

**REPORT TO:     AUDIT COMMITTEE**

**DATE:            16 OCTOBER 2019**

**REPORT TITLE: STATUTORY ACCOUNTS 2018/19**

**DIRECTOR:       MALCOLM COE, DIRECTOR OF INVESTMENT &  
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#### **Purpose of Report**

1. The purpose of this Report is to present to Members of the WECA Audit Committee the West of England Combined Authority Annual Statement of Accounts for 2018-19 for their review and approval.

#### **Recommendations**

##### **That the committee:**

- (a) **note the content of the External Auditor ISA 260 Audit Findings report and**
- (b) **approve the West of England Combined Authority Annual Statement of Accounts for 2018-19.**

#### **Background / Issues for Consideration**

2. The Accounts and Audit Regulations (England) 2015 require the Annual Statement of Accounts to be certified by the Chief Financial Officer no later than 31 May each year. This statutory deadline was met with the accounts placed on the WECA website on this date.

<https://www.westofengland-ca.gov.uk/wp-content/uploads/2019/05/WECA-financial-statements-31.3.19-310519-FINAL-Unaudited-V2.pdf>

3. The Statutory Statement of Accounts have been produced in accordance with the CIPFA Code of Practice on Local Authority Accounting based on International Financial Reporting Standards.
4. Due to limited capacity, as per the previous financial year, PriceWaterhouseCoopers (PWC) were commissioned by WECA to prepare the primary financial statements, based on the transactional information and supporting documents provided, and support the overall accounts closedown process.

5. The audit of the Accounts by the Authority's external auditors, Grant Thornton, was initially planned for July 19 when some initial work was undertaken. However, due to the incompleteness of information within the financial statements, the full audit was delayed until September 2019.
6. The Audit Committee considered an initial draft of the External Auditors report on audit findings, (ISA 260 Report), on 31 July 2019. This draft has been updated into a final report which is now detailed in Appendix 1.
7. The Accounts and Audit Regulations 2015 require the Statement of Accounts to be approved by a resolution of a Committee of the relevant body and that following approval, the Statement of Accounts be signed and dated by the person presiding at the Committee.
8. WECA will continue to review the lessons learnt from the 2018/19 accounts closedown process and implement various improvements over the coming months. A high-level action plan itemising planned improvements, giving consideration to the external auditor findings, is detailed in Appendix 3. One such action refers to WECA's transition to a new provider for ICT services with an implementation plan, detailing key milestones, included as Appendix 4.

### **Consultation**

9. The draft accounts for 2018-19 were published on the West of England Combined Authority website on 31 May 2019 and made available for public inspection as required under the Accounts and Audit Regulations (England) 2015.

### **Risk Management/Assessment**

10. The publication of the Authority's Financial Statements forms a core part of WECA's governance and risk management processes. As required by statute, an Annual Governance Statement has been published and is integrated within the core Statement of Accounts document.
11. The Authority's has been assessed as a viable 'going concern' although future uncertainty on volatile funding streams, such as 100% Business Rate Retention and Mayoral Capacity funding, remains a risk that is kept under regular review.

### **Public Sector Equality Duties**

12. The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
  - Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
13. The Act explains that having due regard for advancing equality involves:
  - Removing or minimising disadvantages suffered by people due to their protected characteristics.
  - Taking steps to meet the needs of people from protected groups where these are

- different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

14. The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

15. There are no direct implications arising from this report.

**Finance Implications, including economic impact assessment where appropriate:**

16. The Statement of Accounts reflect the financial accounting position of the Combined Authority as at 31 March 2019 (as required by legislation). Management Accounting reports are published throughout the year evidencing progress and spend against the authority's set budget.

**Legal Implications:**

17. The publication and audit of the Authority's Financial Statements is in accordance with the Accounts and Audit Regulations (England) 2015.

**Appendices:**

Appendix 1 – Grant Thornton (ISA 260) Audit Findings Report

Appendix 2 – Statement of Accounts For Year Ended 31 March 2019

Appendix 3 – Letter of Representation

Appendix 4 – WECA Statement of Accounts high level improvement plan

Appendix 5 – WECA ICT implementation plan

**Background papers:**

WECA Draft Statement of Accounts 2018-19

<https://www.westofengland-ca.gov.uk/wp-content/uploads/2019/05/WECA-financial-statements-31.3.19-310519-FINAL-Unaudited-V2.pdf>

External Audit ISA 260 Draft Audit Findings Report – presented to Audit Committee on 31 July 2019

**West of England Combined Authority Contact:**

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)