



<b>AUDIT AND GOVERNANCE COMMITTEE</b>	<b>AGENDA ITEM No: 6</b>
<b>26 MAY 2020</b>	<b>PUBLIC REPORT</b>

## STATEMENT OF ACCOUNTS

### 1.0 PURPOSE

- 1.1. The purpose of the report is for the Audit and Governance Committee to:
- (a) Receive and review the draft Statement of Accounts 2019/20
  - (b) Receive and review the draft Governance Statement 2019/20

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Officer:</b>	<b>Jon Alsop – Head of Finance (S73)</b>
<p>The Audit and Governance Committee is recommended to:</p> <ul style="list-style-type: none"><li>(a) Receive and review the draft Statement of Accounts 2019/20</li><li>(b) Receive and review the Annual Governance Statement 2019/20 as included within the Statement of Accounts.</li></ul>	

### 2.0 BACKGROUND

#### **Review of the Statement of Accounts 2019/20**

- 2.1. According to their Terms of Reference, the Audit and Governance Committee shall:
- No. 3.4 - Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances.*
- No. 3.12 – Review the annual accounts.*
- 2.2. The draft Statement of Accounts for the year ended 31 March 2020 are to be circulated in advance of the meeting.
- 2.3. 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.

- 2.4. The notice of the exercise of public rights states 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.
- 2.5. Any person may inspect and take copies of the accounts and certain related documents. 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.
- 2.6. Ernst & Young LLP will then audit the draft Statement of Accounts and present their findings to a future meeting of the Audit and Governance Committee in accordance with their audit plan.
- 2.7. The final audited version of the Statement of Accounts will then be signed and published on the Combined Authority's website.

### **Accounts and Audit (coronavirus) amendment Regulations 2020**

- 2.8. Due to the impact of COVID19 and following consultation with key stakeholders, MHCLG have confirmed the following amendments to the required timing of the publication of local authority accounts and of the public inspection requirement. Guidance from MHCLG is as follows:
  - The publication date for final, audited, accounts will move from 31 July (for Category 1 authorities) to 30 November 2020 for all local authority bodies.
  - To give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June (for Category 1 authorities) has been removed. Instead local authorities must commence the public inspection period on or before the first working day of September 2020.
  - This means that draft accounts must be approved by 31 August 2020 at the latest or may be approved earlier, wherever possible.
  - Authorities must publish the dates of their public inspection period this year, and we recommend that they provide public notice on their websites (where available) when the public inspection period would usually commence, explaining why they are departing from normal practice for 2020.
  - In relation to the meetings needed to approve draft and final accounts, separate regulations have been made to enable meetings to be held remotely, and to hold and alter the frequency and occurrence of meetings without the need for further notice.
- 2.9. The Audit and Governance Committee are recommended to receive and review the draft Annual Governance Statement and the draft Statement of Accounts.

### 3.0 FINANCIAL IMPLICATIONS

- 3.1. The fee for the planned code work is £26,950. EY's proposed uplift is £2,695 and additional fees are expected to be between £9,000 and £16,000. The total audit fee for the year is therefore expected to be between £38,645 and £45,645. Last year's total fee was £35,350.

The additional fees cover the following:

Value for Money Conclusion significant risk - £3,000 to £6,000

Significant risk – incorrect capitalisation - £1,000 to £2,000

IAS 19 audit of pension disclosures - £2,500 to £4,000

Correspondence from the public - £2,500 to £4,000

- 3.2. All additional code work fees are subject to agreement with the S73 Officer and PSAA.

### 4.0 LEGAL IMPLICATIONS

- 4.1. None.

### 5.0 SIGNIFICANT IMPLICATIONS

- 5.1. None.

### 6.0 APPENDICES

- 6.1. Appendix 1 – Draft Statement of Accounts 2019/20 (to be circulated in advance of the meeting)
- 6.2. Appendix 2 – Draft Annual Governance Statement.

<u>Source Documents</u>	<u>Location</u>
None	