

Status of Report: Public**Meeting: Combined Fire Authority****Date: 29 November 2023****Subject: Statement of Accounts and Annual Governance Statement 2022/23 and External Audit update****Report by: The Treasurer****Author: Manjora Bisla (Finance Manager)****For: Decision****Purpose**

1. The purpose of this report is to seek approval to the Authority's Annual Statement of Accounts and Annual Governance Statement 2022/23, and to provide the Audit Completion Report from the External Auditor (Mazars) which details their audit work and recommendations.

Recommendation

2. The CFA is asked to:
 - a) Note the External Auditor's Audit Completion Report (ISA 260 Report) to those charged with Governance and the recommendations contained within it,
 - b) Approve the Statement of Accounts 2022/23, subject to any technical changes that may be required following the complete of outstanding audit work.
 - c) Approve the Annual Governance Statement 2022/23;
 - d) Approve the letter of representation submitted by the Treasurer;
 - e) Authorise the Treasurer to make any technical changes including those that relate to the updated pension figures. Such changes will be reported back to the CFA.

Executive Summary

3. The external audit of the financial statements has progressed well. A supplementary report to this report is being produced by officers and this will include the Audit Completion Report, Statement of Accounts and Annual Governance Statement for 2022/23 which will be circulated prior to the meeting.
4. This report presents the final accounts and associated audit documentation for approval by the CFA. The CFA is asked to authorise the Treasurer to make any technical changes that may be required as

the outstanding audit work is completed, such changes to be reported back.

5. At the time of the CFA receiving this report the main outstanding item is relating to the updated firefighter pension figures. This report proposes to delegate to the Treasurer to authorise these changes.

Background

5. The statutory accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the UK. The draft 2022/23 statement of accounts was signed by the Treasurer on 31 May 2023 and submitted to the external auditor (Mazars) and published on the website (<https://leics-fire.gov.uk/your-fire-service/what-we-spend/actualexpenditure/>).
6. The draft Statement of Accounts and Annual Governance Statement was considered by the Corporate Governance Committee on 13 July 2023.
7. The Statement of Accounts shows the in-year performance in a standard format adopted by all authorities, including a balance sheet showing the financial position at 31 March 2023. The CFA will also recall receiving the separate management accounts, which set out the revenue and capital outturn.
8. Despite the wide variations in the way the position is presented, the key point is that both the outturn reports and the statutory accounts are consistent.
9. The Audit Completion Report (ISA 260 Report) is to those charged with Governance. It details the conclusions of the external audit and makes recommendations.
10. The auditor reports that the draft financial statements were produced in accordance with the statutory timetable and the statements were of good quality. A small number of disclosure amendments to the accounts were identified, none of which are considered significant or needing to be reported to Members. The auditor received positive co-operation from management during the audit.
11. The Accounts and Audit Regulations (England) 2015 state that the accounts must be published with the audit opinion and certificate and be approved by Members by 31 July. For 2022/23, this deadline was extended to 30 September 2023, due to issues being experienced in the local authority audit sector. The extended deadline will continue until the 2027/28 accounts are completed.

12. The Annual Governance Statement will also be presented for approval. When approved will be signed by the Treasurer and the Chairman and published with the Statement of Accounts. This statement should assure taxpayers that the Authority operates in accordance with the law and has due regard to proper standards of behaviour and that it safeguards the public purse.
13. The format of the Annual Governance Statement to a large extent is dictated by the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) framework 'Delivering Good Governance in Local Government'.
14. The Letter of Representation is signed by the Treasurer and approved by the CFA. It is designed to give the external auditor assurance on the information included in the Statement of Accounts and to affirm that the primary responsibility for the content of the Statement of Accounts remains with the CFA.
15. The Audit Certificate would also usually be presented with this report. This confirms that the auditor has discharged all of their audit responsibilities and that the audit is formally 'closed'. However, this year it is again delayed for two reasons:
 - The auditor's work in respect of value for money arrangements is not yet complete. The auditor anticipates however there being no significant weaknesses in arrangements to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources.
 - A delay in Whole of Government Accounts work. The auditor has received group instructions from the National Audit Office in respect of work on the WGA submission but are unable to report on WGA until they have issued their audit opinion.

Report Implications/Impact

17. Legal (including crime and disorder)

The Authority is required to approve and publish the documents referred to in this report.

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

This report is concerned exclusively with financial issues.

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

There are no specific risks arising from this report.

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

The arrangements and changes for the posts of Treasurer, Monitoring Officer and Chief Fire Officer are reflected within the Annual Governance Statement.

21 Environmental

Hard copies of the Annual Report (which will include the Statement of Accounts) are only produced on request. An electronic copy is available on the CFA's website.

22 Impact upon "Our Plan" Objectives

It is important to ensure that the budget set by the CFA reflects and enables progress to be made against the CFA's corporate objectives. The Medium Term Financial Plan reflects the CFA's strategic plan, "Our Plan". It also reflects national and regional strategies and policies at the time of issue.

One of the CFA's corporate aims is achieving excellence in managing our Service. This is underpinned by the objective of efficiency and provision of a Value for Money service. The production of the AGS supports both the aim and objective.

Background Papers

Reports to the CFA, 21st June 2023 – Revenue and Capital Outturn 2022/23

<https://leics-fire.gov.uk/wp-content/uploads/2023/06/item-10-revenue-and-capital-outturn-202223.pdf>

Appendix

Appendix A – Audit Completion Report (ISA 260 Report) - to follow.

Appendix B – Statement of Accounts & Annual Governance Statement - to follow.

Appendix C – Letter of Representation

Officers to Contact

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