

**Minutes of the GMCA Audit Committee, held on Monday 24 November 2025 at
TfGM, 2 Piccadilly Place, Manchester M1 3BG**

Present:

Grenville Page	Independent Member (Chair)
Councillor Olly Baskerville	Trafford Council
Councillor Ian Hunter	Stockport Council
Councillor Elliot Moss	Bury Council
Jackie Njoroge	Independent Member
Paul Stone	Independent Member
Susan Webster	Independent Member

Officers:

Steve Wilson	GMCA Group Chief Finance Officer
Sarah Horseman	GMCA Interim Director Governance, Audit and Assurance
Damian Jarvis	Head of Internal Audit, GMCA
Paul Chase	Corporate Risk Manager, GMCA
Lindsey Keech	Head of Finance (Treasury Management), GMCA
Jessica Jordan	Audit Manager, GMCA
Ninoshka Martins	Governance and Scrutiny, GMCA
Phil Swan	Director for Digital, GMCA
John Curtis	Assistant Director for Information & Data Governance and Interim Data Protection Officer (DPO), GMCA

Also in attendance:

Paddy Sadd	Forvis Mazars, External Auditor
Karen Murray	Forvis Mazars, External Auditor

AC2526-42 Apologies

None were received.

AC2526-43**Chair's Announcements and Urgent Business**

- **Term Extension for Grenville Page and Susan Webster**

A formal request has been submitted to the Greater Manchester Combined Authority to extend the appointments of Grenville Page and Susan Webster as independent members of the GMCA Audit Committee for an additional year. This will be considered at the Authority's December meeting.

- **Joint Audit Panel**

Recruitment has commenced for two new independent members, and we would appreciate members' support in promoting these opportunities.

- **Good Growth Fund**

The Committee received an update on the Good Growth Fund, which forms a key part of GM Investment Strategy that will aim to deliver economic growth across all districts. By leveraging public and private investment, the fund seeks to reduce inequalities, strengthen resilience, and provide long-term benefits for residents and businesses. It was noted that this proposal will be considered by the Combined Authority at its meeting later this month.

Resolved/-

That the update on the following items be noted:

- The proposed term extension for Grenville Page and Susan Webster for an additional year.
- The commencement of recruitment for two new independent members, with members' support welcomed in promoting these opportunities.
- The launch of the Good Growth Fund.

AC2526-44**Declarations of Interest**

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

AC2526-45**Minutes of the meeting held on 22 September 2025****Resolved/-**

1. That the minutes of the meeting held on 22 September 2025 be approved as a correct record, subject to an amendment to reflect the correct local authority represented by Councillor Ian Hunter.
2. That the appended Action Log be noted.

AC2526-46**Update from the Joint Audit Panel**

The minutes from the Joint Audit Panel meeting held 12th September 2025 were presented which gave an update on the work of the Panel.

The following update was provided following the recent Police, Fire & Crime Panel held on 17 November 2025:

- GMP is to replace its iOPS Records Management System with **Mark43** under a £48m six-year contract (extendable by four years). Implementation is expected by early 2027.
- No additional costs arose from the Heaton Park incident; however, protest-related policing has cost around £2m this year.
- Investment in AI and automation continues as part of GMP's digital policing strategy. The new RMS will include automation features, and AI tools are being deployed for fraud prevention and cybercrime detection.
- PCC roles will be abolished in 2028, with powers transferring to regional mayors or council leaders. This change aims to streamline governance, improve accountability, and deliver savings for reinvestment in frontline policing.

Members highlighted the importance of ensuring robust governance around the RMS procurement process. This was seen especially important when using waivers (exceptions to normal tendering) due to the increased risk of legal challenges and recommended learning from past projects be utilised, with the view to improving compliance.

A member questioned the overspend associated with protest-related policing. It was reported that GMP had continued to face financial pressures due to major operations, including Operation Wildflower. GMP was working more closely with its estates team to manage resources effectively and has written to the Home Office seeking financial assistance. Members were assured that lessons from previous incidents and ongoing efficiency measures under Operation Rydal will help minimise future overspends.

