

# ESSEX FIRE AUTHORITY

## Essex County Fire & Rescue Service



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MEETING

AGENDA ITEM

**Policy and Strategy Committee**

**4**

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MEETING DATE

REPORT NUMBER

23 September 2015

**EFA/074/15**

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SUBJECT

**2014/15 Accounts and Annual Governance Statement**

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REPORT BY

The Finance Director & Treasurer, Mike Clayton

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PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

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### SUMMARY

Under the Accounts and Audit Regulations 2011, Members of the Fire Authority must approve the Statement of Accounts and publish them by 30 September. This paper provides a summary of the key issues from the audit of the accounts.

### RECOMMENDATIONS

Members of the Policy & Strategy Committee are asked to:

1. Note the Auditors Report;
2. Review and agree the Annual Governance Statement;
3. Review and agree the unadjusted audit errors found;
4. Approve the Statement of Accounts;
5. Agree the letter of Representation and authorise the Chairman to sign it on the Committee's behalf;
6. Authorise the Chairman and Acting Chief Fire Officer to sign the Annual Governance Statement.; and
7. Authorise the Chairman to sign the Statement of Accounts.

## **BACKGROUND**

Members approved the Annual Governance Statement in June and this was included in the draft accounts that were published at that time. Following a review, a small change to the governance statement has been made. The amended statement is included in the Statement of Accounts at Appendix 1.

## **SIGNIFICANT CHANGES TO THE ACCOUNTS**

In May 2015 the Pensions Ombudsman published his determination in the case of Milne vs the Government Actuary's Department (GAD). This determined that GAD should have reviewed the lump sum commutation factors used by the Firefighters Pension Scheme between 2001 and 2006. In July (after the draft accounts were published) the government confirmed that it accepted the decision and that they would fund the liability falling on the Authority for increased lump sum payments to firefighters who retired between 2001 and 2006. On the basis of the government confirmation referred to above provision was initially made in the Pension Account for an estimated liability (and government grant) of £2,516k, based on a sample of the firefighters affected in this Authority.

Following further and final guidance issued on 9<sup>th</sup> September the estimated liability is to be treated as a non-adjusting post balance sheet event, the effect of this is that the estimated liability charged to the pension account has been removed from the books and financial statements and replaced with a note explaining the liability which will now pass through the books and financial statements in 2015-16.

## **UNADJUSTED ERRORS & LETTER OF REPRESENTATION**

The Auditors report will bring forward any unadjusted errors that they have identified. The letter of representation includes reference to these "unadjusted errors" and will be circulated at the meeting.

## **RISK ANALYSIS**

The results of the Auditor's review have been reported to the Committee in their Annual Governance Report.

## **LEGAL IMPLICATIONS**

The Authority must approve and publish accounts by 30 September, after completion of the review by our auditors.

## **FINANCIAL IMPLICATIONS**

There are no financial implications from approval of the Authority's accounts.

## **USE OF RESOURCES**

There is no use of resources implications from approval of the Authority's accounts.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications from approval of the Authority's accounts.

## EQUALITY IMPLICATIONS

There are no equality implications from approval of the Authority's accounts.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
Appendices	
Appendix 1 Statement of Accounts	
List of background documents	
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