



## Report title: External Audit – Annual Audit Letter

To:	Cambridgeshire and Peterborough Combined Authority Audit and Governance Committee
Meeting Date:	29 January 2021
Public report:	Yes
Lead Member:	n/a
From:	Jon Alsop Chief Finance Officer
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	The Committee is recommended to:  a) note the annual audit letter 2019/20 as provided by the Combined Authority's external auditors, Ernst and Young LLP (EY)

### 1. Purpose

1.1 This paper is to provide the Committee with EY's annual audit letter.

### 2. Background

- 2.1 At the November 2020 meeting, the Audit and Governance Committee received and approved the final Statement of Accounts and the Annual Governance Statement for 2019/20 and received and noted the External Auditors Report. EY subsequently issued an unqualified audit opinion on the Statement of Accounts.
- 2.2 The final version of the Financial Statements was then published on the Combined Authority's website on 27 November 2020, ahead of the revised deadline for publication of 30<sup>th</sup> November.
- 2.3 EY's Annual Audit Letter, relating to the audit of the accounts is provided at Appendix 1.
- 2.4 The purpose of the annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from EY's work which EY consider should be brought to the attention of the Combined Authority.

2.5 The letter includes the conclusions that:

- a) "The financial statements give a true and fair view of the financial position of CPCA as at 31 March 2020 and of its expenditure and income for the year then ended."
- b) "Other information published with the financial statements was consistent with the Annual Accounts."
- c) "The CPCA has put in place proper arrangements to secure value for money in its use of resources."

## Significant Implications

### 3. Financial Implications

3.1 The fee for the planned code work is £26,950. EY's proposed uplift is £2,695, which will need to be agreed with Public Sector Audit Appointments Ltd (PSAA), the body responsible for setting audit fees. Additional audit fees have been agreed relating to the following additional work carried out by the auditors.

Value for Money Conclusion significant risk - £5,909

Significant risk – incorrect capitalisation - £2,480

IAS 19 audit of pension disclosures - £4,004

Correspondence from the public - £3,297

Impact of Covid 19 - £1,755

Mayor's request in respect of correspondence with MRCLG - £3,912

The total audit fee for the year is therefore expected to be £51,002. The total fee for 2018/19 was £35,350. The majority of the increase from last year relates to the last four items listed in the above table, together with the proposed scale fee increase.

### 4. Legal Implications

4.1 No legal implications have been identified.

### 5. Other Significant Implications

5.1 No other significant implications have been identified.

### 6. Appendices

6.1 Appendix 1 – Annual Audit Letter 2019/20 (EY)

### 7. Background Papers

7.1 There are no other supporting or background documents which have been relied upon when preparing this report.