

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 28 SEPTEMBER 2022
REPORT OF: TREASURER
AUTHOR: PAUL VAUGHAN

SUBJECT: FINAL ACCOUNTS 2021-22 AND ANNUAL GOVERNANCE STATEMENT

Purpose of Report

1. Current regulations require the Authority to approve its audited Statement of Accounts for publication on or before 30th September 2022. This report summaries the changes that have been made to the draft Statement of Accounts.
2. The Statement of Accounts includes the Annual Governance Statement that the Authority is also required to approve and publish within the same timeframe as the Statement of Accounts.

Recommended: That;

- [1] The 2021-22 Annual Governance Statement be approved;
- [2] The 2021-22 Statement of Accounts, contained in Appendix 1 to this report, be approved and the Chair, Treasurer, Chief Fire Officer and Chief Executive and Monitoring Officer be authorised to sign the Statement of Accounts and Annual Governance Statement upon receipt of the finalised audit opinion: and
- [3] The Letter of Representation, as detailed at Appendix 2 to this report, be approved for signature by the Chair and Chief Fire Officer and Chief Executive on behalf of the Authority.

Background

3. The draft Statement of Accounts were reported to an informal meeting of members of Performance and Overview Committee, which acts as the Closure of Accounts Committee, on 20th July 2022. The 2021-22 Annual Governance Statement was also considered at the meeting. This provided an opportunity for Member scrutiny before its inclusion with the accounts.

Statutory Requirements

4. The Accounts and Audit Regulations 2015 (the Regulations) set out the requirements for the production and publication of the annual Statement of Accounts. The Regulations were amended because of the Covid-19 Pandemic and the deadlines remain 31st July for draft accounts and 30th September for audited accounts for 2021-22. To comply with the Regulations the draft Statement of Accounts were approved by the Treasurer following consideration by the Closure of Accounts Committee and submitted to the External Auditors.
5. The Regulations, as amended, require the audited Statement of Accounts, including an updated Treasurer's Certificate, to be approved by the Authority on or before 30 September 2022. At the time of writing this report, the audit had nearly been completed, but some queries remained and a verbal update will be given at the meeting.
6. The Regulations stipulate that the accounts must be prepared in accordance with "proper practices". The CIPFA Code of Practice on Local Authority Accounting is relied upon to describe proper practices. It is based on International Financial Reporting Standards. The Code requires a great deal of financial information to be produced, including a comprehensive set of notes supporting the main financial statements, which are: a Comprehensive Income and Expenditure Statement, a Movement in Reserves Statement, a Balance Sheet, a Cash Flow Statement and a Firefighter Pension Fund Statement.
7. The Regulations also contain the requirements for the preparation and publication of the Annual Governance Statement (AGS). The AGS sets out how the Authority has reviewed the effectiveness of its system of internal controls and the assurance provided by the Governance Framework, as set out in Section 2 of the AGS. The inclusion of the AGS in the Statement of Accounts and approval by the Authority provides compliance with the Regulations. The AGS commences on page 88 of the Statement of Accounts.

Changes to the Statement of Accounts

8. Since the draft accounts were approved there have been a few minor changes made in relation to areas raised by External Audit. The revised version is attached as Appendix 1 to this report. The changes are set out below:
 - A minor change in the wording of accounting policy 1.15 relating to Inventory to update the policy
 - A change to note 23 to incorporate the date on which the new Treasurer started in role.

Letter of representation

9. Each year, the Authority is required to sign a Letter of Representation addressed to the Auditors. The Letter explains the Authority's responsibilities in relation to the audit, and a copy is attached as Appendix 2 to this report. It is recommended that the Authority approves the letter and authorises the Chair and the Chief Fire Officer and Chief Executive to sign it. It should be noted that at the time of writing there were some audit work to be completed that may need to be reflected in the letter, as will be explained by the auditors at the meeting. Should this be the case a revised letter will be prepared for signature.

Financial Implications

10. This report deals with financial matters. There are no direct budgetary implications as a result of the report.

Legal Implications

11. The approval and publication of the accounts is a legal requirement.

Equality and Diversity Implications

12. There are no equality and diversity implications arising from this report.

Environmental Implications

13. Copies of the accounts will be made available in electronic format, with the number of hard copies published kept to a minimum in recognition of the environmental impact.

**CONTACT: DONNA LINTON, GOVERNANCE AND CORPORATE PLANNING
MANAGER
TEL [01606] 868804**

BACKGROUND PAPERS: NONE