

Report of the Treasurer

Statement of Accounts 2016/17

Purpose of report

1. To present the 2016/17 Statement of Accounts for approval.
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Recommendation

The Treasurer recommends that the Statement of Accounts 2016/17 be approved.

Introduction

1. In respect of the 2016/17 Statement of Accounts, the Account and Audit Regulations 2015 require that:
 - a. the Statements are signed off by the Treasurer by 30 June 2017
 - b. the Statements are approved by the Authority by 30 September 2017
 - c. the Statements must be published by 30 September 2017
2. The Fire Authority has delegated the approval responsibility to the Audit and Standards Committee.
3. The Accounts were signed off by the Treasurer on 26 May 2017, a whole month ahead of the deadline
4. The Audit is now complete, with no major issues arising and the External Auditors report is included elsewhere on the Agenda.

Statement of Accounts

5. As Members will be aware, the Code of Practice on Local Authority Accounting - Statement of Recommended Practice (SORP) requires that the Accounts are prepared on the basis of International Finance Reporting Standards (IFRS). This differs significantly from the statutory framework used for Council Tax and Grant purposes. This is explained further below.
6. The principal effect of this is that the Comprehensive Income and Expenditure Statement (CIES) exhibits a significant net deficit because the Statutory Accounting arrangements which are used by the FRA in council tax setting have precedence over IFRS.
7. There are charges, e.g. depreciation, and the liability on pension schemes which are not chargeable in the statutory accounts. The Government does not

recognise IFRS for grant allocations or as part of the statutory budget setting arrangements.

8. The differences between IFRS and Statutory Accounting are reconciled in the Movement in Reserves Statement and do not affect the underlying financial position.
16. The Balance Sheet shows a negative balance which arises from the identified liabilities in the Pension Schemes.
17. The FRA is, however, not required or empowered to fund these deficits immediately. The Local Government Pension Scheme (LGPS) is covered by future payments of the employer's contribution and the Firefighters' Schemes are covered by the new financing arrangements commencing from 1 April 2006 which effectively means that the liability will be met by direct government grant, as it arises.

Conclusion

18. The Statement of Accounts is ready for approval.
19. As there are no matters arising from the public inspection period (1 July 2017 to 11 August 2017), the External Auditor will be able to issue the audit opinion, as soon as he is ready.
21. On publication, the Statement of Accounts will contain the Auditors Opinion and the approved Annual Governance Statement,

Future Years

22. With effect from the 2017/18 Accounts, the Account and Audit Regulations 2015 change the deadlines for approval to:
 - d. the Statements are signed off by the Chief Finance Officer by 31 May
 - e. the Statements are approved by the Authority by 31 July
 - f. the Statements must be published by 31 July
23. As a consequence, it will be necessary to make changes to the established time-table for this Committee from 2018 onwards.
24. Members can be assured, however, that the evidence of the completion of the 2016/17 Statement before the end of May this year demonstrates that it is not an obstacle for the finance team.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	N/A
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	N/A
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	N/A
Consultation (identify any public or other consultation that has been carried out on this matter)	N/A
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1– Statement of Accounts 2016/17

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