management detailing the quarterly review of the Combined Authority's Risk Register and Assurance Map following a refresh of the assurance map format.

Two new risks have been added to the register, these are-

- Risk 6: HR issues arising from transition are not fully understood or managed effectively, with impact on cost and the effectiveness and affordability of future staffing structures (medium)

- Risk 7: Inability to develop draft orders and obtain approval from districts and GMCA means legislation is not in place by the required 1 April 2017 deadline (medium).

A further review of risks will be undertaken alongside the full assurance map refresh in quarter one 2016/17.

It was noted that completion of the Risk Register is linked to the assurance map and by liaising with officers in all themed areas.

Resolved/-

1. To note the GMCA Corporate Risk Register and Assurance Map.
2. That a further detailed report be brought to the next meeting.

AC16/19 DRAFT GMCA ANNUAL GOVERNANCE STATEMENT 2015/16

Members received a report from Sir Howard Bernstein, GMCA Head of Paid Service providing a draft of the Annual Governance Statement for the GMCA, covering the period April 2015 to March 2016.
It was confirmed that the Greater Manchester Waste Disposal Authority internal audit is carried out by Oldham Council and external audit by Grant Thornton, as it is a separate legal entity with the Oldham Chief Executive being Clerk to the Authority.

Resolved/-

1. Members agreed the draft Annual Governance Statement to be formally approved at the GMCA's AGM in June.
2. That the link to the Greater Manchester Waste Disposal Authority Audit Committee meeting papers be circulated to Members.

AC16/20  TREASURY MANAGEMENT ANNUAL REPORT

Richard Paver, GMCA Treasurer presented a report detailing the Treasury Management activities of the Greater Manchester Combined Authority for the 2015/16 financial year end. The Treasurer explained that any proposals to exercise the delegation would be after consultation with the portfolio holder for finance and investment.

Resolved/-

1. To note the contents of the report.
2. To recommend the strategy revision to the Greater Manchester Combined Authority, as detailed below-

   The Greater Manchester Combined Authority is requested to:

   1. Delegate to the Treasurer of the Combined Authority the power to pursue any restructuring, rescheduling or redemption opportunities available, including if it requires changes to the Treasury Management Strategy. Any changes required to the Strategy will be reported to members at the earliest opportunity.

AC16/21  ANNUAL ASSURANCE OPINION AND OUTTURN REPORT 2015/16

Members received a report presented by Tom Powell, Head of Audit and Risk Management providing Members with the Head of Audit and Risk Management’s annual opinion on the Authority’s systems of governance, risk management and internal control.

Resolved/-

1. Members noted the substantial assurance opinion and activity in 2015/16.
2. That a detailed report on Anti-Fraud and Anti-Corruption be brought to the next meeting.

AC16/22  EMERGENT INTERNAL AUDIT PLAN FOR 2016/17

Tom Powell, Head of Audit and Risk Management presented a report advising
Members of the development of the 2016/17 Internal Audit Annual Plan for the Greater Manchester Combined Authority, to facilitate Member input to the planning process by reporting on the approach, key characteristics and proposed audits.

Resolved/-
1. To note the emergent Internal Audit Annual Plan and resource allocation for 2016/17.
2. That this item be a standing item on this agenda.

AC16/23 GMCA - AUDIT COMMITTEE UPDATE YEAR END MARCH 2016

Members received a report of Mark Heap and John Farrar, Grant Thornton providing detail on progress in delivering their responsibilities as the GMCA external auditors, including:
- a summary of emerging national issues and developments that may be relevant to the GMCA.
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Resolved/-
1. To note the GMCA Audit Committee Update.
2. That a report on Value for Money Conclusion be brought to a future meeting.
3. That a report be prepared for the Committee to give consideration to the appointment of external auditors from 2017/18.

AC16/24 GMCA EXTERNAL AUDIT PLAN 2015/16

Mark Heap and John Farrar, Grant Thornton presented a report setting out an overview of the planned scope and timing of the GMCA audit. The report gives detail to help understand the consequences, issues of risk and the concept of materiality of the work, identifying any areas where there may be a need to request additional procedures to be undertook.

The results of the Value for Money audit work and the key messages arising will be reported in an Audit Findings Report and Annual Audit Letter, conclusions will be included in the report on financial statements scheduled for 16th September 2016 meeting

Resolved/-

To note the report and that, following further development the plan would be brought back for approval in July.

AC16/25 GMCA ROUTINE AUDIT ENQUIRY LETTERS
Members were presented with two audit enquiry letters addressed to Ian Stewart, Chair, GMCA Audit Committee and Richard Paver, GMCA Treasurer, requesting information to assist Grant Thornton, as external auditors to update their understanding of senior officer processes that are in place to prevent and detect fraud, and to ensure compliance with law and regulation, they also request information to understand how the GMCA gains assurance over those senior officer processes and arrangements, and to comply with International Auditing Standards.

Resolved/-

To agree that Ian Stewart, Chair, GMCA Audit Committee and Richard Paver, GMCA Treasurer, respond to Grant Thornton’s request for information to comply with International Auditing Standards.

AC16/26 FUTURE MEETINGS

Resolved/-

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

Friday 22 July 2016 12:30-2:00pm, Manchester Town Hall.
Friday 16 September 2016 12:30-2:00pm, Manchester Town Hall.
Friday 20 January 2017 12:30-2:00pm, Manchester Town Hall.
Thursday 13 April 2017 12:30-2:00pm, Manchester Town Hall *
Friday 21 April 2017 12:30-2:00pm, Manchester Town Hall *
* April 2017 date to be confirmed, 14th April 2017 is Good Friday.