

Annual Audit Letter

Tameside Metropolitan Borough Council

Year ended 31 March 2019





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1. EXECUTIVE SUMMARY

Purpose of the Annual Audit Letter

Our Annual Audit Letter summarises the work we have undertaken as the auditor for Tameside Metropolitan Borough Council for the year ended 31 March 2019. Although this letter is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (the NAO). The detailed sections of this letter provide details on those responsibilities, the work we have done to discharge them, and the key findings arising from our work. These are summarised below.

Area of responsibility	Summary
Audit of the financial statements	<p>Our auditor's report issued on 31 July 2019 included our opinion that the financial statements:</p> <ul style="list-style-type: none">• give a true and fair view of the Council's financial position as at 31 March 2019 and of its expenditure and income for the year then ended; and• have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19
Other information published alongside the audited financial statements	<p>Our auditor's report issued on 31 July 2019 included our opinion that:</p> <ul style="list-style-type: none">• The other information in the Statement of Accounts is consistent with the audited financial statements.
Value for Money conclusion	<p>Our auditor's report concluded that we are satisfied that in all significant respects, that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.</p>
Reporting to the group auditor	<p>In line with group audit instructions issued by the NAO in June 2019, we plan to report to the group auditor in line with the requirements applicable to the Council's WGA return by the deadline of 13 September 2019.</p>
Statutory reporting	<p>Our auditor's report confirmed that we did not use our powers under s24 of the 2014 Act to issue a report in the public interest or to make written recommendations to the Council</p>

2. AUDIT OF THE FINANCIAL STATEMENTS

Opinion on the financial statements	Unqualified
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The scope of our audit and the results of our work

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council’s financial position as at 31 March 2019 and of its financial performance for the year then ended.

Our audit was conducted in accordance with the requirements of the Code of Audit Practice issued by the NAO, and International Standards on Auditing (ISAs). These require us to consider whether:

- the accounting policies are appropriate to the Council’s circumstances and have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management in the preparation of the financial statements are reasonable; and
- the overall presentation of the financial statements provides a true and fair view.

Our auditor’s report, issued to the Council on 31 July 2019, stated that, in our view, the financial statements give a true and fair view of the Council’s financial position as at 31 March 2019 and of its financial performance for the year then ended.

Our approach to materiality

We apply the concept of materiality when planning and performing our audit, and when evaluating the effect of misstatements identified as part of our work. We consider the concept of materiality at numerous stages throughout the audit process, in particular when determining the nature, timing and extent of our audit procedures, and when evaluating the effect of uncorrected misstatements. An item is considered material if its misstatement or omission could reasonably be expected to influence the economic decisions of users of the financial statements.

Judgements about materiality are made in the light of surrounding circumstances and are affected by both qualitative and quantitative factors. As a result we have set materiality for the financial statements as a whole (financial statement materiality) and a lower level of materiality for specific items of account (specific materiality) due to the nature of these items or because they attract public interest. We also set a threshold for reporting identified misstatements to the Audit Committee. We call this our trivial threshold.

The table below provides details of the materiality levels applied in the audit of the financial statements for the year ended 31 March 2019:

Financial statement materiality	Our financial statement materiality is based on 2% of Gross Revenue Expenditure at Surplus/deficit on Provision of Services level	£10,917,000
Trivial threshold	Our trivial threshold is based on 3% of financial statement materiality.	£328,000
Specific materiality	We have applied a lower level of materiality to the following area of the accounts: Senior officers remuneration	£1,000

2. AUDIT OF THE FINANCIAL STATEMENTS

Our response to significant risks

As part of our continuous planning procedures we considered whether there were risks of material misstatement in the Council's financial statements that required special audit consideration. We reported significant risks identified at the planning stage to the Audit Panel within the Audit Strategy Memorandum and provided details of how we responded to those risks in our Audit Completion Report. The table below outlines the identified significant risks, the work we carried out on those risks and our conclusions.

Significant risk	Description of the risk
Management override of controls	<p>In all entities, 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, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.</p> <hr/> <p>How we addressed this risk</p> <p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none">• Accounting estimates impacting on 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. <hr/> <p>Audit conclusion</p> <p>We have not identified any significant matters arising from our testing of the risk of management override of controls.</p> <hr/>

2. AUDIT OF THE FINANCIAL STATEMENTS

Significant risk	Description of the risk
Valuation of land and buildings	The Council's accounts contain material balances and disclosures relating to its holding of property, plant and equipment (PPE), with the majority of property assets required to be carried at valuation. Due to the high degree of estimation uncertainty associated with these valuations especially within land and buildings, we have determined there is a significant risk in this area.

