

## TRAFFORD COUNCIL

**Report to:** Accounts & Audit Committee  
**Date:** 21st November 2024  
**Report for:** Decision  
**Report of:** Director of Finance and Systems

### Report Title

**Approval of the Final Accounts 2022/23 (Accounts 2023)**

### Summary

The pre-audited 2022/23 accounts were approved by the Director of Finance and Systems on 30<sup>th</sup> December 2023. They were submitted immediately to the Council's external auditors, Mazars, and placed on deposit for subsequent public inspection for 30 working days.

The backlog in publication of audited accounts within local government has grown significantly in recent years and as a result Government has introduced backstop dates in an attempt to clear the backlog. Amendments to the Accounts and Audit Regulations require the Council to publish its audited 2022/23 financial statements and accompanying information on or before 13 December 2024.

As a result of the backstop arrangements, the Council's external auditor has been unable to complete sufficient audit procedures to enable them to provide an unmodified opinion on the Council's financial statements and a disclaimer of opinion has been issued. When an opinion is disclaimed the auditor does not express an opinion on the financial statements and no assurance is therefore provided on the financial statements.

Due to the backstop arrangements the audit was unable to be completed in the following areas:

- Movement in Reserves Statement (audit started not completed)
- Property, Plant and Equipment (audit started not completed)
- Group accounts (audit not started)

Attached are the redrafted Final Accounts for 2022/23 with any changes made during the audit highlighted.

The following issues have also been identified during the audit and further details can be found in the Audit Completion Report (ACR) 2022/23, Item 5 on this Agenda:

#### **Internal control recommendations (Section 3)**

- One recommendation has been identified regarding improvements in internal controls relating to valuation methodology used in PPE which should be actioned in the near future. A management response has been included in the completion report.

#### **Summary of Misstatements (Section 3)**

- Two items have been adjusted for due to reclassification however these had no further impact on the accounts and included:
  - Adjustment made to the pension asset and liability to remove the Teacher's unfunded pension liability from the net asset and show it separately on the face of the balance sheet.
  - Adjustment to reclassify service expenditure incorrectly showing in financing and investment expenditure.
- Three items have been identified but not amended and include:
  - Error in the actuary report for the Greater Manchester Pension Fund £2.3m, relating to pension assets; this has impacted all Greater Manchester Authorities.
  - Two extrapolated errors totalling £1.6m in relation to expenditure included in the incorrect financial year.
- A number of "disclosure" amendments have been made to improve readability and to correct typographical errors.

#### **Value for Money conclusion (Section 4)**

- The auditor is required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The auditor has completed their work in respect of the Council's arrangements for the year ended 31 March 2023. Due to the budget pressures the Council faces they have identified one significant weakness in arrangements to deliver financial sustainability and have made an associated recommendation to develop sustainable financial plans. This position is recognised by the Council and work continues to deliver a balanced and robust financial plan. The position is also recognised in the Strategic Risk Register with the highest risk weighting given to this. The Council continues to put in place measures to improve sustainability including:
  - maintaining close control of in year monitoring
  - effective monitoring of in year savings
  - review and mitigate where possible developing pressures
  - generate maximum level of capital receipts
  - identify opportunities for further savings
  - an external assurance review by CIPFA
  - continuing to lobby Central Government to address the level of funding and its distribution across local government.

#### **Recommendation**

- a) Members are requested to review and note the Accounts as they currently stand.
- b) Members are requested to approve the Final Accounts for 2022/23

#### **Contact person for access to background papers and further information:**

Name: Nikki Royle, Strategic Finance Manager, Financial Accounting.  
 Extension: 4333

Background Papers: None

<b>CORPORATE PRIORITIES AND GOVERNANCE CONSIDERATIONS</b>	
The Best Start for our Children and Young People	Non arising out of this report
Healthy and Independent Lives for Everyone	Non arising out of this report
A Thriving Economy and Homes for All	Non arising out of this report
Address the Climate Crisis	Non arising out of this report
Culture, Sport and Heritage for Everyone	Non arising out of this report
Relationship to GM Policy or Strategy Framework	Non arising out of this report
Financial Considerations	Failure to approve the accounts in a proper format would be contrary to the Accounts and Audit Regulations.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable
Socioeconomic duty Implications	Not applicable