

Approval of the Statement of Accounts 2010/11

Report of the Treasurer

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202.

1 Purpose of Report

This report sets out changes in the Accounts and Audit (England) Regulations 2011 as they affect the timing of the approval of the Statement of Accounts for the last financial year, reviews the options for the Fire Authority and asks for approval to a way forward.

2 Recommendations

The Fire Authority is recommended to consider whether:

- a) To retain approval of the Statement of Accounts, rather than delegate to the Audit and Performance Management Committee and, if so, whether it approves option 4c; **or**
- b) To continue to delegate authority to the Audit and Performance Management Committee to approve the Audited Final Accounts' Statements, subject to revision of the Committee's Terms of Reference at the Authority's Annual Meeting in July to ensure clarity regarding the scope of delegation.

3 Background

The Accounts and Audit Regulations 2011 have amended the timetable for approving the Statement of Accounts. The latest timetable is as follows:

- i Before approval is given, the responsible financial officer must, no later than 30th June immediately following the end of a year, sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year.

- ii The Fire Authority must, no later than 30th September in the year immediately following the end of the year to which the statement relates:
 - (a) consider either by way of a committee or by the members meeting as a whole the statement of accounts;
 - (b) following that consideration, approve the statement of accounts by a resolution of that committee or meeting;
 - (c) following approval, ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval was given; and
 - (d) publish (which must include publication on the body's website), the statement of accounts together with any certificate, opinion, or report issued, given or made by the auditor
- iii The responsible financial officer must re-certify the presentation of the statement of accounts before the Fire Authority approves it.

The previous timetable required the Fire Authority to approve, and the Chair to sign, the full set of Final Accounts' Statements by the end of June, and the final statement of accounts to be presented, together with the annual governance report from the external auditors, by the end of September. This latter task is currently undertaken by the Audit and Performance Management Committee.

The Fire Authority has, therefore, delegated to the Audit and Performance Management Committee power to approve the external auditor's annual governance report (which incorporates amendments that have occurred since the full set of Final Accounts' Statements were approved in June), and for the Chair of the Committee to sign the Letter of Representation on behalf of "those charged with governance". Last year's letter is attached as an appendix.

4 Possible Implications of the Amended Timetable

The obvious change is that there is now no need for a meeting in June simply for the Fire Authority to approve the full set of Final Accounts' Statements. The meeting, scheduled for 15 June this year, will, however, be retained, as there will be a number of other items of business to be considered at that time. In future years, however, the June meeting will be removed from the meetings schedule.

Work by officers would, of course, have to proceed as before in order, it is hoped, for the Treasurer to be able to sign a completed set of Final Accounts' Statements before the end of June and for our auditors to start their audit.

The Fire Authority, however, has a number of options:

- a) Receive the set of Final Accounts' Statements signed by the Treasurer at the July meeting and clarify that the current delegation to the Audit and Performance Management Committee encompasses formal approval of the full set of the Audited Final Accounts' Statements;

- b) Receive a report in July on the major issues arising from the accounts but not the full set of Final Accounts' Statements; and clarify that the current delegation to the Audit and Performance Management Committee encompasses formal approval of the full set of the Audited Final Accounts' Statements;
- c) Receive a report in July on the major issues arising from the accounts, rescind the delegations to the Audit and Management Committee to approve the Audited Final Accounts Statements; and arrange a meeting of the Fire Authority in late September to approve the full set of the Audited Final .Accounts' Statements directly.

Further action that could be considered, if option c) above were chosen, would be to ask the Audit and Performance Management Committee to examine the Audited Final Accounts' Statements at its meeting on 8 September (if ready), in order to commend them to the Fire Authority meeting. It might also be possible to cancel the Fire Authority meeting scheduled for October (12th in 2011), if not this year, then possibly in future years.

5 Legal Comment

The Fire Authority must comply with The Accounts and Audit Regulations 2011, the implications of which are set out within this report.

6 Equality Impact Assessment

Officers have considered the Services Brigade Order on Equality Impact Assessments (Human Resources 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An EQIA has therefore not been completed,

7 Appendix

2009/10 Letter of Representation

8 Background Papers

There are no background papers associated with this report.

Mr G Patterson
District Auditor
The Audit Commission
Opus House
Priestley Court
Stafford Technology Park
Beaconside
Stafford
ST18 0LQ

9 September 2010

Keith Dixon

keith.dixon@shropshirefire.gov.uk

01743 260202

Treasurer/LI/ Treas/let01-10li
2010

Dear Mr Patterson

Shropshire and Wrekin Fire Authority – Audit for the year ended 31 March 2010

We confirm to the best of our knowledge and belief, having made appropriate enquiries of officers of Shropshire and Wrekin Fire Authority, the following representations given to you in connection with your audit of the Fire Authority's financial statements for the year ended 31 March 2010.

We acknowledge our responsibility for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom, which present fairly the financial position and financial performance of the Authority, and for making accurate representations to you.

The Fire Authority has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Specific representations

One area highlighted in the accounts is the impact of the Part-Time Workers, (Prevention of Less Favourable Treatment) Regulations for compensation for terms and conditions of Retained Firefighters, in particular Pension costs for the period at issue i.e. July 2000 to April 2006. As it is not possible to quantify with sufficient reliability the cost of pensions for this period it has not been possible to calculate the relevant provision as required by FRS 12.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Fire Authority have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Committee and Authority meetings have been made available to you.

Fair Values

We confirm the reasonableness of the significant assumptions within the financial statements.

Compensating Arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts.

Related party transactions

We confirm the completeness of the information provided regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and, where appropriate, adequately disclosed in the financial statements.

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than that already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Law, regulations and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Fire Authority.

In all material respects, the expenditure and income disclosed in the financial statements has been applied to purposes intended by Parliament and the financial transactions conform to the authorities, which govern them.

The Fire Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with the requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Irregularities

We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect error.

There have been no:

- irregularities involving management or employees, who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements;
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices, which could have a material effect on the financial statements.

We have no knowledge of fraud, or suspected fraud, which could have a material effect on the financial statements.

Post balance sheet events

Since the date of approval of the financial statements by Members of the Fire Authority no additional significant post balance sheet events have occurred, which would require additional adjustment or disclosure in the financial statements.

Signed on behalf of Shropshire and Wrekin Fire Authority

Signed

Name		John Redmond	Keith Dixon
Position	Chair of Audit and Performance Management Committee	Deputy Chief Fire Officer	Treasurer

Date 9 September 2010