

The Board  
The Greater Lincolnshire Local Enterprise Partnership  
Unit 4  
Witham Park House  
Waterside South  
Lincoln LN5 7JN

Draft

The Board,

Please find below our findings regarding the audit of the annual financial statement for the year ended 31 March 2016, the scope of which was communicated by email from Lindsay Hill Pritchard dated 12 May 2016.

### **Scope**

The auditor is to:-

Carry out such work as is necessary to form an opinion as to whether:-

- The accounts are properly kept; and
- the annual financial reports:
  - a. are prepared in accordance with the requirements of the funding
  - b. represent fairly the results of the operations and cash flows for the financial year and the financial position of the GLLEP as at 31st March 2016.
- include in his or her report any matters identified during the audit procedures such as:-
  - c. any significant adverse trends in the financial position or financial management practices
  - d. any material irregularities in the LEP's accounting management
  - e. any weaknesses in the internal controls operation in particular those listed in the grant determination agreement and any subsequent requirements as advised by government.

### **Audit Methodology and Approach**

The auditor is to provide the GLLEP with:-

- a general outline of his/her methodology. This may include proposed analysis and review of internal controls and the extent to which these controls lead to the reliance of the Accountable body's administration and financial systems to produce accurate financial reports.
- A plan of the audit work
- A report on any matters arising from the audit

## **Critical Matters to be Audited**

The audit should focus on but not be limited to:

- A review of activity for the 12 month period 15/16
- Determine if revenues are reasonable and are properly controlled and appropriately recorded
- Review project accounts expenditure and determine if they are compliant with LCC policies, grant agreements and financial regulations
- To ensure that the organisation properly and effectively discharges its responsibilities with regards to financial management.
- Review of the relevant assurance documentation and ensure that it is fit for purpose.

This work was performed in accordance with our standard terms of business.

Our procedures, do not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be the expression of assurance on the contents of the return. Accordingly, we do not express such assurance. Had we performed additional procedures or had we performed an audit or review of the financial statement in accordance with generally accepted auditing or review standards, other matters might have come to our attention that would have been reported to you. This report relates only to the financial statement and does not extend to any other reports of the GLLEP, taken as a whole.

Our report is prepared solely for the confidential use of the GLLEP. This report is released to the GLLEP on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the GLLEP, we acknowledge that the GLLEP may be required to disclose this report to other parties demonstrating a statutory right to see it, to enable such other parties to exercise statutory rights of access to this report.

This report is designed to meet the agreed requirements of the GLLEP and particular features of our engagement determined by the GLLEP's needs at the time. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Streets Audit LLP for any purpose or in any context. Any party other than the GLLEP which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Streets Audit LLP will accept no responsibility or liability in respect of this report to any other party. Our testing is performed on a sample basis.

## **Executive Summary**

Based on the work as set out in this report we believe the accounts are properly kept and the financial reports are prepared in accordance with the requirements of the funding and represent fairly the results of the operations and cash flows for the financial year and the financial position of the GLLEP as at 31st March 2016.

- The accounts appear to be properly kept and the annual reports are prepared in accordance with the requirements of the funding and represent fairly the results of the operations and cash flows for the financial year and financial position of the GLLEP as at 31 March 2016,
- There did not appear to be any significant adverse trends in the financial position or financial management practices,
- We did not identify any material irregularities in the LEP's accounting management,
- We did not identify any material weaknesses in the internal controls operation in particular those listed in the grant determination agreement and any subsequent requirements as advised by government,
- Revenues are reasonable, properly controlled and appropriately recorded,
- Project accounts expenditure appears compliant with LCC policies, grant agreements and financial regulations,
- Cash balances and interest calculations are fairly stated,
- It is recommended that the wages rates are harmonised relating to match funding and that cash balances would be more easily identified if kept in bank accounts separate to other LCC funds.

Yours faithfully

Streets Audit LLP  
RLA/019661/Draft/PP