

Status of Report: Public

Meeting: Combined Fire Authority

Date: 16 December 2020

Subject: Amendment to Statement of Accounts 2019/20 – Urgent Action Taken by the Chief Fire and Rescue Officer and the Treasurer

Report by: The Treasurer

Author: Amy Oliver

For: Decision

Purpose

1. The purpose of this report is to advise the Combined Fire Authority of urgent action taken by the Chief Fire and Rescue Officer and Treasurer, following consultation with the Chair and Vice Chair, to make a minor amendment to the Statement of Accounts. In addition, this report seeks delegated authority for the Treasurer to approve any further minor amendments to the Annual Accounts and Annual Governance Statement.

Recommendation

2. It is recommended that the Combined Fire Authority
 - a. notes the urgent action taken by the Chief Fire and Rescue Officer and the Treasurer to make a minor amendment to the Authority's Statement of Accounts 2019/20; and
 - b. authorises the Treasurer to approve any further minor amendments to the Annual Accounts and Annual Governance Statement, subject to a report to the CFA at its next meeting.

Executive Summary

3. At the time of signing off the Statement of Accounts, the Leicestershire Local Government Pension Scheme (LGPS) Pension Fund audit was still to be finalised. The Leicestershire Local Government Pension Scheme opinion is still outstanding at the time of writing this report. However, we identified the requirement for Leicestershire Fire and Rescue Service's accounts to include an additional disclosure note. This is required in relation to the Fire Authority's share of the Pension Fund's property assets and can be reviewed at the Appendix.

Background

4. At its meeting on 23 September 2020 the CFA approved the Statement of Accounts. It was noted at the meeting by the External Auditor Mazars, that the Leicestershire Local Government Pension Scheme audit opinion was still awaited.
5. Since then it has been identified that the Pension Fund is required to disclose a material uncertainty around the value of the property assets held. This is a direct consequence of the COVID-19 pandemic impacting the valuation of assets at 31 March 2020 and is in line with the Royal Institute of Chartered Surveyors (RICS) guidance in relation to 2019/20 property valuations.
6. As the Pension Fund is publishing this disclosure, this should be mirrored by a disclosure in the Fire Authority's Statement of Accounts. This disclosure has been added to Note 5 as a material uncertainty in the accounts. A copy of the additional disclosure is attached at the Appendix. This amendment has not impacted the financial position of the Fire Authority.
7. It is however noted, that the Leicestershire Local Government Pension Scheme audit is still outstanding at the time of writing this report and therefore it is proposed as part of this report to delegate authority to the Treasurer to make any further minor amendments.
8. The reason for this urgent decision being taken outside of the CFA meeting was to enable the Authority to comply with the statutory deadline to have audited accounts by 30 November 2020. The Chief Fire Officer and Treasurer consulted the Chair and Vice Chair and they approved the amendments to the accounts as detailed at the Appendix. However, it should be noted that due to the delays in the Pension Fund audit, the Treasurer published accounts on 30 November with the additional disclosure but without an audit opinion. Mazars are unable to provide an audit opinion without receiving the Pension Fund audit opinion first. As soon as this is received the Fire Authority's audit opinion will be issued.
9. The CFA's Constitution permits urgent action to be taken between meetings subject to this being reported to the next meeting of the CFA, as follows:

'35.1 The Chief Fire and Rescue Officer, or in his absence the Assistant Chief Fire and Rescue Officer be authorised to take any action between meetings which he considers to be urgent in consultation with the Chair and Vice Chair (or their nominated representatives) subject to the details of such action being reported for information to the next meeting of the CFA.

35.2 Where any urgent actions proposed in 35.1 affects the Chief Fire and Rescue Officer or any of his Deputies, the Treasurer and/or Monitoring Officer (the Statutory Officers) shall initiate consultation with the Chair and Vice Chair and take such action as may be required.'

10. Following the agreement of the Chair and Vice Chair, the amendment has been made to the Statement of Accounts 2019/20 and published on 30 November 2020.

Report Implications/Impact

11. Legal (including crime and disorder)

Regulations 6 (1) (a) and (b) of the Accounts and Audit Regulations 2015 (the Regulations) require the CFA to conduct a review, at least once a year, of the effectiveness of its system of internal control and approve an annual governance statement (AGS), prepared in accordance with proper practices in relation to internal control.

In anticipation of the potential disruption to relevant authorities caused by the spread of coronavirus (Covid-19), the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 amended the 2015 Regulations referred to above to extend the deadlines for relevant authorities to publish and make available for public inspection, their annual accounts and supporting documents in relation to the financial year beginning on 1 April 2019. The amendment regulations stipulate that the CFA must publish its draft Statement of Accounts and draft AGS by no later than 31 August 2020 and the publication date for final, audited, accounts has moved from 31 July to 30 November 2020.

12. Financial (including value for money, benefits and efficiencies)

These are contained within the report.

13. Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)

None identified.

14. Staff, Service Users and Stakeholders (including the Equality Impact Assessment)

There are no staff, service user or stakeholder implications arising from this report.

15. Environmental

None identified.

16. Impact upon "Our Plan" Objectives

None identified.

Appendix

Copy of additional disclosure.

Officers to Contact

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