



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 9

## Audited Statement of Accounts 2020/21 and Annual Governance Statement

To: Audit and Governance Committee

Meeting Date: 30<sup>th</sup> July 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) Receive and approve the final Statement of Accounts 2020/21
- b) Receive and 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) Receive and approve the final Statement of Accounts 2020/21
  - (b) Receive and approve the final 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 the meeting on the 25<sup>th</sup> June 2021, the Committee reviewed the draft Statement of Accounts. The Committee suggested a number of changes be made to the statement of accounts before they were finalised. These changes, per the action log from the 25<sup>th</sup> June meeting, have been considered and all have been implemented.
- 2.3. Since the publication of the draft Statement of Accounts three adjustments have been made to the figures included in the accounts: one to adjust the value of OneCAM in light of its inability to reclaim VAT, reclassification of the AEB grant received in 2019-20, and an immaterial update to the current value of Prop Co1.
- 2.4. There have been two major changes to the presentation of the accounts: first group movement in reserves (MIRS) table was expanded to present the subsidiaries useable reserves by company rather than combined and, second, a table setting out the inter-company debtors and creditors was added to the related parties note. Beyond this a number of minor formatting changes and transposition errors have been corrected. As requested by the Committee this report contains both the revised Statement of Accounts, and a version with all changes between the current version and the draft seen by the Committee in June tracked.
- 2.5. The period for the exercise of public rights ends on the 29<sup>th</sup> July, as of the publication of this report no-one has exercised their rights during the period.
- 2.6. As the audit cannot be formally concluded, and the audit opinion signed off by our external auditors, until the inspection period has closed a signed opinion is not included in the accounts appended to this report at publication. It is anticipated that a signed opinion will be provided to the Committee on the day of the meeting (item 8 on the agenda) and a Partner from Ernst & Young (EY) will be at the meeting to present this to the Committee.
- 2.7. In accordance with the Accounts and Audit (2015) Regulations and the Committee's terms of reference, following the conclusion of the audit, the Committee must approve the Final

Statement of Accounts and Annual Governance Statement ahead of their publication, which must be by the 30<sup>th</sup> September.

- 2.8. At the time of publication of papers for this meeting, the audit is substantially complete. In the event that any changes are required to the accounts between the meeting and the publication deadline, delegated authority will need to be given to the Audit and Governance Committee Chair to approve these changes if the publication deadline is to be met.

## 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 will be incurred to support the following activities as set out in EY's Outline Audit Plan which was presented to the Committee in March.

- Group Accounts
- VFMC significant risk
- 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. The total audit fee for 2019/20 was £48,307.

- 3.3. 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: Statement of Accounts 2020/21 including the Draft Annual Governance Statement 2020/21 clean

- 6.2. Appendix 2: Statement of Accounts 2020/21 including the Draft Annual Governance Statement 2020/21 tracked changes

## 7. Background Papers

7.1. None