



Audit progress report
Greater Manchester Combined Authority

For the 22nd September 2025 Audit Committee

Audit Committee
Greater Manchester Combined Authority
Churchgate House
56 Oxford Street
Manchester
M1 6EU

Forvis Mazars
One St Peter Square
Manchester
M2 3DE

22nd September 2025

Dear Committee Members,

Audit progress report – Year ended 31 March 2025

We are pleased to report our progress with the audit of Greater Manchester Combined Authority's Statement of Accounts for the year ended 31 March 2025. The purpose of this document is to provide you with any updates on progress made towards the 2024/25 audit and any other relevant matters.

Section 1 of this report provides an update of the audit position and outlines our proposed timeline for completion of the audit.

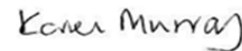
Section 2 of this report provides an update on our value for money risk assessment where we have outlined details on areas we consider there to be a potential risk of significant weakness in arrangements.

Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations. If you have any concerns or comments about this report or our audit approach, please contact me on +44 (0)7721 234 043.

This report was prepared solely for the use and benefit of the Audit Committee and to the fullest

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Yours faithfully,



Karen Murray
Forvis Mazars LLP

01

Audit update



01 Audit update

2024/25 audit timeline and status update

Our 2023/24 audit of the Authority's accounts was 'backstopped' and our audit opinion was disclaimed. Our progress report presented to this committee in July 2025 outlined that our proposed timeline for the 2024/25 audit was dependent on the timely submission of a materially accurate draft Statement of Accounts. At the date of drafting this report, the Authority has been unable to publish its 2024/25 Statement of Accounts due to difficulties in relation to implementation of IFRS16 in both the GMCA single entity and component entities forming part of the group.

On 9 June, the NAO issued its guidance on rebuilding assurance. This guidance emphasises the importance to auditors of considering where resources are best focussed to support the completion of audits in full and the efficient completion of additional work to support a timely rebuild of assurance across the sector. Due to the challenges GMCA and its components have faced in dealing with the complexity of IFRS16, and the complexities of the group structure necessitating the GMCA audit being completed following the audit of its significant components, we have formed the view that we do not have sufficient time to complete the audit of the GMCA Statement of Accounts ahead of the backstop date of 28th February 2025. Our audit of the 2024/25 Statement of Accounts will be backstopped, and we will likely issue a disclaimed opinion on the Statement of Accounts subject to us not becoming aware of any material inaccuracies in the draft statements.

As discussed with management, and in line with the guidance issued by the National Audit Office, we will use our available resources to complete work above the minimum backstop requirements that supports a rebuild of assurance in 2025/26 and future years, with a view to minimising the number of audit cycles required to return to issuing unqualified audit opinions. We would like to thank management for their understanding and collaboration as we have worked through this guidance.

We outline the timeline for completion of our procedures in the figure below:



02

Value for Money



02 Value for Money arrangements

Code update

The 2024/25 update to the Code of Audit Practise requires auditors to issue their Auditor's Annual Report, which includes our commentary on GMCA's arrangements to secure value for money in its use of resources, by the 30th November 2025. The Code update allows this report to be issued even where financial statements audit work is still ongoing. With engagement from the GMCA's finance team, we have agreed a timeline for the audit that enables us to meet this deadline.

Risks of significant weaknesses in arrangements

Our work will focus on the three criteria specified in the Audit Code: financial sustainability; governance; and improving economy, efficiency and effectiveness. Our VFM risk assessment process is continuous and will be updated throughout the audit process. We have not fully completed our planning and risk assessment work but include the risk of weakness in arrangements we have identified to date. Our risk assessment work is continuous and if further risks are identified, they will be reported to this committee accordingly.

	Risk of significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Planned procedures
1	<p>Governance – how Greater Manchester Combined Authority ensures effective processes and systems are in place to support statutory financial reporting requirements</p> <p>Greater Manchester Combined Authority was unable to publish the draft Statement of Accounts for the year ending 31 March 2025 by the statutory deadline of 30th June due to work in relation to IFRS16 still being ongoing. The impact of the new standard has previously been assessed as expected to be material based by management. The implementation of the standard in the local government sector has been planned for several years.</p> <p>There is a risk Greater Manchester Combined Authority does not have suitable arrangements in place to ensure processes and systems support statutory financial reporting requirements within statutory deadlines.</p>	○	●	○	<p>To address the risk of significant weakness in arrangements, we will perform the following procedures:</p> <p>1. Develop an understanding of the reasons for the delay in preparing IFRS16 disclosures beyond the statutory deadline to determine if they should have reasonably been foreseen by Greater Manchester Combined Authority.</p>

