

## PFCC Decision Report

**Report reference number:** 163-21

**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:** Julia Berry, Head of Finance to the PFCC for Essex

**Date of report:** 24 November 2021

**Enquiries to:** Julia Berry, Head of Finance to the PFCC for Essex

### 1. Purpose of the report

- 1.1. The purpose of this report is to seek the PFCC's approval and sign off 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 following the completion of the external audit by Grant Thornton UK LLP.

### 2. Recommendation

- 2.1 That the PFCC approves the Statement of Accounts attached at Appendix 1, as recommended by both the Joint Audit Committee and the PFCC / Essex Police Strategic Board, to meet the statutory reporting requirements for the Statement of Accounts for the year ended 31 March 2021.
- 2.2 That the PFCC approves the letter of representation attached at Appendix 2.
- 2.3 That the PFCC publishes the Statement of Accounts and the signed Audit Opinion on the PFCC's website.

### 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 was:

*‘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. On 28 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. An Extraordinary Strategic Board meeting was held on 30 September 2021 where the Commissioner was advised not to sign the Statement of Accounts until the highlighted queries were resolved.
- 4.3. Grant Thornton received the assurance they required from the audit of the Essex Pension Fund and were able to complete their audit without any further issues arising. Queries mentioned in 4.2 were resolved.
- 4.4. The Statement of Accounts attached to this report have had minor disclosure changes compared to the unaudited Statement of Accounts recommended by the Joint Audit Committee on 24 September 2021 and by the PFCC / Essex Police Strategic Board on 27 September 2021. All the primary statements remained unchanged.
- 4.5. At a meeting on 24 November 2021, the PFCC and Chief Constable jointly agreed to proceed with signing the final audited version of the 2020/21 Statement of Accounts following recommendations from the respective Section 151 officers.

## **5. Alternative options considered and rejected**

- 5.1. No alternatives have been considered as there is a requirement to approve the Statement of Accounts within the statutory deadline or at the earliest stage thereafter.

## **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 the 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 in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

**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, if the accounts and the letter of representation are not signed by the PFCC, the external auditors are unable to issue the audit opinion for the PFCC and the Group financial statements.

**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.

13.2. The approval of the Statement of Accounts was delayed following the Extraordinary Strategic Board meeting on 30 September 2021.

**14. Background papers**

Appendix 1 - Statement of Accounts  
Appendix 2 - Letter of Representation  
Appendix 3 – Decision Report 144-21

**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 / DPFC.

Chief Executive / M.O.

Sign: 

Print: P. Brent-Isherwood

Date: 26 November 2021

Chief Finance Officer / Treasurer

Sign: .....

Print: Julia Berry.....

Date: 26 November 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)

None

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   
NO

2. Of Appendix? YES   
NO

If ‘YES’, please provide details of required redaction:

Date redaction carried out: .....

**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:** .....

**Chief Executive/Treasurer**

**Decision and Final Sign Off**

I agree the recommendations to this report:

**Sign:**  .....

**Print:** Roger Hirst

**PFCC**

**Date signed:** 30 November 2021

I do not agree the recommendations to this report because:

.....  
.....  
.....

**Sign:** .....

**Print:** .....

**PFCC/Deputy PFCC**

**Date signed:** .....

[NOT PROTECTIVELY MARKED]