

GOVERNANCE COMMITTEE MEETING: 26TH SEPTEMBER 2011

AUDITED STATEMENT OF ACCOUNTS 2010/2011

REPORT OF THE FINANCE OFFICER

1. Introduction

- 1.1 Members will be aware that the Audit Commission, as the Authority's external auditors, are required to report on the final accounts, and report certain matters to Members prior to an opinion being provided on the Authority's accounts.
- 1.2 The Audit Commission has audited the financial statements of the Authority under the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (ISA) issued by the Auditing Practices Board.
- 1.3 Once the Governance Committee has noted the contents of this communication (item iii), and has also approved the letter of Representation (item i), the letters of assurance from management and those charged with governance (item ii) and the amended Statement of Accounts (item iv) the Audit Commission can then formally provide an opinion on the Statement of Accounts for the year ended 31st March 2011.

2. Statement of Accounts 2010/2011

- 2.1 In line with ISA 260, the Audit Commission produces an Annual Governance Report (item iii), in which the auditor's opinion is given on whether the financial statements give a true and fair view of the financial position of the Authority as at 31st March 2011 and its income and expenditure for the year then ended.
- 2.2 The Statement of Accounts was noted by the Authority on 18th July 2011, does not contain any misstatements and the Audit Commission are to formally provide an unqualified opinion on the attached Statement of Accounts before the end of September 2011.
- 2.3 Following the audit, the Statement of Accounts has been amended for a number of presentational issues, which are detailed at Appendix A for information.

3. Recommendations

3.1 Members are requested to:

- a) Note and approve the Letter of Representation,
- b) Note the contents of ISA 240/250 letters of assurance from management and from those charged with governance,
- c) Note the contents of the Auditors Annual Governance Report,
- d) Approve the amended Audited Statement of Accounts for the Financial Year ended 31st March 2011.

TYNE AND WEAR FIRE AND RESCUE AUTHORITY
STATEMENT OF ACCOUNTS 2010/2011 – PRESENTATIONAL
ADJUSTMENTS

The following presentational adjustments have been reflected in the 2010/2011 Statement of Accounts, included with this Agenda:-

Past Service Pension Gains

- Following changes in guidance from CIPFA Past Service Pension Gains should be included as an Exceptional Item resulting in movement of £74.28m from Non-distributed Costs.
- This adjustment has led to a number of changes in the Statement of Accounts, including the Finance Officers Foreword (page 6) and Comprehensive Income and Expenditure Statement (page 30). There has been no impact on the outturn position for 2010/2011.

Financial Instruments

- To show the nature of the Authority's interest with the North East Fire Control Company Limited (NEFCCL) a line and additional explanation has been added to the Financial Instruments note to show Tyne and Wear's investment in NEFCCL.
- As the Statement of Accounts does not included any risk disclosures as all borrowing and investments are done by the lead authority an explanation has been added to show why risk disclosures not required.
- These have led to changes to Note 14 (page 64) in the Statement of Accounts. There has been no impact on the outturn position for 2010/2011.

Officers Remuneration

- A more detailed to explanation to the role of senior officers has been added to Note 28 (page 77).

Cash Flow Statement

- Due to the large value of 'Non Cash Movement' included in the Cash Flow Statement an analysis has been added detailing the large items included in this figure (page 32).

Creditors

- Short term creditors have been reanalysed resulting in an adjustment of £0.8m between 'Central Government Bodies' and 'Other Entities and Individuals' and £0.7m between 'Other Local Authorities' and 'Public Corporations and Trading Funds'. Note 18 (page 66) in the Statement of Accounts has been updated, there has been no impact to the outturn position for 2010/2011.

Events after the Balance Sheet Date

- To reflect decisions made during 2010/2011 to wind up the Tyne and Wear Emergency Planning Unit, this is shown as Non Adjusting Post Balance Events in Note 5 (page 56).