In response to a member's question regarding the terms of the Joint Audit Panel members and the potential benefit of staggering appointments, it was confirmed that this was the intended approach to ensure a smooth transition and maintain continuity of experience. Three members have already been appointed, and recruitment is currently underway for two additional members. At the conclusion of their term, members will have the option to extend their appointment for one further year, thereby ensuring a phased exit.

Resolved/-

1. That the update on the work of the Joint Audit Panel be noted.

2. That the update in relation to the discussion held at the Police, Fire & Crime Panel be noted.

AC2526-47 Risk Management Update

The Committee received an update on corporate risk management activities since the last meeting. The report confirmed that there have been no changes to the Strategic and Organisational Risk Registers since July, but a comprehensive review with risk owners is underway and will be presented to the Senior Leadership Team in December.

Key points noted:

- **Current Risk Profile:** 15 strategic and organisational risks and 25 significant directorate-level risks remain under active monitoring. Cyber-attack and Bee Network finances continue to be among the highest-rated risks.
- **Target Risk Scores:** For the first time, target scores and key actions have been included to show the desired risk position and the gap from residual scores. Nine directorate risks have a gap of six or more points, requiring further mitigation.
- **Emerging Risks:** Reputational risks linked to community cohesion, asylum seeker accommodation, and Bee Network patronage were highlighted. Cyber resilience remains a priority, with ongoing business continuity workshops and plans for a 24/7 Security Operations Centre.
- **Collaboration and Opportunities:** Work continues on AI governance and data management, alongside organisational development initiatives under the “One Team” approach across GMCA, GMFRS, and TfGM.
- **Next Steps:** A quarterly summary of the risk profile will be submitted to the Senior Leadership Team. A new “Introduction to Risk Management” learning module will launch at the January Learning Skills Festival.

The Committee welcomed the inclusion of target scores and requested future updates to include information on how risks will be managed and how those risks connect to wider strategic goals for Greater Manchester.

It was suggested that future work should maximise the benefits of devolution to better understand what is driving risks and the interplay between them.

Members noted the risk between interdependencies, particularly around data management and emerging areas such as AI, and suggested that these should be considered in future reporting.

Concerns were raised around the security of data-driven organisations, noting that scores for data risks should be as high as those for cyber security.

Officers confirmed that data-related risk scores were connected to how data is used and stored and noted that there was scope to align these more effectively with wider organisational risk management processes.

A discussion was held around the recent data maturity assessment undertaken and it was felt that it would be appropriate that its findings inform future risk management activity.

Members raised concerns about whether current actions will achieve target scores, noting that some actions, such as engagement meetings, may not materially reduce risk. It was agreed that future reports should include more tangible mitigation options, clearer commentary on uncertainty, and a summary of movement between reporting periods to demonstrate progress.

A discussion was held on the Fire and Waste risks. Officers confirmed that the risk owners will review and reframe these risks where context has changed significantly. In relation to Waste risk, officers explained that the uncertainty relates to the future emissions trading scheme and its potential financial impact on local authorities. Additional narrative will be provided in future reports to clarify the basis for the current scoring.

It was noted that some residual risk scores were higher than inherent scores due to the change in nature of certain risks during the reporting period.

The Committee stressed the importance of executive-level scrutiny prior to Audit Committee considering the report as that would allow members to focus on assurance and challenge.

Resolved/-

1. That the report be noted.
2. That future updates include information on how risks will be managed and how those risks connect to wider strategic goals for Greater Manchester
3. That future reports consider links between risks, particularly around data management and emerging areas such as AI.
4. That reporting detail be improved within future iterations of the report to show trends over time, explain what has changed, and when targets will be met.
5. That explanatory narrative to the waste risk be added to clarify the basis for scoring.
6. That explanatory narrative be provided where residual scores exceed inherent scores.
7. That the findings of the Data Maturity Assessments be included within future iteration of the report and be utilised to inform future risk management activity and reporting.