03

National Publications



National publications

	Publication/update	Key points
Financial Reporting Council		
1	Audit Quality Inspection and Supervision Report	The FRC published its report on Forvis Mazars on 15 July 2025 For information only.
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
2	CIPFA Bulletins	CIPFA has issued two Bulletins in the 2025 calendar year up to the date of preparing this report. For information only.
3	Audit Committee Update issue 42 Governance of Internal Audit	This issue explains the new Code of Practice for the Governance of Internal Audit in UK Local Government. For information only
4	CIPFA Advisory note five: Statement of Responsibilities	The note reinforces good practice principles that local government bodies in the UK should adopt and uses the experience of others to identify examples of good practice. For information only.
National Audit Office ('NAO')		
5	Whole of Government Accounts 2023-24	The C&AG has disclaimed his opinion on the WGA financial statements due to severe backlogs in English local authority accounts and audits. For information only.
6	NAO report: Local bus services in England	This report examines bus services in England outside London, looking at the performance of bus services; the effectiveness of DfT's interventions to improve bus services; and addressing the remaining barriers to improving local bus services. For information only.
7	Publication of LARRIG 06	To highlight the publication of Local Audit Reset and Recovery Implementation Guidance ('LARRIG') 06: Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions. For information only.
8	NAO report: Local government financial sustainability	This report focuses on MHCLG as the department responsible for the framework within which local authorities operate and provides transparency over the current position of local government finances. For information only.
9	NAO insight: Overcoming challenges to managing risks in government	This guide is for senior leaders and risk practitioners across government with ways to help overcome the challenges to managing risks. For information only.
10	NAO insight: Good practice in annual reporting	This interactive guide sets out the NAO's good practice principles for annual reporting. For information only.

National publications

	Publication/update	Key points
Ministry of Housing, Communities and Local Government ('MHCLG')		
11	Local audit reform: a strategy for overhauling the local audit system in England – Consultation outcome	This consultation has concluded. The government has responded to the consultation to overhaul local audit in England. For information only.
Other		
12	PSAA news - Press release: Local government audit opinion data	As 28 February 2025 was the backstop date for the 2023/24 audits, PSAA issued a press release on the local government audit opinion position at this date. For information only.

National Reports

Financial Reporting Council

1. [Audit Quality Inspection and Supervision Report 2025](#)

The FRC's report on Forvis Mazars LLP was published on 15 July 2025, based on work undertaken during the 2024/25 inspection cycle, through review of a sample of our Public Interest Entities and other FRC scope audits and other wider measures of audit quality such as the firm's systems of quality management (SoQM). The report does not cover our audit of Public Sector entities.

Audit quality inspections

We are pleased that this year's AQR results reflect our significant progress in delivering audit quality, showing a **90%** profile of audits inspected as good or limited improvements required. Moreover, the combined results of FRC inspections together with the firm's internal file inspections of FRC-scope audits this cycle show **86%** as either good or limited improvements required. This is a testament to our team's commitment to audit quality and their hard work, and the effectiveness of our long-term investment in audit quality through training, technology, leadership and a culture of continuous improvement.

We are encouraged that the FRC recognises that the firm has continued to invest in audit quality and made good progress through our Audit Quality Transformation Plan (AQTP). The FRC also noted that the firm's communications remain clear and consistent around the importance of audit quality, and the firm's new four-year strategy and the firm's new senior management continue to reinforce this message.

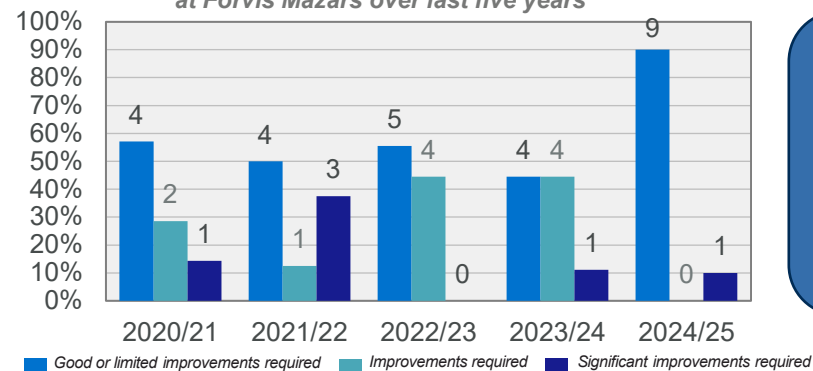
System of quality management (SoQM)

This is the first inspection cycle when ISQM (UK) has been applicable for the whole period, as 2023/24 was a transitional cycle from the ISQC (UK) 1. We have invested considerable time and resources in developing our SoQM and in monitoring responses, and we are pleased to see the FRC recognise this commitment. We recognise that whilst significant improvements have been made in the last year, we continue to enhance and develop our approach and documentation. We are in the process of addressing the findings raised this cycle – strengthening our responses to quality risks, design assessment and monitoring activities.

