

**LANCASHIRE COMBINED FIRE AUTHORITY
RESOURCES COMMITTEE**

Meeting to be held on 28 September 2016

**REVISIONS TO THE STATEMENT OF ACCOUNTS 2015/16
(Appendices 1 and 2 refer)**

Contact for further information:

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Executive Summary

This report presents the changes made during the audit of the Statement of Accounts of the Combined Fire Authority for the financial year ended 31 March 2016.

Recommendation

The Committee is asked to re-approve the revised Statement of Accounts.

Information

The Authority approved the draft Statement of Accounts for the financial year ended 31 March 2016 at the June meeting, prior to the audit being carried out by Grant Thornton.

The Statement of Accounts has now been updated to reflect two adjusted misstatements and one disclosure change identified during the audit (and the revised version is attached as Appendix 1).

The following extracts from Grant Thornton's Audit Findings report outlines the adjustments made (attached as Appendix 2) – Amendments to the draft accounts:

Adjusted Misstatement	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on General Fund £000
Fire Fighters Pension past service costs – Past service costs relating to an change in scheme valuation had been disclosed within non distributed costs in accordance with our actuaries valuation report. Following clarification received from the Government Actuaries Department during the audit, this was reclassified as an actuarial adjustment within Other Comprehensive Income & Expenditure – this change had no effect on the General Fund Balance	6,695	0	0
Property Plant & Equipment valuation - Land and Buildings assets which had not been revalued during the year have had a notional % uplift applied following discussions with our valuer during the audit, after further consideration was given to the increase in value for the assets which had been subject to a valuation.	0	1,457	0
Overall impact	0	0	0

For information, the pages which have changed (with a brief description of the change) are as follows:

- Explanatory Foreword:
- Reconciliation of revenue budget position to the Comprehensive Income and Expenditure Statement section (P4) – amended to reflect the amendment of £6.7m relating to the IAS19 Pensions adjustment and the additional £1.5m Land and Buildings notional revaluation uplift in the Movement in Reserves Statement and Comprehensive Income and Expenditure Statement
- Movement in Reserves (correction of IAS19 Pensions adjustment and the Land & Buildings adjustment)
- Comprehensive Income and Expenditure Statement (correction of IAS19 Pensions adjustment and the Land & Buildings adjustment)
- Balance Sheet (correction of the Land & Buildings adjustment, increased Property, Plant and Equipment, with corresponding increase in Revaluation Reserve)
- Cash Flow Statement (correction of IAS19 Pensions adjustment)
- Note 5 Related Parties Transactions (amended to include the amounts of council tax and business rates collected from one of our major precepting bodies)
- Note 6 Property, Plant & Equipment (increased revaluation gain in year on owned Land and Buildings)
- Note 8 Fair Value of Public Works Loan Board loan (recalculated in accordance with revised accounting requirements, reducing the FV by £0.5m)
- Note 15 Firefighters Pension Scheme (correction of IAS19 Pensions adjustment)
- Note 18 Unusable Reserves (correction of the Revaluation Reserve adjustment and the IAS19 Pensions adjustment)
- Note 23 Adjust net surplus/deficit on the provision of services for non cash movements (correction of IAS19 Pensions adjustment)
- Note 25 Segmental reporting note – Amounts reported for resource allocation decisions (correction of IAS19 Pensions adjustment)

The changes requested by Grant Thornton were made to the accounts, and the updated version of the Accounts is being presented to Audit Committee on 29 September for information, alongside the full Audit Findings Report.

The Treasurer to the Fire Authority and the Chair of Resources Committee are therefore required to re-approve the revised accounts by signing off the Balance Sheet.

Financial Implications

As outlined in the report

Business Risk Implications

The Statement of Accounts sets out how the Authority has performed financially in the year, and as such is a key means of stakeholders monitoring the Authority and assessing how it is performing.

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	<i>Date</i>	Contact
Code and Guidance	February 2016	Keith Mattinson, Director of Corporate Services
Final Account Working Papers	June-Sept 2016	Keith Mattinson, Director of Corporate Services
Reason for inclusion in Part II, if appropriate:		