

<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY</b>			
<b>MEETING OF THE:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>		
<b>DATE:</b>	<b>19<sup>TH</sup> DECEMBER 2019</b>	<b>REPORT NO:</b>	<b>CFO/061/19</b>
<b>PRESENTING OFFICER</b>	<b>DIRECTOR OF FINANCE: IAN CUMMINS</b>		
<b>RESPONSIBLE OFFICER:</b>	<b>IAN CUMMINS</b>	<b>REPORT AUTHOR:</b>	<b>IAN CUMMINS</b>
<b>OFFICERS CONSULTED:</b>	<b>STRATEGIC LEADERSHIP TEAM</b>		
<b>TITLE OF REPORT:</b>	<b>STATEMENT OF ACCOUNTS 2018/19 - APPROVAL OF AUDITED STATEMENTS</b>		

<b>APPENDICES:</b>	<b>APPENDIX A:</b>	<b>AUDITED STATEMENT OF ACCOUNTS</b>
	<b>APPENDIX B:</b>	<b>REPORT CFO/043/19 "STATEMENT OF ACCOUNTS 2018/19 – AUTHORISATION FOR ISSUE"</b>
	<b>APPENDIX C</b>	<b>LETTER OF REPRESENTATION</b>

### **Purpose of Report**

1. To present the **audited** 2018/19 Statement of Accounts and letter of representation to Members for approval.

### **Recommendation**

2. That Members
  - a. approve that the audited Statement of Accounts 2018/19 attached as Appendix A, and
  - b. approve the letter of representation in relation to the audited 2018/19 accounts, attached as Appendix B.

### **Introduction and Background**

3. The Authority has a statutory duty to approve and sign-off for publication the Statement of Accounts for the previous year before 31st July of the following year. As Grant Thornton required additional assurance around property valuations and some other matters, Members were only able to consider the **unaudited** Statement of Accounts for approval for publication at the Policy and Resources Committee meeting on 25<sup>th</sup> July 2019, report CFO/043/19. As report CFO/043/19 provided background to why Grant Thornton requested additional assurance for some of the entries and also explanations relating to the various significant movements in the year, the report has been attached as Appendix B for Members information.
4. Officers have now completed the required land and property valuation work and have made the relevant adjustments to the financial statements allowing Grant Thornton

the required assurance they need to complete their audit work. Elsewhere on today's agenda is Grant Thornton's 2018/19 Audit Findings report, and this summarises the changes they have required to the financial statements (although most of these changes had been built into the financial statements presented to Members in report CFO/043/19). The adjustments were due to regulatory or technical issues, the most significant of which related to the requirement to increase the value in net pension liabilities following the decision by Government not to reverse the decision of the Court of Appeal in the "McCloud" case in June 2019.

5. Although the technical changes around pension and property valuations are significant in value they do not impact on the general fund (budget) as they are all reversed out via contra entries within the statements. Therefore it is important for Members to note that these changes have NOT altered the 2018/19 revenue outturn position reported to Members of the 25<sup>th</sup> July 2019 Policy and Resources Committee (CFO/037/19).
6. Grant Thornton have now given the financial statements a clean bill of health, an unqualified opinion, and therefore Members are now asked to approve the audited version of the Statement of Accounts attached to this report, Appendix A.
5. International Audit Standards require a letter of representation from the Authority to the Auditors confirming that the information in the financial statements is accurate and that all material information has been disclosed. The signature of the Chair of this Committee (which is approving the Statement of Accounts) and the Director of Finance are required on the letter. The letter of representation is attached to this report as Appendix C, for Members to consider and approve along with the audited Statement of Accounts.

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#### **Equality and Diversity Implications**

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6. None directly related to this report.

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#### **Staff Implications**

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7. None directly related to this report.

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#### **Legal Implications**

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8. The Authority has a statutory duty pursuant to regulation 10 of the Accounts and Audit (England) Regulations 2015 to approve and sign-off for publication the Statement of Accounts for the previous year before the regulation deadline of 31st July in the current year with effect from the 2018/19 Statement of Accounts.

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#### **Financial Implications & Value for Money**

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9. The report confirms the 2018/19 outturn position is consistent with that previously reported.

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## **Risk Management, Health & Safety, and Environmental Implications**

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10. None directly related to this report.

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### **Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters***

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11. The achievement of actual expenditure within the approved financial plan and delivery of the expected service outcomes is essential if the Service is to achieve the Authority's mission.

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## **BACKGROUND PAPERS**

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**CFO/037/19** "Revenue and Capital Outturn 2018-2019" Policy & Resources 25<sup>th</sup> July 2019.

**CFO/043/19** "Statement of Accounts 2018/19 – Authorisation for Issue" Policy & Resources 25<sup>th</sup> July 2019.

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## **GLOSSARY OF TERMS**

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