

Audit Completion Report

Trafford Metropolitan Borough Council
Year ended 31 March 2022

September 2023



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Date : 27 September 2023

Dear Committee Members

Audit Completion Report – Year ended 31 March 2022

We are pleased to present our Audit Completion Report for the year ended 31 March 2022. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 20 July 2022. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 0161 238 9248.

Yours faithfully

Signed: {{_es_:signer1:signature }}

Karen Murray

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01

Section 01:

Executive summary

1. Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2021/22 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls; and
- Valuation of properties, plant & equipment including investment properties
- Valuation of defined benefit liability

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022. At the time of preparing this report there are some matters remaining outstanding as outlined in section 2. We will provide an update to you in relation to the significant matters outstanding through a follow up letter.



Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



Value for Money

We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.



Whole of Government Accounts (WGA)

We only received group instructions from the National Audit Office in respect of our work on the Council's WGA submission on the 15 February 2023. Our work in response will be undertaken in the coming months



Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts.

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Section 02:

Status of the audit

2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Property Plant & Equipment (including Investment Properties)		The Council is currently investigating the extent to which it's property portfolio is impacted by Reinforced Autoclaved Aerated Concrete (RAAC). We are awaiting the outcome of this and the Council's consideration of the implications on its valuation.
Group Consolidation		We are currently finalising our work on the Council's Group Consolidation
Technical review of Statement of Accounts		We are awaiting for updated version of Statement of Accounts to confirm that all of the matters arising from our technical review have been addressed.
Whole of the government accounts		We received the instructions for the completion of audit procedures supporting the WGA return for 2021/22 from the NAO on the 15th February. Our work in response remains outstanding at this time.
Financial statements, Annual Governance Statement and letter of representation		We will complete our final review of the financial statements upon receipt of the signed version of the accounts and letter of representation.
Audit review and quality control		Completion of Manager and Partner review and Mazars quality control processes in respect of the audit.



Likely to result in material adjustment or significant change to disclosures within the financial statements.



Potential to result in material adjustment or significant change to disclosures within the financial statements.



Not considered likely to result in material adjustment or change to disclosures within the financial statements.

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Section 03:

Audit approach

3. Audit approach

Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in July 2022. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

Our provisional materiality at the planning stage of the audit was set at £11.59m for the Group financial statements and £11.501m for the Council single-entity statements using a benchmark of 2% of gross expenditure at the Surplus/Deficit at Net Cost of Services level. Our final assessment of materiality, based on the final financial statements and qualitative factors is £11.982m for the Group financial statements and £11.979m for the Council single-entity statements using the same benchmark.

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third-party organisations that provide services to the [Council] that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. We have not identified any relevant service organisations

Use of experts

We set out in our Audit Strategy Memorandum our planned use of experts to assist in our audit procedures. We confirm there have been no changes to those arrangements during the audit

Item of account	Management's expert	Our expert
Defined benefit liability	Actuary (Hymans Robertson)	NAO's consulting partner (PWC)
Property, plant and equipment valuation (including investment properties)	Trafford MBC Valuer	We used available third party information to challenge the key valuation assumptions. Mazars Real Estate Valuation Team
Valuation of shareholding in Manchester Airport Holdings Limited	BDO LLP	Mazars valuation team
Financial instrument disclosures	Link Asset Services	We reviewed Link's methodology for providing the fair value disclosures
Valuation of Airport Land	Jacob	Mazars Real Estate Valuation Team









3. Audit approach

Group audit approach

The Council's group structure for 2021/22 includes one wholly owned subsidiary company, Trafford Leisure CIC Ltd, Trafford Bruntwood LLP and two joint ventures. In auditing the accounts of the Council's Group financial statements, we obtained assurance over the transactions in the Group relating to the Council's subsidiary and joint ventures.

Our approach reflected the size and complexity of the transactions from the subsidiary companies that are consolidated into the Council's Group financial statements. Our approach is outlined below, and we confirm there are no changes to the planned approach set out in our Audit Strategy Memorandum.

