



## WMCA Board

<b>Date</b>	8 December 2017
<b>Report title</b>	Delegation of Statement of Accounts Approval
<b>Portfolio Lead</b>	Councillor Izzi Seccombe - Finance & Investments
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<b>Report to be/has been considered by</b>	Audit, Risk & Assurance Committee - 17 November 2017 Programme Board - 24 Nov 2017

**Recommendation(s) for action or decision:**

**The WMCA Board is recommended to:**

- (1) Endorse an amendment to the WMCA Constitution, to enable consideration and approval of the WMCA's statutory Statement of Accounts to be delegated to the Audit, Risk & Assurance Committee.

## **1.0 Purpose**

1.1 This report sets out the rationale for recommending an amendment the WMCA Constitution that will allow delegation of statutory accounts approval to the Audit, Risk & Assurance Committee.

## **2.0 Background**

2.1 In accordance with the Accounts and Audit Regulations 2015, the WMCA is required to prepare and approve the following:

1. its annual statement of accounts; and
2. an annual governance statement.

2.2 Following its preparation, the responsible financial officer (Director of Finance) must sign and date the Statement of Accounts and confirm that they are satisfied that it presents a true and fair view of –

- i) the financial position of the authority at the end of the financial year;
- ii) the authority's income and expenditure for the year.

2.3 Once the statutory accounts preparation is completed, the authority is required to commence the period for the exercise of public rights and notify the local auditor of the date that the period commenced.

2.4 The local auditor, Grant Thornton, is also required to carry out an audit on the annual financial statements.

2.5 The Accounts and Audit Regulations require that the final version of these audited documents are considered and approved either by members of the authority meeting as a whole or alternatively by a committee of the authority.

2.6 The audited Statement of Accounts and the Annual Governance Statement together with the auditor's opinion must then be published on the authority's website by no later than 31st July of the financial year immediately following the end of the relevant financial year.

2.7 Owing to the condensed timetable that the authority is now required to follow, as well as a relatively short amount of time available following their completion for members to consider and approve the Statement of Accounts, it is suggested that the WMCA's Constitution is amended to assign responsibility for considering and approving the Statement of Accounts for the WMCA and the WMITA Pension Fund to the Audit, Risk & Assurance Committee.

2.8 Approval of the Statement of Accounts fits closely with the Audit, Risk and Assurance Committee's existing terms of reference and members already have an understanding of the regulatory background to the approval of the statutory Statement of Accounts having been actively involved in considering the external audit approach to the financial statements that has been adopted by the local audit team at Grant Thornton. Any issues of concern will be raised with the WMCA Board when necessary.

2.9 It is suggested that the WMCA Constitution is now updated to include the following additional NEW functions for Audit, Risk & Assurance Committee, to allow delegation of the Statement of Accounts approval process to the committee so that they can be approved in a timely manner in accordance with the requirements of the Accounts and Audit Regulations 2015:

- i. **To approve the WMCA's annual Statement of Accounts;**
- ii. **To approve the WMITA Pension Fund's annual Statement of Accounts.**

The timetable below sets out the indicative key dates for the 2017/18 Statement of Accounts approval:

<b>Description</b>	<b>Responsible</b>	<b>Date</b>
Finance training for members of ARAC	Finance team	<b>March 2018</b>
Draft Statement of Accounts 2017/18 completed & certificate signed by Finance Director (WMCA & ITA Pension Fund)	Finance team/Director of Finance	<b>May 2018</b>
Financial Statements Audit	Local audit team (Grant Thornton)	<b>May 2018</b>
Consideration and approval of Statement of Accounts	Members of ARAC	<b>June 2018</b>
Publication of Statement of Accounts	Finance team	<b>31 July 2018</b>

### **3.0 Legal implications**

3.1 The WMCA has a statutory obligation to approve and publish its statutory accounts by the statutory deadline. The current route for approval of the accounts under the Constitution is through the Combined Authority Board. To enable the Audit Risk and Assurance Committee to undertake this task, the function needs to be delegated to that committee by the Board as recommended by this report.

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