AC2526-48**Risk Deep Dive: Artificial Intelligence**

The Committee received a presentation on Artificial Intelligence (AI) as an emerging strategic risk and opportunity for Greater Manchester.

Members noted that AI is becoming a foundational technology and agreed on the importance of focusing on areas of genuine value rather than hype. The Committee was informed that GMCA and Greater Manchester Fire and Rescue Service share an AI policy based on the principle that AI will only be adopted where public benefit outweighs the risks, ensuring GMCA remains future fit while being risk aware rather than risk averse, particularly given increasing data processing requirements linked to devolution.

Officers reported that GMCA has entered into a Knowledge Transfer Partnership with Manchester Metropolitan University, running until 2026, which has already produced academic outputs and practical guidance to support the development of an ethical and effective AI framework. Officers also explained the shift from large language models to smaller, specialist models to improve energy efficiency and avoid dependency on large-scale models that may become cost prohibitive.

The Committee highlighted the need to:

- Drive innovation within a safe and ethical framework, ensuring inclusion and clarity where AI interacts with residents.
- Align AI adoption with business strategy rather than allowing technology to dictate priorities.
- Maintain human oversight in sensitive areas such as child safeguarding.
- Differentiate genuine AI from “AI-washing” and monitor emerging risks such as deepfakes, online safety, and digital inclusion.
- Future-proof skills by developing baseline digital competencies and advanced AI capabilities.
- Strengthen data architecture to avoid siloed systems and ensure AI models remain auditable and transparent.
- Address increased cybersecurity risks associated with AI, including phishing and malware embedded in models.

The Committee requested that Warren Heppollette, Director of the Prevention Demonstrator, be invited to a future meeting to provide an update on the initiative and its use of data and AI.

Officers confirmed that GMCA is adopting the DAMA Data Management Body of Knowledge framework to strengthen data governance and classification. Work is underway to progress the AI Demonstrator Model, approved by the Combined Authority in May, and to establish an AI and Data Innovation Office (ADIO) to provide

strategic leadership, address skills gaps, and ensure consistent governance across Greater Manchester. The AI policy has been shared through the Information Governance Enabling Network to promote harmonization across all ten local authorities and GMP.

Significant risks and challenges around data management were noted, referencing work at Greater Manchester level on prevention and demonstrator projects. Information governance was highlighted as a key enabler for creating a shared policy framework to achieve greater consistency across GM. Officers advised that a robust system is being developed to remove data that is no longer required, and the introduction of a classified system could potentially be extended across Greater Manchester. The Committee welcomed these developments and noted their relevance to ongoing work on AI governance and risk assurance.

Resolved/-

1. That the update be noted.
2. That Warren Heppollette be invited to a future meeting to provide an update on the Prevention Demonstrator and its use of data and AI.

AC2526-49 Oversight & Monitoring: Procurement Waiver Exemptions

The Committee considered a report on the use of procurement waivers and exemptions, following a previous request for greater visibility in this area.

Members noted a spike in waivers during Quarter 1 of 2025/26, primarily due to the implementation of the Integrated Settlement and the need to extend existing contracts while awaiting funding confirmation. Officers advised that similar pressures could arise in late 2025/26 or early 2026/27 if funding is delayed, but waiver usage is expected to stabilize once the anticipated three-year settlement is agreed.

Members agreed that regular reporting is essential to identify patterns and provide assurance. It was suggested that benchmarking against other authorities would help contextualize waiver usage and that future reports should reflect the impact of new procurement regulations. Future iterations should also include explanations for outliers, particularly in Public Service Reform and Fire, where waiver usage appears higher.

Concerns were raised regarding large single-contract exemptions, with members requesting clarity on why only one contractor was available and how urgency was justified. The Committee emphasized the need to ensure urgency is not driven by a lack of forward planning and that controls prevent unhealthy relationships between public and private sector partners.

It was agreed that waiver reporting should become a standing item, with updates provided every six months, including trend analysis and narrative commentary.

