

**GMCA AUDIT COMMITTEE**

Date: 19<sup>th</sup> March 2025

Subject: 2024/25 Accounting Policies and Critical Accounting Judgements

Report of: Steve Wilson, Treasurer of the GMCA

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**PURPOSE OF REPORT**

This report provides a copy of the Greater Manchester Combined Authority (GMCA) draft Accounting Policies and Critical Accounting Judgements for the 2024/25 financial statements.

**RECOMMENDATIONS:**

Audit Committee members are requested to:

1. Consider the proposed Accounting Policies to be adopted and the Critical Accounting Judgements to be applied in the preparation of the 2024/25 financial statements; and
2. Delegate authority to the GMCA Treasurer to make amendments to these policies and judgements if required.

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Risk Management – the risk from setting unsuitable Accounting Policies and Critical Accounting Judgements is that the External Auditor could qualify the GMCA Accounts and require adjustments which may have an impact on the Authority and Mayoral General / PCC reserves.

Legal Considerations – included in Section 2.

Financial Consequences – Revenue – N/A.

Financial Consequences – Capital – N/A.

Number of attachments included in the report: 2

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		N/A.
TfGMC	Overview & Scrutiny Committee	
N/A.	N/A.	

## **1. CONTEXT**

- 1.1. It is considered best practice for the Audit Committee to consider the accounting policies and critical accounting judgements in advance of the annual financial statements being presented for their consideration and approval.
- 1.2. These are key documents in coming to an appropriate view of the out-turn position for the financial year.

## **2. ACCOUNTING POLICIES**

- 2.1. Accounting Policies are detailed in Appendix 1.
- 2.2. The policies are consistent with the prior year and there have been no major changes to the accounting policies for 2024/25, other than for leases and right-of-use assets. There is a new section at the end of the accounting policies in relation to right-of-use assets and associated leases due to the mandatory implementation of IFRS 16 in Local Government from 1 April 2024 onwards.

## **3. CRITICAL ACCOUNTING JUDGEMENTS**

- 3.1. Critical Accounting Judgements are detailed in Appendix 2.

## **4. RECOMMENDATIONS**

- 4.1. Recommendations are set out at the front of the report.