

REPORT TO: WECA AUDIT COMMITTEE

DATE: 1 JULY 2021

**REPORT TITLE: (STATEMENT OF ACCOUNTS) DRAFT NARRATIVE
REPORT 2020/21**

**DIRECTOR: MALCOLM COE, DIRECTOR OF INVESTMENT AND
CORPORATE SERVICES**

AUTHOR: MALCOLM COE

Purpose of Report

- 1 It is the responsibility of the audit committee to formally approve the authority's annual Statement of Accounts. Appendix 1 details the draft narrative report which is the important opening section of the accounts explaining the activities and performance throughout the 2020/21 financial year.

Recommendation

- *The committee are requested to note the draft narrative report and suggest any areas where further refinement might be needed.*

Background / Issues for Consideration

- 2 The West of England Combined Authority, (WECA), like all other public sector bodies, has to produce statutory accounts on an annual basis. These accounts have to be formally approved by those charged with governance, being the audit committee.
 - 2.1 Due to the Covid pandemic, the deadline for issuing 2020/21 draft accounts has been amended from 31 May 2021 to 31 July 2021 with the full Statement of Accounts having to be signed off by our external auditors, Grant Thornton, by 31 September 2021.
 - 2.2 In 2020/21 WECA has continued as in 2019/20 to take full responsibility for leading and developing their own Statement of Accounts, prior to the previous year statements that were led by consultants.
 - 2.3 The 'narrative statement', (as detailed in Appendix 1), forms the opening section of the accounts and provides the opportunity to detail the strategic operating framework, priorities, performance and challenges and risks faced by the authority during the year.
 - 2.4 The full set of accounts will be presented to the audit committee in September 2021

for approval following the external audit review which is programmed for July - August 2021.

- 2.5 In this meeting, the audit committee are requested to review the draft narrative statement and annual governance statements and indicate areas, (if any), where further refinement might be required.

Consultation

- 3 Consultation has taken place with Senior Management Team. An informal session has also been held with the Chair of the Audit Committee.
- 3.1 The Accounts and Audit Regulations (England) 2015 require the Annual Statement of Accounts to be certified by the Chief Financial Officer and made available for public inspection. WECA will issue a full copy of the draft 2020/21 accounts on the authority's website in advance of the statutory deadline of 31 July 2021.

Other Options Considered

- 4 WECA could have waited for the entire accounts to be available for review by the audit committee in September 2021 but chose the option to present the draft narrative statement and annual governance statement early in order to obtain initial feedback and direction prior to publication of a draft on the authority's website.

Risk Management/Assessment

- 5 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, (AGS), has been produced, (considered as a separate item on this committee agenda), and is integrated within the core Statement of Accounts document.
- 5.1 The AGS and narrative statement both detail the framework that the authority has developed, and implemented, for governing, managing and reporting risks.

Public Sector Equality Duties

- 6 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.
- 6.1 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.

6.2 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.

6.3 There are no direct implications arising from this report.

Finance Implications, including economic impact assessment where appropriate:

7 The Statement of Accounts reflect the financial accounting position of the Combined Authority as at 31 March 2021. Management Accounting reports are published throughout the year evidencing progress and spend against the authority's set budget. The management accounting 2020/21 outturn positions for WECA and Mayoral Fund budgets are detailed within the draft narrative statement.

Advice given by: Malcolm Coe, Director of Investment and Corporate Services

Legal Implications:

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

Advice given by: Shahzia Daya, Director of Legal Services

Climate Change Implications

9 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- * The emission of climate changing gases?
- * The region's resilience to the effects of climate change?
- * Consumption of non-renewable resources?
- * Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/ consideration as necessary as part of their detailed project-specific management arrangements

9.1 The statement of accounts has no direct impact on climate change issues. However, WECA considers climate change when determining their priorities and investment decisions.

Appendices:

Appendix 1 – WECA (Statement of Accounts) Draft Narrative Statement 2020/21

Background papers:

WECA Statutory Accounts 2019/20 – approved by the Audit Committee on 16 October 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