

For Publication

Bedfordshire Fire and Rescue Authority
Audit and Standards Committee
6 July 2023

REPORT AUTHOR: CHIEF FIRE OFFICER AND TREASURER

SUBJECT: DRAFT 2022/23 PRE-AUDIT STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT

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Background Papers: 2021/22 Statement of Accounts presented to the A&SC on 6th July 2023, Internal Auditors report presented to the A&SC 6th July 2023.

Implications

This table provides a short statement of the impact of the recommendations in this report and/or a reference to the relevant paragraph/s in the report.

Will this report affect any of the following?

	Yes / No	Impact / Reference
Financial Implications	Yes	The draft final accounts for 2022/23 are presented pre external audit.
Risk Management	No	
Legal Implications	No	
Privacy and Security	No	

Implications		
Duty to Collaborate	No	
Health and Safety Implications	No	
Equality, Diversity and Inclusion	No	
Environmental Sustainability	No	
Consultation and Communication	Yes	An advertisement will be placed on the Authority's website, announcing the statutory deposit period.

PURPOSE:

To share for information, the draft 2022/23 Statement of Accounts, including the Annual Governance Statement, prior to being externally audited.

RECOMMENDATION:

That:

1. Members consider and comment on the draft 2022/23 Statement of Accounts and Annual Governance Statement, prior to being externally audited.
2. Members note and comment on the delay in timing of the external audit.

1. Introduction

- 1.1 The Accounts and Audit Regulations 2015, required the Treasurer to formally approve the Annual Governance Statement (AGS) and Statement of Accounts by the end of May, following the previous financial year. Following external audit, the relevant body of the Authority is required to ordinarily approve them by the end of July. The relevant body for this Authority is the Audit and Standards Committee (A&SC). More recent updates to these deadlines are noted below.

- 1.2 Due to Covid-19 and the impact this had on local authorities, the Government gave an extension to the 31st July deadline to 30 September 2021 for the 2020/21 and subsequently 30th November 2022 for the 2021/22 accounts. For 2022/23 accounts onwards and for six years, the deadline for audited accounts will be 30th September.
- 1.3 There will be a delay in the external audit of these accounts, due to resourcing constraints within our external auditor's audit team. A statement advising this will be publicised on the finance pages of our website. There is already a statement advising of the delayed publication of the draft accounts, that are presented at today's meeting.
- 1.4 The AGS and accounts are presented via the web link in the report below. These will now be provided to external audit for their review later this year.
- 1.5 Early Closure

This was the sixth year of the intended early closure. The annual statement of accounts completion requirements, in accordance with the 2015 Accounts and Audit Regulations (amended 2021 and 2022), had moved from the end of June (pre audit) and September (post audit), to the end of May and July for the 2017/18 accounts onwards. As noted above, there was an extension to these dates during Covid for the years 2020/21 and 2021/22 and now further years following a review to improve the delays with local external audits in the public sector. Information on this can be found via the link below:

[Measures to improve local audit delays - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/10-ways-to-improve-local-audit-delays)

The draft 2022/23 statement of accounts publication has been delayed, due to the ongoing work on the 2021/22 statement of accounts, including the actuarial revaluation of the pension liabilities. There has been a statement of this delay publicly available on the Authority's website, under the Statement of Accounts section:

[Finance and Budgets | Bedfordshire Fire and Rescue Service \(bedsfire.gov.uk\)](https://bedsfire.gov.uk/finance-and-budgets)

2. The 2022/23 Statement of Accounts and Annual Governance Statement

- 2.1 The format of the statement of accounts follows detailed guidance, as prescribed in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23. The content and order of the statement can change from year to year to reflect new requirements or changes in best practice. The accounts are in the format required by International Financial Reporting Standards (IFRS).
- 2.2 In accordance with the statutory deposit period, this draft version of the accounts will imminently be made available for the 30-day statutory public inspection period.
- 2.3 The Statement of Accounts, including the Annual Governance Statement, can be found on the Authority's website via the following address. Please click on the 2022/23 Statement of Accounts link:

<https://www.bedsfire.gov.uk/finance-and-budgets>

2.4 External Audit Dates

The external audit will not be completed by the 30th September 2023 stipulated deadline. It is currently expected that the interim audit work will commence in late 2023, with the substantive audit taking place in January 2024. A statement will be placed on the Authority's website announcing this.

2.5 Revenue Year End outturn

On the 2nd February 2023, the Authority received a budget monitoring report forecasting the year end outturn, based on the actuals as at 31st December 2022, as an underspend with a year-end contribution to reserves of £155.8k. The comparable year end contribution to reserves was £125.6k, with the variance between these figures explained in the Expenditure, Income and Government Grant sections of the accounts.

3 General and Earmarked Reserves

3.1 The General Reserve balance as at 31 March 2023 was £2.4m. This is following work undertaken over the last few years to establish specific earmarked reserves, which as at 31 March 2023 totalled £4.925m. Other reserves are detailed in note 24 to the accounts, for example, £2.378m Collaboration Reserve and Capital Reserves of £3.639m. The year-end revenue budget underspend of £125.6k has been allocated to the Pay/Pensions Reserve. This is in line with the Medium-Term Financial Strategy.

3.2 The Capital Receipts Reserve as at 31 March 2023 was £548k.

4. Summary

4.1 Members are invited to:

- Review and comment on the current version of the 2022/23 Statement of Accounts, which includes the Annual Governance Statement, prior to external audit.
- Note the expected delay in the external audit of the 2022/23 Statement of Accounts and Annual Governance Statement.
- Note the General and Earmarked Reserves balances.

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