

Audit, Risk & Assurance Committee

Date	12 April 2022
Report title	Auditor's Annual Report on West Midlands Combined Authority 2020/21
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Report to be considered by	Audit, Risk & Assurance Committee

Recommendation(s) for action or decision:

Audit, Risk & Assurance Committee is recommended to:

- (1) Note the Auditor's Annual Report on West Midlands Combined Authority for the year ended 31 March 2021; and
- (2) Approve publication of the report on the Combined Authority's website.

1.0 Purpose

1.1 This report presents West Midlands Combined Authority's Auditor's Annual Report for the year ended 31 March 2021, which summarises the key findings arising from the work carried out by the external audit team at Grant Thornton.

2.0 Background

2.1 The report attached as an Appendix summarises the key findings arising from the work that Grant Thornton has carried out at West Midlands Combined Authority for the year ended 31 March 2021.

2.2 This report is intended to provide a commentary on the results of Grant Thornton's work, to the Authority and external stakeholders.

2.3 In preparing this report, Grant Thornton has followed the National Audit Office's Code of Audit Practice.

2.4 In terms of overall Value for Money arrangements, Grant Thornton is required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources. The auditor is no longer required to give a binary qualified/unqualified Value for Money conclusion. Instead, auditors report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses identified during the audit.

2.5 Grant Thornton's work has not identified any significant weaknesses in arrangements at the Authority, but two potential improvement areas have been noted in the report as follows:

- Officers should consider more explicit reporting of the way financial decisions impact on the performance of the authority; and
- Where Audit, Risk & Assurance Committee is required to make decisions that impact upon deadlines, assurances should be sought from members that they are able to be present or will send a substitute so that the meeting will be quorate.

2.6 Members will recall that Grant Thornton reported the detailed findings from their audit work to the Committee as those charged with governance in their updated Audit Findings Report on 2 November 2021. Grant Thornton subsequently gave an unqualified opinion on the group financial statements on 4 November 2021.

2.7 Following consideration by the Committee, the Auditor's Annual Report for the year ended 31 March 2021 will be published on West Midlands Combined Authority's website.

3.0 Legal Implications

3.1 There are no legal implications arising from this report.

4.0 Equalities Implications

4.1 There are no equalities implications arising from this report.

5.0 Inclusive Growth Implications

5.1 West Midlands Combined Authority will continue to have due regard to proactively delivering inclusive growth in the West Midlands region. The Authority's financial statements reflect that commitment.

6.0 Geographical Area of Report's Implications

6.1 There are no geographical area implications arising from this report.

7.0 Appendices

7.1 Appendix – Auditor's Annual Report on West Midlands Combined Authority 2020/21