Group component	Approach adopted	Key points or other matters to report
Trafford MBC		The Mazars audit team undertook the full audit of the Council
Trafford Leisure CIC		The Mazars audit team undertook group level analytical procedure.
Trafford Bruntwood LLP		The Mazars audit team undertook group level analytical procedure .
Trafford Bruntwood (Stretford Mall) and Trafford Bruntwood (Stamford Quarter)		The Mazars audit team reviewed management's proposed accounting treatments and assumptions.

-  **Full audit**
Performance of an audit of the component's financial information prepared for group reporting purposes using component materiality
-  **Audit of balances and/or disclosures**
Performance of an audit of specific balances and/or disclosures included in the component's financial information prepared for group reporting purposes, using component materiality
-  **Specific audit procedures**
Performance of specific audit procedures on the component's financial information
-  **Review procedures**
Review of the component's financial information prepared for group reporting purposes using the component materiality assigned



04

Section 04: **Significant findings**

4. Significant findings

In this section we outline the significant findings from our audit.

These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 18 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management;
- any significant difficulties we experienced during the audit; and
- our wider responsibilities as the Council's auditor.



4. Significant findings

Significant Risks

Management override of controls

Description of the risk

This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.

How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Audit conclusion

We completed our procedures as planned. Subject to our comments on Page 18, there are no other matters to bring to the Committee's attention in respect of our work on management override of controls.



4. Significant findings

Net defined benefit liability valuation

Description of the risk

The net pension liability represents a material element of the Council's balance sheet. The Council is an admitted body of Greater Manchester Pension Fund, which had its last triennial valuation completed as at 31 March 2019. The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's overall valuation.

There are financial assumptions and demographic assumptions used in the calculation of the Council's valuation, such as the discount rate, inflation rates, and mortality rates. The assumptions should also reflect the profile of the Council's employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes. There is a risk that the assumptions and methodology used in valuing the Council's pension obligation are not reasonable or appropriate to the Council's circumstances. This could have a material impact to the net pension liability in 2021/22

How we addressed this risk

Our audit procedures included:

- Obtaining an understanding of the skills, experience and qualifications of the actuary, and considering the appropriateness of the instructions to the actuary from the Council.
- Obtaining confirmation from the auditor of the Greater Manchester Pension Fund that the controls in place at the Pension Fund are free from material deficiencies.
- Reviewing a summary of the work performed by the Pension Fund auditor on the Pension Fund investment assets, and evaluating whether the outcome of their work would affect our consideration of the Council's share of Pension Fund assets.
- carrying out a range of substantive procedures on relevant information and cash flows used by the actuary as part of the annual IAS 19 valuation; and
- Reviewing the actuarial allocation of Pension Fund assets to the Council by the actuary, including comparing the Council's share of the assets to other corroborative information.
- Reviewing the appropriateness of the Pension Asset and Liability valuation methodology applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This includes comparing them to expected ranges, utilising information provided by PwC, consulting actuary engaged by the National Audit Office.
- Agreeing the data in the actuarial valuation reports provided by the Pension Fund Actuary to the pension accounting entries and disclosures in the Council's financial statements.

Audit conclusion

We completed our initial procedures as planned. However, the delay in the completion of the audit for the year ended 31 March 2022 meant later information became available to the Council following the Actuary's triennial revaluation of the Pension Fund. This indicated a material movement in the Council's net liability position as at 31 March 2022. The Council updated the accounts to reflect this.

Subject to the unadjusted misstatement reported in Section 6, there are no matters to bring to the Committee's attention in respect of our work on the valuation of updated net defined benefit liability.

4. Significant findings

Valuation of property, plant and equipment (PPE) including investment properties

Description of the risk

The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Council's holding of PPE and investment properties. The CIPFA Code requires that where assets are subject to revaluation, their year-end carrying value should reflect the current value/fair value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued in a five-year cycle.

The valuation of Property, Plant & Equipment involves the use of a management expert (the valuer), and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process. As a result of the rolling programme of revaluations, there is a risk that individual assets which have not been revalued for up to four years are not valued at their materially correct value. In addition, as the valuations are undertaken through the year there is a risk that the value of the assets is materially different at the year end.

