

Process for Approval of the Statement of Accounts 2010/11

Report of the Treasurer

For further information about this report please contact Rachel Musson, Treasurer, on 01743 252007, or Joanne Coadey, Head of Finance, on 01743 260215.

1 Purpose of Report

This report notes the timetable for approval of the Statement of Accounts for 2010/11, following changes in the Accounts and Audit (England) Regulations 2011.

2 Recommendations

The Committee is asked:

- a) To note the report; and
- b) To consider whether any improvements might be made in the current process for approval of the Statement of Accounts and make recommendations accordingly to the Fire Authority.

3 Background

The Accounts and Audit Regulations 2011 amended the timetable for approving the Statement of Accounts from 2010/11. The timetable is as follows:

- Before approval is given, the responsible financial officer must, no later than 30 June immediately following the end of a year, sign and date the Statement of Accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year, to which it relates, and of that body's income and expenditure for that year.

- The Fire Authority must, no later than 30 September in the year immediately following the end of the year, to which the Statement relates:
 - Consider, either by way of a committee or by the members meeting as a whole, the Statement of Accounts;
 - Following that consideration, approve the Statement of Accounts by a resolution of that committee or meeting;
 - Following approval, ensure that the Statement of Accounts is signed and dated by the person presiding at the committee or meeting, at which that approval was given; and
 - Publish (which must include publication on the body's website), the Statement of Accounts together with any certificate, opinion, or report issued, given or made by the auditor.
- The responsible financial officer must re-certify the presentation of the Statement of Accounts before the Fire Authority approves it.

The previous timetable required that:

- The Fire Authority approved, and the Chair signed, the Statement of Accounts by the end of June; and
- The final Statement of Accounts was presented, together with the Annual Governance Report from the external auditors, by the end of September (this task was delegated to the Audit and Performance Management Committee).

The Fire Authority had, therefore, delegated to the Audit and Performance Management Committee power to approve the external auditor's Annual Governance Report and for the Chair of the Committee to sign the Letter of Representation on behalf of 'those charged with governance'.

4 Approval of the Amended Timetable

Having considered a number of options for the approval of the Statement of Accounts for 2010/11, the Fire Authority resolved that delegations to the Audit and Performance Management Committee to approve the audited statement should be rescinded, and that a Fire Authority meeting would be scheduled in late September to approve the audited Statement. This option was agreed on the proviso that the accounts would still go to the Audit and Performance Management Committee for review prior to the September Fire Authority meeting, if possible. It was also agreed that a report detailing the major issues arising from the closedown would be taken to the June Fire Authority meeting.

Following adoption of the amended timetable, approval of the Statement was carried out as follows:

- A report was presented to the Fire Authority on 15 June 2011, which updated Members on the balance on the General Fund at the end of the year, and recommended a number of virements to use unspent resources for additional services in 2011/12, and to transfer funds to earmarked and unearmarked reserves.

- The audited Statement of Accounts was presented to the Audit and Performance Management Committee on 8 September 2011, for review prior to its consideration by the Fire Authority later in the month. Also at this meeting, the Audit Commission presented its Annual Governance Report and Statement of Audit Progress.
- Following the meeting, the Chair of the Committee, along with the Chief Fire Officer and the Treasurer, signed the Letter of Representation on behalf of 'those charged with governance'.
- At its meeting on 26 September 2011, the Fire Authority considered and approved the final Statement of Accounts. At this stage, it was confirmed that there were no changes to be made to the Letter of Representation, which had been signed on 8 September 2011.
- The Statement was then published on the Authority's website

5 Consideration for Approval in Future Years

Although it is not possible to amend the timetable for the approval of the Statement of Accounts in future years, the Committee may wish to consider the process currently in place between the Committee and the Fire Authority.

However, the view of the Audit Commission is that, if the Audit and Performance Committee receive the Statement of Accounts for review and challenge, then they are continuing to take on the role of 'those charged with governance', and should sign the Letter of Representation and receive external audit reports.

6 Legal Comment

The Fire Authority must comply with The Accounts and Audit Regulations 2011, the implications of which are set out within this report.

7 Equality Impact Assessment

Officers have considered the Services Brigade Order on Equality Impact Assessments (Human Resources 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An EQIA has therefore not been completed,

8 Appendix

There are no appendices to this report

9 Background Papers

Shropshire and Wrekin Fire Authority 27 April 2011
Report 11 - Approval of the Statement of Accounts 2010/11