

Manchester City Council Report for Resolution

Report to: Audit Committee – 26 July 2022

Subject: Updated Statement of Annual Accounts 2020/21

Report of: The Deputy Chief Executive and City Treasurer

Summary

To provide an update to Members of the revised 2020/21 accounts containing the amendments detailed in the report. These accounts are updated from those reported to the 27 July 2021 Committee and take account of any changes that have arisen since that time, including the findings of external audit. Before the audit can be concluded further changes may be required to these accounts due to a national accounting issue relating to the approach to the valuation of highways infrastructure, which has affected all Councils.

Recommendations

The Committee is asked to:

1. Note the amendments made to the annual accounts since they were reported to the Audit Committee in July 2021.
2. Approve the revised annual accounts including the accounting policies contained within them subject to the Deputy Chief Executive and City Treasurer working with finance staff, external auditors and the Executive Member for Finance to finalise any amendments as a result of the highways infrastructure issue and to report the annual accounts back to Audit Committee highlighting the changes made.
3. Agree to not amend the annual accounts in relation to investment property valuations as detailed in paragraph 2.20.
4. Agree to not amend the annual accounts in relation to the consolidation adjustment in the group accounts for leases as detailed in paragraph 2.46.

Wards Affected: All

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to four years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

Working papers – consolidation of 2020/21 accounts working papers
Report of the Deputy Chief Executive and City Treasurer to Audit Committee
16 March 2021 – Accounting Concepts and Policies, Critical Accounting
Judgements and Key Sources of Estimation Uncertainty
Report to Audit Committee 27 July 2021 – Draft Annual Accounts 2020/21
Report of External Auditors, Mazars to Audit Committee 26 July 2022
Draft Audit Completion Report 2020/21

1. Introduction and Background

- 1.1. Members will recall that the draft Annual Accounts were reported to Audit Committee on 27 July 2021 following their approval by the Deputy Chief Executive and City Treasurer.
- 1.2. The deadline for the Accounts and Audit were amended by legislation in reflection of the impact of the COVID pandemic. On 9 March 2021, the Government laid regulations before Parliament that amended the draft and final accounting deadlines for principal councils, police and fire bodies. The Accounts and Audit (amendment) Regulations 2021 came into force on the 31 March 2021 and amended the publication deadlines for 2020/21 for the draft accounts from 31 May to 31 July and from 31 July and 30 September for audited accounts.
- 1.3. There have been well publicised issues nationally with the timeline for completing audits of local government accounts. For 2020/21 only 9% of accounts audits were concluded by the deadline of 30 September 2021, despite 85% of councils (including Manchester) submitting their draft accounts by 31 July 2021. These issues are complex and have a number of causes including a limited number of firms within the market, a shortage of suitably qualified auditors working for those firms, tighter regulation of auditors and the additional difficulties brought by the COVID pandemic. These, combined with the difficulties of remote audits, the increased scrutiny of balance sheet items particularly valuations and the lack of capacity within local authorities, have caused significant delays to the process.
- 1.4. Following the Redmond Review, discussions have taken place with the Government and other stakeholders in order to agree a way forward to address the problems with local audit and work to create a sustainable audit market with more qualified audit firms and greater numbers of qualified auditors. These discussions have progressed, including through working groups established by DLUHC, looking at future proposals for the operation of audit committees and for improving the external audit market.
- 1.5. In addition, following enhanced focus by the Financial Reporting Council there has been additional review of the valuation processes for all local authorities.
- 1.6. More recently concerns have been raised by a local government auditor, that some authorities are not applying component accounting requirements appropriately for transport infrastructure assets. This has exposed issues in local authorities being able to accurately value all of their highways network in the way required in the Accounting Code. Resolving this issue is an area of focus for CIPFA, DHLUC, PSAA and all local audit firms. The issue raised is in relation to the derecognition (removal of the carrying amount) of parts of infrastructure assets when

replacement expenditure is undertaken. This may have the impact of overstating the value of highway and infrastructure assets in the accounts. There are also related issues for the reporting of gross historical cost and accumulated depreciation.

