

AUDIT AND GOVERNANCE COMMITTEE

27 June 2014

**TYNE AND WEAR ECONOMIC DEVELOPMENT JOINT COMMITTEE AUDITED
ANNUAL RETURN AND ACCOUNTS 2013/2014**

REPORT OF THE HEAD OF FINANCIAL RESOURCES

1 BACKGROUND

- 1.1 At a meeting of the Tyne and Wear Economic Development Joint Committee held on 27th September 2013 it was proposed that the Joint Committee would cease from 1st April 2014 mainly because of the changing economic development landscape and other developments within the region. This decision was ratified and approved at its final meeting held on 31st March 2014.
- 1.2 At this meeting the draft accounts for the year 2013/2014 subject to Audit were approved and it was further agreed that the Lead Authority (Sunderland City Council) would ensure that the final audited set of accounts and Annual Return for 2013/2014 would be scrutinised and approved in accordance with the applicable statutory requirements. In addition, the Council had been allocated funds to settle the external auditor's fees recognising that the Joint Committee would cease to exist from 1st April 2014. Appendix 1 shows the detailed report for information.

2 PURPOSE OF REPORT

- 2.1 To report the communications received from the External Auditors concerning the financial statements of the Joint Committee for 2013/2014.
- 2.2 To provide the Audited Statement of Accounts and Annual Return for 2013/2014 for approval by Members.

3 DESCRIPTION OF THE DECISION

- 3.1 Members are recommended to:

Note that the External Auditor, BDO LLP (Chartered Accountants), has issued an unqualified audited Annual Return – Appendix 2, and,

Approve, as Lead Authority, the unadjusted and audited Statement of Accounts for the financial year ended 31st March 2014 – Appendix 3.

4 INTRODUCTION

- 4.1 Smaller relevant bodies in England must complete an annual return summarising their annual activities at the completion of each financial year in accordance with the Accounts and Audit Regulations 2011. Members are responsible for ensuring that financial management is adequate and effective and that the body has a sound system of internal control.
- 4.2 A smaller relevant body includes Joint Committees which have gross income or gross expenditure levels below £6.5 million for the financial year in question (i.e. 2013/2014) as well as either of the two immediately preceding years (i.e. 2011/2012 and 2012/2013). This regime applies to the Joint Committee.
- 4.3 The Audit Commission was replaced by BDO LLP (Chartered Accountants) from 1st April 2007, as the Joint Committee's external auditors, and they are required to report on the final accounts by 30th September of each year. The Authority has received an unqualified audit report and the signed audited Annual Return is attached as Appendix 2.

5. KEY MESSAGES

- 5.1 The Auditor's communication (Smaller bodies in England Annual Return for the year ended 31 March 2014) is included with this report shown as part of Appendix 2.
- 5.2 In summary the communication shows that:
- The external auditor has issued an unqualified audit opinion. (please see Section 3 of the Smaller Bodies Annual Return).
 - There were no changes required to the Statement of Accounts and Annual Return presented for audit.
 - There were no misstatements identified in the Statement of Accounts / Annual Return.
 - The external auditor has not identified any issues in relation to the qualitative aspects of the Joint Committee's accounting practices and financial reporting.
 - The external auditor has not identified any other matters required by Auditing Standards that should be communicated to Members.
 - The external auditor did not identify any other matters that should be brought to the attention of Members.