



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 10

## Draft Statement of Accounts and AGS 2021/22

To: Audit and Governance Committee

Meeting Date: 2<sup>nd</sup> December 2022

Public report: Yes

From: Jon Alsop, Head of Finance and S73 Officer

Key decision: Not a key decision

Recommendations: The Audit and Governance Committee is recommended to:

- a) Note the draft Statement of Accounts 2021/22
- b) Note the draft Annual Governance Statement 2021/22.

Voting arrangements: No vote, item for noting.

### 1. Purpose

1.1. The purpose of the report is for the Audit and Governance Committee to:

- (a) Note the draft Statement of Accounts 2021/22
- (b) Note the draft Annual Governance Statement 2021/22
- (c) Provide comment to inform the drafting of the final versions of these documents.

## 2. Background

- 2.1. The draft Statement of Accounts, together with the draft Narrative Report and draft Annual Governance Statement are required to be signed by the Chief Finance Officer and published in draft form on the Combined Authority's website together with the notice of the exercise of public rights by 30<sup>th</sup> November 2022.

### **Amendments to the Audit timetable for 2022**

- 2.2. In March 2021, DLUHC announced that, following consultation, the Government laid regulations to amend the draft and final accounting deadlines for principal local authorities. The Accounts and Audit (amendment) Regulations 2021 (SI no 2021/263) – see link below, came into force on 31 March 2021.
- 2.3. DLUHC announced that this was the first action to be completed in implementing the recommendations of the independent Redmond Review into the effectiveness of external audit and transparency of financial reporting in local authorities.
- 2.4. The deadlines for publishing accounts were further amended in June 2022 as set out in the Accounts and Audit (Amendment) Regulations 2022 (link below) that accounts for the year ending 31 March 2022 should be published by 30 November 2022.
- 2.5. We have been advised by EY that due to their phased approach to delivering the 2021/22 they will not be able to give their opinion on our financial statements by 30 November 2022. We should however still publish the accounts by 30 November, without the audit report. EY have suggested wording to be used to meet the requirements of the regulations to explain why the accounts would not be audited as at that date.

### **Update to the preparation of the CPCA financial statements 2021/22**

- 2.6. As reported at the July meeting, due to the illness of a critical member of staff, CPCA were not in a position to publish draft 2021/22 financial statements by the required publication date of 1 August 2022. In accordance with the stated regulations, a notice was published on the Combined Authority's website giving reason for the delay.
- 2.7. The draft 2021/22 accounts have now been completed and are presented here for noting by Members along with the draft Annual Governance Statement 2021/22 (AGS).
- 2.8. The draft Statement of Accounts and draft AGS will be published as draft on the Combined Authority's website alongside the notice of the exercise of public rights. These state that the documents are unaudited and subject to change and sets out the rights of members of the public and local government electors in the audit process.
- 2.9. Any person may inspect and take copies of the accounts and certain related documents during a 30 working day inspection period. During this period, the Cambridgeshire and Peterborough Combined Authority electors will be able to ask the external auditor questions on the accounts and are able to object to the accounts.
- 2.10. Ernst & Young LLP (EY) will then audit the draft Statement of Accounts in accordance with a timetable to be set out in their audit plan, which is to be presented to a future Audit and Governance Committee meeting.

- 2.11. Member comments on these draft documents will be considered in the drafting of the final versions of the statement of accounts and Annual Governance Statement.

## Significant Implications

### 3. Financial Implications

- 3.1. The scale fee for the planned audit code work for 2021/22 is expected to be £26,950 (2020/21 - £26,950). EY have indicated that scale fee variations are expected to be an additional £41,408 with the cost of additional work relating to the specific value for money risk estimated at a further £50,000. The total audit fee for 2021/22 is therefore likely to be of the order of £118,358.
- 3.2. All additional code work fees are subject to agreement with the S73 Officer and the Public Sector Audit Appointments Ltd.

### 4. Legal Implications

- 4.1. None

### 5. Other Significant Implications

- 5.1. None

### 6. Appendices

- 6.1. Appendix 1: Draft Statement of Accounts 2021/22 and Annual Governance Statement 2021/22

### 7. Background Papers

- 7.1 [The Accounts and Audit \(Amendment\) Regulations 2021 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2021/1251/contents/make)
- 7.2 [The Accounts and Audit \(Amendment\) Regulations 2022 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2022/1251/contents/make)