- 1.7. Infrastructure assets are one of the few categories of property, plant and equipment assets that are measured at historical cost rather than at an asset measurement described as 'current value'. The valuation process for these assets was deemed to be too costly, and therefore infrastructure assets are held in local authority balance sheets at depreciated historical cost. 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.
- 1.8. 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.
- 1.9. CIPFA has undertaken a consultation on a potential solution to this issue to which Manchester has responded. At the time of writing this report the results of this consultation are not available and a solution will not be reached in time to enable formal sign off of the accounts for the July Committee as no audit opinions on accounts are being issued until the issue is resolved. Following this consultation further changes may be required to the highways asset valuation in the 2020/21 accounts and these will be reported to a future Audit Committee.
- 1.10. The accounts and audit process for 2020/21 has been a challenging one both for the Council and External Auditors. Whilst the deadline for the draft accounts was met it is acknowledged that due to key staff absences within the small corporate finance team and the delay in the receipt of information from external bodies (Group Accounts); there was less quality assurance undertaken of the draft accounts than had previously been the case. There have also been some delays in responding to audit queries particularly where information was required from external sources. This is being addressed for the 2021/22 accounts. A lessons learnt review has been undertaken with the support of Internal Audit. In addition, additional resource been added to the corporate team and further training has been provided to the wider financial management team to improve understanding of the financial statements, the quality assurance and external audit evidence required.
- 1.11. This report summarises the amendments that have been made following the work undertaken by the Council's External Auditors,

Mazars. Further details can also be found in the External Auditor's report elsewhere on this agenda.

- 1.12. There have been no changes to the Annual Governance Statement from that reported to Members in July.

2. Changes to the Main Accounting Statements

- 2.1. There have been no changes to the draft accounts that effect the usable reserves of the Council, and therefore its underlying resource position. However, there have been a number of other changes.

- 2.2. These changes are listed by area of audit work in the following paragraphs.

Property, Plant and Equipment (PPE), Investment Properties and Held for Sale Assets.

- 2.3. As stated above external auditors are under increased scrutiny to ensure that the valuation of assets held on local authority balance sheets are accurate. As a result, there has been an extensive review and audit challenge of the values of the assets reported in the Balance Sheet and associated notes. This has required numerous discussions with both the Council's internal and external valuers.
- 2.4. A sample of valuations for property, plant and equipment, investment properties and held for sale assets have been reviewed by the valuation expert employed at Mazars. This review included the challenge of assumptions used by the Council's internal and external valuers. This has resulted in assumptions being revisited and revised valuations being provided and adjusted for in the accounts if materially significant.
- 2.5. There has also been a detailed review of the assets that have not been revalued in 2020/21. The CIPFA Code allows authorities to undertake their property, plant and equipment valuations over a five-year rolling programme provided they are not materially misstated at the balance sheet date.
- 2.6. As a result of this examination there have been a number of changes made to the financial statements.
- 2.7. As there is not considered to be an active market in the sale of libraries, they are valued using depreciated replacement cost for a modern equivalent asset. This means that Central Library is valued on how it would be replaced if it was rebuilt as a new, modern asset rather than an historic one. However, the valuation should have been undertaken using the same floor area as the current library, but the original valuation used a larger area as the service were of the view that if a new facility was built it would be of a larger size. The revised valuation has resulted in a reduction in the valuation of £21.730m.

