

## **Report to the Fire Authority on 24<sup>th</sup> September 2007**

### **To approve the Statement of Accounts for 2006/07**

The Draft Statement of Accounts (Financial Statements) for 2006/07 was approved at the Authority meeting of 25<sup>th</sup> June 2007. Following the audit of these accounts the Wales Audit Office requested that certain amendments be made as detailed below. These amendments have now been made and the Authority is requested to approve the resulting final financial statements for 2006/07. These have to be signed by both the Chairman and the Director of Finance and Procurement.

Nature of correction	Reason for correction
<b>Amendments to the Income and Expenditure Account</b>	
Expenditure and creditors were increased by £30,000.	To ensure the Statement of Accounts agreed to the ledger.
Expenditure and creditors were increased by £150,000.	To correctly reflect an invoice paid in 2007/2008, but which related to 2006/2007 financial year.
Expenditure and creditors were increased by £15,000.	To accrue for PWLB Interest for the period 10 March 2007 to 31 March 2007.
Expenditure and creditors were increased by £55,000	To reflect an accrual that had been omitted at the year end.
Pension interest costs and expected return on pension assets were increased by £140,000.	To ensure that the Statement of Account's figures agreed to the Actuary Report.
Debtors and income were reduced by £2,000.	To adjust for a payment in advance that had been incorrectly recorded.
Debtors was reduced and creditors increased by £6,000 – the net effect being to increase expenditure by £12,000.	To ensure debtors and creditors are correctly stated
Net cost of services expenditure was increased by £2,810,000 and the statement of movement on the general fund balance reduced by £2,810,00	To ensure that the Statement of Accounts figures agreed to the Actuary report.
Government grants deferred and expenditure were reduced by £54,000.	To reflect the correct rate of amortisation on government grants deferred.
Provisions and expenditure were reduced by £255,000.	To ensure provisions are correctly stated as per FRS 12.
The net effect is to increase the deficit by £2,905,000	
<b>Amendments to the Balance Sheet</b>	
Fixed assets and fixed asset restatement account were reduced by £3,000.	To reflect the correct figure for disposals.
Fixed assets and fixed asset restatement account were increased by £43,000.	To ensure that the revaluation of fixed assets to market value as at the date of disposal were correctly reflected in accordance with new SoRP requirements.

Government grants deferred and debtors were reduced by £450,000.	To ensure that the Statement of Accounts agreed to the ledger.
Government grants deferred was reduced and creditors increased by £340,000.	To ensure correct treatment of government grants received, but not yet spent.
Debtors and creditors were increased by £170,000.	To ensure that debtors and creditors are shown gross within the balance sheet.
Debtors and creditors were reduced by £19,000.	To adjust for a creditor included in 2006/2007 but which related to 2007/2008 and where the cash had been received in 2007/2008.
Pensions liability and pensions reserve were increased by £2,810,000.	To ensure the Statement of Accounts agreed to the Actuary report.
The Elective Pensioner Reserve was reduced by £32,000. This was to reflect adjustments affecting the Income and Expenditure Account.	To reflect usage of the pension reserve.
<b>Other amendments</b>	
A number of narrative/presentational changes were made to the statement of accounts and supporting notes.	To ensure the statement of accounts is compliant with SoRP and that there is consistency between the accounts and supporting notes
Additionally, where required the Statement of Total Recognised Gains and Losses, and Cash Flow Statement have been amended to reflect these adjustments.	To ensure consistency within the statement of accounts.