

AT A MEETING of the HIWFRA Standards and Governance Committee held at
Fire and Police HQ, Eastleigh on Wednesday, 29th September, 2021

Chairman:
* Councillor Liz Fairhurst

Vice-Chairman
Councillor David Fuller

* Councillor Jonathan Glen
Councillor Ian Stephens

* Councillor David Harrison

* Present

13. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor David Fuller.

14. DECLARATIONS OF INTEREST

Members were mindful of their duty to disclose at the meeting any Disclosable Pecuniary Interest they had in any matter on the agenda for the meeting, where that interest was not already in the Authority's register of interests, and their ability to disclose any other personal interests in any such matter that they might have wished to disclose.

No interests were declared.

15. MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting held on the 26 July 2021 were reviewed and agreed.

16. DEPUTATIONS

There were no deputations for the meeting.

17. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had no announcements to make.

18. EXTERNAL AUDIT RESULTS 2020/21

The Chairman varied the order of business on the agenda to consider Item 7 before Item 6. The Committee received a report of the External Auditor on the External Audit Results 2020/21 (Item 7 in the Minute Book).

Officers from Ernst & Young (EY) introduced their report and outlined key issues. It was confirmed that the purpose of the report was to provide the Committee

with the key findings of the audit of the Hampshire Fire and Rescue Authority's financial statements for the year ended 31 March 2021, before the successor Hampshire and Isle of Wight Fire and Rescue Authority took effect. EY confirmed that the audit was now complete, and would be in a position to give an unqualified opinion.

Officers presented the report and confirmed that there were no issues connected to misstatements due to fraud or error for the year. In relation to the opening balances of PPE, it was heard that an error of £5million had been agreed and adjusted by management for the final accounts. Following on from the date of the report, for valuation of land and buildings, it was noted that in relation to assets that had not been revalued in year, an additional £464,000 of overstated land assets had been identified, and an overstatement of £120,000 had been noted in relation to land that had been revalued in year. These would not be adjusted for in the final accounts as EY had agreed with management this was immaterial.

Page 149 of the agenda pack set out the area of pension liability valuation, and it was confirmed to Members that this work was now complete. The area of going concern was explained, and it was heard that there was no risks or issues arising in this area. Officers confirmed that in relation to land assets, there had been no adjustment and this was within a reasonable margin of error and estimate. The valuation of land assets also had to comply with International Financial Reporting Standards (IFRS)

In response to a question querying acronyms used, it was noted that IAS was International Accounting Standards, and ISA was International Standards on Auditing. The definition of 'Materiality' was also explained, which related to margin of error in audit checks.

RESOLVED:

That the Committee receives and notes the External Auditor's Audit Results Report for the year ended 31 March 2021.

19. **STATEMENT OF ACCOUNTS 2020/21**

The Committee received a report of the Chief Financial Officer on the Statement of Accounts (Item 6 and Appendix A to Item 6 in the Minute Book). The Committee also considered the draft Letter of Representations (Appendix B to Item 6 in the Minute Book)

The report was presented to the Committee, and it was heard that officers had worked to ensure that they met the extended statutory deadline of the 30 September 2021 for approval and publication of the Statement of Accounts. It was noted that the accounts for 2020/21 reflected the financial position of Hampshire Fire and Rescue Authority up to the 31 March 2021, which was before the Combination Order took effect. Next year's 2021/22 accounts would reflect the financial position of Hampshire and Isle of Wight Fire and Rescue Authority.

In response to questions, Members heard that the reserve balance of the Authority was based on judgement rather than a formulaic approach and there should always be an appropriate level of reserves. Officers also explained the use of prudential borrowing and the lack of capital investment from government.

In relation to future rises in interest rates, it was explained that officers build in interest rate assumptions to future budget projections, as well as examining the approach to borrowing and potential risks. Officers confirmed that the accounts were in a position to be approved, with no minor amendments needed prior to publication.

RESOLVED:

- i) That the Statement of Accounts for 2020/21 (draft) attached at Appendix A be approved subject to any final amendments reported at the meeting.
- ii) That the Chief Financial Officer be given delegated authority to approve any minor amendments to the Statement of Accounts prior to publication.
- iii) That the Letter of Representations (draft) attached at Appendix B be considered and signed by the Chairman on behalf of the Committee.

Chairman,