

Question:	Answer:
Tees Valley Combined Authority – External audit update and issuance of statutory recommendations- TVCA proposed response	
<p>1. Following the A&G meeting on 25th February where is was laboured that lack of resources in the Finance department was the major factor in the auditors disclaiming the accounts, I asked Angela Hart, head of Performance, Risk and Assurance, (via Email) if this lack of resource has been added to the Risk Register. I asked for details such as risk rating, mitigation etc. Her response was she would get back to me the next day. No response was received. A further email from Angela Hart received on 5 March promised me a response via the Governance team.</p> <p>This was prompted by my Email to Emma Simson. Still no response. A further email from Angela Hart on 4 April, apologising, and promising to chase up. Emma Simson has also promised me a response to this question on a number of occasions. To date no response had been forthcoming.</p> <p>Agenda Item 3, Report to the TVCA Cabinet, Report of the Group Director of Finance and Resources presented today clearly identifies that the lack of resource has been added to the risk register Risk no. RISK00002990</p> <p>The head of Performance, Risk and Assurance, the Governance Team and the Monitoring Officer have not covered themselves in glory over what was a straightforward question first asked on 25 February.</p>	<p>Response 1: Original risk 2495 was raised in May 2023 by the Chief Accountant - an issue was raised following national accounts and audit impacts and raising of the risk in June 23 that accounts would not be published on time. The Risk was broken down to list specific causes and 2990 was added 24/10/24 in response to Finance manager leaving the CA. The risk was assessed and treatment action plans monitored on a fortnightly basis. The risk was running at a risk rating of HIGH (12) against a target of 4. This was increased in April to HIGH (16) due to the increased probability of this risk being realised.</p> <p>Response 2: N/A</p> <p>Response 3: Chief Accountant raised original risk 2495 - 2990 was raised as a response to increasing risk and associated scoring by Group Financial Controller in October 2024</p>

	<p>1) When was Risk no RISK00002990 added to the Risk Register? Please provide evidence confirming the date added.</p> <p>2) If this was not before 25 February, Why?</p> <p>3) Who raised it as a risk and asked that it be added to the register?</p>	
<p>2.</p>	<p><i>The auditors outline the limited engagement with TVCA which they described as concerning and outline challenges they have encountered. One such challenge was obtaining a copy of the general ledger. Despite multiple requests and instructions on how to securely send it through to them, at the time of writing they still hadn't received it.</i></p> <p>1) Has the General Ledger now been provided?</p> <p>2) When was the General Ledger provided?</p> <p>3) Why did you not provide the General Ledger when asked?</p>	<p>Response 1: Yes</p> <p>Response 2: 30/04/2025</p> <p>Response 3: The general ledger extract delays were due to a technical ICT issue that had delayed the ability for the Finance team to be provided with the general ledger extract from the accounting systems. This issue has subsequently been resolved and the extract provided to the External Auditors.</p>
<p>3.</p>	<p>The letter from E&Y highlights there have been three years of disclaimed accounts, and is highly critical of the authorities engagement for year 4. My questions are regarding this and are as follows:</p> <p>1) Who at the TVCA is ultimately accountable for delivering three years of disclaimed accounts?</p> <p>2) What are the consequences for whoever is ultimately accountable?</p>	<p>Response 1: The disclaiming of public sector audits is a national issue regarding the position of the Public Sector Audit Market and this has been documented throughout by Government, Auditors and the local government.</p> <p>This has been reported regularly to all Audit and Governance Committees throughout the year-end close down period.</p> <p>The Group Director of Finance and Resource is the s73 officer for Tees Valley Combined Authority and is responsible for the Financial affairs of the Authority.</p>

	<p>3) In light of 3 years of disclaimed accounts, 28 recommendations, incorrect accounts published online, and now a BVN and a letter of concern from the current auditors to the cabinet and Secretary of State, please will the TVCA state whether it is confident the team responsible for the above is capable of upholding the required standards of oversight and accountability to manage millions of pounds of public funds?</p>	<p>The Authority and all departments are working collaboratively towards the completion of the 2024/25 accounts process to address the statutory recommendations from the external auditors. Additional resources have been recruited into the team to address short term capacity issues, and the overall capacity and capability of the team is being reviewed to ensure the future objectives of the Authority are supported alongside compliance with regulatory requirements.</p> <p>Response 2: See above.</p> <p>Response 3: This question has been rejected in line with the public participation protocol.</p>
<p>4.</p>	<p>Why does the Mayor choose to notify significant governance changes, including changes of statutory officer positions, via the media instead of notifying stakeholders such as external auditors first?</p>	<p>This question has been rejected in line with the public participation protocol.</p>
<p>5.</p>	<p>Why did TVCA staff fail to respond to audit requests from junior members of the external audit team?</p>	<p>The TVCA staff are engaged regularly with External Auditors however the team members assigned to the audit had not been confirmed at the time of receipt of the initial queries. This has been rectified with the External Audit team now confirmed to all TVCA staff and a dedicated system for tracking all audit actions including correspondence between Audit team and TVCA teams.</p>