How we addressed this risk

We addressed this risk by performing work in the following areas:

- critically assessed the scope of the Council valuer's work, qualifications, objectivity and independence to carry out the Council's programme of revaluations;
- considered whether the overall revaluation methodology used by the Council's valuer is in line with industry practice, social housing statutory guidance, the CIPFA Code of Practice and the Council's accounting policies;
- critically assessed the appropriateness of the underlying data and the key assumptions used in the valuer's calculations;
- critically assessed the treatment of the upward and downward revaluations in the Council's financial statements with regards to the requirements of the CIPFA Code of Practice;
- critically assessed the approach that the Council adopts to ensure that assets not subject to revaluation in 2018/19 are materially correctly valued;
- tested a sample of revaluations in the fixed asset register to the valuer's report and the underlying information provided by the Council to the valuer; and
- tested a sample of items of capital expenditure in 2018/19 to confirm that the additions are appropriately valued in the financial statements.

Audit conclusion

The following matters were identified during the audit of the valuation risk relating to note 12, Property, Plant and Equipment:

- unadjusted misstatement relating to £0.473m undervaluation of a school and related property;
- unadjusted misstatement of £0.65m relating to an investment property misclassified as operational property;
- adjusted misstatement of £10.658m to reclassify donated assets liability;
- adjusted misstatement of £4.458m to increase the value of heritage assets;
- adjusted misstatement of £2.501m to reflect downward revaluation of an investment property; and
- adjusted misstatement of £5.902m to remove historic assets under construction (by prior year adjustment).

Our audit has identified a control recommendation regarding valuation data and non-material errors within note 12, Property Plant and Equipment.

As part of the audit we also gained assurance over the valuation of the Council's investment in Manchester Airport land through a review of the valuation undertaken by Jacobs, the valuer engaged by Manchester City Council.

Following the audit adjustments we are satisfied that there is no material error arising from the valuation risk to Property Plant and Equipment in the financial statements.

2. AUDIT OF THE FINANCIAL STATEMENTS

Significant risk	Description of the risk
Valuation of defined benefit pension liability	<p>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 2016.</p> <p>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.</p> <p>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.</p> <p>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 2018/19.</p>

How we addressed this risk

We addressed this risk by performing work in the following areas:

- critically assessed the competency, objectivity and independence of the Greater Manchester Pension Fund's Actuary, Hymans Robertson;
- liaised with the auditors of the Greater Manchester Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This included the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation is complete and accurate;
- reviewed the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This included comparing them to expected ranges, utilising information provided by PWC, consulting actuary engaged by the National Audit Office;
- Reviewed the impact of the Guaranteed Minimum Pension and McCloud legal cases on the net pension fund liability; and
- agreed the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's financial statements.

Audit conclusion

We have not identified any material matters to report regarding the valuation of the Council's defined benefit pension liability.

Management have reviewed the basis of the estimate for the liability following the outcome of two recent court cases. These cases give rise to an additional liability of £6.3m. Management have decided not to amend the accounts on the grounds of materiality.

2. AUDIT OF THE FINANCIAL STATEMENTS

Management judgement Valuation of the Council's shareholding in Manchester Airport Holdings Ltd.	Description of the management judgement The Council uses an external valuation expert to determine the value of its investment in Manchester Airport Holdings Limited at 31 March 2019. The valuation is determined according to a methodology and applying assumptions. Council officers challenge the valuation assumptions and reach judgements on the valuation to include in the financial statements.
	How our audit addressed this area of management judgement 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 We have not identified any significant matters from our testing of the valuation of the Council's shareholding in Manchester Airport Holdings Ltd.

Management judgement Accounting for Tameside One Building	Description of the management judgement The Tameside One building came into operational use during March 2019. The valuation of the building and decision to transfer out of assets under construction involves estimation and judgement by management.
	How our audit addressed this area of management judgement We have reviewed the information used by management to determine that the Tameside One building was ready to transfer out of assets under construction and the valuation process followed. We have discussed the valuation methodology with the Council's external valuer and inspected the information used to compute the valuation.
	Audit conclusion We have not identified any significant matters from our testing of the Council's accounting for the Tameside One Building.

