

# LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 1 November 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

## REPORT OF THE DIRECTOR OF CORPORATE SERVICES

### LIVERPOOL CITY REGION COMBINED AUTHORITY FINAL ACCOUNTS 2018-19

#### 1. PURPOSE OF REPORT

- 1.1 This report sets out the results of Mazars audit of the LCR Combined Authority's annual accounts for 2018/19 in the attached Audit Completion Report and recommends the accounts for approval.

#### 2. RECOMMENDATIONS

- 2.1 It is recommended that the Liverpool City Region Combined Authority:
- (a) Consider the external auditor's Audit Completion Report on the annual Statement of Accounts of the LCR Combined Authority attached at Appendix One; and
  - (b) Approve the annual Statement of Accounts of the LCR Combined Authority as attached at Appendix Two.

#### 3. BACKGROUND

- 3.1 The Accounts and Audit Regulations (England) 2015 requires that the Chief Financial Officer must certify the annual Statement of Accounts no later than 31 May each year. This statutory deadline was duly met.
- 3.2 The audit of the annual Statement of Accounts by the external auditors, Mazars, is carried out between June and July each year. Upon completion of their work, the external auditors report on their findings arising from the audit process. At 31 July, the audit was ongoing as a result of a technical accounting issue around the treatment of cash between the LCR Combined Authority single entity accounts and Merseytravel. Whilst the deadline was not met, work has been ongoing over the period to identify a suitable remedy to allow the audit to be complete and the auditors to issue their final opinion.

- 3.3 An agreed approach to rectifying the outstanding issue was identified in early September and submitted to Mazar's technical team for consideration. The proposals have now been accepted, the accounts restated and the audit finalised.
- 3.4 The auditor's Audit Completion Report has now been issued and is included at Appendix One. As detailed in the ACR, an unqualified opinion without modification in respect of the financial statements has been given. In respect of the Authority's arrangements for securing economy, efficiency and effectiveness, an except for opinion has been given.
- 3.5 The final set of audited accounts incorporating the Audit Opinion is included at Appendix Two.
- 3.6 For completeness Appendix three shows the issues which Mazars identified, the solutions which have now been agreed and their satisfaction accordingly. Appendix Four shows the technical treatment of the identified accounting matters.

#### **4. RESOURCE IMPLICATIONS**

##### **4.1 Financial**

The financial statement are appended to this report as detailed above.

##### **4.2 Human Resources**

None arising directly from this report.

##### **4.3 Physical Assets**

None arising directly from this report.

##### **4.4 Information Technology**

None arising directly from this report.

#### **5. RISKS AND MITIGATION**

None arising directly from this report.

#### **6. EQUALITY AND DIVERSITY IMPLICATIONS**

None arising directly from this report.

#### **7. COMMUNICATION ISSUES**

None arising directly from this report.

## **8. CONCLUSION**

- 8.1 The audit of the annual Statement of Accounts is now complete and the external auditors, Mazars have issued an unqualified opinion on the financial statements and an except for opinion in respect of their value for money judgement.

JOHN FOGARTY  
Director of Corporate Services

Contact Officer(s):

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### Appendices:

Appendix One – Mazars Audit Completion Report

Appendix Two – Liverpool City Region Combined Authority Final Accounts 2018-19

Appendix Three – Mazars Audit Completion Report Conclusion of Pending Matters

Appendix Four – Adjusted misstatements