Resolved/-

1. That the procedures that govern Procurement Exemptions at GMCA be noted.
2. That the information on the usage of Exemptions over recent years be noted.
3. That it be noted that current controls provide assurance that key risks associated with procurement exemptions are being effectively addressed.
4. That it be agreed that six-monthly updates on waiver usage, including trend analysis and narrative commentary be received going forward.
5. That future iterations of the report include:
 - Benchmarking against other authorities to help contextualize waiver usage
 - Impact of new procurement regulations.
 - Explanations for outliers, particularly in Public Service Reform and Fire, where waiver usage appears higher.

AC2526-50 Internal Audit Progress Audit Action Tracking Report

The Committee received an update on progress against the 2025/26 internal audit plan. Since the last meeting in September, two final reports have been issued:

- **Adult Skills Fund Provider Monitoring** – Substantial assurance opinion.
- **RCT Follow-Up Review** – Assessment of previous audit actions.

A third report on the Promotions Pathway Framework is in draft and expected to be finalized shortly, with several other audits at draft, fieldwork, or planning stage for Quarter 3.

The Committee noted earlier resource challenges but welcomed the appointment of two new staff members – a Principal Auditor and an Internal Auditor – in October and November. Officers reported the recent loss of a Principal Auditor and confirmed recruitment is underway to fill the vacancy.

Members queried outstanding actions from the Lessons Learned Review (PPE) and were advised these actions are sensitive and updates are being actively pursued.

Further queries were raised regarding actions from the Threat and Vulnerability Management Review, IT Supply Management, Critical Application Review, and IT Asset Management. Officers confirmed progress has been made, particularly on cybersecurity, with over 60 security initiatives delivered since 2021, but capacity remains a challenge and some actions require revised target dates.

The Committee stressed the need for visibility of revised completion dates and agreed that executive oversight should be strengthened to ensure accountability.

Members also highlighted the importance of ensuring audit actions inform decision-making and governance processes.

No significant changes to the audit plan were reported, although one new piece of work was highlighted – a business continuity exercise scheduled for December to test resilience to a cyber-attack and incident management response.

The Committee commended the team for achieving a substantial assurance opinion on the Adult Skills Fund audit and requested that this recognition be passed on to staff.

Resolved/-

1. That the Internal Audit progress report, and the implementation status of agreed audit actions be noted.
2. That Audit Plan (Appendix C) be approved.
3. That the Committee be kept informed of recruitment progress and any capacity risks.
4. That a progress update on Lessons Learned Review (PPE) and IT-related audits be provided at the next meeting.
5. That implementation rates be continued to be monitored and narrative be included on overdue actions in future reports.
6. That the Committee's commendation to staff for achieving a substantial assurance opinion on the Adult Skills Fund audit be noted.
7. That once concluded the outcome of the December cyber resilience exercise be presented at a future meeting.

AC2526-51 Assessment of Going Concern

The Committee considered the assessment of going concern, which accompanies the draft accounts published following the last Audit Committee meeting. Members noted that the accounts have been prepared on a going concern basis and were asked to endorse the statement at draft stage.

The paper outlined the rationale for the going concern assessment, including:

- Cash flow projections for the next 12–18 months.
- A balanced budget for 2025/26.
- A strong medium-term financial plan and reserve position.
- Identification of financial pressures, notably:
 - Police and Crime funding.
 - Transport budget volatility following full establishment of the Bee Network, mitigated by significant transport reserves.
 - Fire and Rescue Service, where settlement remains challenging, but recent government announcements provide greater confidence.

Officers confirmed that the next phase of financial sustainability will be informed by the forthcoming three-year spending review settlement, which will support integrated settlement planning and provide clarity on police and fire financing. At this stage,

there is no material risk to going concern for the next 12 months, and balanced budgets are anticipated for 2026/27.

Members queried the impact of the business rates reset and were advised that transitional arrangements and partial exemptions for Greater Manchester will mitigate the risk of a significant financial cliff edge.

The Committee endorsed the going concern assessment and noted that the statement will proceed to the Combined Authority for confirmation alongside the final accounts.