- 2.8. The remaining changes for PPE relate to indexation of assets that were not valued in 2020/21. Indexation seeks to adjust the value of the assets on the balance sheet by the rate that asset values have changed in the general market to provide a more up to date view. An initial exercise was undertaken by external valuers that looked at various categories of assets such as schools and leisure centres. This provided details by category of asset of the percentage increase since the last valuation. This was not considered to produce a material difference from the net book value of the assets, so the draft accounts were not amended.
- 2.9. Various issues have been identified during the audit relating to the indexation exercise. Specialist assets such as the Velodrome and Football Museum were not included, no account was taken of expenditure or depreciation since the last valuation and the indexation was applied to current net book value rather than the previous valuation.
- 2.10. The indexation exercise has been rerun and has led to an increase in the value of PPE of £23.441m relating to general assets and £8.122m relating to specialist assets.
- 2.11. For assets to be classed as held for sale they must be available for immediate sale in their present condition, the sale must be highly probable, the asset must be actively marketed, and the sale should be expected to be completed within one year of the date of classification. One of the assets that was classed as held for sale in the draft accounts did not meet the condition of being actively marketed at the year-end date. An amount of £4m has therefore been transferred from assets held for sale to surplus assets.
- 2.12. The amendments above result in an increase in the value of PPE of £13.531m and a reduction in held for sale assets of £4m (net effect for non-current assets of £9.531m).
- 2.13. Following these changes additional depreciation of £0.302m has been charged to net cost of services within the Comprehensive Income and Expenditure Account (CIES) and credited to the Capital Adjustment Account (CAA) - an unusable reserve.
- 2.14. Upward revaluations are credited to the Revaluation Reserve and shown within Total Other Comprehensive Income and Expenditure in the CIES. Downward revaluations are charged to net cost of services and credited to the Capital Adjustment Account unless there is a balance in the Revaluation Reserve relating to that asset.
- 2.15. The effect of these revaluations is an increase in net cost of services of £20.6m (depreciation £0.3m and downward valuations £20.3m) and an additional surplus on revaluation of PPE of £30.1m - net effect £9.5m.

This is a 0.3% change in the Council's PPE asset base of £2.746m.

- 2.16. In addition, following a detailed review by the Mazars valuation expert the valuations for Central Retail Park, Home Cultural Facility and land at New Elm Street investment properties were considered to be within the acceptable range.
- 2.17. Following challenge and numerous discussions between the Council's external valuer, corporate finance and Mazars valuation expert assumptions relating to yields used in the calculation of the valuation of a number of investment properties were amended. These related to the Etihad Stadium and the Arndale Centre and resulted in a reduction in the valuations of £2.850m.
- 2.18. The land valuation for Sharp House had been duplicated in the accounts in error. This duplication was removed and resulted in a reduction in value of £3.565m.
- 2.19. An additional lease agreement relating to land at Manchester Airport commenced in August 2020 but was not taken account of in the valuation of this land in the draft accounts. This valuation has been updated and as a result the valuation of investment property has been increased by £7.591m with a matching increase in the Capital Adjustment Account.
- 2.20. The remainder of the investment properties reviewed by Mazars were considered by the Mazars valuation expert to be outside the expected range of values. These related to Sharp House (after the amendment referred to in the previous paragraph), the Arndale Centre (after the amendment referred to in the previous paragraph) and Manchester Convention Centre. Mazars concluded they are £7m over their expected value. Given this is not a material difference the Council has not amended the accounts and has included a recommendation to Committee that the accounts should not be adjusted for these. Investment properties are required to be revalued annually so these values will be reassessed for the 2021/22 accounts.
- 2.21. As a result of these changes the value of investment properties have been increased by £1.176m in the revised accounts.
- 2.22. Changes in the value of investment properties are shown within the Financing and Investment Income and Expenditure line within the Consolidated Income and Expenditure Statement which has therefore been amended from net income of £4.1m in the draft accounts to £5.3m in the revised accounts (a change of £1.176m).
- 2.23. The changes in assets totalling £10.7m (increase in PPE £13.5m, increase in investment property £1.2m and reduction in assets held for sale £4m) result in an increase in the Revaluation Reserve of £30m and

a decrease in the Capital Adjustment Account of £19.3m - a net increase of £10.7m in the net worth of the Council.

- 2.24. The surplus on provision of services has reduced by £19.450m. This relates to additional depreciation £0.302m, downward revaluations charged to services £20.325m partly offset by upward revaluations on investment properties £1.176m. These additional charges are reversed via the Movement in Reserves Statement (MIRS) to unusable reserves so have no effect on the usable reserves of the Council.
- 2.25. Discussions have been undertaken with the Council's external valuers with the aim of improving the evidence provided and justification of assumptions used in future valuation reports including the information they require from council officers and external sources. In addition, it is intended that there will be more quality assurance of the valuations by Corporate Finance before they are used in the 2021/22 accounts.
- 2.26. The total value of all the asset adjustments is £10.707m against a revised asset value of £4,456.1m. This has resulted in balance sheet changes to PPE and Investment Properties, a reduced surplus on the provision of services in the CIES, changes to the MIRS and cash flow statement together with the related notes – the expenditure funding analysis (note 3), note to the expenditure funding analysis (note 4), significant items warranting additional disclosure (note 10), expenditure and income analysis (note 11), adjustments between funding and accounting basis under regulations (note 12), financing and investment income and expenditure (note 15), property, plant and equipment (note 21), investment properties (note 30), unusable reserves (note 41) and cash flow – adjustment for items included in the net surplus on the provision of services for on cash movements (note 49).

