

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee – 23 July 2024.  
**Subject:** Statement of Accounts 2023/24  
**Report of:** The City Treasurer

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**Summary**

This report provides Members with the draft Statement of Accounts for the 2023/24 financial year, which are presented for audit by the Council’s appointed external auditors Forvis Mazars.

**Recommendations**

The Committee is recommended to note the unaudited 2023/24 Annual Accounts including the narrative report, signed by the City Treasurer.

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**Wards Affected:** All Wards

<b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on achieving the zero-carbon target for the city.	No Impact
<b>Equality, Diversity, and Inclusion</b> - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments.	No Impact

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the Our Manchester Strategy/Contribution to the Strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The annual accounts are a key source of assurance to demonstrating the effective use of resources to deliver the councils strategic priorities. as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy
A highly skilled city: world class and home-grown talent sustaining the city’s economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	

A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

**Financial Consequences – Revenue** None

**Financial Consequences – Capital** - None

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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 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

- 13 February 2024 - Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty - [Audit Committee Report Feb 24 Accounting Policies 23.24.pdf \(manchester.gov.uk\)](#)
- 23 April 2024 – Annual accounts update [23 April 2024 - 22.23 updated accounts.pdf \(manchester.gov.uk\)](#)
- 1 June 2024 – Delay in publishing unaudited Statement of Accounts [Delay in publishing unaudited Statement of Accounts: Year Ended 31 March 2024 | Manchester City Council](#)

## **1. Introduction and Background**

- 1.1. This report provides Members with the draft Statement of Accounts for the 2023/24 financial year, which are presented for audit by the council's appointed external auditors Forvis Mazars
- 1.2. The Council is required to prepare a Statement of Accounts for each financial year. The accounts must be prepared in accordance with statutory timelines and accounting practices.
- 1.3. These accounts will be published by the 31 July 2024 following the meeting of the Audit Committee.

## **2. Statement of Accounts**

- 2.1. Since 2010/11 accounting practices have been based on International Financial Reporting Standards (IFRS) which attempts to facilitate the production of accounts in a standardised and consistent format across the public and private sectors giving greater transparency and comparability for stakeholders.
- 2.2. The accounting practices are set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK and any additional CIPFA guidance such as the year end Final Accounts Bulletins. These accounts have been prepared adhering to these requirements, and in line with the council's Accounting Policies as approved by Audit Committee 13 February 2024.

## **3. Publication Delay**

- 3.1. For 2023/24 accounts the statutory audit deadlines for local authorities to present draft accounts for audit has reverted to the pre-pandemic date of the 31 May 2024. The publication date for the final, audited, accounts for 2022/23 is 30 September 2024.
- 3.2. Manchester City Council were unable to meet the deadline of 31 May 2024. There were two main reasons as follows:
  - Asset valuations were received later than planned, in part due to difficulties in obtaining the information needed for external partners to produce robust estimates.
  - Capacity constraints linked to the knock on impact of the work to finalise the 2023/24 audit, particularly concerning the review of the approach to consolidating the group accounts.
- 3.3. For context 128 (41%) of local authorities published draft accounts by the end of May. Whilst this was an improvement on the 30% of Local authorities which met the deadline last year, it is evidence of the continuing issues across the local audit system.

3.4. Insights from LG Improve show that Councils who have published delay notices are facing similar issues, they are mostly citing.

- knock on implications from the delay in auditing 2022/23 accounts,
- delays from valuers and actuaries as they are conscious of the increased challenge from auditors around significant values subject to estimation, so are taking extra time to produce reports.

3.5. Where a Local Authority cannot achieve the statutory deadline a delay notice must be published in accordance with the Accounts and Audit Regulations 2015, outlining the reasons for delay. The Council published the appropriate notice 1 June 2024.

#### **4. Audit of 2023/24 Accounts**

4.1. Our audit partners, Forvis Mazars, plan to commence the 2023/24 audit in October 2024 and complete it in 2023/24. The audited accounts together with the external audit report outlining any amendments will be reported to Audit Committee following completion of this audit.

4.2. As reported to Audit Committee 23 April 2024, legislation was due to be laid in parliament to address the backlog of public sector audits. The first phase was to set a 'backstop date' for all accounts 2022/23 and prior to be completed by September 2024. Phase two related to 2023/24 and future financial years and proposed gradually shortening the statutory deadline until it aligns with what was previously a target date for publication of eight months after the year-end.

4.3. The legislation was not laid in parliament prior to the call for an election and it is not yet clear how the government will progress. Audit Committee will be updated once the position become clearer, including any implication on the 2023/24 accounts audit.

#### **5. Recommendations**

5.1. The recommendations appear at the front of this report.