2018/2019 OUTTURN AND FINANCIAL REPORT

REPORT OF THE CHIEF FIRE OFFICER AND TREASURER

For Approval

1. PURPOSE OF REPORT

1.1 To report the final outturn position against the approved 2018/19 budgets.

1.2 To inform Members of the arrangements for approving the Authority's 2018/19 Financial Report and to provide a copy of the draft 2018/19 Financial Report.

2. RECOMMENDATIONS

2.1 That Members:-

i. Note the position as at 31st March 2019;

ii. Approve the 2018/19 Annual Governance Statement as detailed on pages 81 to 84 of Appendix D.

iii. Note that the Financial Report detailed in Appendix D will be subject to the completion of the independent audit by Mazars and details of any audit amendments will be reported to the Full Authority in July.

iv. Note that there is the opportunity to raise questions and/or seek clarification of information included in the pre-audit Financial Report in the period up to 26th July 2019, when the audited Financial Report will be presented to the Authority for final approval.

3. FINANCIAL OVERVIEW AND REVENUE POSITION AT 31st MARCH 2019

3.1 The Medium Term Financial Strategy (MTFS) report approved on 15th February 2019 enabled the Authority to set the budget for the current financial year (i.e. 2019/20). The MTFS included recommendations in relation to the 2018/19 financial year which are reflected in the statutory Financial Report and also provided useful background information in relation to the significant financial risks and uncertainties facing the Authority, as detailed in the following paragraphs.

3.2 **Financial Risk and Uncertainties**

3.3 Financial year 2019/20 is the final year of the current four year Government financial settlement. Whilst, the four year settlement has provided financial certainty, it has resulted in further recurring cuts in Government funding received by the Authority.

3.4 By 2019/20 the Authority will have faced nine consecutive years of cuts in Government funding – which is unprecedented and has resulted in a significant reduction in the Authority's budget as summarised below:

Cash reduction in budget between 2010/11 and 2019/20

Recurring reduction in 2019/20 - **£7.3m**

- A reduction of **22%**

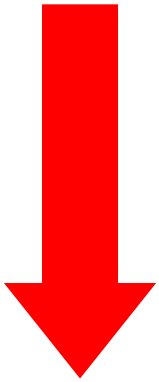
3.5 Whilst, the cuts in Government funding since 2010/11 have affected all Fire and Rescue Authorities, the impact on Cleveland Fire Authority is greater as we raise less income from Council Tax and were more reliant on Government funding when the cuts commenced in 2010/11.

3.6 As a result of the cuts in Government funding between 2013/14 and 2019/20, decisions the Authority has taken to increase Council Tax and the impact of housing growth, the proportion of overall spending funded from Council Tax has increased between 2013/14 (the first year of the current Local Council Tax Support scheme arrangements) and 2019/20 as summarised below:

Increase in recurring Council Tax income between 2013/14 and 2019/20, compared to Grant Cut for same period

2019/20 proportion of budget funded from Council Tax – **48%**, compared to **32%** in 2013/14.

Recurring increase in Council Tax income - **£2.4m** (includes housing growth of £950k)



Grant Cut 2013/14 to 2019/20

£6.0m

– a cut of 32%

3.7 If the increased Council Tax income had not been achieved the Authority would have had to make additional recurring cuts of £2.4m. This increase has effectively enabled the Authority to maintain **58** firefighter posts, which is approximately **17**% of current firefighter establishment.

3.8 The approved MTFS and Community Integrated Risk Management Plan (CIRMP) covered four financial years (2016/17 to 2019/20) to align with the period of the Government financial settlement. These plans were designed to deliver recurring savings of **£3.695m** by 2019/20.

3.9 As a result of the funding cuts implemented over the nine years up to 2019/20 the Authority has made significant operational changes to ensure safe and effective services continue to be provided to the community. As approximately 80% of the budget is spent on staff costs (pay, pensions and national insurance) these changes have been underpinned by modernising the way services are provided, including reducing whole time firefighter posts and increasing retained duty system firefighter posts. These changes have been achieved by natural wastage and there have been no firefighter redundancies.