2. AUDIT OF THE FINANCIAL STATEMENTS

Internal control recommendations

As part of our audit we considered the internal controls in place that are relevant to the preparation of the financial statements. We did this to design audit procedures that allow us to express our opinion on the financial statements, but this did not extend to us expressing an opinion on the effectiveness of internal controls. We identified the following deficiencies in internal control as part of our audit.

Description of deficiency	There were weaknesses in the Council's arrangements for reproducing the evidence they provided to the valuer to support land, buildings and investment property valuations, which in turn identified discrepancies in the data held by both parties.
Potential effects	If accurate property records are not provided to the external valuer this can result in errors in the financial statements.
Recommendation	Maintain an audit trail of information sent to the valuer.
Management response	Difficulties were experienced in providing a full audit trail of the information provided to the external valuer due in part to the loss of key personnel within the Estates team. A Strategic Review of the Estates service took place in May 2019 and work is now in progress to address recommendations from this review, including the procurement of a new external valuation service. As part of this process, an external independent surveying firm is being procured to provide advice, support with specification and to provide a critical oversight of the valuation process to ensure that it is completed effectively. In addition to this, their remit shall also include a level of auditing and help produce a standard operating procedure to ensure that documentation requirements, roles and responsibilities are clearly understood with processes to follow.

Description of deficiency	The fixed asset register is an excel spreadsheet which is updated annually. There is a historic difference between the register and the general ledger. Given the size of the asset base management should investigate if a bespoke asset register would be more suitable.
Potential effects	Spreadsheet formulae errors could lead to misstatement in the Council's draft accounts.
Recommendation	Investigate if a bespoke fixed asset register would be more appropriate to the Council's circumstances.
Management response	Financial Management recognise that the current spreadsheet based asset register is no longer fit for purpose, with its operation being inefficient and prone to error. Work was undertaken during 2018/19 to procure an asset register database for accounting purposes. Implementation of this new database has already commenced and will be concluded in advance of the preparation of the 2019/20 accounts.

3. VALUE FOR MONEY CONCLUSION

Value for Money conclusion	Unqualified
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Our approach to Value for Money

We are required to form a conclusion as to 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 in order to form our conclusion, and sets out the criterion and sub-criteria that we are required to consider.

The overall criterion is that, ‘in all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.’ To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are set out by the NAO:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Significant Value for Money risks

The NAO’s guidance requires us to carry out work to identify whether or not a risk to the Value for Money conclusion exists. Risk, in the context of our Value for Money work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Council being inadequate. In our Audit Strategy Memorandum, we reported that we had identified two significant Value for Money risk(s). The work we carried out in relation to significant risks is outlined overleaf.

During the course of our audit we identified a further risk in respect of the Value for Money conclusion relating to the Council’s governance and decision making in respect of the completion of the Tameside One building. Our findings in respect of this risk are also summarised overleaf.

Our overall Value for Money conclusion

Our auditor’s report dated 31 July 2019 includes an unqualified Value for Money conclusion for the 2018/19 financial year.



3. VALUE FOR MONEY CONCLUSION

Significant Value for Money risks

The NAO’s guidance requires us to carry out work to identify whether or not a risk to the Value for Money conclusion exists. Risk, in the context of our Value for Money work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Council being inadequate. In our Audit Completion Report, we reported that we had identified two significant Value for Money risk. The work we carried out in relation to significant risks is outlined below.

Risk	Work undertaken	Conclusion
<p>Council's Response to Inadequate Ofsted rating</p> <p>OFSTED rated the Council's Children's Services as 'inadequate' in December 2016 and the safeguarding board as 'requires improvement'. Key areas of concern included the backlog of cases, leadership, management and governance.</p> <p>The VFM risk relates to our gaining a full understanding of the interventions made by the Council to address the original concerns raised by OFSTED. The full extent of the improvement will not be known until OFSTED carries out a full re-inspection to reassess the rating.</p>	<p>The Council now has an established Improvement Board and is working with partners to progress with the Improvement Plan. During 2018/19 this has included scrutiny, support and challenge from the Council's Improvement Partner, as well as external partners including the DfE Intervention Advisor, Ofsted, and from peer consultation with other local authorities who have been on the improvement journey</p> <p>The Council's commitment to addressing the previously slow progress was reflected in the OFSTED findings published on 1 July 2019. Following a re-inspection of local authority children's social care services in May 2019, the council was rated as "Requires improvement to be good" across each assessment area and for overall effectiveness, thus lifting the December 2016 "Inadequate" rating.</p> <p>OFSTED recognise that changes in the senior leadership have supported a strengthened 'whole-council' commitment to improving the quality and impact of services for children. This is manifested in an increase in the pace of and effectiveness of service development and the development of a new locality based model.</p> <p>This trend of improvement has been noted in your OFSTED themed reviews since the December 2016 inspection.</p>	<p>We are satisfied that the Council's arrangements for addressing the concerns of OFSTED were sufficient as the inspectorate re-scored the Children's Services out of inadequate. Whilst we recognise that further improvement work is required we are satisfied that arrangements are in place to secure value for money</p>