Accounting for Pensions

- 2.27. The pension values in the accounts are based on figures provided by the pension fund actuary. Due to timing of the production of this report the figures are estimated based on the latest information available. The return on assets figure is based on actuals to December and included an estimate for the final quarter. The estimated return was 21.4% but the actual return for the full year was 22.2%.
- 2.28. As a result of this updated information a revised actuarial report was commissioned.
- 2.29. In this revised report the value of return on assets increased from £551.538m in the draft accounts to £575.680m, an improvement of £24.142m. The revised accounts have been amended for this change. This results in a reduction in the pensions liability and the negative pensions reserve on the balance sheet so improving the Council's net

worth by £24.142m. This is also reflected in total other comprehensive income and expenditure in the CIES.

- 2.30. The Council paid three years pension contributions to the Greater Manchester Pension Fund up front in 2020/21 for the years 2020/21 to 2022/23 in return for a reduction in the contribution rate generating a saving to the Council. The presentation of the value of two years prepayment totalling £86.428m in the pensions note was incorrect and has been amended reducing the employer's contributions payable in the year line by £86.428m so that it reflects the contributions relating to 2020/21 only. The presentation has also been amended in the Movement in Reserves Statement and the related note (note 12).

Cash, debtors and creditors

- 2.31. The Council has two main bank accounts – the payments account and the receipts account. The transactions from the bank accounts are uploaded into the Council's ledger the following day as receipts can be received on-line 24 hours a day. For receipts a significant number of these will be made directly into the bank account. As a result, the items received on 31 March 2021 are not receipted and interfaced into the financial ledger until 1 April 2021 (the following financial year) as is usual practice. Likewise, some payments particularly those made by CHAPS on 31 March 2021 are not entered into the ledger into 1 April 2021.
- 2.32. In order to reflect the correct bank, debtor and creditor position at 31 March adjustments need to be made to the ledger to write down outstanding debtors by the cash received on 31 March and creditors reduced by CHAPS that left the bank account on 31 March.
- 2.33. Unfortunately, whilst the analysis of the relevant transactions had been completed these adjustments were not presented correctly in the draft accounts. This should have been picked up as part of the quality assurance by checking that the bank balances in the accounts agreed to the 31 March bank statements, but this was missed. The Council identified this issue after the draft accounts were published. This check has been undertaken for the 2021/22 accounts.
- 2.34. These amendments have been included in the revised accounts and as a result the cash and cash equivalents balance has increased by £5.741m, debtors have reduced by £33.187m and creditors by £27.446m.
- 2.35. This change has been reflected in an amended analysis in the debtors and creditors notes as well as the cash flow statement, related notes and the financial instruments note.
- 2.36. As part of the income test samples reviewed by Mazars during their audit, it was identified that debtors relating to two instalments of Adults

Asylum Seekers Grant from the Home Office had been excluded from the draft accounts. These totalled £1.557m. This is an agency arrangement whereby the Council acts as an agent of Central Government and passports this money to other local authorities. The creditors to other local authorities of £1.557m was also excluded from the draft accounts. These have been included in the amended accounts.

Council tax and business rates income

- 2.37. During the audit it was identified that a journal had been misposted in the General Fund which resulted in council tax income being overstated by £2.902m and business rates income understated by the same amount. This has been corrected. The business rates income should reconcile to NNDR3 return to Central Government. This check was missed in the 2020/21 accounts but has been undertaken for the 2021/22 accounts.

Consolidated Income and Expenditure Statement (CIES) and Movement in Reserves (MIRS)

- 2.38. A manual adjustment was made in the draft accounts which resulted in an equal and opposite error of £2.024m between the figures for the surplus on the provision of services and total other comprehensive income and expenditure in the CIES and MIRS. This related to the movement of the dedicated schools grant reserve. The error has been corrected in the revised accounts.
- 2.39. Appendix 1 shows the effect on the CIES and balance sheet of these amendments which result in an increase in the net worth of the Council of £34.849m, a reduced surplus on the provision of services of £19.450m and a reduction in the total other comprehensive income and expenditure of £54.299m.

