

Report of the Treasurer

Statement of Accounts 2021/22

Purpose of report

1. To present the 2021/22 Statement of Accounts for final approval.
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Recommendation

It is recommended that the Statement of Accounts 2021/22 is approved.

Introduction and Background

2. The Accounts and Audit Regulations 2015 set out the dates by which an Authority must approve and publish the Statement of Accounts. As a part of the government's response to the restrictions of Covid-19 working these dates are relaxed for the 2021/22 year only.
3. For the 2021/22 Accounts an Authority was supposed to ensure that the Statements was:
 - a. Signed off by the Treasurer by 31 July 2022
 - b. Approved by the Authority by 30 November 2022
 - c. Published by 30 November 2022
4. The Fire Authority has delegated responsibility for approval of the Accounts to the Audit & Standards Committee.
5. The Accounts were signed off by the Treasurer on 29 July 2022 in line with the Regulations. As the external auditors had not completed the audit by 30 November the Accounts were not ready for approval by the statutory deadline, and this was recognized by publication of the relevant statutory notice to notify of the delay.
6. It was expected that the work would have been completed in time for the 19 January 2023 meeting of the Audit & Standards Committee, but Members of that Committee will recall that, at that meeting the external auditor stated that he thought the process would be completed within about two weeks. This was not the case.
7. Late on 13 April, the Treasurer received notification that the Audit was now complete, with no major issues arising. However, the e-mail went on to state that because the regular triennial valuation of the LGPS had taken place before the final audit sign off, it was possible that the Accounts might need to be adjusted to take account of the later valuation.

8. The external auditors had hoped that a pragmatic solution could be reached which did not require adjustment but the Financial Reporting Council (FRC) eventually thought otherwise.
9. Prior to approving the Statement, the Authority must consider the External Auditor's "Audit Findings Report". This was done by the Audit & Standards Committee in January and again in April. Other than changes in relation to the LGPS revaluation there are no significant differences between the three reports.
10. The fact that the 2021/22 Accounts were not yet approved, means that year end balances could not be rolled forward. With respect to fixed assets and pension liabilities in particular, this caused delays to the production (and therefore the Audit) of the 2022/23 Accounts. It was therefore imperative that the 2021/22 Accounts were approved as soon as possible.
11. The Committee approved the Accounts on 19 April 2023, on the basis that there would be no further requirement to amend in respect of the LGPS valuation as referred to at (7) above.
12. There has, however, been a requirement to make changes to the Accounts in respect of the LGPS and unfortunately this has taken a significant time.
13. Whilst having little overall impact on the overall Accounts, the changes ripple through all the main Statements and many of the supporting disclosures and had taken time to complete and check.
14. The net impact is that the negative Balance Sheet figure moves from £366m to £364m, and the £1.6m deficit on the Comprehensive Income and Expenditure Statement (CIES) becomes a surplus of £0.5m.
15. The LGPS net liability has fallen from £17.8m to £15.7m.
16. The Statement of Accounts 2021/22 is now submitted for re-approval. Although this is normally within the remit of the Audit & Standards Committee, but the next meeting is not until 17 January 2024. The Statement is brought to the Fire Authority to allow the Auditor to close the 2021/22 audit and commence the 2022/23 one.
17. Other than the LGPS changes that are the underlying reason for this report, there have been no material changes to the set of Accounts that were signed off by the Treasurer in July 2022.

Conclusion/Summary

18. The Statement of Accounts is ready for approval.
19. The External Auditor should be able to issue an Audit Opinion as soon as it is ready.

20. On publication, the approved Statements will include the Audit Opinion and the approved Annual Governance Statement.
21. Members are asked to note the knock-on impact of the delay to the conclusion of the 2021/22 audit on the production of the 2022/23 Accounts.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	n/a
Strategic Policy Links & Core Code of Ethics (Identify how proposals link with current priorities & policy framework and align to the Core Code of Ethics)	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
Data Protection Impact Assessment (where personal data is processed a DPIA must be completed to ensure compliant handling)	n/a

Supporting Information

Appendix 1 – Statement of Accounts 2021/22 (separate enclosure)