

Report of the Chief Finance Officer/S151 Officer for the PFCC to the Chair and Members of the North Yorkshire Fire Independent Audit Committee

21st June 2022

Presenting Officer: Michael Porter, Chief Finance Officer

Status: For Decision

Title: Statement of Accounts 2021/22 (Subject to Audit)

1 Purpose

- 1.1 Under the Account and Audit Regulations, local authorities, including Police and Crime Commissioners, are required to receive and approve the Statement of Accounts for 2021/22 before the end of July 2022.
- 1.2 The role of the Audit Committee in this process is set out in the terms of reference for this Committee and includes:
 - Reviewing the Annual Statement of Accounts and make recommendations, or bring to the attention of the PFCC or Chief Fire Officer, any concerns or issues.
 - To consider whether appropriate accounting policies have been followed and any changes to them.
- 1.3 Attached to this report are the draft Statement of Accounts for the PFCC Fire and Rescue Authority.

2 Recommendations

Members are asked to:

- 2.1 To review the accounting policies as set out in the Statement of Accounts on pages 22 to 33 inclusive in the PFCC FRA Accounts, which the PFCC FRA has followed in producing these accounts.
- 2.2 To note that the Authority relies on the provision of other information to be able to finalise these accounts. With this in mind it is brought to Members attention that there is currently one area that is outstanding before we finalise the accounts internally and make them available to Audit. This information is in relation to the Council Tax Collection Fund that is currently awaited from the Local Councils.
- 2.3 To review the Annual Statement of Accounts and make recommendations, or bring to the attention of the PFCC or Chief Fire Officer, any concerns or issues.
- 2.4 To note that it is unlikely that the Audited Statement of Accounts will be available for the September meeting of this Committee, as the External Audit is unlikely to be finished by this point, and therefore an additional meeting might be needed to finalise the accounts.

3 Reasons

- 3.1 The Statement of Accounts are a valuable source of information for a range of Stakeholders including, but not limited to:
 - Public – Accountability
 - Lenders – Security of Investments
 - Partners – spending
 - Government – spending levels and financial position
- 3.2 Preparation and publication is governed by legislation, regulations and Codes of Practice. (Over recent years there has been a concerted effort to bring UK public sector accounting in line with International Financial Reporting Standards (IFRS))
 - Primary Legislation – eg. Local Government Finance Act
 - Statutory Regulations – eg. Account and Audit Regulations
 - Code of Practice – eg. International Financial Reporting Standards Code
- 3.3 The role of the Audit Committee in reviewing the statement of accounts is essentially to provide assurance to the PFCC and to the wider stakeholder base that they conform to proper practices.

- 3.4 Under the Account and Audit Regulations, local authorities, including Police, Fire and Crime Commissioners, are required to receive and approve the Statement of Accounts for 2021/22 before the end of July 2022.
- 3.5 The accounts are prepared in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This specifies the principles and practices of accounting required to prepare a Statement of Accounts which gives a true and fair presentation of the financial position of the PFCC FRA.
- 3.6 The Statement of Accounts is presented subject to audit. The audited accounts and any amendments resulting from the audit are scheduled to be presented to the September meeting of this Committee, however we currently do not expect the External Auditor to start the Audit of the 2021/22 accounts until the 22nd August 2022 – we will therefore provide an update on the timeline at the September Committee however finalisation of the accounts will be dependent on the timelines of the External Auditors completing their work.
- 3.7 Sections 25 and 26 of the Local Audit and Accountability Act 2014 (‘the Act’) provide local government electors, journalists and citizen journalists with the right to inspect and make copies of the statement of accounts, accounting records and all documents relating to those records, for the financial year ended 31st March 2022.
- 3.8 The dates and times under which the ‘Rights to inspect the accounts and relevant accounting records’ will be confirmed once the final pieces of information is available and the accounts can be made available for audit.
- 3.9 Under section 26 of the Act, a local government elector may question the auditor about the accounting records for the financial year ended 31st March 2022 and, under section 27 of the Act, a local government elector may make an objection to the auditor which:
- concerns a matter in respect of which the auditor could make a public interest report under section 24 of the Act; or
 - concerns an item of account in respect of which the auditor could apply for a declaration that the item is unlawful under section 28 of the Act.
- 3.10 The dates and time that these rights may be exercised will similarly be agreed once the final pieces of information is received and in agreement with the External Auditors.

- 3.11 Formal notice will be provided on the websites of both the PFCC and the Fire and Rescue Service.
- 3.12 The statement of accounts appended to this paper detail, on pages 22 to 33 inclusive, the Accounting Policies that the PFCC FRA has used during 2021-22 and which underpin these accounts. There have been no changes to accounting policy for the 2021/22 financial year in comparison to 2020/21.

4 Implications

4.1 Finance

There are no financial implications other than those mentioned above.

4.2 Diversity & Equal Opportunities

There are no issues arising from this report to bring to Members attention.

4.3 Human Rights Act

There are no Human Rights Act Implications from this report.

4.4 Sustainability

This report is part of the governance arrangements to oversee and assess the sustainable financial position of the PFCC FRA.

4.5 Risk

Incorrectly prepared Statement of Accounts may materially misrepresent the financial position of the PFCC FRA, giving rise to risks to reputation, service and financial planning processes, as well as exposure to additional costs. Adherence to proper practices, the closure processes undertaken within the Fire and Rescue Service, combined with reviews by the PFCC CFO are designed to mitigate such risks.

5 Conclusion

The role of the Audit Committee in reviewing the statement(s) of accounts is set out in the agreed terms of reference. This report is to provide Members of the Committee with the required information for them to discharge this role.

The PFCC CFO will release these accounts for Audit, once the final piece of information is receiving and reflected in the accounts in relation to the Council Tax Collection Fund, having taken into account the responsibilities that he has for this process as set out on page 16. of the Accounts.

Michael Porter
PFCC CFO