



AGENDA ITEM: 10

NORTH WALES FIRE AND RESCUE AUTHORITY EXECUTIVE PANEL

19 September 2011

STATEMENT OF ACCOUNTS 2010-11

Report by Ken Finch, Treasurer to the Authority

Purpose of Report

- 1 This report is to present to Members the audited Statement of Accounts for 2010-11 before it is presented to the Audit Committee for approval.
- 2 Presentation of the accounts to both committees ensures that all Authority Members will have been given the opportunity to examine and comment on the latest set of the accounts.

Information

- 3 This is the first year the accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) which has involved a significant amount of work. The major change is in the presentation of the core financial statements (pages 24 to 27) and for the first year of transition from UK General Accepted Accounting Practice (UK GAAP) to IFRS the balance sheet shows transactions for three financial years to aid comparison with previous years. A breakdown of the impact of the implementation of IFRS can be found on page 6 of the accounts.

- 4 Also new for this year is the Annual Governance Statement (pages 8 to 16) on which a presentation was given to Members at the Audit Committee on June 6 2011. The statement replaces the Statement of Internal Control and is 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).
- 5 In previous years the draft Statement of Accounts would have been presented to the meeting of the full Authority in June but due to legislative changes – Accounts and Audit Regulations (Amendment Wales) 2010 – it is no longer a requirement to seek Member approval before the accounts are audited. It is, though, still a requirement that the audited accounts are approved by Members by 30 September. Delegated authority for approving the accounts has been granted to the Audit Committee.
- 6 In lieu of the draft accounts Members were presented with a Financial Performance report for 2010-11 which detailed the actual spend for the year against budget and Members approval was sought to set aside money from the underspend in to a general reserve with the underspend reported as £627k. However, during the close down process some costs were identified which should have been allocated to revenue rather than capital so this has reduced the underspend to £223k.

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 and subsequent discussions over the accounting treatment, definitions and presentation of specific items within the accounts.
- 8 A detailed breakdown of the corrected misstatements identified in the draft accounts form part of the 'Audit of Financial Statements Report'

which will be presented to the Audit Committee with the accounts. A summary of the changes are listed below.

- a) Reclassification of short term investments to cash and cash equivalents, £2,004k;
- b) Reclassification of pension provision to earmarked reserves, £165k.

Accounts Presentation

- 9 A detailed presentation of the accounts will be made to the Audit Committee as the committee responsible for approving the accounts. The presentation will include an explanation of the changes to the accounts due to the transformation from UK GAAP to IFRS along with an account of the financial performance of the Authority for the year. Members who are not on the Audit Committee are welcome to attend the meeting if they require a more detailed explanation of the new reporting format.

Recommendation

- 10 Members note the Statement of Accounts for 2010-11 and that any comments on the accounts are passed to the Audit Committee.