3. VALUE FOR MONEY CONCLUSION

Risk	Work Undertaken	Conclusion
Care together Governance Arrangements The Care Together Programme and the creation of an integrated system of health and social care brings together Tameside and Glossop Clinical Commissioning Group (CCG), Tameside Metropolitan Borough Council and Tameside and Glossop Integrated Care NHS Foundation Trust to reform health and social care services to improve the health outcomes of residents and reduce health inequalities.	<p>The Council continues to work closely with the CCG and good progress has been made to deliver improvements in health and social care across Tameside.</p> <p>Council and CCG resources are pooled into a single Integrated Commissioning Fund (ICF) underpinned by a financial framework which became operational on 1 April 2016. The ICF has successfully enabled single commissioning arrangements for healthcare.</p> <p>Governance arrangements are headed by the Strategic Commissioning Board which meets monthly, with representation from Council and CCG to review expenditure and variances in the ICF.</p> <p>The Council and CCG commenced reporting on the total resources available to the Council and CCG in 2018/19. Integrated financial reporting takes place monthly to the Strategic Commissioning Board and Executive Cabinet.</p> <p>The ICF itself is made up of a pooled budget, aligned services agreement and in-collaboration services agreement. The 2018/19 ICF Strategic Financial Plan was for net expenditure of £589m, of which £186.514m (32%) is contributed by the Council. The outturn for 2018/19 was a net underspend of £26,000. Integrated financial reporting takes place to the Council's Executive Cabinet and Strategic Commissioning Board.</p> <p>Integration between the Council and CCG is more advanced than many other areas. This is evidenced by the expansion of the ICF to include all Council and CCG expenditure of over £900m a year, together with workforce integration and a shared senior leadership between Council and CCG..</p>	<p>We conclude that for 2018/19 the Council has made proper arrangements to address the governance risk surrounding health and social care integration.</p>

3. VALUE FOR MONEY CONCLUSION

Further VFM Risk	Work Undertaken	Conclusion
<p>Council's governance of the completion of the Tameside One building</p> <p>Tameside Council created a Local Education Partnership (the LEP) in February 2009 to act as it's strategic partnering vehicle in line with the requirements of the national Building Schools for the Future (BSF) programme. The LEP as a separate body to the Council then contracted directly with Carillion to deliver the new schools in line with the BSF programme. This included the design and build of the Tameside One building in Ashton.</p> <p>Carillion went into liquidation on 15 January 2018. At this point, the Tameside One building was approximately 100 days from completion.</p> <p>Following the 15 January 2018, Government appointed a liquidator who immediately secured the building site and prevented the LEP and its subcontractors from having access to any of the building or associated documentation.</p>	<p>Following Carillion's liquidation in January 2018, the Council and the LEP were keen to ensure that work on the Tameside One building could recommence as soon as possible so that the building could be brought into use.</p> <p>At the end of January 2018, the LEP notified the Council that it had served notice on Carillion through it's liquidators and intended to enter into an early works agreement with a new main contractor who would then recommence work on the site. An urgent paper was presented to Executive Cabinet on 7 February 2018 to update them on the actions and the appointment of the new contractor. This report made clear that the new contractor was engaged into an Early Works Agreement on an open book cost plus contractual basis.</p> <p>The Council immediately recognised that the costs to completion of this site were then likely to increase. Two separate independent consultants were therefore engaged to ensure that, firstly, the work proposed by contractor was required and secondly that the charges proposed under the new contract were consistent with the appropriate market rates.</p> <p>Executive Cabinet received a further report on 20th June 2018, which sought approval for an additional budget of £9.4m to enable the completion of the Tameside One building. This additional budget reflected the impact of the change to a "cost plus" contract together with the costs associated with taking over a site at this stage of completion, including some outstanding elements of internal design work not completed by Carillion. Executive Cabinet was also appraised of the charges levied by the liquidator for its services in the period from January 2018 onwards through on-going budget monitoring reports</p> <p>The building was completed by the new contractor and the Council and Tameside college were able to operate from there from March 2019. The retail element of the site is also in operational use.</p>	<p>We obtained sufficient evidence that the overall governance arrangements for the completion of this project were adequate.</p>

4. OTHER REPORTING RESPONSIBILITIES

Exercise of statutory reporting powers	No matters to report
Completion of group audit reporting requirements	To be completed
Other information published alongside the audited financial statements	Consistent

The NAO's Code of Audit Practice and the 2014 Act place wider reporting responsibilities on us, as the Council's external auditor. We set out below, the context of these reporting responsibilities and our findings for each.