Key actions

To sustain and build on our progress, we will keep working hard and putting quality first, every time. We have strengthened our team, bringing in experienced individuals and top talent to support our success. We have taken robust actions to address the findings and root causes and apply the positive learnings. These include strengthening the firm's policy on file archiving, reinforcing the guidance on group audits, and further improving our portfolio reviews and project management. We will sustain our efforts in ensuring that our quality plan and actions are fully embedded in our firm's SoQM as part of 'business as usual' (BAU) and within the firm's culture.

Results of inspection of individual audits at Forvis Mazars over last five years



90% of audits inspected by the FRC in 2024/25 were assessed as requiring no more than limited improvements

Good practice on individual file inspections

The FRC has identified examples of good practice, including on revenue, group audits and technical insurance provisions (including the involvement of actuarial specialists). These are positive indications of the effectiveness of our actions to enhance quality which are now better embedded into our firm's SoQM. We are sharing these good practice examples with our teams to encourage similar practices to drive consistency and enhance audit quality.

Commitment to audit quality

Audit quality remains a strategic priority for our firm and our people. Our commitment and key strategic priority is to ensure the delivery of high-quality audits and to play our part in safeguarding the public interest, restoring trust in audit and corporate governance. Whilst we are encouraged by the improvements, we know that audit quality is not a fixed point: sustaining the delivery of quality requires consistent focus on people, processes and technology. We remain focused on continuous improvement and on delivering audits that serve the public interest in the long term.

National publications

CIPFA

2. CIPFA Bulletins

Bulletins issued by CIPFA, with the assistance of CIPFA panels, provide practitioners with topical guidance on specific issues and accounting and reporting developments.

- [CIPFA Bulletin 20: Closure of the 2024/25 financial statements](#)
- The 2024/25 Code fully adopted IFRS 16 Leases. This bulletin has been written to provide additional guidance in relation to assets held by police and crime commissioners and used by chief constables. It also includes a clarification with regards to applying IFRS 16 transition arrangements to service concession arrangements.

Link: [CIPFA Bulletin 20 IFRS 16 transition clarifications](#) – 23 June 2025

- [CIPFA Bulletin 19: Closure of the 2024/25 financial statements](#)
- This bulletin covers the closure of accounts for the 2024/25 year and provides further guidance and clarification to complement the 2024/25 Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for Practitioners (Code Guidance Notes). It addresses, where relevant, frequently asked questions and other issues that have arisen, along with corrections to both the 2024/25 Code and 2024/25 Code Guidance Notes.

Link: [CIPFA Bulletin 19 Closure of the 2024/25 financial statements](#) – 09 April 2025

3. Audit Committee Update issue 42 Governance of Internal Audit

- This issue explains the new Code of Practice for the Governance of Internal Audit in UK Local Government. The Code addresses the responsibilities of the audit committee and senior management towards the internal audit service. It applies whether you have an in-house team or have a shared, partnership or outsourced service arrangement. It supports internal auditing in the sector aligned to professional standards and the statutory regulations for local authorities.
- The Code is applicable from 1 April 2025 alongside new professional standards for public sector internal audit teams.

Link: [Audit Committee update issue 42 Governance of Internal Audit](#) – 24 March 2025

National publications

CIPFA

4. CIPFA Advisory note five: Statement of Responsibilities

- This advisory note formalises key messages from the CIPFA Practice Oversight Panel on the crucial importance of seeking assurance that the annual accounts are true and fair. The note reinforces good practice principles that local government bodies in the UK should adopt and uses the experience of others to identify examples of good practice.

Link: [Advisory note five: Statement of Responsibilities](#) - 13 February 2025

National publications

NAO

5. Whole of Government Accounts 2023-24

- The Whole of Government Accounts consolidates the accounts of over 10,000 public sector bodies, including central and local government and public corporations such as the Bank of England, to provide the most complete and accurate picture of the UK's public finances.
- HM Treasury has published the Whole of Government Accounts for 2023-24. Gareth Davies, the Comptroller and Auditor General (C&AG), has disclaimed his opinion on the financial statements, providing no assurance to Parliament on the financial statements. This is due to severe backlogs in English local authority accounts and audits.