Although the Council engages a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of PPE and investment properties, as a result of the significant judgements and number of variables involved. We have therefore identified the revaluation of PPE and investment properties to be an area of significant risk.

How we addressed this risk

Our audit procedures included:

- Obtaining an understanding of the skills, experience and qualifications of the valuer, and considering the appropriateness of the Council's instructions to the valuer.
- Obtaining an understanding of the basis of valuation applied by the valuer in the year.
- Obtaining an understanding of the Council's approach to ensure that assets not subject to revaluation in 2021/22 are materially fairly stated.
- Obtaining an understanding of the Council's approach to ensure that assets revalued through 2020/21 are materially fairly stated at the year end and engaging our Real Estate Valuation experts to support us.
- Sample testing the completeness and accuracy of underlying data provided by the Council and used by the valuer as part of their valuations.
- Using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2022.
- Testing the accuracy of how valuation movements were presented and disclosed in the financial statements. Testing a sample of items of capital expenditure in 2021/22 to confirm that the additions are appropriately valued in the financial statements.

Audit conclusion

We identified a number of issues with the Council's approach to valuations as set out on page 17. The errors arising are detailed in Section 6 of this report. As the impact was not material, Management declined to amend the financial statements.

There are no other matters to bring to the Committee's attention in respect of our work on valuation of PPE and investment properties.

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4. Significant findings

Key areas of management judgement

Applicability of Group Financial Statements	Description of the management judgement The Council undertake an annual assessment to determine whether there have been any changes within the Council group boundary that would require the inclusion of other entities within the group accounts. The Council has made judgements around the group entities it considers and how it might consolidate transactions and balances into the group.
	How our audit addressed this area of management judgement We have review the 2020/21 assessment that the Council completes to determine whether there have been any changes within the group boundary that would require the inclusion of other entities within the group accounts
	Audit conclusion Our work is complete and based on the results of our testing there are no matters to bring to the Committee's attention.

Accounting for Private Finance Initiative (PFI) schemes	Description of the management judgement In 2003 the Council entered into a 25 year PFI contract for the provision of new office and community facilities in Sale Town Centre. The Council has no new PFI schemes in 2021/22, and continues to make judgements that result in the Council accounting for the PFI assets and liabilities in its financial statements
	How our audit addressed this area of management judgement We have considered the continued accounting treatment of the PFI scheme assets and liabilities as being in the Council's financial statements
	Audit conclusion Our work is complete and based on the results of our testing there are no matters to bring to the Committee's attention.



4. Significant findings

Key areas of management judgement

Valuation of shareholding in the Manchester Airport Group

Description of the management judgement

The Council's shareholding in the Manchester Airport Group PLC has been valued by a firm of financial experts based on assumptions about financial performance, stability and key business projections. The figure disclosed in your accounts in relation to Manchester Airport Holdings Limited is at fair value.

There is a risk that the assumptions and methodology used by your experts are not appropriate and we will need to obtain assurance that accounting entries are not materially misstated.

How our audit addressed this area of management judgement

Our approach to auditing the investment in Manchester Airport Holdings Limited includes the involvement of the Mazars in-house valuation team.

The Mazars in-house valuation team reviewed the methodology and key assumptions used by management's expert, considering the appropriateness of the methodology and the reasonableness of the assumptions used.

Audit conclusion

Our work is complete.

Following our challenge of the valuation methodology applied, the Council's valuation expert revised its estimate of the value of the Council's shareholding. The accounts were amended to reflect this change and a prior period adjustment was identified to the equivalent balance for the previous period.



4. Significant findings

Qualitative aspects of the Council's accounting practices

We have reviewed the Council's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances.

Draft accounts were received from the Council on 29 July 2022 in line with agreed timescales. The accounts were of a good quality. Good quality supporting working papers have been made available in a timely manner and these have assisted our audit progress. Council finance officers have been very helpful in promptly answering our detailed audit queries and ensuring that Council officer colleagues have prioritised responding to our audit queries.

