

AGENDA ITEM 14

**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET**

28 MARCH 2018

**REPORT OF THE
FINANCE DIRECTOR**

ANNUAL AUDIT LETTER 16/17

SUMMARY

To present to members of the Cabinet, the Annual Audit Letter for 2016/17.

RECOMMENDATIONS

It is recommended that the Tees Valley Combined Authority Cabinet note the contents of the annual audit letter.

DETAIL

1. The Public Sector Audit Appointments Limited appointed Mazars LLP as external auditors for Combined Authority. A formal stage in the annual audit process is the production of the "Annual Audit Letter". The Annual Audit Letter for 2016/17 has now been received and is attached as an Appendix to this report.
2. The Annual Audit Letter summarises the auditor's findings from the 2016/17 audit. In line with previous practice, a copy of the Annual Audit Letter will be sent to all Members of the Council. Mazars LLP are required to submit the Annual Audit Letter to Public Sector Audit Appointments Limited and it will appear on their website in due course.
3. Mazars LLP has issued an unqualified audit opinion on the Combined Authorities financial statements for 2016/17 and in their opinion they give a true and fair view of the financial position of Tees Valley Combined Authority as at 31 March 2017 and of its expenditure and income for the year then ended.
4. Mazars LLP has issued an unqualified value for money conclusion stating that it is satisfied that "the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources".

5. Mazars LLP are required to report on the “Whole of Government Accounts” return completed by the Council. Their report states that the return “was consistent with the audited financial statements”.
6. The Code of Audit Practice requires Mazars to consider whether information published alongside the financial statements is consistent with those statements and their knowledge and understanding of the Council. In their opinion, the information in the Narrative Report is consistent with the audited financial statements
7. The report recognises the significant ambitions of the Combined Authority over the investment plan period whilst noting the challenges associated with the current environment in which the Combined Authority operates, specifically in relation to European Funding. It notes the Combined Authority recognises this risk and has plans in place to manage it where this is possible.

FINANCIAL IMPLICATIONS

8. None

LEGAL IMPLICATIONS

9. None

RISK ASSESSMENT

10. No risks were identified by Mazars LLP in the letter and identifies that the Combined Authority is complying with the CIPFA guidance on “Delivering Good Governance in Local Government; Framework 2016”

CONSULTATION

11. None

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