

**Report of the Treasurer to the Chair and Members
of the Police Authority Executive
28th September 2011**

**Executive and Presenting Officer: Mr M Porter, Treasurer
Status: For Agreement**

Title: Audited Statement of Accounts 2010/11

1 Purpose

- 1.1 Members received and approved the Statement of Accounts 2010/11, subject to Audit, at their June meeting. It was agreed that the audited accounts and any amendments resulting from the audit would be presented to a future meeting of the Police Authority.

2 Recommendations

Members are asked to:

- 2.1 Agree the Statement of Accounts for 2010/11, as attached.
- 2.2 Agree the Letter of Representation, as per Appendix A

3 Reasons

- 3.1 The accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and International Financial Reporting Standards. This specifies the principles and practices of accounting required to prepare a Statement of Accounts which give a true and fair view of the financial position of the Authority.
- 3.2 Members received and approved the Statement of Accounts 2010/11, subject to Audit, at their June meeting. It was agreed that the audited accounts and any amendments resulting from the audit would be presented to the Police Authority.

- 3.3 In her Annual Governance Report, on today's agenda as a separate item, the District Auditor states that she expects to issue an unqualified opinion that in her opinion the statements:
- Give a true and fair view of the state of Cleveland Police Authority's affairs as at 31 March 2011 and of its income and expenditure for the year then ended;
 - Give a true and fair view of the financial transactions of the police pension fund during the year ended 31 March 2011 and the amount and disposition of the fund's assets and liabilities as at 31 March 2011, other than liabilities to pay pensions and other benefits after the end of the scheme year; and
 - Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.
- 3.4 As set out also within the Annual Governance Report the following changes have been made to the Statement of Accounts since Members' approved them in June:
- 3.5 Short Term Debtors
- Cr Balance Sheet - Short Term debtors, £76k
 - Dr Comprehensive Income and Expenditure Account, £76k

This related to Payments in Advance for 2009/10 which should have reversed in 2010/11 but had not done so when the report in June was produced. The correction of this transaction reduces the previously reported Outturn for the Authority from an under spend of £727k to an under spend of £650k.

- 3.6 The impact of the change, to the indexation of future pension payments, from the Retail Price Index to the Consumer Price Index was previously accounted for within Un-distributed costs on the face of the Comprehensive Income and Expenditure Account. This totalled £98,412k. To aid both understanding and comparison of the accounts this has now been disclosed separately on the face of the same statement as an Exceptional Item.
- 3.7 Other than the above items there were minor presentational amendments to meet the requirements of the CIPFA Statement of Recommended Practice and some additional disclosure around Pensions to meet the requirements of IAS 19.
- 3.8 As part of the process of completing the Statement of Accounts process the Authority is required to send a 'Letter of Representation' to the District Auditor. A copy of this letter is attached at Appendix B for Members consideration and agreement.

4 Implications

4.1 Finance

There are no financial implications other than those discussed in the report.

4.2 Diversity & Equal Opportunities

There are no diversity implications.

4.3 Sustainability

There are no sustainability issues arising from this report.

4.4 Risk

There are no risk implications arising from this report.

5 Conclusion

The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and International Financial Reporting Standards and the subsequent Police Pension Fund Regulations and give a true and fair view of the financial position of the Authority and the Police Pension Fund for the year ended 31st March 2011.

Michael Porter
Treasurer