Significant matters discussed with management

During the audit we maintained a regular dialogue with management. Among the matters discussed through these conversations were:

Covid-19

We continue to discuss the impact of the Covid-19 pandemic on the Council's operations and financial statements. In particular we focussed on the accounting treatment of grant income, and whether the Council accounts for these grants as a principal or agency relationship. We are satisfied there are no issues arising from the Council's treatment of Covid related grants.

Impact of the War in Ukraine

The ongoing situation in Ukraine has far-reaching consequences for public sector organisations. As part of our audit we have discussed with management the impact of the war on the Trust's operations, and whether any disclosures are required in the Trust's financial statements. We are satisfied there are no issues arising which would require specific disclosures in the Trust's financial statements

Accounting for infrastructure assets

The Council holds a material value of Infrastructure Assets within its Property, Plant and Equipment balance on the balance sheet. During 2021/22 a national technical issue arose in respect of accounting for infrastructure assets. Normal custom and practice for (highways) infrastructure assets is that derecognition does not affect asset balances because the assets are expected to have been fully used up before the replacement expenditure takes place; this does require that assets are properly depreciated in line with the requirements of the Accounting Code. This issue arises in part because of limitations on historical information relating to when the assets were first recorded on balance sheets in the early 1990s, and where there have been transfers of assets because of local authority reorganisations. It is also extremely difficult to clearly identify the parts of the assets which are being replaced.

The draft accounts were impacted by this issue. To resolve this, the Department for Levelling Up, Housing and Communities (DLUHC) issued a statutory override, which provides a temporary solution up to the 2024/25 financial year. This statutory override was effective from 25 December 2022. CIPFA also provided updated guidance based on the statutory override on 11 January 2023.

The Council's finance team has reviewed the updated guidance and has updated the financial statements for the new guidance.

We are satisfied that, subject to the notes to the financial statements being amended to include the disclosures required by the guidance, the Infrastructure balances and transactions are not materially misstated.

Significant difficulties during the audit

During the course of the audit we experienced two significant difficulties. We have had the full co-operation of management to resolve these issues so that we could obtain the assurance we need.

Reconciliation of the general ledger – We had difficulty in obtaining transaction listings to support the reconciliation between the general ledger and the trial balance in order to gain assurance over the completeness of the transactions recorded in the accounts. This was because the general ledger listings needed cleansing.

Valuation of Property, Plant & Equipment, including Investment Properties – our detailed testing of the Council's valuations identified a number of issues including:

- the valuation report was not compliant with RICS guidance;
- the methodology applied to the valuation was not always compliant with the guidance and CIPFA Code;
- errors in the calculation of the valuations due to:
 - incorrect treatment of the purchase costs within investment properties valuations
 - incorrect use of obsolescence factors and
 - incorrect yields applied; and
- issues in relation to valuation of asset which is under PFI scheme.

The Valuer was also initially unable to provide all of the information requested to support the sample testing.

Following significant additional audit input, and with the support of the Mazars Real Estate Valuation team, we obtained the assurance we required. The errors identified in the Council's valuations did not have a material impact on the Council's financial statements.

4. Significant findings

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2021/22 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.



05

Section 05:

Internal control recommendations

5. Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	0
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	1
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	0



5. Internal control recommendations

Other deficiencies in internal control – Level 2

Description of deficiency

Our testing identified a number of issues with the Council’s arrangements for the valuation of the properties, plants & equipment and investment properties. This included:

- the valuation report was not compliant with RICS guidance;
- the methodology applied to the valuation was not always compliant with the guidance and CIPFA Code;
- issues in relation to valuation of an asset which is under PFI ;
- errors in the calculation of the valuations due to:
 - incorrect treatment of the purchase costs within investment properties valuations
 - incorrect use of obsolescence factors and
 - incorrect yields applied.

Potential effects

The asset valuations may not be materially fairly stated at the balance sheet date.

Recommendation

Management should put in place arrangements to ensure valuer has a full understanding of the valuation information required for financial reporting purposes. This includes understanding the basis of valuation for different asset types as required by the CIPFA Code.

