



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 7

## External Audit Final Results 2021

To:	Audit and Governance Committee
Meeting Date:	26 <sup>th</sup> November 2021
Public report:	Yes
From:	Jon Alsop, Head of Finance and S73 Officer
Key decision:	Not a key decision
Forward Plan ref:	n/a
Recommendations:	The Audit and Governance Committee is recommended to:  a) Receive and approve the Management Representation Letter 2020/21.  b) Receive and note the External Auditors Audit results report 2020/21 addendum update.

# 1. Purpose

- 1.1. The purpose of the report is for the Audit and Governance Committee to:
- (a) Receive and approve the 2020/21 Management Representation Letter.
  - (b) Receive and note the External Auditor's report on the Draft Statement of Accounts 2020/21 and draft Annual Governance Statement

# 2. Background

## **Audit of the Statement of Accounts 2020/21**

- 2.1. According to their Terms of Reference, the Audit and Governance Committee shall:
- No. 3.13 – Consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter, assessing the implications and monitoring managers' responses to concerns.*
- No. 3.15 – Consider any issues arising from the External Auditor's audit of the accounts.*
- 2.2. Ernst & Young LLP (EY) presented their initial Audit results report to the Committee in July. Following completion of outstanding procedures relating to pension liabilities and a review of the Annual Governance Statement, EY now present an addendum update report to the Committee. This is shown at appendix 1.

## **Management Letter of Representation**

- 2.3. The Chief Finance Officer is required to make representations on behalf of the Combined Authority in a number of areas in relation to the preparation of the Statement of Accounts. EY also require this letter to be signed by the Chair of the Audit and Governance Committee. The draft letter is attached at Appendix 2 for review by the Audit and Governance Committee.

# Significant Implications

# 3. Financial Implications

- 3.1. The scale fee for the planned audit code work for 2020/21 is £26,950 (2019/20 - £26,950). Additional fees were incurred to support the following activities as set out in the Fee Analysis of the audit report presented to the Committee in July.
- Group Accounts
  - Significant risk – C-19 grants accounting
  - Significant risk – incorrect capitalisation of revenue expenditure
  - IAS 19 audit of pension liability and disclosures
  - Impact of COVID-19 including going concern
- 3.2. All additional code work fees are subject to agreement with the S73 Officer and the Public

Sector Audit Appointments Ltd. but the current final expected audit fee for 2020-21 is £39,545.

#### 4. Legal Implications

4.1. None

#### 5. Other Significant Implications

5.1. None

#### 6. Appendices

6.1. Appendix 1: The External Auditor's addendum report to the Draft Statement of Accounts 2020/21

Appendix 2: The Management Letter of Representation

#### 7. Background Papers

7.1. Outline Audit Plan – A&G Committee March 2021

[A&GC March 2021 EY Outline Audit Plan](#)

EY Audit results report – A&G Committee July 2021

[A&GC July 2021](#)