MINUTES OF THE JOINT GREATER MANCHESTER COMBINED AUTHORITY AND ASSOCIATION OF GREATER MANCHESTER AUTHORITIES EXECUTIVE AUDIT COMMITTEE, HELD AT MANCHESTER TOWN HALL ON 20 JANUARY 2017

Present:

Stephen Downs (Chair) Independent Member
Councillor Allen Brett Rochdale MBC
Councillor Colin McLaren Oldham Council
Councillor Michael Young Trafford Council

Officers in Attendance:

Richard Paver GMCA Treasurer
John Farrar Grant Thornton
Tom Powell GMCA Internal Audit
Damian Jarvis GMCA Internal Audit
Susan Ford GM Integrated Support Team
Paul Harris GM Integrated Support Team

AC16/42 APOLOGIES

Apologies for absence were received from Councillors John Merry (Salford CC), Pam Stewart (Wigan Council), Jean Stretton (Oldham Council) and Wendy Wild (Stockport MBC).

AC16/43 CHAIR’S ANNOUNCEMENTS AND URGENT BUSINESS

There were no announcements made by the Chair and no items of urgent business were raised.

AC16/44 DECLARATIONS OF INTEREST

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

AC16/45 MINUTES OF THE MEETING 23 SEPTEMBER 2016

The minutes of the meeting held 23 September 2016 were submitted for consideration.

With regard to External Audit Panel Across GMCA and GM Councils (Minute AC16/40) the Chair noted that representatives of the External Auditors left the meeting prior to the discussions on this item taking place.
In relation to Corporate Risk Register and Assurance Map (Minute AC16/33 refers), it was noted that a revised version of the Risk Register was not re-circulate to Members. Members also noted that an update on the Risk Register was to be considered by the Committee later on the agenda. In addition, a Member reiterated that the potential for the establishment of a Risk Committee should be explored.

With regard to Internal Audit Progress Update (Minute AC16/34) officers noted that transition governance within the audit area of the report had an assurance opinion of moderate. Members noted that it was not anticipated that this assurance opinion was to change in the short term and for this reason the subsequent sentence in the minutes was incorrect and should be deleted.

Following a comment from a Member regarding Audit Committee membership and the frequency of meetings, officers undertook to liaise with Councillor Kieran Quinn and Tony Lloyd in this regard.

Members suggested that it would be helpful for the Committee to receive a Transition Update at each meeting.

In relation to Revised AGMA Informal Accounts 2015/16 (Minute AC16/38 refers), officers undertook to provide a statement regarding AGMA balances to future meetings of this Committee.

Resolved/-

1. That the minutes of the Joint GMCA and AGMA Audit Committee held on 23 September 2016 be approved as a correct record subject to the amendments recommended in the preamble above.
2. To agree that a Transition Update report be presented to future meetings of this Committee.
3. To agree that a statement regarding AGMA balances was to be provided to future meetings of this Committee.

ORDER OF BUSINESS

In order for Members to consider items for approval whilst the committee was still quorate, the Chair agreed to move the following items up the agenda:-

a) Item 7 Code of Corporate Governance.
c) Item 12 Appointment of External Auditors.
Item 4

AC16/46      CODE OF CORPORATE GOVERNANCE

Members considered a report which presented them with the new Code of Corporate Governance which reflects GMCA’s arrangements for the current year only and is in response to the substantially changed arrangements of the new CIPFA Local Governance Framework 2016.

Members noted that 2016-17 is an important year for the GMCA as it prepares to take on significant new powers devolved from Government and are set out in a number of devolution agreements. It was also noted that the future Governance of the combined area of Greater Manchester is currently subject to a series of Parliamentary Orders which will set out the new powers of the GMCA and the elected mayor (implementing GM’s devolution agreements) and will come in to effect on 1 April 2017. Mayoral powers will take effect from 8 May 2017.

Resolved/-

1. To note the report.
2. To agree to recommend the adoption of the Code of Corporate Governance to a future meeting of the GMCA.
3. That a further update be presented to this Committee in April 2017.

AC16/47      TREASURY MANAGEMENT STRATEGY STATEMENT, BORROWING LIMITS AND ANNUAL INVESTMENT STRATEGY 2017/18 – 2019/20

A report was presented which set out the proposed Treasury Management Strategy Statement, Borrowing Limits and Prudential Indicators for 2017/18 to 2019/20. Members noted that the Strategy covered the existing functions of the GMCA as the scope of the additional borrowing powers, as announced in the Autumn Statement, remained unclear.

