

LCR AUDIT & GOVERNANCE COMMITTEE

At a meeting of the LCR Audit & Governance Committee held in the Authority Chamber - No.1 Mann Island, Liverpool, L3 1BP on Friday, 9th February, 2024 the following Members were

P r e s e n t:

Councillor Tricia O'Brien
Chairperson of the Combined Authority
(in the Chair)

Councillor Graham Morgan, LCR Combined Authority
Councillor Mike Wharton, LCR Combined Authority
Councillor Edna Finneran, Overview and Scrutiny Committee

21 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillor David Hawley, Councillor Joanne Burke and Jean Gleave.

The Chair confirmed that Councillor Hawley had now resigned from the Committee.

22 DECLARATIONS OF INTEREST

No declarations of interest were made.

23 MINUTES OF THE MEETING HELD ON 1 DECEMBER 2023

The Minutes of the meeting held on 1 December 2023 were approved as a correct record.

24 ACCOUNTS COMPLETION 2022/23

The Committee considered the Audit Completion Reports and the Statement of Accounts for 2022/23 for both the Combined Authority and Merseytravel, following the near completion of the external audit process. The Committee was also provided with an explanation of amendments to the Minimum Revenue Policy.

Paddy Sadd from Mazars attended the meeting to present the Audit Completion Reports and to answer any questions in respect of the Combined Authority and Merseytravel audits, providing a summary of audit activity, including:

- Mazars was proposing to issue unqualified opinions in respect of both sets of accounts;
- ongoing work on Value for Money had not given rise to any matters that would need to be reported to the Committee at this time, although the full commentary report would be made to the next meeting;

- an objection to the Combined Authority Accounts had been received from an elector, and a statement of reasons would be issued in due course;
- following conclusion of the Audit, Mazars would issue a Certificate of Assurance in accordance with the Whole of Government Accounts procedures, although this was likely to be delayed pending the issuing of final guidance from the National Audit Office in respect of the sample components;
- in relation to the status of the audits report, the outstanding items had now been reduced significantly since the last report to the Committee, with these now just being the completion procedures that needed undertaking in advance of the signing, with other outstanding matters outlined in the report having been resolved;
- in relation to significant findings there were no significant issues to report beyond amendments to the accounts contained in the summary of misstatements, relating to the valuation of pension assets and liabilities connected to more up-to-date tri-annual evaluations, and to amendments to debtors and creditors needed after the resolution of a contractual dispute;
- thanks from Mazars to the Finance Team and other officers at the Combined Authority for producing a good quality set of accounts with few amendments.

Members welcomed the completion of the Accounts, with few amendments needed. The changes to the Minimum Revenue Policy and the issues related to it were acknowledged, as were the broader national issues related to pensions liabilities.

Members expressed thanks to officers across the Combined Authority for the high standard of work in the preparation of the accounts.

RESOLVED – (1) That in relation to the 2022/23 Accounts:

- (a) the External Auditor's 2022/23 Audit Completion Reports on the annual Statement of Accounts of Liverpool City Region Combined Authority be approved;
- (b) the External Auditor's 2022/23 Audit Completion Reports on the annual Statement of Accounts of Merseytravel be approved;
- (c) the 2022/23 Statement of Accounts for Liverpool City Region Combined Authority be approved; and
- (d) the 2022/23 Statement of Accounts for Merseytravel be approved.

(2) That the change to the Minimum Revenue Policy be approved.

25 INTERNAL AUDIT UPDATE

The Committee considered a report of the Head of Internal Audit that provided the Combined Authority Audit and Governance Committee with an overview of the internal audit work completed in the fourth quarter of 2023-24, in accordance with the Internal Audit Plan 2023-24.

The Head of Internal Audit summarised the key activity in the fourth quarter, including:

- the completion of seven internal audits;

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- two high priority recommendations made in relation to risk registers;
- a number of significant pieces of work still in progress or at draft report stage;
and
- positive progress in implementing outstanding actions and the reducing number of older outstanding recommendations.

Members welcomed the positive position at the end of the quarter. The importance of ensuring the older outstanding recommendations were completed was also reiterated.

RESOLVED – That the quarterly Internal Audit Update report be noted.

The meeting closed at 2.12 pm

Minutes 21 to 25 received as a correct record on the 8th day of March 2024.

Chairperson of the Committee