3.10 By 2019/20 these measures will have resulted in the following changes:

- **36% reduction** in the number of **whole time firefighter posts** from 518 in 2010/11 to 330 in 2019/20.

- **33% increase** in the number of **retained duty system firefighter posts** from 72 in 2010/11 to 96 in 2019/20.

- **38% reduction** in the number of **fire control posts** from 26 in 2010/11 to 16 in 2019/20.

- **19% reduction** in the number of **non-uniformed support posts** from 129.21 in 2010/11 to 105.15 in 2019/20.

- **30%** reduction in number of Elected Members from 23 to 16 – effective from June 2016.

3.11 Looking ahead, the financial position for 2020/21 is the most uncertain ever faced by the Authority. This position reflects the significant uncertainty regarding factors impacting on both expenditure and resources, including whether these issues may be delayed to 2021/22, which would increase uncertainty, as follows:

- **The outcome of the 2019 Spending Review** – this will determine the Government's spending priorities for all Departments, with the exception of NHS England. These spending priorities will need to reflect financial pressures that have been built into the system as a result of austerity, such as demographic pressures in relation to Adult Social Care and demand pressures for Looked after Children. Additionally, the Government will face continuing demands for more expenditure for a range of services, including education, police and prisons.

  The key issue for this Authority is how the Fire and Rescue will service fair In comparison to these other areas in the Government's Spending Review?

- **Business Rates Retention and Fair Funding Review** - these changes impact on the resources the Authority will receive from the Government, which in 2019/20 account for **55%** of all recurring resources available. Nationally these resources account for approximately **40%** of recurring funding for Fire and Rescue Services. Therefore, the decisions the Government make will be fundamental to the financial sustainability of Fire and Rescue Authorities.

As this Authority is more reliant on this funding, owing to the relatively low Council Tax base and higher levels of deprivation, the decisions made in relation to these resources are even more critical.

It is not anticipated that the detailed impact will be known until late 2019, which makes financial planning extremely challenging.

- **Council Tax referendum limits** - Council Tax accounts for the remaining **45%** of recurring resources available to this Authority. This is significantly less than the national figure of **60%** for Fire and Rescue Services. This position reflects two key factors. Firstly, the Authority has a low Council Tax base. Secondly, the Authority has historically had a Band D Council Tax at broadly the national average level.

  The future Council Tax limits set by the Government will also have a significant impact on the financial sustainability of the Authority. These limits will become even more important if the Business Rates and Fair Funding Review result in further funding reductions.

- **Pay Awards** – as pay costs account for approximately 80% of the budget the continued national pay negotiations in relation to 'broadening the role" makes financial planning challenging. As this is a national issue the current planning assumption is that additional Government funding will be provided for any increased costs which may arise from 'broadening the role'.

- **Fire Fighters Pension contributions** - recent Government announcements have increased uncertainty regarding future employers' pension contributions. . This issue affects other public sector pension schemes for the police, NHS and teachers. The latest information from the Government confirms there will be a significant increase in employers' pension contributions for these schemes.

  For 2019/20 the Government has provided additional funding towards the increased cost for the Fire and Rescue service of £107m (provisional allocation £97m). The increased cost for this Authority is £1.674m, compared to a Government grant allocation of £1.408m, which means the Authority faces a shortfall in funding in 2019/20 of £266,000. The budget included provision of £130,000 and the remaining £136,000 will either be funded by achieving a managed budget underspend in 2019/20, or by using the Budget Support Fund.

  It is not yet clear if the Government will provide recurring funding, as statements so far indicate this issue will be considered as part of the Spending Review which will determine funding for 2020/21 onwards.

3.12 To address the financial uncertainties facing the Authority over the period 2020/21 to 2022/23 the Authority instructed the Chief Fire Officer to develop a contingency savings plan based on two planning scenarios i.e. forecast deficits of **£2.297m** and **£3.841m** respectively, which equate to reductions of **9%** and **15%** to the current budget. Further details will be reported to a future meeting as part of the process for setting the 2020/21 budget. This will include the use of the Budget Support Fund to help phase the achievement of further budgets reduction over the three year commencing 2020/21.

