

Report to	North Wales Fire and Rescue Authority
Date	16 October 2023
Lead Officer	Dafydd Edwards – Treasurer
Contact Officer	Helen MacArthur, Assistant Chief Fire Officer, Finance and Resources
Subject	Audited Statement of Accounts 2022/23



PURPOSE OF REPORT

- 1 This report is to present to Members the audited Statement of Accounts for 2022/23. This report also presents the findings of the Auditor General for Wales which confirms an unqualified audit opinion.

EXECUTIVE SUMMARY

- 2 The draft accounts were submitted for audit on 30 June 2023. These confirmed net expenditure of £39.452m, with a contribution from the General Fund of £0.040m. The final audited position remains unchanged.
- 3 The report issued by Audit Wales on behalf of the Auditor General for Wales is set out in Appendix 2 and confirms an unqualified audit opinion.
- 4 The Accounts and Audit (Wales) (Amendment) Regulations 2010 require that the audited accounts are normally approved by Members by 31 July 2023. However, as was the case last year, these timescales have been extended to 31 December 2023.

RECOMMENDATION

- 5 Members are asked to:
 - i) note the audited outturn position and performance as detailed within the 2022/23 Statement of Accounts (Appendix 1);
 - ii) note the report of the Auditor General for Wales which confirms an unqualified audit opinion (Appendix 2);
 - iii) note the proposed letter of representation; and
 - iv) approve of the final audited 2022/23 Statement of Accounts.

BACKGROUND

- 6 In compliance with the Accounts and Audit (Wales) (Amendment) Regulations 2010, the unaudited revenue and capital outturn was presented to the Authority at its meeting of the 17 July 2023 and a copy of the statement of accounts provided on the 28 July 2023. These have been subject to external audit and the appendices contain the final audited versions.

INFORMATION

REVENUE EXPENDITURE

- 7 Members of the Authority were presented with a financial performance report for 2022/23 at the North Wales Fire and Rescue Authority (the Authority) meeting on 17 July 2023. This confirmed the draft out-turn position of net expenditure of £39.452m, with a contribution from the General Fund of £0.040m. The final audited position remains unchanged.

BALANCE SHEET

- 8 The Balance Sheet provides further information on the Authority's long-term financial position and is contained on page 19 of the Accounts (set out in Appendix 1). The following paragraphs provide further information.

Fixed Assets and Borrowing

- 9 The final audited accounts confirmed that the Authority held assets of £57.063m as at 31 March 2023.
- 10 All land and buildings were revalued, by the Authority's independent valuers, as at 31 March 2023, to ensure that the ongoing uncertainty in relation to asset values across the public sector had been accounted for. This resulted in an increase in valuation of £11.757m.
- 11 The Authority is permitted to borrow to fund capital assets and as at 31 March 2023 the value of outstanding loans was £26.460m, which is in line with the limits set by the Authority.

Pension Liabilities

- 12 The Authority is required to account for the estimated liabilities relating to its pension schemes. The Authority has two schemes; the Firefighters' Pension Scheme and the Local Government Pension Scheme. The value of future liabilities is calculated by the actuary for each scheme and amounted to £227.143m at the balance sheet date.

Usable Reserves

- 13 The Authority's usable reserves as at 31 March 2023 were £7.821m.

	£m
General Fund	1.480
Earmarked Reserves	6.222
Capital Receipts Reserve	0.034
Capital grants Unapplied	0.085
Total Reserves	7.821

- 14 The reserves policy was approved by the Authority at its meeting of 21 June 2021.

AUDIT OF THE FINANCIAL STATEMENTS

- 15 The Auditor General for Wales is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial performance and position of the Authority for the year ended 31 March 2023.
- 16 In performing the audit work, Audit Wales does not seek to provide absolute assurance but considers whether there are any material issues which may result in a reader of the accounts being misled. When an error or misstatement is identified, Audit Wales will consider whether an amendment is required. Guidance on the approach is set out in Appendix 3.
- 17 The Auditor General for Wales proposes to issue an unqualified audit opinion which means that the accounts present a true and fair view of the financial transactions of the Authority. The report is contained within Appendix 2 and the following is noted:
- The audit identified a number of amendments which were agreed with management. The amendments included a number of technical adjustments necessary to fully comply with the Code of Practice on Local Authority Accounting.
- 18 The audit identified one matter which remained uncorrected, which related to the external valuers using an incorrect location factor in some of the asset valuations. This resulted in Land and Building assets being overstated by £0.153m and the revaluation reserve also being overstated by the same amount.

- 19 The Audit Report also contained the final letter of representation. This letter provides representation from the Chair and Treasurer to acknowledge their responsibilities and to confirm the arrangements for ensuring that the accounts provide a true and fair view.

IMPLICATIONS

Wellbeing Objectives	This report links to the Authority's long-term well-being objectives. Funding for the North Wales fire and Rescue Service (the Service) benefits the communities of North Wales and ensures there is sufficient investment in infrastructure to enable the service to provide emergency responses and prevention work well in to the future.
Budget	Budget is set annually in accordance with the proposed service delivery which includes emergency response and prevention work.
Legal	It is a legal requirement that the Authority produces the Statement of Accounts and Annual Governance Statement in accordance with the prescribed standards.
Staffing	None
Equalities/Human Rights/Welsh Language	None
Risks	Income and expenditure are closely monitored to ensure that deviations from the approved budget are properly identified and reported to Members.