

LANCASHIRE COMBINED FIRE AUTHORITY AUDIT COMMITTEE

Meeting to be held on 28 September 2021

REVISIONS TO THE STATEMENT OF ACCOUNTS 2020/21 (Appendix 1 refers)

Contact for further information:

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Table 1 Executive Summary and Recommendations

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 2021.

Recommendation(s)

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

Information

The draft Core Financial Statements for the financial year ended 31 March 2021 were presented to both Resources Committee and Audit Committee in July. The report confirmed that: -

- the unaudited Statement of Accounts would be signed by the Treasurer to certify that it presents a true and fair view of the financial position of the Authority as at 31 March 2021;
- this would be subject to review by the Authority's external auditors, Grant Thornton
- that a further report would be presented to the Audit Committee in September, following completion of the external audit;
- at that meeting the Chair of the Audit Committee would be asked to sign the final statement of accounts, as well as the Treasurer.

In light of this the Committees noted and endorsed the report and accounts.

Subsequent to that the full set of accounts were submitted for audit to Grant Thornton.

The Statement of Accounts has now been updated to reflect the following changes identified during the audit (as reported in the Audit Findings Report – elsewhere on the agenda) and a revised statement of accounts is attached as appendix 1.

Adjusted Misstatements

There were no adjusted misstatements impacting the key statements.

Misclassifications and disclosure changes

Disclosure Omission	Auditor Recommendations	Adjusted
<u>Accounting policies</u> In the draft financial statements: <ul style="list-style-type: none"> the accounting policy for provisions was very brief. there was no accounting policy for joint control. there was an accounting policy for non-current assets held for sale, even though the Authority does not have any. 	Include more detail in the accounting policy for provisions. Include a policy for how joint control is accounted for. Remove the policy for non-current assets held for sale.	Yes
<u>Assumptions made about the future and other major sources of estimation and uncertainty</u> Disclosure was made that LGPS property related assets were subject to material valuation uncertainty at the LCPF which was not the case.	Remove this disclosure	Yes
<u>Critical Judgements</u> Going concern and Business rates additional reliefs S31 grant 2020/21 were disclosed as a critical judgement. These do not appear to be critical judgements and should be disclosed elsewhere. Disclosure of the judgements around the Authority's assessment that North West Fire Control Limited is a joint operation and that group accounts are not required were not included in the note, but would be useful for users of the accounts to understand these judgements.	Remove the going concern as a critical judgement disclosure Consider whether Business rates additional reliefs S31 grant 2020/21 would be better disclosed as an estimation uncertainty if there is a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Include a disclosure of judgements around the accounting for North West Fire Control Limited.	Yes
<u>Narrative Report</u> In the draft financial statements, the narrative report says the reserves policy has a minimum level of £3.2m. According to the reserves policy this is actually £3.5m.	Update the disclosure of the minimum level of reserves in line with the policy.	Yes

<p>PFI</p> <p>The wrong RPI figure was used in the model for the calculation for the future payments of services for the Balfour Beatty Fire and Rescue NW Limited scheme. The assumed 2.5% should have been replaced by 4.489%. This led to a total difference of £78k over the payables within 1-20 years.</p>	<p>Update the disclosure based on the correct RPI figure used in the PFI model.</p>	<p>Yes</p>
<p>Financial Instruments</p> <p>In note 8 of the draft financial statements:</p> <ul style="list-style-type: none"> • Current investment of 2019/20 is wrongly disclosed as £15,000k instead of £5,000k. • £3,387k of Other trade receivables was erroneously excluded from financial instruments. • Trade payable of 2019/20 is wrongly disclosed as £6,086k instead of £4,255k. 	<p>Update the disclosure for the issues noted.</p>	<p>Yes</p>

Approval and Signing of the Accounts

As all changes requested by Grant Thornton have been made to the accounts the Treasurer to the Fire Authority and the Chair of the Audit Committee are therefore required to approve the revised accounts by signing off the Statement of Responsibilities (page 17) and the Balance Sheet (Page 21).

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

Table 2 Details of any background papers

Paper:	SORP and Guidance
Date:	February 2021
Paper:	Final Account Working Papers
Date:	April – September 2021
Contact:	Keith Mattinson, Director of Corporate Services
Reason for inclusion in Part 2 if appropriate:	Not applicable