The Committee thanked officers for the update and confirmed its support for the going concern position.

Resolved/-

1. That the going concern assessment at draft stage be endorsed.
2. That on the outcome of the assessment made of the GMCA's going concern position and the conclusion that there is no material risk to going concern be noted.

AC2526-52 External Audit Progress Update

This update was delivered as a joined update under the Draft Auditor's Annual Report - Value for Money Update.

AC2526-53 Draft Auditor's Annual Report - Value for Money Update

The Committee received a verbal update from the external auditor on progress with audits across the GMCA group. Members were advised:

- An unqualified opinion is expected to be issued on the Greater Manchester Police accounts this week.
- An unqualified opinion is anticipated on Transport for Greater Manchester's accounts in December.
- For GMCA accounts, the auditor intends to issue a disclaimed opinion following the next Audit Committee meeting. Work has commenced with management to assess options and timelines for rebuilding the accounts in future years.

The auditor confirmed that the final version of the Auditor's Annual Report will be presented at the February meeting.

Resolved/-

1. That the update be noted.

2. That it be agreed that the final version of the Auditors' Annual Report will be provided at the February meeting.

AC2526-54 Treasury Management and Annual Investment Strategy Mid-Year Review Report

The Committee received the mid-year review of the Treasury Management Strategy, which will be presented to the Combined Authority in December. Members noted that the report provides assurance that GMCA remains within approved boundaries and limits and outlines the position on borrowing and investment activity.

Borrowing continues to be managed on a short-term basis, typically for no more than two months, to bridge the period between year-end and confirmation of new funding. Long-term borrowing will only be considered when necessary or when market conditions improve.

The investment portfolio (Appendix 2) shows lending activity to other local authorities, which fluctuates seasonally based on funding cycles. Colour coding reflects maximum permitted investment duration, not actual maturity dates.

The Committee noted the link between future Treasury Management decisions and the Greater Manchester Good Growth Fund, which will feature in the 2026/27 Treasury Management Strategy.

The Committee emphasized the need to balance risk and reward, considering both the risks of borrowing and the risks of not investing to support growth.

Members requested:

- Inclusion of a compliance table for prudential indicators in future reports.
- Enhanced Treasury Management training for Committee members.
- Visibility of how longer-term financial planning aligns with the Greater Manchester 10-Year Strategy, including capital and revenue forecasts and the balance between leveraging borrowing capacity and managing risk.

Resolved/-

1. That the report and treasury activity be noted.
2. That the Committee's approval to recommend the Treasury Management and Investment Strategy Mid-Year Review to the Combined Authority be noted.
3. That Treasury Management training for Committee members be scheduled before the next mid-year review.
4. That a table showing prudential indicators be added to future Treasury Management reports.
5. That future reports demonstrate how longer-term financial planning aligns with the Greater Manchester 10-Year Strategy, including capital and revenue forecasts and the balance between borrowing capacity and risk management.

AC2526-55 Audit Committee Work Programme

The Committee reviewed the forward work programme and noted the schedule of deep dives and thematic reviews planned through to March 2026.

Members highlighted the importance of aligning discussions with the GMCA Delivery Plan therefore it was agreed that short paper summarizing member feedback on future priorities and work programme design would be prepared for the January meeting.

Members were informed of the Chair's intention to establish a Greater Manchester Audit Committee Network, to share best practice and strengthen governance across the region.

Resolved/-

1. That the work programme be noted.
2. That March deep dive be refocused from the "Integrated Settlement," to cover the wider GMCA Delivery Plan.
3. That it be agreed that the Chair would prepare a short paper to be discussed in January summarising how the Delivery Plan should shape the Audit Committee's future work programme.

AC2526-56 Dates and Times of Future Meetings

Resolved/-

That the calendar of committee meetings be noted.

- Wednesday 14th January 2026 10:00 am
- Monday 23rd February 2026 10:00 am (Additional Meeting)
- Monday 9th March 2026 1:00 pm