

ITEM 2

UPDATE – ACCOUNTS AND ANNUAL AUDITOR'S REPORT 2022-23

Members will recall that at the meeting of the Audit Committee in September 2023 a draft set of accounts was presented for approval. The accounts could not be finalised at that time because of unresolved issues relating to the valuations of the Authority's pension liability and property. Once resolved these needed to be reflected in the accounts, with the changes needing to be agreed with the external auditor. Thereafter, the external auditor was then expected to issue his opinion. The Committee delegating the signing of the accounts to the Chair of the Committee and the Treasurer, subject to there being no other material changes.

An update was provided at the meeting in November 2023 which explained that the issues previously reported had been resolved. However, another issue in relation to the valuation of the pension liability had been identified which remained unresolved, further delaying the signing of the accounts. At that meeting the Audit Committee considered the draft Annual Auditor's Report (AAR), which could not be finalised until the accounts were completed. The Committee approved the draft AAR for consideration at the Fire Authority meeting in December 2023, subject to resolution of the outstanding pension liability issue. As the issue remained unresolved when the Fire Authority met it authorised officers to agree the final ARR unless there was any material difference.

At the time of writing, all issues have been resolved and changes are being made to the accounts. The revised accounts will be considered by the external auditor, and it is hoped that by the time of the meeting the changes will have been agreed, the accounts will have been signed, and the auditor will have confirmed his opinion. In addition, the Letter of Representation agreed at the Committee meeting in September will hopefully also have been signed and sent to the external auditor. After that, the AAR will be agreed with the external auditor.

All of the actions described above can be completed without further reference to Members. There will have been no material changes and the delegations in place are sufficient for these matters to be satisfactorily concluded.

Whilst the delay is disappointing, it is not a cause for concern. It must be stressed that all changes to the accounts are technical in nature, do not affect the General Fund Balance and have arisen as a result of factors beyond the Authority's control.

Paul Vaughan, Treasurer