
Meeting: Transport for the North Audit and Governance Committee
Subject: Year End Statutory Accounts
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Sponsor: Paul Kelly, Finance Director
Meeting Date: Friday 8 March 2024

1. Purpose of the Report:

- 1.1 To present to Audit & Governance Committee the Statement of Accounts of Transport for the North for consideration and recommendation to the TfN Board.

2. Recommendations:

- 2.1 That the committee notes the intention of Transport for the North's independent external auditor to provide an unqualified, clean audit opinion.
- 2.2 That the committee considers the Statement of Accounts and recommends they are submitted to the TfN Board meeting on 20 March 2024 for approval.

3. Background:

- 3.1 To comply with legislation, Transport for the North must recognise its pension assets and liabilities in its statutory accounts. This is purely an accounting adjustment for statutory accounting and does not impact on our operational/budgeted position.
- 3.2 Transport for the North's external audit can only be concluded when the external audit of the whole Greater Manchester Pension Fund ("GMPF") is concluded. This allows the output, relevant to Transport for the North, to be considered as true and accurate. The GMPF audit had not been concluded by the September 2023 Board meeting.
- 3.3 At the Board meeting in September 2023, the accounts were approved subject to there being no material variances arising from the completion of our external audit.
- 3.4 As is the case for previous years, the pension fund element of the accounts are compiled using actuarial reports (from GMPF) produced in February prior to the year end. These are based on estimated data which allows draft accounts to be processed and published by 31 May each year.
- 3.5 After completion of the wider pension fund audit, the external auditors compare the actual pension assets and liabilities of TfN against the estimates in February. If there are no material differences the audit opinion can be issued without amendment of the accounts. This has been the case for all previous years.
- 3.6 Post the restructuring in earlier years, the organisation has been systematically recruiting to its establishment. This has resulted in a net inflow of members to our pension fund. This net inflow was not envisaged within the estimated reports, and once considered, shows a material difference to our estimated position.
- 3.7 As a consequence, the statutory accounts have been updated to reflect the position at 31 March 2023 using actual data.
- 3.8 The amended accounts have been shared with the external auditors who have indicated they intend to issue an unqualified, clean audit opinion and report.
- 3.9 Two versions of the accounts are included to support the review and approval process. Appendix 1 shows the accounts submitted to the Board in September 2023 with every amendment highlighted. This shows a non-material change to the Comprehensive Income and Expenditure statement due actual v estimated interest income and expenditure and material changes to the entities pension assets and liabilities for the

reason highlighted above. Appendix 2 shows a clean version the accounts that we intend to submit to the Board for approval.

4. Corporate Considerations:

4.1 *Financial Implications*

There are no financial implications within this report.

4.2 *Resource Implications*

There are no direct resource implications as a result of the report.

4.3 *Legal Implications*

The legal implications have been considered and are included in the report.

4.4 *Risk Management and Key Issues*

There are no risks associated with the content of this report.

4.5 *Environmental Implications*

A full impact assessment has not been carried out because it is not required for this report. There are no environmental implications associated with this report.

4.6 *Equality and Diversity*

A full impact assessment has not been carried out because it is not required for this report.

4.7 *Consultations*

A consultation has not been carried out because it is not necessary for this report.

5. Background Papers:

5.1 Audit & Governance Committee 15 September 2023 – Item 9 Draft Statutory Accounts

6. Appendices:

6.1 Appendix 1. Statement of Accounts 2022/23 (Track changed)

6.2 Appendix 2. Statement of Accounts 2022/23 (clean for approval)

Glossary of terms, abbreviations and acronyms used

a) A&GC	Audit & Governance Committee
b) TfN	Transport for the North
c) DfT	Department for Transport