



AGENDA ITEM: 7

**NORTH WALES FIRE AND RESCUE AUTHORITY
EXECUTIVE PANEL**

22 September 2008

**STATEMENT OF ACCOUNTS 2007-08 AND THE LETTER
OF REPRESENTATION**

**Report by Ken Finch,
Treasurer to the Authority**

Purpose of Report

- 1.** The Statement of Accounts for 2007-2008 was presented to the Fire Authority for approval on 16 June 2008. The accounts have now been audited by the Auditor appointed by the Wales Audit Office and have been amended in line with the findings from the audit and subsequent discussions over the accounting treatment, definitions and presentation of specific items within the accounts.
- 2.** Attached to this report, as appendix 2, is a copy of correspondence between the External Auditor and myself in respect of the above. The letter explains the reason for a letter of representation.

Information

- 3.** Whilst some of the amendments are presentational Members' attention is drawn to the following principal changes to the accounts:
 - a) On page 2, paragraph (i), the underspend for the year has decreased from £6,377 to £1,883 due to an adjustment to the year end accruals which increased the expenditure for



the year. The subsequent table detailing the under and overspends below this paragraph has also been amended to reflect the changes.

- b) On page 14, amendments have been made to the Income & Expenditure account to reflect the increased expenditure and decrease in the contribution to the Control Provision as a consequence of the change to the accruals. The other changes to the statement are presentational and do not affect the 'Bottom Line'. The adjustments include an adjustment for the accounting treatment of the pension charges under FRS17; a change to the impairment charge following a professional valuation of Llanberis and Harlech fire stations; the inclusion of a gain on the sale of a fixed asset; and a decrease in the charge for depreciation.
 - c) The Statement of Movement on the General Fund Balance on page 15 has been adjusted to reflect the changes to the Income & Expenditure Account.
 - d) The Statement of Total Recognised Gains and Losses has been amended to reflect the £114,000 increase in net worth of the Authority due mainly to the valuation change.
 - e) The Balance Sheet on page 16 has been amended to reflect the above changes. The other adjustments included in the statement are an overall £10,346 decrease in Debtors offset by corresponding adjustments to Payments in Advance and Receipts in Advance.
 - f) Subsequent changes have been made in the notes to the accounts to reflect the comments in a) to e) above.
 - g) Note 7 on page 19 has been amended to reflect the amounts due as per the audit plan.
- 4.** The Statement of Accounts 2007/2008 was approved by the



Fire Authority on June 16 2008 in accordance with the Accounts and Audit (Wales) Regulations 2005 and as the changes to the accounts are not material Members are only required to note the amendments. However, the Authority is required to formally acknowledge the Letter of Representation sent to the External Auditor.

Recommendation

5. Members:

- 5.1** note the amended Statement of Accounts for 2007-08 (appendix 1); and
- 5.2** acknowledge the Letter of Representation sent to the External Auditor (appendix 2).