



Audit Progress Report

Trafford Metropolitan Borough Council

September 2024

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Audit progress

Audit progress






Purpose of this report

This report provides the Accounts and Audit Committee with information about progress in delivering our responsibilities as your external auditors for Trafford Metropolitan Borough Council (the Council) for the year ending 31 March 2023.



Audit for the year ending 31 March 2023

Financial statements Audit










The fieldwork stage of our audit for the year ended 31 March 2023 commenced in July. We are currently in the progress of completing our detailed testing. The below table outlines the outstanding areas of work:

		Status
Pooled budgets	We have received the working papers we need to complete this section and are in the process of finalising our work.	
Expenditure cut off testing	We are completing the final elements of this work. All requested information has been provided.	
Investment properties	Work on this section is substantially complete. We are awaiting a response to the standard audit letter from the valuer to complete this section. This area is still subject to review by the manager and engagement lead.	
Property, plant and equipment valuations	Our work has raised queries on the Council's approach to valuing its assets which we are discussing with the finance team.	
Property, plant and equipment additions	We are awaiting evidence for two sample items to complete this section.	


Status


-  Significant items outstanding
-  Small number of items remain outstanding or in progress

Audit progress

<p>Short term investments We are waiting for a direct confirmation for one sampled investment to be returned by the bank..</p>	
<p>Debtors We are awaiting evidence for one sample item to complete this section.</p>	
<p>Cash and cash equivalents We are waiting for a direct confirmation for one sampled school account to be returned by the bank.</p>	
<p>Pensions We are completing our work on the group net pension asset and the Council pension ceiling adjustment.</p>	
<p>Financial instruments We are completing the final elements of this work. All requested information has been provided.</p>	
<p>Provisions We are completing the final elements of this work. All requested information has been provided.</p>	
<p>IT general controls testing We are completing the final elements of this work. All requested information has been provided.</p>	
<p>Technical review of the financial statements We will complete our technical review of the financial statements upon receipt of an updated set of financial statements.</p>	
<p>Group accounts We are in the process of working through this section. With respect to group property valuations, we've requested valuation reports and supporting evidence but have not yet commenced the work.</p>	

Status

 Significant items outstanding

 Small number of items remain outstanding or in progress

Audit progress

Reviews and completion

Following the resolution of the above queries we will finalise our audit completion work including manager and engagement lead reviews.



Financial statements, Annual Governance Statement and letter of representation

We will complete our review of the final financial statements upon receipt of the signed version of the accounts, Annual Governance Statement and letter of representation.



Whole of Government Accounts (WGA)

We will complete the required WGA work once we have given our audit opinion on the accounts.



Status



Significant items outstanding



Small number of items remain outstanding or in progress

Value for money arrangements

Our work on value for money arrangements is well progressed. We plan to complete and report our VFM arrangements work for 2023/23 alongside our audit opinion on the 2022/23 accounts.

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National publications

National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
1	CIPFA Bulletins	CIPFA has recently issued two Bulletins to provide further guidance on the financial reporting requirements.
National Audit Office ('NAO')		
2	NAO insight: Digital transformation in government: a guide for senior leaders and audit and risk committees	The NAO has published a guide for senior leaders and audit and risk committees on Digital transformation in government. The guide can support those tasked with overseeing large-scale digital change to understand the core issues and pitfalls to avoid.
3	NAO insight: Good practice in annual reporting	Transparent, timely, and clear annual reporting in the public sector has never been more important. A good annual report is a key opportunity for bodies in the public sector.
4	NAO overview: Department for Levelling Up, Housing & Communities 2022-23	The NAO has published the Departmental Overview: Department for Levelling Up, Housing & Communities (DLUHC) 2022-23. It summarises the key information and insights that can be gained from the NAO's examinations of DLUHC and related bodies in the sector in England and DLUHC's Annual Report and Accounts.
Department for Levelling Up, Housing and Communities ('DLUHC')		
5	Addressing the local audit backlog in England: Consultation response	This consultation sought views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog and put the system on a sustainable footing. The consultation closed on 7 March 2024. The Government has now released the consultation response.
6	Consultation on changes to statutory guidance and regulations: Minimum Revenue Provision	The duty to make Minimum Revenue Provision ('MRP') is an important component of the Prudential Framework. The purpose of this consultation is to seek views on the revised Guidance and final proposed amendments to the Regulations. The consultation ran from 21 December 2023 to 16 February 2024.
Other		
7	Forvis Mazars – Preparing for the Procurement Act 2023	The Procurement Act 2023 is set to transform the procurement procedures for public sector bodies. Our latest article provides an in-depth overview of the new Procurement Act.
8	Forvis Mazars – Understanding the new 'Failure to Prevent Fraud' Offence in a Public Sector context	The UK Government has recently announced a new corporate criminal offence – the 'failure to prevent fraud' offence – within the Economic Crime and Corporate Transparency Act 2023.

National publications

CIPFA

1. CIPFA Bulletins

Bulletins issued by CIPFA, with the assistance of CIPFA panels, provide practitioners with topical guidance on specific issues and accounting and reporting developments. CIPFA has issued the following Bulletin's in recent months:

CIPFA Bulletin 17 Closure of the 2023/24 Financial Statements

This bulletin covers the closure of accounts for the 2023/24 year and provides further guidance and clarification to complement the 2023/24 Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for Practitioners (Code Guidance Notes). It addresses, where relevant, frequently asked questions and other issues that have arisen since the publication of the 2023/24 Code Guidance Notes.

