



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 8

Audited Statement of Accounts 2020/21 and Annual Governance Statement

To: Audit and Governance Committee

Meeting Date: 17 December 2021

Public report: Yes

From: Jon Alsop, Head of Finance and S73 Officer

Key decision: Not a key decision

Forward Plan ref:

Recommendations: The Audit and Governance Committee is recommended to:

- a) Ratify the approval of the final Statement of Accounts 2020/21
- b) Approve the Annual Governance Statement 2020/21.

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1. The purpose of the report is for the Audit and Governance Committee to:
- (a) Ratify the approval of the draft Statement of Accounts 2020/21
 - (b) Receive and approve the draft Annual Governance Statement 2020/21

2. Background

Review of the Statement of Accounts 2020/21

- 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.

No. 3.14 – Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board.

- 2.2. At its meeting on the 30th July 2021, the Committee approved the CPCA statement of Accounts 2020/21 in principle, and delegated the S73 Officer and Chair to approve the accounts subject to any substantial changes that would need to be made to them following confirmation of outstanding pension scheme balances.
- 2.3. At the meeting of 24th September 2021, the Chair announced that as a result of “commentary by regulatory bodies” to other audit firms, the Combined Authority’s auditors, Ernst and Young LLP (EY) needed to update their procedures around verification of data. Mark Hodgson, the EY partner responsible for the CPCA audit advised that due to their requirement for additional audit evidence, they could not provide assurance that they would be able to issue and sign the audit opinion by the date of the September Committee meeting.

Given the uncertainty of the audit position, the Chair took the decision to withdraw the financial statements and external audit papers from the agenda, and to reschedule them for the November meeting.

The auditors were also required to review the Annual Governance Statement for completeness, compliance and consistency with the financial statements.

- 2.4. Confirmation of the outstanding pension balances have not required any changes to be made the financial statements that were approved in principle by the Committee.
- 2.5. The auditors have now completed their audit work, including consideration of additional pension evidence, and their review of the Annual Governance Statement. The conclusion from this work is that there are no changes to be made to the Statement of Accounts as reviewed by the Committee in July (see link below).
- 2.6. Following discussion at the July meeting, the Annual Governance Statement has been updated to provide more detail on the internal audit review of the IT Control framework,

and to recognise that the Mayor and the Chief Executive Officer were not in post during the AGS year. The updated version of the Annual Governance Statement is shown at appendix 1, with changes made to the July version highlighted in red italic.

Significant Implications

3. Financial Implications

3.1. None

4. Legal Implications

4.1. None

5. Other Significant Implications

5.1. None

6. Appendices

Appendix 1: Draft Annual Governance Statement 2020/21

7. Background Papers

7.1. Draft statement of accounts 2020/21

[Draft Statement of Accounts 2020/21](#)