

Independent auditor's report to the Chief Constable of Greater Manchester Police

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of the Chief Constable of Greater Manchester Police for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Police Pension Fund Account and Net Asset Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Chief Constable of Greater Manchester Police as at 31st March 2022 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Chief Constable of Greater Manchester Police in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Chief Constable of Greater Manchester Police's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other information

The Chief Financial Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, and for being satisfied that they give a true and fair view. The Chief Financial Officer is also responsible for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and prepare the financial statements on a going concern basis on the assumption that the functions of the Chief Constable of Greater Manchester Police will continue in operational existence for the foreseeable future. The Chief Financial Officer is responsible for assessing each year whether or not it is appropriate for the Chief Constable of Greater Manchester Police to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Chief Financial Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Joint Audit Panel the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Chief Constable of Greater Manchester Police which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Joint Audit Panel on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Joint Audit Panel. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Chief Constable of Greater Manchester Police's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Chief Constable of Greater Manchester Police has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have not completed our work on the Chief Constable of Greater Manchester Police's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have identified the following significant weaknesses in the Chief Constable of Greater Manchester Police's arrangements for the year ended 31 March 2022.

In July 2022 we identified four significant weaknesses in relation to the governance and improving economy, efficiency and effectiveness reporting criteria. In our view these significant weaknesses remain for the year ended 31 March 2022:

Significant weakness in arrangements – issued in a previous year	Recommendation
<p>HMICFRS victims of crime inspection (December 2020)</p> <p>On the 10 December 2020 HMICFRS published “An inspection of the service provided to victims of crime by Greater Manchester Police”.</p> <p>HMICFRS found that in too many cases, the service provided is not good enough and the Report highlighted a number of ‘causes of concern’ relating to crime reporting.</p> <p>The HMICFRS report also highlighted that the force has not overcome the deficiencies in service that it identified in its 2019 integrated police effectiveness, efficiency and legitimacy programme (PEEL) assessment and its 2018 crime data integrity inspection.</p> <p>In our view, the above matters constitute significant weaknesses in proper arrangements in the governance and improving economy, efficiency and effectiveness reporting criteria.</p>	<p>Greater Manchester Police should follow the action taken during 2021/22 and continue to:</p> <ul style="list-style-type: none"> • address the causes of concern, recommendations, and areas for improvement within the HMICFRS report; and • review and improve arrangements for ensuring appropriate action and progress is achieved against improvement recommendations raised by the inspectorate and other review agencies.
<p>HMICFRS Inspection Report (December 2020)</p> <p>The extent of the failings detailed within the December 2020 HMICFRS inspection report and GMP’s failure to secure the improvements identified by HMICFRS in its previous inspections / assessments highlights not only significant weaknesses in the services provided to victims of crime, but also significant weaknesses in the Force’s Governance and Performance Management arrangements. These constitute significant weaknesses in proper arrangements in relation to our governance and improving economy, efficiency and effectiveness value for money reporting criteria.</p>	<p>Greater Manchester Police should follow the action taken during 2021/22 and continue to improve its Governance Structures and Performance Management Framework. The Force should formally review its new arrangements to ensure that the changes are embedded and are starting to deliver the required improvements in service performance.</p>
<p>HMICFRS Police Effectiveness, Efficiency and Legitimacy (PEEL) Assessment (March 2022)</p> <p>On 3 March 2022 HMICFRS published the findings from their 2021/22 PEEL assessment. This assessed how good GMP is in ten areas of policing and made graded judgments in nine of these ten areas. This was GMP’s first full PEEL assessment since 2018/19.</p> <p>GMP was judged “inadequate” in three areas (investigating crime, responding to the public and developing a positive workplace). In addition, HMICFRS raised 4 causes of concern, relating to GMP’s arrangements: for responding to those who are vulnerable; for supporting and building its workforce; for understanding demand and the capability/ capacity of its</p>	<p>Greater Manchester Police should follow the action taken during 2021/22 and continue to:</p> <ul style="list-style-type: none"> • address the causes of concern, recommendations and areas for improvement reported in the HMICFRS PEEL assessment; and • ensure that the governance structures and arrangements for ensuring appropriate progress is achieved are working adequately.

<p>workforce; and for investigating crime, supervising investigations, and updating victims.</p> <p>In our view, the above matters constitute a significant weakness in proper arrangements in relation to the governance and improving economy, efficiency and effectiveness reporting criteria.</p>	
<p>Procurement and contract management arrangements</p> <p>The application 'Policeworks' went live within GMP in July 2019 as part of the iOPS project within the IS Transformation Programme. Due to the ongoing problems with the functionality of the system GMP commissioned two independent reviews which were completed in September and November 2021.</p> <p>The independent reviews completed on the Policeworks element of the iOPS contract highlighted issues within the procurement and contract management of the project.</p> <p>The independent reports commissioned by GMP concluded that there is little evidence of a robust contract management approach adopted by GMP for a contract of this scale, value and associated risk (given that this key operational system is integral to how the Force delivers its services).</p> <p>In our view, the above matters constitute significant weaknesses in proper arrangements for improving economy, efficiency and effectiveness in how GMP manages and delivers its services.</p>	<p>Greater Manchester Police should follow the action taken during 2021/22 to ensure that:</p> <ul style="list-style-type: none"> • the failings identified within the two independent reviews on the procurement of the Policeworks system are learnt from in future large scale capital procurement projects; and that • contract management arrangements are appropriately robust and recognise the scale, value and associated risk of future large-scale contracts. This should include ensuring that staff responsible for contract management are appropriately trained.

We will report the outcome of our work on the Chief Constable of Greater Manchester Police's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any further matters which we are required to report by exception.

Responsibilities of the Chief Constable of Greater Manchester Police

The Chief Constable of Greater Manchester Police is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Chief Constable of Greater Manchester Police's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Chief Constable of Greater Manchester Police has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Chief Constable of Greater Manchester Police's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the Chief Constable of Greater Manchester Police, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Chief Constable of Greater Manchester Police those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Chief Constable of Greater Manchester Police, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have issued our commentary of the Chief Constable of Greater Manchester Police's arrangements for securing economy, efficiency and effectiveness in its use of resources as part of our Auditor's Annual Report.



Mark Dalton - Key Audit Partner
For and on behalf of Mazars LLP

5th Floor
3 Wellington Place
Leeds
LS1 4AP

9 November 2023