



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 9

Draft Narrative Report and Annual Governance Statement 2021/22

To:	Audit and Governance Committee
Meeting Date:	29 th July 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 Narrative Report 2021/22 b) Receive an update to the preparation of the 2021/22 financial statements. c) 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 Narrative Report 2021/22
 - (b) Receive an update to the preparation of the 2021/22 financial statements
 - (c) Note the draft Annual Governance Statement 2021/22

2. Background

- 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, 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.

Amendments to the Audit timetable for 2022

- 2.3. 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.
- 2.4. 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.
- 2.5. The regulations amended the draft and final accounts publication deadlines for relevant bodies from 1 June and 31 July to 1 August and 30 September for the next 2 accounting years – i.e. 2020/21 and 2021/22.
- 2.6. The regulations also include a new requirement for all local bodies to post a notice if they fail to publish their draft accounts by the due deadline, as well as the existing requirement to publish an explanatory notice if they fail to publish their final accounts.

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

- 2.7. Unfortunately, due to the illness of critical members of staff, CPCA will not be in a position to publish draft 2021/22 financial statements by the required publication date of 1 August 2022. A notice will therefore be published on the Combined Authority’s website, stating as follows:
- 2.8. “In accordance with the Accounts and Audit Regulations 2015 as amended by in 2021, notice is hereby given that the draft Statement of Accounts for the 2021-22 financial year

for the Combined Authority has been delayed by the sickness of critical staff members.

Actions are ongoing to complete the draft accounts as soon as reasonably practicable and the period for the exercise of public rights will commence once they have been completed.”

Draft Narrative Report and Draft Annual Governance Statement

- 2.9. The draft Narrative Report to the financial statements and the draft Annual Governance Statement are provided here for the Committee to note and provide comment.
- 2.10. Both documents will be subject to change whilst the draft Statement of Accounts are completed.
- 2.11. The draft Statement of Accounts, together with the draft Narrative Report and draft Annual Governance Statement will be brought back to the Committee for further comment and review as soon as the draft Statement of Accounts have been completed.

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).
- 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 Narrative Report 2021/22
- 6.2. Appendix 2: Draft Annual Governance Statement 2021/22

7. Background Papers

- 7.1. <http://www.legislation.gov.uk/id/uksi/2021/263>.