

**Safest People, Safest Places**

County Durham and Darlington  
**Fire and Rescue Authority**



## **AUDIT & RISK COMMITTEE**

**25 NOVEMBER 2021**

### **STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021**

#### **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 2021.

##### **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 July May 2021. The audited Statement must then be approved by members of the Audit Committee on or before 30 September 2020.
3. At the meeting of the committee on 30 September 2021 the auditor explained that due to a backlog of work and resource difficulties they would be unable to meet the 30 September deadline. The difficulties the auditor is facing reflect the significant challenges in the local audit sector and are being experienced nationally by all audit firms within the local audit regime. The audit work was carried out during September and October and the auditors report is incorporated into the attached Statement of Accounts.
4. 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**

5. 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 2019/20*' 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).

6. The Narrative Report explains the purpose of the financial statements and provides a summary of the Authority's financial activities during 2020/21 and the financial position as at 31 March 2021. It focusses on matters of relevance to the principal users of the accounts and provides a forward look on issues likely to have an impact in the future.
7. 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.
8. The Statement of Accounts also includes the Group Financial Statements consolidating the performance and balances of Vital Fire Solutions Limited and County Durham and Darlington Fire and Rescue Service CIC. The preparation of Group Financial Statements eliminates the requirement for separate audits of the two companies.
9. 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.

### **Outturn Position**

10. The total net revenue expenditure for 2020/21 was £29.173M which was in line with the original budget. Further details on the outturn position are set out in the separate outturn report (item 5).

### **Reserves**

11. The Authority's useable reserves totalled £7.695M at 31 March 2021, comprising of a general reserve of £1.459M (5% of net revenue expenditure) and earmarked reserves of £6.236M.

### **Recommendation**

12. 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 2021.

**STATEMENT OF ACCOUNTS – EXPLANATION**

<b>Item</b>	<b>Pages</b>	<b>Explanation of Purpose and Content</b>
Narrative Report	2-11	Summary of the most significant matters reported in the accounts and the overall financial position of the Fire Authority.
Independent Auditors' Report	12-15	On completion of the audit this sets out the auditor's comments
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	28-90	Provides further information on significant items in the Core Financial Statements as required by the Code
Pension Fund Account	91-92	Sets out the financial position of the Fire Pension Fund