Matters on which we report by exception

The 2014 Act provides us with specific powers where matters come to our attention that, in our judgement, require reporting action to be taken. We have the power 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 statutory reporting powers.

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. We have not received any objections.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data, and to carry out certain tests on the data. We plan to submit this information to the NAO by the deadline of 13 September 2019.

Other information published alongside the financial statements

The Code of Audit Practice requires us to consider whether information published alongside the financial statements is consistent with those statements and our knowledge and understanding of the Council. In our opinion, the other information in the Statement of Accounts is consistent with the audited financial statements.



5. OUR FEES

Fees for work as the Council's auditor

We reported our proposed fees for the delivery of our work in the Audit Strategy Memorandum, presented to the Audit Panel in January 2019.

Having completed our work for the 2018/19 financial year, we can confirm that our final fees are as follows:

Area of work	2018/19 proposed fee	2018/19 final fee
Delivery of audit work under the NAO Code of Audit Practice	£80,863	£87,463*

*The final fee includes the following additional charge:

- Fee for additional work required on a VFM risk identified in respect of the governance and decision making process relating to the completion of Tameside One following the collapse of Carillion: £6,000
- Fee for additional work in respect of the pension liability regarding GMP and McCloud legal rulings: £600.

These additional charges are subject to approval by PSAA Ltd.

Fees for other work

We confirm that we have not undertaken any non-audit services for the Council in the year.

6. FORWARD LOOK

Audit Developments

Code of Audit Practice

The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the Local Audit and Accountability Act 2014. We have responded to the National Audit Office's consultation on the content of the Code (<https://www.nao.org.uk/code-audit-practice/about-code/>)

A new Code will be laid in Parliament in time for it to come in to force no later than 1 April 2020.

Financial Resilience

Government Spending Review

The Council will need to incorporate the outcome of the Spending Review in its Medium Term Financial Plan. The Government has announced that a one year spending review will be completed in September for 2020/21, with the next multi-year Government Spending Review being delayed until 2020. The Spending Review will set out the department allocations for 2020/21 and potentially beyond. Regardless of the timing and period covered by the Spending Review, the Council recognises the key issue is the management of general reserves to a level that ensures it remains financially resilient and able to deliver sustainable services. It must, therefore, ensure it clarifies and quantifies how it will bridge the funding gap through planned expenditure reductions and/ or income generation schemes.

Local Authority Financial Resilience Index

CIPFA is moving forward with its financial resilience index, which it believes will be a barometer on which local authorities will be judged. We would expect the Council to have at least considered the index once it is formally released.

Commercialisation

The National Audit Office will be publishing a report on Commercialisation during 2019. Depending on the Council's appetite for Commercialisation, we would expect the Council to consider the outcome of the report and ensure any lessons learnt are incorporated into business practice.

Further, the UK Debt Management Office's Annual Report, published on 23 July 2019, reported that, as at 31 March 2019, the Public Works Loan Board's loan book was £78.3 billion with 1,308 new loans totalling £9.1 billion advanced during the year. As a result, we expect local authorities to clearly demonstrate:

- the value for money in the use of Public Works Loan Board funds to acquire commercial property
- the arrangements for loan repayment through the updated Statutory Guidance on Minimum Revenue Provision in 2019/20, 2020/21 and beyond.

Financial Reporting

UK Local Government Annual Accounts

The CIPFA/LASAAC Local Authority Code Board specifies the financial reporting requirements for UK local government. A consultation is underway to inform the direction and strategy for local government annual accounts. We will be submitting our response and suggest practitioners also voice their opinion.

Lease accounting

The implementation of IFRS 16 Leases in the Code is delayed until 1 April 2020. The Council will need a project plan to ensure the data analysis and evaluation of accounting entries is completed in good time to ensure any changes in both business practice and financial reporting are captured.



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