

Hampshire Fire and Rescue Service

Standards and Governance Committee

Item 9

15 September 2016

Draft Statement of Accounts 2015/16

Report of the Treasurer

Contact: Rob Carr - Telephone: 01962 847508 email: Rob.carr@hants.gov.uk

1. Summary

- 1.1. The Accounts and Audit Regulations require the Authority's Statement of Accounts to be approved by the 30 September following the year end. The Authority has delegated responsibility for the approval of the draft statement of accounts to the Standards and Governance Committee.
- 1.2. The Statements have been audited and the conclusions of the audit are contained within Ernst and Young's Annual Governance Report, which is also on this agenda.
- 1.3. A report on the final accounts for 2015/16 was submitted to the Finance and General Purposes Committee on 4 July and the Statement of Accounts is consistent with that report.
- 1.4. This report presents for the Committee's approval the Statement of Accounts 2015/16 and recommends that the Treasurer be given delegated authority to make any amendments required prior to the issue of the audit opinion.
- 1.5. For 2015/16 there was a new requirement to publish a draft set of accounts in advance of them being audited. For HFRA these have been available on the web since the end of June and these draft accounts are attached as Appendix 1 to this report.

2. Recommendations

- 2.1. That the attached Statement of Accounts for 2015/16 be approved subject to any amendments reported at the meeting.
- 2.2. That the Treasurer be given delegated authority to approve any minor amendments to the Statement of Accounts if required.

3. Code of Practice on Local Authority Accounting

- 3.1. The attached draft Statement of Accounts have been drawn up in the form prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom, which constitutes 'proper accounting practice' under the terms of section 21(2) of the Local Government Act 2003. The Code is updated each year however this year, for this Authority, there were no significant changes, other than the need to provide a 'narrative statement' at the beginning of the accounts.

4. Statement of Accounts

- 4.1. The Statement of Accounts comprises a number of separate statements, the key features of which are summarised in the following paragraphs.

Movement in Reserves Statement

- 4.2. This sets out the movement in the year on the different reserves held by the Authority, analysed into 'useable reserves' (those which can be applied to fund expenditure or reduce council tax) and other reserves.

Comprehensive Income and Expenditure Statement

- 4.3. This statement shows the accounting cost of providing services rather than the amount funded from taxation. The taxation position is shown in the Movement of Reserves Statement.

Balance Sheet

- 4.4. This shows the value of the assets and liabilities recognised by the Authority. The net assets of the Authority are matched by reserves; either useable or unusable.

Cash Flow Statement

- 4.5. The Cash Flow Statement is designed to demonstrate the changes that have taken place in the Authority's cash position over the year and to highlight the causes of that change.

Notes to the accounts

- 4.6. These comprehensive notes incorporate information to give the reader information to support the accounts. The accounting policies are incorporated within the notes.

Pension Fund Account

- 4.7. All Fire Authorities are required by legislation to operate a Pension Fund Account and the amounts paid into and out of it are specified by regulation.

Members will be aware that the Authority pays an employer's pension contribution based on a percentage of pay into the pension fund account.

- 4.8. The Account is balanced to each year to nil by receiving cash in the form of a pension top-up grant from the Government equal to a percentage of the amount by which the amount payable from the Account exceeded the amount receivable. This percentage is agreed on an annual basis and for 2015/16 was 100%.

Annual Governance Statement

- 4.9. The Annual Governance Statement has to accompany the Statement of Accounts. The Authority's Statement was approved by this Committee at its last meeting.

Statement of Responsibilities for the Statement of Account

- 4.10. This statement records the responsibility:

- of the local authority to appoint an officer with responsibility for the proper administration of its financial affairs, the Treasurer within this Authority
- of the Treasurer to prepare the accounts in accordance with proper practices as set out in the Code of Practice, and to certify that the accounts present a true and fair view of the Authority
- of the Chairman of this Committee to confirm that the accounts have been considered and approved by the Committee.

5. Next Steps

- 5.1. Also on this agenda is Ernst and Young's report on the audit of the 2015/16 accounts. They will issue an audit opinion on the accounts by 30 September when they will be published on the Authority's website.

6. Risk analysis

- 6.1. The statement of accounts is an important element of the Authority's corporate governance arrangements. It has been prepared in accordance with the appropriate statutory code. Together with the Budget Book and the report on the final accounts for 2015/16, it provides some evidence to the public that the Authority's financial affairs are being properly managed and in accordance with proper accounting practice.

7. Equality Impact Assessment

- 7.1. There are no concerns to bring to the attention of the Committee and the proposals in the report are considered compatible with the provisions of the equality and human rights legislation. This report contains a draft statement of accounts prepared in accordance with a statutory code. Compliance with code is not considered to be discriminatory.

8. Resource implications

- 8.1. The cost of preparing the statement and auditing it are provided for in the Authority's revenue budget.

Section 100 D - Local Government Act 1972 – background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report.

Final Accounts Report – F&GP Committee 4 July 2016

NB: the list excludes Published works

Documents which disclose exempt or confidential information as defined in the Act.

None