Management should ensure valuation reports provide them with sufficient detail and supporting information to facilitate their review and challenge of the information provide.

Management response

Internal control deficiencies identified in relation to Property, Plant and Equipment valuations have been acknowledged and as a direct response, engagement with external valuation specialists has begun to help improve this service going forward.



06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £345k. The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

Unadjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Pension liability			6,926	
	Cr: Pension reserve				6,926
Being misstatement in relation to the Council's share of the understatement of pension assets reported by Pension Fund auditor.					
2	Dr: Revaluation Reserve			1,233	
	Dr: Comprehensive Income and Expenditure	204			
	Cr: Property, Plant and Equipment				1,438
Being adjustment in relation to combination of extrapolated and factual errors identified from our testing of Other, Land and Buildings valuation.					
3	Dr: Comprehensive Income and Expenditure	4,463			
	Cr: Investment Properties				4,463
Being adjustment in relation to combination of extrapolated and factual errors identified from our testing of investment properties valuation.					
Total unadjusted misstatements		4,667		8,162	£12,827
Net impact of unadjusted misstatements		4,667		4,667	

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Adjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Pension Reserve			11,387	
	Cr: Pension Liability				11,387
Being adjustment for the changes made to the primary financial statements following the receipt of the updated IAS19 valuation report which takes account of the changes in the Actuary's estimates following the 2022 Triennial valuation of the Pension Fund.					
2	Dr: Financial Instruments Revaluation Reserve (OCI)			460	
	Cr: Long-term Investment				460
Being adjustment in relation to Manchester Airport Holding Limited revised share valuation.					
Total adjusted misstatements				11,847	11,847

Prior period adjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
2	Dr: Financial Instruments Revaluation Reserve (OCI)			14,340	
	Cr: Long-term Investment				14,340
Being prior period adjustment in relation to Manchester Airport Holding Limited revised share valuation.					
Total adjusted misstatements				14,340	14,340

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6. Summary of misstatements

Disclosure amendments

During our audit we identified a number of amendments required to improve the clarity and compliance of the disclosures in the accounts with the CIPFA Code. These have been adjusted by management and the most significant of them are included here:

- **Movement in Reserves Statement** - There was an error on the Earmarked General Fund Reserves and the opening balance was amended to **£174,355 from £17,355**. **Other typographical amendments were made to this statement.**
- **Collection Fund Statement**– This was amended to correct arithmetic and casting errors.
- **Property, Plant & Equipment Accounting Policies (Note 1)** – The policy was amended to reflect the application of the statutory override in relation to accounting for the derecognition of infrastructure assets. The disclosure and note to the statements were updated to reflect disclosures suggested in the CIPFA bulletin.
- **Events after the reporting period (Note 8)** – the note was updated to reference the triennial review as an adjusting post balance sheet event.
- **Financial Instruments (Note 18)** - contained a number of errors :
 - Investments in the fair value hierarchy table amended to £107,108 from £107,479.
 - The fair value of cash was amended from zero to £16,743k
 - The fair value of Manchester Airport Car Park shares was amended to £4,800k from £5,700k.
- **Cash Flow Statement (Notes 28b and 29)** - our testing we found a misstatement in note 28b of £4,855k and a corresponding reclassification in note 29 in respect of Investing activities
- **Cashflow statement - financing activities (Note 30)** - An amendment was made to reclassify £29,916k from 'Cash Receipts of short and long term borrowing' to 'Repayments of short and long-term borrowing' to properly reflect the nature of the transaction
- **Officers' Remuneration (Note 37)** - the salaries of Director of Finance & Systems and the Director of Public Health were corrected. .
- **Exit Packages (Note 37)** - the total cost of R&ER packages in the '£0-£20,000' band was corrected to £277,150 from £227,150.
- **Dedicated School Grant (Note 39)** - Prior year comparative figures were included in order to properly comply with Code requirements
- **Grant Income (Note 40)** - the contribution from CCG for the Better Care Fund was amended to £6,695k from £6,995k
- **Related parties (Note 41)** - was amended in respect of Trafford Leisure CIC to correctly reflect £1,140k not £141k with accrued interest of £27k rather than £0.
- **Leases (Note 43)** - the disclosures in respect of Lessee and Lessor minimum lease payments (MLP) table were incorrect. This was due to an error in the working paper supporting the calculation.
- **Prior period adjustment (Note 54)** - A note was added to explain the prior period adjustment in relation to the change in the Manchester Airport shares valuation.
- **Defined Benefit Pension Scheme (Note 3 of the Group Accounts)** - the information in the table was disclosed incorrectly and was amended to ensure it was accurate.