Link: [Whole of Government Accounts 2023-24 – 17 July 2025](#)

6. NAO report: Local bus services in England

Local buses are the most used form of public transport in England. There were around 1.8 billion bus journeys outside London in 2023-24. Buses are essential for millions of people to get to work, education, shops and medical appointments. Buses are a particularly important form of transport for the young, older people, people with disabilities, and lower income households. Despite their importance, bus services in England outside London have been in long-term decline. Passenger numbers had dropped, and the size of the bus network had reduced in the decade leading up to the pandemic, while ticket costs had increased more quickly than rail fares and motoring costs. This report examines bus services in England outside London, looking at:

- whether the performance of bus services has improved since 2020;
- whether DfT understands the effectiveness of its interventions to improve bus services; and
- whether DfT is set up to address the remaining barriers to improving local bus services.

Link: [Local bus services in England – 27 June 2025](#)

7. Publication of Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06

This LARRIG sets out guidance to auditors of English local authorities in circumstances where the auditor's opinion on the prior year financial statements has been disclaimed because of backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024.

Its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances and disclosures which warrant special consideration beyond the general principles set out in other LARRIGs. It provides principles as well as indicative procedures which, with the application of professional judgement, enable the auditor to make a timely return to being able to determine that, based on sufficient appropriate audit evidence, the financial statements are free from material misstatement.

Link: [Auditor guidance notes – 9 June 2025](#)

National publications

NAO

8. NAO report: Local government financial sustainability

This report focuses on MHCLG as the department responsible for the framework within which local authorities operate, and provides transparency over the current position of local government finances. By examining the current finance system and context for local government finances, the NAO aim to help inform MHCLG's consideration of future reforms.

- The NAO considered:
- the context of local government finances in 2024;
- service and financial pressures; and
- the government's approach to local government financial sustainability.

Link: [Local government financial sustainability](#) – 28 February 2025

9. NAO insight: Overcoming challenges to managing risks in government

This guide is for senior leaders and risk practitioners across government with ways to help overcome the challenges to managing risks. The guide outlines ten approaches to overcome these challenges and each approach is supported by:

- An outline of why this is a priority for government;
- Case studies and quotes; and
- Practical tips.

The NAO have drawn their insights from their reports, the experiences of their insight teams, and the thoughts of a range of leaders and practitioners from audited bodies and external organisations across industry and academia.

Link: [Overcoming challenges to managing risks in government](#) – 17 February 2025

National publications

NAO

10. NAO insight: Good practice in annual reporting

Transparent, timely, and clear annual reporting in the public sector has never been more important. Annual reports and accounts are more than just numbers. They tell the story of an organisation's performance, impact and aspirations. A good annual report is a key opportunity for bodies in the public sector to weave a compelling narrative that resonates with the public, serve as a tool for accountability by shedding light on how taxpayer's money has been spent, and equip stakeholders with information to hold organisations to account.

This interactive guide sets out the NAO's good practice principles for annual reporting. A good annual report should support accountability, be transparent, be accessible and be understandable.

Link: [Good practice in annual reporting](#) - 11 February 2025

National publications

MHCLG

11. Local audit reform: a strategy for overhauling the local audit system in England – Consultation outcome

This consultation has concluded. The government has responded to the consultation to overhaul local audit in England.

On 18 December 2024, the government published a statement of intent and consultation on proposals to overhaul the current local audit system in England. Each of the 239 responses have been given full consideration, including where these provided views and commentary beyond the questions themselves, alongside other representations made during the consultation period. This included a meeting between system and sector leaders and the Minister of State for Local Government and English Devolution, as well as additional engagement and workshops on specific areas.

Link: [Local audit reform: a strategy for overhauling the local audit system in England](#) - 9 April 2025

National publications

Other

12. Public Sector Audit Appointments ('PSAA') News – Press release: Local government audit opinion data

Extract from press release

Auditors have reported issuing 224 disclaimed or qualified opinions due to the backstop of 28 February 2025 for the 2023/24 audits of accounts covered by PSAA's appointing person scheme. There were 7 modified opinions that auditors have not attributed to the backstop, including 2 disclaimed opinions. There are a further 48 opinions that remain outstanding. This includes 6 authorities where there is an exemption due to a material objection or legal matter or due to VFM arrangements work.

For the years 2018/19 – 2022/23, there are a further 46 opinions at 16 authorities that remain outstanding, a reduction of 31 from the 77 outstanding as at 13 December 2024 (the first backstop date). This includes 22 opinions at 7 authorities that are exempt.

Link: [February 2025: audit opinion data](#) – 11 March 2025

Contact

Forvis Mazars



Karen Murray

Audit Partner

Tel: +44 7721 234 043

karen.murray@mazars.co.uk



Paddy Sadd

Audit Senior Manager

Tel: +44 7581 008590

paddy.sadd@mazars.co.uk

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