



## **AGENDA ITEM: 9**

### **NORTH WALES FIRE AND RESCUE AUTHORITY**

**19 September 2016**

#### **STATEMENT OF ACCOUNTS 2015-16**

**Report by Dawn Docx, Interim Treasurer to the Authority**

#### **Purpose of Report**

- 1 This report is to present to Members the audited statement of accounts for 2015-16 and the annual governance statement.
- 2 This report was presented to the Audit Committee on the 12 September 2016 in order for its members to review the contents before submission to the Fire and Rescue Authority. The Audit Committee had no major observations nor could find any major risks in the report and would recommend it be approved by the Authority. The Committee requested that the covering report include the recommendation that the findings from the Auditors Report be fully implemented and the procedural changes be reported back to the Audit Committee.

#### **Information**

- 3 In compliance with the Accounts and Audit Regulations (Amendment Wales) 2010 it is a requirement that the audited accounts are approved by Members by 30 September.
- 4 It is also a requirement that the annual governance statement is presented to Members with the statement of accounts and this has been included as an appendix to the accounts. The statement has been prepared in accordance with the principles contained within the 'Framework for Delivering Good Governance in Local Government' issued by the Chartered Institute of Finance and

Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) and was scrutinised by the Audit Committee prior to approval by the Fire and Rescue Authority on 20 June 2016. Since approval the AGS has been amended slightly in line with recommendations made by the Auditors. New paragraphs are 4.3, 5.9, and 5.10 and an amendment to paragraph 12.3.

- 5 Members were presented with a financial performance report for 2015-16 which detailed the actual spend for the year against budget and Members approval was sought to set aside the underspend to offset expenditure on the capital programme. The report was also scrutinised by the Audit Committee on 6 June 2016 prior to approval by the Fire and Rescue Authority.

## **Reserves**

- 6 Usable reserves consist of the general reserve, earmarked reserves and grant income brought forward from the previous year. These reserves can be used by the Authority to finance expenditure in future years. Unusable reserves are non-cashable and consist of money already set aside to finance expenditure; revaluations to reflect increase in asset values; and the pension reserve which is a deficit reserve.

## **Audited Changes**

- 7 The accounts have now been audited by the Auditor appointed by the Wales Audit Office and have been amended in line with the findings from the audit.
- 8 A number of misstatements were corrected during the audit including a number of presentational and numerical changes to the financial statements, none of which had an impact on the comprehensive income and expenditure statement, balance sheet or on the actual expenditure incurred for the year. There have been 3 uncorrected misstatements and the reason for not correcting these is contained in the Letter of Representation attached.

## **Audit Recommendations**

- 9 The recommendations from the Audit are contained within the Auditor's report. Management have agreed that the recommendations will be implemented in full and some of the procedural changes will be reported back to the Audit Committee.

## **Recommendation**

- 10 Members are asked to:-
- (i) approve the audited statement of accounts for 2015-16;
  - (ii) recommend that the findings from the Audit report are fully implemented.