

Safest People, Safest Places

County Durham and Darlington
Fire and Rescue Authority



AUDIT & RISK COMMITTEE

31 JULY 2019

STATEMENT OF ACCOUNTS YEAR ENDED 31st MARCH 2019

REPORT OF TREASURER

Purpose of the Report

1. The purpose of this report is to seek Members' approval of the attached Statement of Accounts for County Durham and Darlington Fire and Rescue Authority, for the financial year ended 31 March 2019.

Background

2. The '*Accounts and Audit Regulations 2003*', as amended, set out the requirements for the production and publication of the annual Statement of Accounts. To comply with the Regulations, the Statement of Accounts must be approved by the Treasurer on or before 31 May 2019. The audited Statement must then be approved by members of the Audit Committee on or before 31 July 2019.
3. The auditor has now completed his audit of the Statement of Accounts. During the audit, working in collaboration with the auditor a number of improvements and amendments have been identified which have been included in the Statement of Accounts presented today.

Statement of Accounts

4. The Statement of Accounts has been prepared in accordance with the requirements of the '*Code of Practice on Local Authority Accounting in the United Kingdom 2018/19*' issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the '*Accounts and Audit Regulations 2003*', as amended. CIPFA's Code of Practice is based upon International Financial Reporting Standards (IFRS).
5. The Statement of Accounts contains a great deal of detailed financial information. To assist in reading and interpreting the contents, Appendix 1 briefly explains the purpose of each section of the document.
6. There are four core statements which provide fundamental information on the financial activities and position of the Fire and Rescue Authority, namely the Movement in Reserves Statement, Comprehensive Income and Expenditure

Statement, Balance Sheet and Cash Flow Statement. These financial statements are grouped together followed by notes to the core statements and the Pension Fund Account.

7. Group Financial Statements consolidating the performance and balances of Vital Fire Solutions Limited and County Durham and Darlington Fire and Rescue Service CIC have been prepared for the year ended 31 March 2019. This is the first year for which group accounts have been prepared.

Revenue Outturn Position

8. The total net revenue expenditure for 2018/19 was £28.691M which was £184,000 in excess of the original budget of £28.507M. When the original budget was set the actual amount of grant due in relation to the business rates retention scheme was not known. The actual sum received was £184,000 greater than the amount included in the original budget which offset the £184,000 increase in net expenditure.
9. A detailed report on the 2018/19 revenue and capital outturn was considered by the Finance Committee at its meeting on 18 July 2019.

Recommendation

10. Members are recommended to **approve** the Statement of Accounts for County Durham and Darlington Fire and Rescue Authority for the financial year ended 31 March 2019.

STATEMENT OF ACCOUNTS – EXPLANATION

Item	Pages	Explanation of Purpose and Content
Narrative Report	2-12	Summary of the most significant matters reported in the accounts and the overall financial position of the Fire Authority.
Independent Auditors' Report and Opinion	13-15	On completion of the audit this sets out the auditor's opinion
Statement of Responsibilities for the Statement of Accounts	16	Sets out the responsibilities of the Authority and the Treasurer, and includes the Treasurer's certificate
Group Accounts	17-22	Consolidates the performance and balances of the two subsidiary companies - Vital Fire Solutions and the CIC into the statements of the Authority.
Movement in Reserves Statement	23-24	Summarises the movement on different reserves held by the Authority in the year
Comprehensive Income and Expenditure Statement	25	Discloses the income receivable and expenditure incurred in operating the Authority for the year
Balance Sheet	26	Sets out the financial position of the Authority as at 31st March 2019
Cash Flow Statement	27	Summarises the inflows and outflow of cash and cash equivalents arising from transactions with other parties for revenue and capital purposes
Notes to the Core Financial Statements	28-89	Provides further information on significant items in the Core Financial Statements as required by the Code
Pension Fund Account	90-91	Sets out the financial position of the Fire Pension Fund