

PFCC Decision Report

Report reference number: 144-21

Classification (e.g. Not protectively marked/restricted): Not protectively marked

Title of report: Approval of the Statement of Accounts for the year ended 31 March 2021 for the Police, Fire and Crime Commissioner Group and the Police, Fire and Crime Commissioner

Area of county / stakeholders affected: Countywide

Report by: Janet Perry, Strategic Head of Performance and Resources

Date of report: 30 September 2021

Enquiries to: Janet Perry, Strategic Head of Performance and Resources

1. Purpose of the report

- 1.1. The purpose of this report is to seek the PFCC's approval of the Statement of Accounts for the year ending 31 March 2021 for the Police, Fire and Crime Commissioner Group and the Police, Fire and Crime Commissioner (hereafter referred to as the Statement of Accounts).
- 1.2. The Statement of Accounts is required to be published each year by 30 September, in accordance with the Code of Practice on Local Authority Accounting and the Accounts and Audit Regulations 2015.
- 1.3. The audit of the Statement of Accounts for the year ended 31 March 2021 has not yet been completed by the External Auditors, Grant Thornton UK LLP. The delay has arisen because the letter of assurance from the audit of the Essex Pension Fund has not yet been received.

2. Recommendation

- 2.1. Should no further material financial matters arise, prior to 30 September 2021, the PFCC should:
 - Approve the Statement of Accounts attached at Appendix 1, as recommended by both the Joint Audit Committee and the PFCC / Essex Police Strategic Board.

- Publish the Audit Findings report attached at Appendix 2
- Approve the letter of representation attached at Appendix 3

3. Benefits of the proposal

- 3.1. The proposal will enable the PFCC to meet the statutory reporting requirements for the Statement of Accounts for the year ended 31 March 2021.

4. Background and proposal

- 4.1. The Statement of Accounts was reviewed and recommended by the Joint Audit Committee on 24 September 2021 and by the PFCC / Essex Police Strategic Board on 27 September 2021. At this time the only issue that was impacting on the completion of the audit was the delay in receiving the letter of assurance from the audit of the Essex Pension Fund. Therefore, it was recommended the Statement of Accounts be approved with a “subject to” statement.

The suggested “subject to” statement is:

‘The audit of the Statement of Accounts for the year ended 31st March 2021 for the Police, Fire and Crime Commissioner (PFCC) for Essex and the PFCC for Essex Group has not yet been concluded by the External Auditors, Grant Thornton UK LLP. The External Auditors have not been able to complete the audit as they have experienced delays in receiving the Letter of Assurance from the auditors of Essex Pension Fund (Local Government Pension Scheme Audit). As the audit has concluded in all other areas, with no matters outstanding, and the external auditors produced a report which contains final findings from the audit, according to regulation 10(2)(b) the PFCC has published the statement of accounts for the year ended 31 March 2021, the annual governance statement, and the narrative statement.’

- 4.2. Since this time two further issues have arisen. One relates to the Police Officer Pension Valuation and the other relates to provisions. The matter relating to provisions can be treated as an unadjusted error and therefore does not require any change to the accounts. The impact of the Police Officer Pension Valuation however remains unknown and we are awaiting further information. The above “subject to statement” is only suitable if the Police Officer Pension Valuation can be confirmed.

5. Alternative options considered and rejected

- 5.1. No alternatives have been considered as there is a requirement to approve the Statement of Accounts by 30 September 2021.

6. Police and Crime Plan

- 6.1. The Statement of Accounts shows the income and expenditure for the year ended 31 March 2021, which includes financial resources used to support the required performance to meet the priorities and strategies within the Police and Crime Plan.

7. Police operational implications

7.1. No direct operational implications arise from this decision report.

8. Financial implications

8.1. As set out in the Statement of Accounts.

9. Legal implications

9.1. The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting and the Accounts and Audit Regulations 2015. To meet statutory reporting requirements for the Accounts, they are required to be published by 30 September 2021. Although the audit of the financial statements will not be completed by this date, the accounts should be approved subject to the Police Officer Pension Valuation being confirmed.

9.2. Should the accounts not be approved we would be required to publish a notice stating that it has not been possible to publish the Statement of Accounts and the reasons for this.

10. Staffing implications

10.1. There are no staffing implications directly arising from this decision

11. Equality and Diversity implications

11.1 The Statement of Accounts is not expected to have any inequitable impact on individuals with protected characteristics.

12. Risks

12.1. There is the risk that the letter of assurance from the audit of the Essex Pension Fund will result in a requirement to amend the accounts.

12.2. In addition, should any further issues arise of a material nature, there is a risk that the accounts will require changes for reasons not associated with the Essex Pension Fund. The proposed "subject to" approval would not be applicable in this circumstance.

13. Governance Boards

13.1. The Statement of Accounts and Audit Findings report were reviewed and recommended by the Joint Audit Committee on 24 September 2021 and by the PFCC / Essex Police Strategic Board on 27 September 2021.

14. Background papers

Appendix 1 - Statement of Accounts
Appendix 2 - Audit Findings Report
Appendix 3 - Letter of Representation

Report Approval

The report will be signed off by the PFCC’s Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.

Chief Executive / M.O.

Further to updated advice received from the Chief Finance (S151) Officers in relation to new matters that have arisen since the meetings of the Joint Audit Committee and the Strategic Board, the recommendations set out in this report are no longer supported.

Sign: 

Print: P. Brent-Isherwood

Date: 30 September 2021

Chief Finance Officer / Treasurer

On Tuesday 28th September 2021, following Grant Thornton’s management review new assurance queries were raised. All have been addressed with the exception of one item which relates to IAS 19 Employee benefits and the Essex Police Officer Pension Scheme; this query remains outstanding with our pension administrators and the actuary.

My recommendation, therefore, is not to sign the Statements of Accounts for the PFCC and the PFCC Group on 30 September 2021 and await these two items to be resolved by third parties, allowing the Statement of Accounts to be published in due course with the audit opinion. This recommendation is supported by the Chief Constable’s Chief Finance Officer.

Therefore, the other recommendations set out in this report are also no longer supported.

Sign: 

Print: Julia Berry

Date: 30 September 2021

Publication

Is the report for publication?

YES

NO

If ‘NO’, please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State ‘None’ if applicable)

The Decision Report is for publication, but its appendices are not (please see below)

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet?	YES	<input type="checkbox"/>	2. Of Appendix?	YES	<input checked="" type="checkbox"/>
	NO	<input checked="" type="checkbox"/>		NO	<input type="checkbox"/>

If 'YES', please provide details of required redaction:

Further to updated advice received from the Chief Finance (S151) Officers in relation to new matters that have arisen since the meetings of the Joint Audit Committee and the Strategic Board, the appendices to this report are not to be placed in the public domain.

Date redaction carried out: 30 September 2021

Treasurer / Chief Executive Sign Off – for Redactions only

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

Sign: 

Print: Julia Berry

Chief Executive/Treasurer

Decision and Final Sign Off

I agree the recommendations to this report:

Sign:

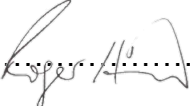
Print:

PFCC/Deputy PFCC

Date signed:

~~I do not agree the recommendations to this report because:~~

I do not agree to the recommendations in this report for the reasons discussed
.....
and explained at the Extraordinary Strategic Board of 30 September 2021
.....
and summarised by the Monitoring Officer and S151 Officer above.
.....

Sign: 

Print: Roger Hirst.....

PFCC/Deputy PFCC

Date signed: 01 October 2021.....