

**LANCASHIRE COMBINED FIRE AUTHORITY
AUDIT COMMITTEE**

Meeting to be held on 29 September 2016

**EXTERNAL AUDIT – AUDIT FINDINGS REPORT
(Appendices 1, 2, 3 and 4 refer)**

Contact for further information:

Keith Mattinson – Director of Corporate Services – telephone 01772 866804.

Executive Summary

The external auditor is required to produce an Audit Findings Report summarising the conclusions from their work undertaken as part of the year-end audit of accounts.

The report for the financial year ended 31 March 2016 is attached which does not identify any significant issues.

Recommendation

The Committee is asked to:-

- Note the matters raised in the report;
- Note the unqualified opinion on the financial statements;
- Note the value for money conclusion;
- Note the amended Statement of Accounts.

Information

Under the statutory Code of Audit Practice for Local Government bodies our external auditors Grant Thornton are required to issue a report to those charged with governance summarising the conclusions from their audit work.

This report, known as the Audit Findings Report, is attached as Appendix 1, and will be presented by the Audit Manager.

The main issues within the report are as follows:-

- Audit opinion - the auditor will give an unqualified opinion on the financial statement;
- Value for money – the auditors propose giving an unqualified opinion on the value for money conclusion.

In addition it is considered best practice to present the statement of accounts (appendix 2). This was originally approved by Resources Committee in June (appendix 3), and the revised accounts including the audit amendments were re-presented to Resources Committee on 28 September for re-approval (appendix 4).

Changes made to the accounts

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 Statement:

- The Deficit on Provision of Services and the Other Comprehensive Income and Expenditure have been amended to reflect the IAS19 Pensions adjustment
- Other Comprehensive Income and Expenditure has been amended to reflect the land and buildings notional revaluation uplift

Comprehensive Income and Expenditure Statement:

- Net cost of Services has been amended to reflect the IAS19 Pensions adjustment
- Surplus on revaluation of non-current assets has been amended to reflect the land and buildings notional revaluation uplift
- Actuarial Gains on pensions assets and liabilities has been amended to reflect the IAS19 Pensions adjustment

Balance Sheet:

- Property, Plant & Equipment has been amended to reflect the land and buildings notional revaluation uplift
- Revaluation Reserve has been amended to reflect the land and buildings notional revaluation uplift

Cash Flow Statement:

- The Deficit on Provision of Services has been amended to reflect the IAS19 Pensions adjustment
- The adjustment to the deficit on provision of services for non cash movements has been amended to reflect the IAS19 Pensions adjustment

Note 5 Related Parties Transactions – disclosure note amended to include the amounts of precept and business rates collected from one of our major precepting bodies

Note 6 Property, Plant & Equipment – the revaluation of Other Land & Buildings has been increased to reflect the land and buildings notional revaluation uplift

Note 8 Financial Instruments – the fair value of the public Works Loan board has been recalculated in accordance with revised accounting requirements

Note 15 Firefighters Pension Scheme - amended to reflect the IAS19 Pensions adjustment

Note 18 Unusable Reserves – the Revaluation Reserve note has been amended to reflect the land and buildings notional revaluation uplift, and the Pensions Reserve note has been amended to reflect the IAS19 Pensions adjustment

Note 23 Adjustment to net deficit on provision of services for non cash movements has been amended to reflect the IAS19 Pensions adjustment

Note 25 Amounts reported for resource allocation decisions (Segmental Reporting) has been amended to reflect the IAS19 Pensions adjustment

The changes above requested by Grant Thornton following the audit were made to the accounts.

Audit Action Plan

Grant Thornton has not made any recommendations following the audit, in accordance with the Audit Findings Report.

Financial Implications

None

Human Resource Risk Implications

None

Equality and Diversity Implications

None

Environmental Impact

None

Business Risk Implications

The report does not identify any new risk issues that the Authority needs to address.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
None		
Reason for inclusion in Part II, if appropriate:		