Resolved/-

1. That the proposed Treasury Management Strategy Statement be approved, in particular:
   i) The Treasury Indicators listed at Appendix A to the report.
   ii) The MRP Strategy outlined at Appendix B to the report.
   iii) The Treasury Management Policy Statement as set out at Appendix C to the report
   iv) The Treasury Management Scheme of Delegation as set out at Appendix D to the report.
   v) The Borrowing Requirements as listed at Section 5 to the report.
vi) The Borrowing Strategy as outlined at Section 8 to the report.

vii) The Annual Investment Strategy as detailed at Section 9 to the report.

viii) The unlimited lending to the Police and Crime Commissioner for Greater Manchester, the Greater Manchester Fire and Rescue Service and the Greater Manchester Waste Disposal Authority in the period, until they become part of the GMCA, as set out in the report.

2. That GMCA be recommended to approve the proposed Treasury Management Strategy Statement.

3. To note that should further clarification on the Police and Fire requirements be required, a further paper would be considered by this Committee in April 2017.

**AC16/48 UPDATE ON EXTERNAL AUDIT APPOINTMENT**

[Note: Representatives from the External Auditors left the room whilst this item was considered.]

Members considered a report which provided them with an update on the proposal for the establishment of local joint procurement arrangements with neighbouring authorities for the provision of external audit services from 2017/18 and approved the GMCA Treasure to progress actions necessary to develop the procurement process. The proposed next steps were also presented.

Members noted that discussions had taken place amongst GM Local Authority Treasurers and with Public Sector Audit Appointments Limited (PSAAL) regarding opt-in to a sector led, national procurement process.

In response to an enquiry from a Member if was noted that the there was general support for this process from Districts.

The Social Value provisions were noted.

**Resolved/-**

1. To note the report and the current position in respect of arrangements for the appointment of external auditors.
2. To agree to recommend to GMCA at its meeting in February 2017, to opt-in to the sector led PSAAL arrangements national procurement process.

Note Councillor Allen Brett left the meeting following the conclusion of this item. The Chair advised the Committee that the meeting was now inquorate and for this reason closed the formal meeting.
Appendix 1

INFORMAL NOTES OF THE INQUIRORATE MEETING OF THE JOINT GMCA AND AGMA EXECUTIVE AUDIT COMMITTEE, HELD AT MANCHESTER TOWN HALL ON 20 JANUARY 2017

Present:

Stephen Downs (Chair) Independent Member
Councillor Colin McLaren Oldham Council
Councillor Michael Young Trafford Council

Officers in Attendance:

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John Farrar Grant Thornton
Tom Powell GMCA Internal Audit
Damian Jarvis GMCA Internal Audit
Susan Ford GM Integrated Support Team
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1. **AUDIT COMMITTEE WORK PROGRAMME 2016/17**

Members considered the content of the Audit Committee work programme for 2016/2017.

It was noted that the work programme was to be updated to include Transition updates.

**Resolved/-**

**Action**

Tom Powell/Susan Ford

1. To note the Work Programme for 2016/17.
2. To include Transition Updates.

2. **GMCA CORPORATE RISK REGISTER AND ASSURANCE MAP**

A report was presented which provided Members with the latest update of the corporate risk register and assurance map.
To note the corporate risk register and assurance map, as set out in the report.

3. INTERNAL AUDIT PROGRESS UPDATE REPORT

A report was presented which provided a summary on the progress of planned Internal Assurance work undertaken during 2016/17.

To note the Internal Audit Progress Update report for 2016/17.

4. EXTERNAL AUDIT UPDATE

Members received a report from Grant Thornton, External Auditors, which provided them with an update in delivering their responsibilities as GMCA’s external auditors.

To note the update from the External Auditors.

5. GMCA ANNUAL AUDIT LETTER 2015/16

Members considered the GMCA Annual Audit Letter 2015/16 which presented a summary of the key findings arising from the work undertaken by the External Auditors as GMCA for the year ended 31 March 2016.

To note the GMCA Annual Audit Letter 2015/16.

6. DATE OF NEXT MEETING

It was noted that the next Joint GMCA Audit Committee was scheduled to take place on 13 April 2017.

The clerk was requested to check with other Members of the Committee that this date was still suitable, in order for a quorum of Members to be maintained.
That the Clerk undertakes to remind Members of the arrangements for the next meeting of the GMCA and AGMA Executive Audit Committee to understand if there will be a quorum of Members present.