

# WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

## AUDIT AND GOVERNANCE COMMITTEE

DATE: 24 SEPTEMBER 2009

AGENDA ITEM NO: **5**

**SUBJECT: FINAL ACCOUNTS 2008/09**

### Report of the Clerk and Chief Financial Officer

#### 1. **MATTER FOR CONSIDERATION**

- 1.1. Consideration of the Auditor's comments and completion of the final accounts for 2008/09.

#### 2. **INFORMATION**

- 2.1. Members at the meeting of the Authority on 23 June 2009 considered the final accounts for 2008/09 prior to their being audited. Those accounts have now been audited and a revised version is attached as Appendix B.
- 2.2. Appendix A is the auditor's report, entitled 'Annual Governance Report,' which must legally be considered before the accounts can be approved.
- 2.3. Contained within the Annual Governance Report is the 'letter of representation' which the Authority is obliged to provide to the Auditor to give him comfort that the accounts contain all meaningful information and that he has been provided with everything necessary for his consideration of the accounts.

#### **The Annual Governance report from the Auditor (Appendix A)**

- 2.4. The Annual Governance Report (AGR) sets out any points that the Auditor wishes to make as a result of his audit of the accounts that Members should be aware of in approving the accounts.
- 2.5. The table on page 4 sets out the key messages from the audit work and these are all positive. It sets out the conclusions that the accounts are unqualified and free from error and that the internal control environment is adequate. It also confirms a positive assessment of the arrangements to secure value for money.
- 2.6. The Auditor has raised some points for Members to consider. On page 6 he notes some presentational errors in the draft accounts which have been amended during the course of the audit. The only unadjusted difference is in the presentation of capital creditors and grant debtors in

the group cashflow. This has not been adjusted for in the attached accounts but the principle of adjusting for actual cash movements will be considered in the preparation of the 09/10 accounts. The formal response to this is set out in the Authority's letter of representation in Appendix 4 of the AGR.

- 2.7. On page 8 the Auditor sets out the key risks which were identified before the start of the audit and explains how these have been dealt with. He is satisfied with the way this has been done and makes only one recommendation (in the Executive's AGR) which is that internal audit consider carrying out further verification of the systems in place at external organisations selling prepaid tickets.
- 2.8. Page 9 refers to the 'qualitative aspects of financial reporting' and makes minor recommendations for enhancement of some of the disclosures in the accounts in future years. There is also reference to the calculation of the fair value disclosure for long term loans and the Auditor confirms acceptance of the Authority's calculations in this regard.

#### **Letter of representation (Appendix 4 of the AGR)**

- 2.9. The letter of representation has been produced to follow the content and format required by the Auditor. It sets out a number of standard declarations which effectively confirm that the Authority has provided all necessary information to the Auditors, disclosed all relevant issues and complied with all necessary requirements. There is one specific representation on page 18 concerning the cashflow, as discussed in paragraph 2.6 above.

#### **Final Accounts 2008/09 (Appendix B)**

- 2.10. The final amended version of the Authority's 2008/09 accounts, as agreed with the Auditor, is attached as Appendix B. A number of minor amendments have been made to the accounts following discussions with the Auditors but none of these impact on the results for the year. The most significant of these amendments is the balance sheet reclassification of one of the loans from long term to short term.
- 2.11. Members are asked to consider the revised accounts in conjunction with the Annual Governance Report from the Auditors and letter of representation and recommend that these be approved for signature by the Chair of the Authority and the Chief Financial Officer.
- 2.12. Once approved and signed there is a legal requirement that they be published by the end of September. This requirement is met by an announcement in the Yorkshire Post and by their posting onto the Internet.

**3. FINANCIAL AND LEGAL IMPLICATIONS**

3.1. None directly arising out of this report.

**4. STAFFING IMPLICATIONS**

4.1. None directly arising out of this report.

**5. EQUAL OPPORTUNITY IMPLICATIONS**

5.1. None directly arising out of this report.

**6. RECOMMENDATIONS**

6.1. That the annual governance report be noted.

6.2. That the letter of representation be approved and recommended for signature.

6.3. That the 2008/09 accounts be approved and recommended for signature.

Clerk to the Authority  
Chief Financial Officer

West Yorkshire Integrated Transport Authority