Single Entity Disclosure Notes

- 2.40. There have been the following changes to the single entity disclosure notes:
- The expenditure and funding analysis and its related notes have been reworked to ensure they are consistent with other notes to the accounts.
 - Note on asset valuations – correction of amounts valued between 2019/20 and 2020/21 financial years
 - Assets held as lessee – 2 leases that relate to sure start centres have been removed from the note as these leases had been terminated previously.
 - Assets held as lessor – adjustment made to the minimum future lease payments relating to a lease to Manchester Airport.
 - Teachers' pensions note – amount paid for added years previously awarded and employee contribution rate corrected

- Deferred liability note - short term / long term analysis added for prior year
- The pooled budget note was expanded to include the entirety of the budget pooled with the Manchester Clinical Commissioning Group rather than just the Better Care Fund element. The prior year figures were also adjusted.
- The related parties note has been revisited and information on additional related parties has been included and a number of corrections made to the figures.
- Financial instruments note – corrections made to some prior year figures and three new tables added showing analysis of potential losses for amounts within cash and cash equivalents held with banks and financial institutions, maturity analysis of financial assets and maturity analysis of financial liabilities
- Cash and cash equivalents note – analysis corrected
- Audit fee for 2019/20 – amended to include additional fees (approved by the PSAA) following the completion of the 2019/20 audit
- The reserves note was amended to include the movement in 2019/20 as well as 2020/21.

Group Accounts

- 2.41. All amendments to the single entity have been reflected in the group accounts. There have been a number of further amendments that effect the group accounts only.
- 2.42. Destination Manchester Ltd (DML) is classed as a subsidiary in the Council's group accounts and as such transactions between the Council and DML should be eliminated from the group accounts. A proportion of the loan from the Council to DML was not excluded in the draft accounts. This has now been amended and as a result group short term debtors have reduced by £0.75m, group long term debtors have reduced by £0.75m and group short term creditors have reduced by £1.5m.
- 2.43. The DML accounts are prepared in accordance with Financial Reporting Standard (FRS)102. As a result, consolidation adjustments have to be made to align the accounting policies used in the group accounts with those of the Council. These consolidation adjustments have been reviewed during the external audit and amended as a result of these discussions.
- 2.44. The DML balance sheet includes goodwill of £4.249m with an amount of £0.556m being charged to the CIES in the year. These amounts had been removed from the group accounts as a consolidation adjustment with the corresponding entry being to group income and expenditure reserve. This adjustment has been reversed as a result of discussions with the external auditors.

- 2.45. In addition, the DML balance sheet contains investments of £3.673m which had been removed as a consolidation adjustment, as in previous years, with the corresponding entry being to group income and expenditure reserve. This adjustment has been reversed following discussions with the external auditors as it is considered that this investment should not have been removed.
- 2.46. Manchester Airports Holdings Ltd (MAHL) 2020/21 accounts have been produced using IFRS16 for lease accounting. This standard has not yet been introduced for local government accounts. In order to align MAHL's accounting policies with that of the Council in the group accounts a consolidation adjustment would be required to remove the MAHL IFRS16 entries and replace them with IAS17 based entries currently used in local government accounts. The impact of this amendment on the group balance sheet would be £1.99m. Given this is not a material difference the Council has not amended the group accounts and has included a recommendation to Committee that the accounts should not be adjusted for this.
- 2.47. There may be one further amendment required to the group accounts relating to depreciation charged on Manchester and East Midlands Airports PPE for the difference in value between that reported in MAHL accounts and that provided by the external valuer commissioned by the Council. An update on this issue will be provided for the Committee.
- 2.48. Appendix 1 shows the effect on the group CIES and balance sheet of the amendments agreed to date which, together with the single entity amendments, result in an increase in the net worth of the group of £42.771m an increased deficit on the provision of services of £19.122m and a reduction in the total other comprehensive income and expenditure of £61.893m.
- 2.49. Other amendments to the group statements and notes include:
- Group CIES amended to reflect single entity prior year restatement
 - Group cash flow statement – amendments made to the statement and related notes
 - Group reconciliation to single entity note – adjustment made to reflect prior year single entity restatement
 - Group PPE note - brought forward balances from 2019/20 have been corrected

Changes to the Narrative Report

- 2.50. The Capital Funding table has been corrected to remove the Greater Manchester programme that related to the prior year.
- 2.51. Summary table showing movement from underspend against budget to surplus on provision of services in CIES has been corrected.