Link: [CIPFA Bulletin 17 Closure of the 2023/24 Financial Statements](#)

CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement

CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement is intended to provided clarity to those authorities with at least one set of unaudited financial statements for prior years, and their external auditors, on the update of the annual governance statement ('AGS').

Link: [CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement](#)

National publications

NAO

2. NAO insight: Digital transformation in government: a guide for senior leaders and audit and risk committees

The NAO has published a guide for senior leaders and audit and risk committees on Digital transformation in government. The guide can support those tasked with overseeing large-scale digital change to understand the core issues and pitfalls to avoid. The guide identifies seven areas where the more persistent obstacles stand in the way of successful digital transformation in government and have grouped them into three themes:

- Constraints of the existing environment
- Under-estimating the scope of early work
- Lack of skills and leadership

[Digital transformation in government: a guide for senior leaders and audit and risk committees](#)

3. NAO insight: Good practice in annual reporting

Transparent, timely, and clear annual reporting in the public sector has never been more important.

A good annual report is a key opportunity for bodies in the public sector to:

- weave a compelling narrative that resonates with the public
- serve as a tool for accountability by shedding light on how taxpayer's money has been spent
- equip stakeholders with information to hold organisations to account.

The list is not definitive but should provide ideas on content and format for all bodies in both the public and private sector as they plan their annual reporting for 2023-24.

[Good practice in annual reporting](#)

National publications

NAO

4. NAO overview: Department for Levelling Up, Housing & Communities 2022-23

The NAO has published the Departmental Overview: Department for Levelling Up, Housing & Communities (DLUHC) 2022-23. It summarises the key information and insights that can be gained from the NAO's examinations of DLUHC and related bodies in the sector in England and DLUHC's Annual Report and Accounts. DLUHC spends around £33 billion each year to support people, places and communities.

[Department for Levelling Up, Housing & Communities 2022-23](#)

National publications

DLUHC

5. Addressing the local audit backlog in England: Consultation Response

Between 8 February and 7 March 2024 the then Department for Levelling-Up Housing and Communities (DLUHC) consulted on amending the Accounts and Audit Regulations 2015 as part of measures to tackle the backlog of unaudited local body accounts in England.

The proposals consulted upon included setting a statutory backstop date to clear the backlog of unaudited accounts up-to-and-including financial year 2022/23. They also included setting backstop dates for financial years 2023/24 to 2027/28 to enable the local audit system to recover.

All the named stakeholders were consulted, there were 191 responses. A breakdown of the type of respondent and organisation they responded on behalf of is included at Annex A found in the following link: [Addressing the local audit backlog in England: Consultation response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/addressing-the-local-audit-backlog-in-england-consultation-response)

On 30 July 2024, the government announced its intentions to pursue proposals to address the local audit backlog. On the 9th September the government laid in parliament two pieces of legislation which will give effect to these proposals. A key aspect of the proposals is to require Category 1 bodies, such as the Council, to publish audited financial statements by a series of backstop dates. The proposed backstop dates, per the announcement, are as follows:

- Financial years up-to-and-including 2022/23: 13 December 2024
- Financial year 2023/24: 28 February 2025
- Financial year 2024/25: 27 February 2026
- Financial year 2025/26: 31 January 2027
- Financial year 2026/27: 30 November 2027
- Financial year 2027/28: 30 November 2028

Further information can be found at the following link: [Written statements - Written questions, answers and statements - UK Parliament](https://www.parliament.uk/written-questions-answers-statements/written-statements)

6. Consultation on changes to statutory guidance and regulations: Minimum Revenue Provision

The duty to make Minimum Revenue Provision ('MRP') is an important component of the Prudential Framework. Where local authorities finance capital expenditure from debt, they must set aside an amount of money each year to ensure their debt liabilities can be repaid. In practice, the application is more complex, but when it operates effectively it should ensure that local authorities do not borrow more than they can afford.

The purpose of the consultation was to seek views on the revised Guidance and final proposed amendments to the Regulations. The proposed changes to the Regulations remain substantively the same as previously consulted on in the June-July 2022 consultation, with some minor changes to reflect responses. The Guidance provides detailed interpretation and outlines the government's expectations of how the Regulation requirements should work in practice.

The consultation ran from 21 December 2023 to 16 February 2024 however the link provides information on the key issues that were consulted on.

[Consultation on changes to statutory guidance and regulations: Minimum Revenue Provision](#)

National publications

Other

7. Forvis Mazars – Preparing for the Procurement Act 2023

The Procurement Act 2023 is set to transform the procurement procedures for public sector bodies in the UK by:

- Enhancing transparency in procurement processes, requiring greater disclosure of information about procurement opportunities;
- Improving efficiency by introducing new measures such as electronic procurement platforms; and
- Promoting fairness to ensure all suppliers have equal access to government contracts.

Our latest article provides an in-depth overview of the new Procurement Act, including when it will be implemented, key provisions and how public sector organisations can prepare.

[Preparing for the Procurement Act 2023](#)

8. Forvis Mazars – Understanding the new ‘Failure to Prevent Fraud’ Offence in a Public Sector context

The UK Government has recently announced a new corporate criminal offence – the 'failure to prevent fraud' offence – within the Economic Crime and Corporate Transparency Act 2023.

Fraud is currently the most common crime in the UK, and this new offence is designed to drive a cultural shift, encouraging organisations to improve their prevention procedures and reduce instances of fraud. It strengthens existing powers to fine and prosecute organisations for fraud committed by their employees and agents, closing loopholes that have allowed organisations to avoid prosecution in the past.

This new offence holds large organisations, both in the public and private sectors, accountable for fraudulent activities committed by their employees or agents.

['Failure to Prevent Fraud' in the Public Sector](#)

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