

Audit and Governance Committee
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29 November 2022

Dear Members of the Audit and Governance Committee

Update/conclusion of pending matters– Audit Completion Report

As required by International Standards on Auditing (UK), I am writing to communicate an update on those matters that were marked as outstanding within our Audit Completion Report dated 5 September 2022.



The outstanding matters and the conclusions we reached are detailed below:

Matter	Update/conclusion reached	Status
Pensions	<p>We have now completed our work on pensions, and in particular, we have received the assurance letter from the auditor of Greater Manchester Pension Fund.</p> <p>There is one matter to report:</p> <ul style="list-style-type: none"> The pension fund auditor has confirmed the 'benefits payable' for Transport for the North per the Fund general ledger to be £116k. This compares to a figure of £62k per the actuary in the IAS19 report and financial statements. The difference of £54k is not material and therefore management has decided not to adjust. There is one error of £215m reported by the pension fund auditor relating to an understatement of assets. Given TfN's share of assets is only 0.0445%, this would result in an error of £95,675 which is not material and therefore management has decided not to adjust. 	Complete
Narrative report	We have completed our work in this area and have no matters to report.	Complete




Matter	Update/conclusion reached	Status
Review and closure procedures	Our review and closure procedures have now been completed including a review of post balance sheet events and the signed management representation letter. There are no further matters to report.	Complete

At the time of preparing this update letter, we intend to issue an unqualified audit opinion, without modification, on the financial statements on 29 November 2022.

At the time of preparing this update letter, the following matters remain outstanding, which as we have explained will be reported at a later date:

Audit area	Status	Description of outstanding matters
Value for money commentary		We are yet to complete our work in respect of the TfN's arrangements for the year ended 31 March 2022.
WGA		We have not yet received group instructions from the National Audit Office and are unable to complete our work in relation to both 2020/21 and 2021/22.

Status

-  Likely to result in material adjustment or significant change to disclosures within the financial statements
-  Potential to result in material adjustment or significant change to disclosures within the financial statements
-  Not considered likely to result in material adjustment or change to disclosures within the financial statements

We will inform Transport for the North of any further matters when we have completed the value for money and whole of government accounts formally closing the audit of Transport for the North for both 2020/21 and 2021/22. This will be reported in our Auditor's Annual Report.

If you wish to discuss these or any other points then please do not hesitate to contact me.

Yours faithfully

Signature: 
Karen Murray (Nov 29, 2022 16:07 GMT)

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Karen Murray
Partner