3.13 **Revenue Budget Outturn 2018/19**

3.14 The MTFS report informed Members that the Chief Fire Officer had continued to manage the 2018/19 budget extremely carefully and taken action to hold posts vacant to achieve the planned 2019/20 CIRMP savings and therefore help secure the 2019/20 financial position. It was anticipated that these measures would result in a 2018/19 managed under spend of **£0.749m** and in February the Authority approved that this amount be earmarked to supplement the Budget Support Fund, which is earmarked to manage the significant financial risks and financial uncertainties facing the Authority in 2020/21 and future years.

3.15 The actual managed under spend was **£0.801m,** which is £52,000 more than forecast, and this amount has been transferred to the Budget Support Fund.

3.16 As reported to the Executive Committee on 26th April 2019 the additional underspend of £52,000 may need to be used to partly fund increased Fire Fighters pension costs in 2019/20 of £136,000 which are not funded from additional Government Grant provided for this national increase. This will only be necessary if the additional unfunded Pension costs cannot be funded by achieving a managed budget under spend in 2019/20.

3.17 Details of the revenue outturn is shown in Appendix A including detailed explanations for the year end variance and changes from the outturn forecast.

4. CAPITAL BUDGET

4.1 Attached at Appendix B is a monitoring statement which includes physical as well as financial information on each Capital scheme.

4.2 Work on the building programme in relation to the following schemes accounted for the majority of the spend in 2018/19:

- Queens Meadow
- Grangetown
- Water Tenders

4.3 The final phase for the petro chemical rig at Queens Meadow is in progress and will be completed next financial year. The demolition works following the construction of a new fire station at Grangetown were completed this year. The fit out works following refurbishment were completed at Stranton fire station during the year.

4.4 Planning, legal fees, and design work are in progress with tenders to be awarded next financial year for the work to be carried out to at Guisborough, Loftus, and Stockton fire stations.

4.5 During the year total capital spend was £0.738m. These costs were funded from a combination of Capital Receipts £0.314m, Reserve contribution of £0.075m and use of £0.349m of the Capital Investment Programme Reserve.

5. BASIS FOR PREPARING THE STATEMENT OF ACCOUNTS

5.1 In accordance with the Accounts and Audit Regulations 2015, all Local Authorities are required to produce an annual Statement of Accounts by 31st May.

5.2 The Financial Report presents the Authority's financial position for 2018/19 in a specified format and reflects the Outturn Strategy previously approved by the Authority as outlined in Section 3.

5.3 In previous years Members were required to approve the draft Statement of Accounts prior to audit by the External Auditors. This requirement was removed in 2011/12. However, Members are still required to approve the audited Financial Report. A report will be submitted to the Full Authority on 26th July 2019 to discharge this responsibility and meet the revised deadlines for Local Authorities to publish audited accounts by 31st July.

5.4 The next section of the report is being presented to enable Members to familiarise themselves with the Statement of Accounts and to provide time for Members to ask questions.

6. THE 2018/19 PRE-AUDIT FINANCIAL REPORT

6.1 The Financial Report is attached at Appendix D. If there are any audit amendments these will be reported to the Full Authority in July. In summary the Financial Report provides the following information: -

i) Authority Membership

ii) Narrative Report

iii) Statement of Responsibilities for the Statement of Accounts

iv) Statement of Accounts

v) Group Statement of Accounts

vi) Annual Governance Statement

vii) Draft Independent Auditor's Report

viii) Glossary of Terms

6.2 The narrative report provides an explanation of the Authority's overall financial performance for 2018/19, details the year-end financial position for 2018/19 and outlines the impact of the current economic climate on the Authority's ongoing financial position. The report also provides a guide to the most significant matters reported in the Statement of Accounts including an explanation of the purpose of each of the core statements.

