

TRAFFORD COUNCIL

Report to: Accounts & Audit Committee
Date: 25 November 2021
Report for: Decision
Report of: Director of Finance and Systems

Report Title

Approval of the Final Accounts 2020/21 (Accounts 2021)

Summary

The pre-audited 2020/21 accounts were approved by the Director of Finance and Systems on 30th July 2021. They were submitted immediately to the Council's external auditors, Mazars, and placed on deposit in advance of the statutory deadline of 31st July and subsequent public inspection for 30 working days.

The audit has substantially been completed and subject to the satisfactory conclusion of the remaining work, the auditor anticipates issuing an unqualified opinion, without modification, on the financial statements.

Attached are the redrafted Final Accounts for 2020/21, as they currently stand at the time of the Committee report distribution and pending any changes prior to the completion of the audit which is expected by 30th November 2021. Amendments made are highlighted and accommodate changes currently agreed with Mazars during their audit.

The majority of changes relate to "Disclosure" changes such as formatting, enhancements to improve readability and typographical errors.

The following issues have also been identified during the audit and further details can be found in the Audit Completion Report (ACR) 2020/21, Item 7 on this Agenda:

Significant Findings (Section 4)

- Property, Plant & Equipment (PPE) - the final elements of audit work are still to be completed. Revaluation of PPE and investment property has been identified as high risk but based on the work carried out to date there appear to be no matters to bring to the Committees attention.

Internal control recommendations (Section 5)

- Three minor recommendations have been identified regarding improvements in internal controls, two of these were classed as medium (should be actioned in the near future) and one low (actioned when practicable). A management response relating to each recommendation has been included in the completion report.

Summary of Misstatements (Section 6)

- An unadjusted misstatement of £605k regarding the land leased to the Manchester Airport Group. An element of the lease was omitted from the Valuer's report resulting in the asset being undervalued. Investment properties will be adjusted by £605k in the 2021/22 accounts.

- An adjusted item of £2.4m regarding the misclassification of income relating to capital grants and contributions. Amendments have been made to correctly show the income in capital grants instead of cost of services income.
- A number of “disclosure” amendments have been made to improve readability and to correct typographical errors.

Value for Money conclusion (Section 7)

- 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 yet to complete all work in respect of these arrangements, however at the time of preparing the completion report, no significant weaknesses have been identified. Commentary on such will be provided in the Auditor’s Annual Report later in the year.

Recommendation

- Members are requested to review and note the Accounts as they currently stand.
- Authority be delegated to the Chair of Accounts and Audit Committee and the Director of Finance and Systems to approve the Final Accounts for 2020/21 once the auditor has issued their final opinion.

Contact person for access to background papers and further information:

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

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	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