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Section 07:

Value for Money

7. Value for Money

Approach to Value for Money

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

At this stage, we have identified that the Council has a risk of a significant weaknesses in its arrangements following the Ofsted inspection of Children's Services undertaken in 2019. This inspection rated the Council's service as inadequate. However, we have yet to complete our audit procedures in respect of this risk of significant weakness.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Council's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We intend to issue the Auditor's Annual Report within three months from the date of audit opinion.

Status of our work

We are yet to complete our work in respect of the Council's arrangements for the year ended 31 March 2022.

Although our work in this area of the audit is ongoing at the time of preparing this report, we have identified two risks of significant weaknesses in the Council's arrangements as follows:

- **Financial sustainability** - during 2021/22, work began to update the Council's medium term financial plan for the period from 2022/23 and 2025/26. Increasing demand pressures together with refreshed assumptions around inflationary pressures including in respect of energy and payroll costs, mean the budget gap for the 3 years of the strategy from 2023/24 to 2025/26 was £51m. This gap is offset by identified policy decisions intended to deliver savings, increases in council tax and other income from fees and charges, and some planned use of reserves. The Council recognizes the use of reserves cannot continue in future years and requires further policy decisions in order to reduce the cost base of the Council to an appropriate and sustainable level. There is a risk that the Council will be faced with a Section 114 notice (which restricts the Council to essential spend only) if appropriate savings are not identified and the cost base reduced on a permanent basis. Our work in this area is continuing.
- **Children's Services** – we have previously reported a significant weakness in respect of the Council's arrangements for both governance and improving economy, efficiency and effectiveness following the Ofsted inspection of the service together with follow up visits. Following a reinspection and regrading of the service, we are satisfied there is evidence the Council has addressed the significant weakness previously reported.

We are currently finalising our work and commentary in response to these risks. We will provide further details in our Auditor's Annual Report.



7. Value for Money

Follow up of previously-reported significant weaknesses in arrangements

In November 2021 we reported one significant weakness to the Council. As part of our work in 2021/22, we followed up the progress made by the Council against the recommendations made, and determined whether the significant weakness remained during the year.

Significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Work undertaken and conclusions reached
<p>1 OFSTED inspection: children’s social care services:</p> <p>In May 2019 Ofsted issued a report on its inspection of the Council’s Children’s Social Care Services. The inspection report concluded that the overall effectiveness of the Council’s services for children is inadequate. These matters indicate a risk of significant weaknesses in proper arrangements</p> <p>Recommendation We recommend the Council ensures it is fully embedding and can sustain the actions it has put in place to address the Children’s Services issues identified by the OFSTED. In particular, the Council needs to ensure that social care practice is improved and is consistently focussed on outcomes for children and families. The performance management framework supporting this needs to be robust with appropriate monitoring, challenge and escalation arrangements in place.</p>		●	●	<p>Progress against the recommendation Immediately following the inspection in 2019, the Council put in place an action plan to address the issues identified by Ofsted across the service. An Improvement Board was also established to provide focussed oversight of the delivery of the action plan. The Improvement Board had an independent chair and comprised a wide range of stakeholder and partner organisations.</p> <p>The Council was subject to a number of monitoring visits by Ofsted to assess the impact of the actions being taken by the Council, including the financial investments made in the service to support improvement. The feedback from these visits reflected a broadly positive direction of travel through 2021/22 and by March 2022, Ofsted was reporting that “services for children in care in Trafford have shown some improvements since the inspection in 2019” albeit the pace of change, particularly in respect of operational social work practice still needed to improve.</p> <p>Ofsted undertook a service reinspection in November 2022, reported in January 2023. This confirmed the service was no longer rated as inadequate.</p> <p>Conclusion We are satisfied the Council has taken appropriate action to address the significant weaknesses in its arrangements albeit that there is more to do to ensure consistency in social work practice and outcomes for children.</p>

Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

Appendix A: Draft management representation letter

To be provided to us on client headed note paper

[Date]

Dear Karen

Trafford Metropolitan Borough Council - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Trafford Metropolitan Borough Council ('the Council') and its Group for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Finance that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council, Cabinet and committee meetings, have been made available to you.



Appendix A: Draft management representation letter (continued)

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council 's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Council in making accounting estimates, including those measured at current or fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no undisclosed contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.



Appendix A: Draft management representation letter (continued)

Fraud and error

I acknowledge my responsibility as Director of Finance and Systems for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code and applicable law.

I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.



Appendix A: Draft management representation letter (continued)

Covid-19

I confirm that the Council has carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the Council, including the impact of mitigation measures and uncertainties, and that the disclosures in the Narrative Report fairly reflects that assessment.

Russian-Ukraine Conflict

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Trust, including the impact of mitigation measures and uncertainties

Going concern

To the best of my knowledge there is nothing to indicate that the Council and the Group will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. All uncorrected misstatements are included in the Appendix to this letter.

Yours faithfully

Graeme Bentley
Director of Finance and Systems



Appendix B: Draft audit report

Independent auditor’s report to the members of Trafford Metropolitan Borough Council

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Trafford Metropolitan Borough Council (‘the Council’) and its subsidiaries (‘the Group’) for the year ended 31 March 2022, which comprise the Council and Group Comprehensive Income and Expenditure Statements, the Council and Group Movement in Reserves Statements, the Council and Group Balance Sheets, the Council and Group Cash Flow Statements, the Collection Fund, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (‘the Code Update’), published in November 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council and the Group as at 31st March 2022 and of the Council’s and the Group’s expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code Update.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Council and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Finance and Systems’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance and Systems’s with respect to going concern are described in the relevant sections of this report.



Appendix B: Draft audit report (continued)

Other information

The Director of Finance and Systems is responsible for the other information. The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director of Finance and Systems for the financial statements

As explained more fully in the Statement of the Director of Finance and Systems’s Responsibilities, the Director of Finance and Systems’s is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code Update, and for being satisfied that they give a true and fair view. The Director of Finance and Systems is also responsible for such internal control as the Director of Finance and Systems determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Finance and Systems is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code Update and prepare the financial statements on a going concern basis, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Finance and Systems is responsible for assessing each year whether or not it is appropriate for the Council and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.



Appendix B: Draft audit report (continued)

We evaluated the Director of Finance and Systems’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Accounts and Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council and the Group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Accounts and Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Accounts and Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Director of Finance and Systems’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in April 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Report on the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view, we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have not completed our work on the Council’s arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.



Appendix B: Draft audit report (continued)

We will report the outcome of our work on the Council's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the members of Trafford Metropolitan Borough Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.



Appendix B: Draft audit report (continued)

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed:

- the work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack;
- the work necessary to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; and

[Signature]

Karen Murray, Key Audit Partner

For and on behalf of Mazars LLP

One St Peter's Square

Manchester

M2 3DE

XX Month 2023



Appendix C: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.



Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"> a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework
Going Concern	<p>We have not identified any evidence to cause us to disagree with the Director of Finance and Systems' that Trafford Metropolitan Borough Council will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>

Appendix D: Other communications

Other communication	Response
<p>Subsequent events</p>	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor’s report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
<p>Matters related to fraud</p>	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and Accounts and Audit Committee, confirming that</p> <ul style="list-style-type: none"> a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. they have disclosed to the auditor the results of management’s assessment of the risk that the financial statements may be materially misstated as a result of fraud; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: <ul style="list-style-type: none"> i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.



Mazars

Karen Murray, Partner

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.