6.3 One of the key statements is the Balance Sheet which comprises two main balancing parts, Net Assets and Total Reserves, which represents the Authority's financial position as at the 31st March 2019.

6.4 The Net Assets section of the Balance Sheet shows the Authority's assets including Property, Plant and Equipment, Investments and Debtors and liabilities including Short and Long-term Borrowing and Creditors. The Authority's Balance Sheet reports negative Net Assets (i.e. net liabilities) and this is because of an accounting requirement in relation to pensions. This requires authorities to report the total pension liability if this was to be paid out in full as at 31st March 2019 i.e. if all employees and former employees drew down their current full pension entitlement as at 31st March 2019. In practice this situation would never arise and contributions to the pension schemes are adjusted over a period of time to mitigate the liability and are included as part of the budget setting process. For the Fire Fighters Pension Scheme the contributions include "Pension Top-up Grant" paid by the Government.

6.5 The Total Reserves section of the Balance Sheet is made up of Usable and Unusable Reserves. Unusable Reserves cannot be used to support services and include notional accounting gains and losses. These accounting gains and losses are referred to as unrealised. Included within Unusable Reserves is a negative Pension Reserve offsetting the pension liability outlined above.

6.6 Usable reserves are those which the authority can utilise to support future service provision. The Usable Reserve as at 31st March, 2019 reflect the review of risks and reserves undertaken as part of the 2019/20 budget process and consist of the following key areas:

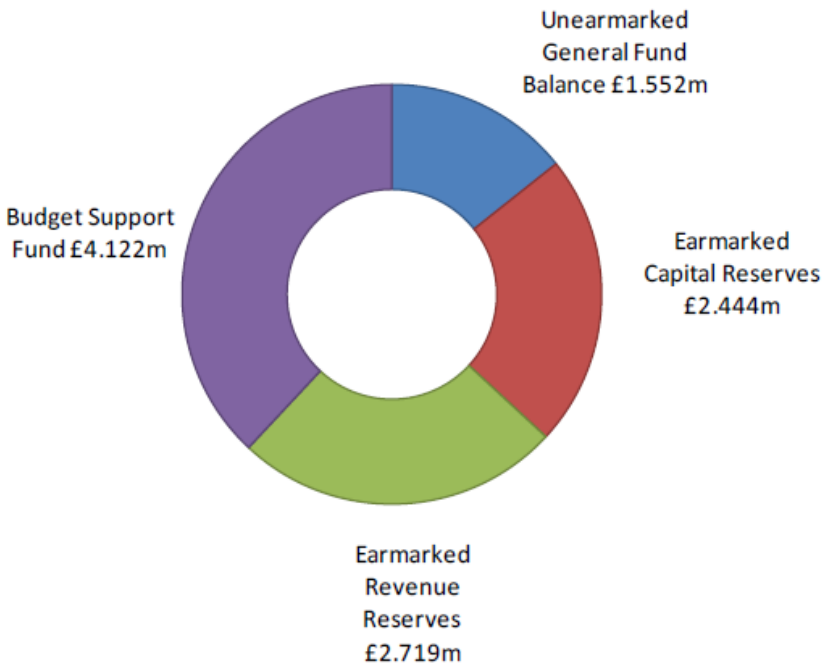
- **Unearmarked General Fund Balance £1.552m** – this reserve is maintained to meet unforeseen circumstances which might arise the value of this reserve reflects the Authority's assessment of a range of financial risks which may occur over the next four years.

- **Budget Support Fund £4.122m** – part of this reserve (£154,000) is earmarked to support the revenue budget in 2019/20. The remaining balance (£3.968m) is earmarked to manage financial risks and financial uncertainties from 2020/21 onwards.

- **Earmarked Revenue Reserves £2.719m** – these resources are earmarked to fund a range of one-off commitments and initiatives. Further details are provided in note 22 (page 50) of the Financial Report

- **Earmarked Capital Reserves £2.444m** – these resources are allocated to fund the approved Asset Management Plan.

