

REPORT TO: AUDIT COMMITTEE

DATE: 16 OCTOBER 2020

REPORT TITLE: STATUTORY ACCOUNTS 2019/20

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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 2019-20 for their review and approval.

Impact of Covid-19 pandemic

2. The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:
 - The deadline for the statutory approval of local authority accounts has been amended to 30 November 2020 as a result of the Covid situation;
 - WECA has reviewed its 'going concern' status in relation to Covid. We have assessed that Covid has not had any material impact on the authority's accounts for 2019/20.

Recommendations

That the committee:

- (a) note the content of the External Auditor ISA 260 Audit Findings report (as detailed in Appendix 1) and
- (b) approve the West of England Combined Authority Annual Statement of Accounts for 2019-20 (as detailed in Appendix 2).

(c) approve the Letter of Representation as detailed at Appendix 3.

Background / Issues for Consideration

3. 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. Due to the Covid pandemic, this deadline was extended to 31 August 2020 for the 2019/20 Accounts. WECA complied with the statutory deadline with the accounts placed on the website as per the link below:

<https://www.westofengland-ca.gov.uk/wp-content/uploads/2020/08/DRAFT-WECA-Statement-of-Accounts-2019-20.pdf>

4. 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.

5. 2019/20 has been the first year that the WECA Finance team have fully led on, and 'owned', the Statement of Accounts process having terminated the contract previously held with PriceWaterhouseCoopers (PWC). To retain an element of support on specialist technical areas, we commissioned the Chartered Institute of Public Finance and Accountancy (CIPFA) on a 'light touch', advisory basis.

6. 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. The revised Covid timescale requires this to be completed by 30 November 2020.

7. In advance of the full accounts, we presented the 'Narrative Statement' and 'Annual Governance Statement' sections as separate reports to the audit committee on 17 July 2020.

8. Grant Thornton have completed their external audit of the WECA Accounts with their (ISA 260) audit Findings report detailed in Appendix 1. As can be seen in this report, significant improvements have been made by WECA over the last 12 months with the audit, on the whole, running very smoothly.

9. The full set of WECA Accounts for the 2019/20 financial year are contained within Appendix 2 of this report.

Consultation

10. The draft accounts for 2019-20 were published on the West of England Combined Authority website by the required deadline of 31 August 2020 and made available for public inspection as required under the Accounts and Audit Regulations (England) 2015.

Risk Management/Assessment

11. 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.

12. The Authority 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

13. 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.
14. 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.
15. 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.
16. There are no direct implications arising from this report.

Finance Implications, including economic impact assessment where appropriate:

17. The Statement of Accounts reflect the financial accounting position of the Combined Authority as at 31 March 2020 (as required by legislation). Management Accounting reports are published throughout the year evidencing progress and spend against the authority's set budget.

Legal Implications:

18. 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 – WECA Statement of Accounts for 2019/20

Appendix 3 – Letter of Representation

Background papers:

WECA Draft Statement of Accounts 2019-20

<https://www.westofengland-ca.gov.uk/wp-content/uploads/2020/08/DRAFT-WECA-Statement-of-Accounts-2019-20.pdf>

WECA 2019/20 Statement of Accounts Draft Narrative Report: Audit Committee 17 July 2020

WECA Annual Governance Statement 2019/20: Audit Committee 17 July 2020

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