Critical Accounting Judgements

- 2.52. A new critical accounting judgement relating to the treatment of Lender Option Borrower Option (LOBO) loans has been included.

3. Other Changes

- 3.1. The Audit manager completed a review of the unaudited accounts and provided details of changes to the accounts presentation – all these changes have been reflected in the updated audited document

4. Control Issues raised by Mazars

- 4.1. Mazars have raised four deficiencies in internal control in their report, elsewhere on the agenda. These are:
- Land and buildings and investment property valuations
 - The valuation of assets not formally valued in year
 - Setting up or amending imprest accounts
 - Adjustments to the Council's bank balance, debtors and creditors balances
- 4.2. The first two issues are covered in paragraphs 2.1 to 2.26 of this report. Further details of the other two issues and the actions taken to resolve them are included in the following paragraphs.
- 4.3. The Looked after Children (LAC) in remand bank account was set up in May 2020 as young people remanded in custody are entitled to the same pocket money as a Looked After Child in local authority residential care. The Council does not have the facility to use debit cards on its main bank account, so a separate account was set up outside the Council's group of accounts. As the account was outside of the Council's group it was not included by the bank with the list of year end bank balances. In addition, the statements were wrongly addressed and not received by the bank account signatories.
- 4.4. The manager for the looked after children in remand project is also the manager for a district office. c £85k of transactions that should have reimbursed to the district office imprest account had been credited to the separate LAC bank account in error.
- 4.5. This occurred because an error was made in the setting up of the vendor in the Council's payment system for the new LAC bank account and due to a misunderstanding, the bank details of the existing imprest account were used instead of the new LAC bank account.
- 4.6. This error was not identified until after the end of the financial year due to the non-receipt of bank statements which resulted in a bank reconciliation not being completed.
- 4.7. The amount of £85k has been transferred back to the correct bank account.

- 4.8. Bank reconciliations for all imprest accounts have been completed at 31 March 2022 and will continue to be completed each time a reimbursement of the accounts are requested.
- 4.9. Internal Audit have undertaken a piece of work on this issue and whilst they consider that the associated risk of a material error of is low, an audit review of the design and operation of controls over imprest accounts would be appropriate. This will be added to the 2022/23 audit plan.
- 4.10. The cash, debtors and creditor adjustments that were excluded from the draft accounts have been corrected in the accounts appended to this report and further details have been provided in paragraphs 2.31 to 2.34. It is acknowledged that this omission should have been picked up as part of the quality assurance process by checking that the bank balances in the accounts agreed to the 31 March bank statements. This check has been undertaken for the 2021/22 accounts.

5. Next Steps

- 5.1. At the time of writing this report the audit of the 2020/21 accounts is complete apart from any changes to the value of infrastructure assets as a result of the recent consultation and a potential change to the group accounts referred to in paragraph 2.47. Any changes to these values will need to be audited by Mazars.
- 5.2. There have been significant delays in the issuing of the template to complete the 2020/21 Whole of Government Accounts (WGA) return by HM Treasury. The deadline for the submission of cycle 1 of the return is 31 July 2022. The National Audit Office have not yet issued their audit instructions as to what audit work will be required.
- 5.3. Subject to the satisfactory conclusion of the outstanding work, an unqualified opinion on the single entity and group accounts is expected to be issued. At this stage the outcome of the highways infrastructure is unknown and therefore the volume of work that may be required and the potential issues in obtaining historical information cannot be quantified.
- 5.4. If any further amendments to the accounts are identified prior to the Committee meeting they will be reported at the meeting.
- 5.5. The revised Annual Accounts for 2020/21 are appended to this report.

6. Recommendations

- 6.1. The recommendations are listed at the front of this report.