Analysis of Usable Reserves as at 31 Match 2019 – Total £10.837m



7. ANNUAL GOVERNANCE STATEMENT

7.1 The CFA has a statutory responsibility to ensure that its financial management is adequate and that there is a sound system of internal controls to facilitate the effective delivery of its functions, including arrangements for the management of risk. The Annual Governance Statement (AGS) is published as part of the Authority's Financial Statements and is detailed on pages 81 to 84 of Appendix E and summarises the results of the annual review of internal controls. The AGS's primary function is to assess the adequacy of the Authority's governance arrangements, identify where those arrangements need to be improved and communicate to users and stakeholders how those improvements can be made and that better governance leads to better quality public services.

7.2 As Treasurer to the Fire Authority, I am responsible for conducting, annually, a review of the effectiveness of the Annual Governance Statement (AGS). The Annual Governance Statement has been reviewed and all significant internal control issues identified and updated.

7.3 The 2018/19 AGS assessment takes account of all recent internal and external assessments, inspections and audits.

7.4 No significant governance issues have been identified for 2018/19. However, in the interests of improving and developing governance arrangements a Governance Improvement Action Plan has been produced and included in the 2018/19 AGS. Progress will be monitored though the Authority's Performance Monitoring and Management System, with progress reports, circulated during 2019/20, to Officers and Members, enabling scrutiny through the Audit and Governance Committee.

7.5 An Internal Audit Review of the Fire Authority's Annual Governance Statement has been undertaken and a copy of the resulting report is attached at Appendix E. The report states:

- The existing processes and procedures in place continue to provide a high level of assurance that controls are operating as intended.

8. EXTERNAL AUDITORS UPDATE

8.1 A representative from Mazars, the Authority's External Auditors will attend the meeting to provide a verbal update on the audit work completed in June and the work to be completed to finalise the Audit.

9. CONCLUSION

9.1 The 2018/19 Financial Report has been prepared in accordance with the relevant accounting standards and the outturn strategy previously approved by the Fire Authority. The report enables the Audit and Governance Committee to review the draft Financial Report prior to the final document being referred to the Full Authority on 26th July 2019 for approval.

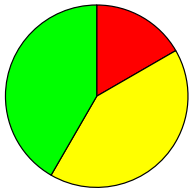
9.2 The Chartered Institute of Public Finance and Accountancy has issued a checklist of questions Members may wish to ask to assist in the understanding of an Authority's financial statements. This has been included at Appendix C and Members are advised that the Authority's Financial Report complies with these requirements.

IAN HAYTON
CHIEF FIRE OFFICER

CHRIS LITTLE
TREASURER

REVENUE MONITORING STATEMENT

Comparison of Expected and Actual Expenditure and Income to 31st Mar 2019						
Chief Fire Officer/Treasurer				Status	Count	
Progress Against Revenue Budget 2018/19			Corrective action may be required	Adverse Variance Greater Than +2%	2	
Actual Position as at 31st Mar 2019			Possible virement/service enhancement	Favourable Variance Greater Than -2%	5	
			On target	Variance Between +/-2%	5	



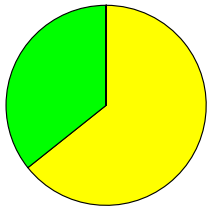
Item Number	Description	Revised Budget £'000	Expected to 31st Mar 2019 £'000	Actuals to 31st Mar 2019 £'000	Variance £'000	Description
1	Employees Costs	22,371	22,371	21,270	**(1,101)**	Occupancy levels below budgeted levels as a result of retirements not being replaced in order to facilitate a managed under spend to enable the implementation of the CIRMP.
2	Premises Costs	1,853	1,853	1,649	**(204)**	Under spend from re-phasing of refurbishment of Loftus, Guisborough, and Stockton fire stations into next year, partly offset by the cost of an unexpected water leak underground at Redcar Fire Station and the business rates revaluation
3	Supplies & Services	2,211	2,211	2,550	**+339**	Firelink recharges from HO greater than expected, offset by grant, and additional cost of essential BA cylinder testing have resulted in an over spend. Includes Revenue Contribution to Capital Spend for Granetown rebuild and new Gym equipment
4	Transport Costs	735	735	720	**(15)**	Savings in vehicle spares, oil, and consummables has resulted in an under spend
5	Support Services	369	369	412	**+43**	Cost of the GMP (Guaranteed Minimum Pension) Reconciliation work, and additional Legal Costs requiring external advice
6	Income	(1,496)	(1,496)	(1,615)	**(119)**	Firelink grant greater than expected to offset increased charges from the Home Office, recharges to Lancashire FRS for assisting with the moorland fires, and increased income from rent received for the use of community facilities.
	Sub Total Operational Budgets	**26,043**	**26,043**	**24,986**	**(1,057)**	

Item Number	Description	Revised Budget £'000	Expected to 31st Mar 2019 £'000	Actuals to 31st Mar 2019 £'000	Variance £'000	Description
7	Capital Finance Costs	838	838	838	0	Includes provision for servicing revenue costs of borrowing for Capital Programme and approved contribution to Capital Phasing reserve
8	S 31 Grant	(143)	(143)	(363)	**(220)**	Governmnet Funding adjustment
9	Contribution to Levy a/c reserve	0	0	141	**+141**	Governmnet Funding adjustment for share of Business Rates Levy Account funds distributed to support 2019/20 budget
10	Rephased Projects reserve	0	0	335	**+335**	Refurbishment of Loftus, Guisborough and Stockton Fire Stations re-phased into 2019/20 in line with revised Asset Management Plan, and provision for major service of CARP vehicle.
11	Reserves contribution	(442)	(442)	(442)	0	Planned release of earmarked reserves to support budget
12	LGPS	(53)	(53)	(53)	0	Release of reserve to fund fixed payment to LGPS to address shortfall following actuarial valuation as detailed in the MTFS
	NET TOTALS AFTER CONTRIBUTIONS FROM RESERVES	**26,243**	**26,243**	**25,442**	**(801)**	
12	Contribution to Budget Support Fund 2019/20	0	0	801	**+801**	Earmarked to address risks associated with the reform of Local Government funding as detailed in the MTFS
	NET BUDGET TOTALS	**26,243**	**26,243**	**26,243**	**0**	

CAPITAL MONITORING STATEMENT

Comparison of Expected and Actual Expenditure and Income to 31st March 2019

Chief Fire Officer/Treasurer		Status	Count
Progress Against Capital Budget 2018/2019	Corrective action may be required	Adverse Variance Greater Than +2%	0
Actual Position as at 31st March 2019	Possible virement/ service enhancement opportunities	Favourable Variance Greater Than -2%	9
	On target	Variance Between +/-2%	5



Item Number	Description	Full cost of schemes £'000	Revised Budget 2018/2019 £'000	Actual as at 31st Mar 2019 £'000	Committed/ Outstanding Orders £'000	Total £'000	Variance £'000	Project Design/Specification	Progress to Date	Anticipated Outcome
1	Queens Meadow Complex	12,376	513	174.7	0	174.7	(338.3)	Approved by CFA in Capital Strategy and Asset Management Plan	Final phase in progress for petro chemical rig, fire behaviour training unit, line rescue mast and fire house fit out	**Project to be completed next financial year in acordance with revised Asset Management Plan**
2	Grangetown Fire Station	2,990	103	102.9	0	102.9	(0.1)	Approved by CFA in Capital Strategy and Asset Management Plan	Includes demolition works following building of new fire station	**Completed November 2018**
3	Stranton Fire Station	861	42	41.5	0	41.5	(0.5)	Approved by CFA in Capital Strategy and Asset Management Plan	completion of fit out works following refurbishment	**Completed November 2018**
4	Guisborough Fire Station	306	200	9.5	0	9.5	(190.5)	Approved by CFA in Capital Strategy and Asset Management Plan	Planning, legal fees and drawing costs, and design work in progress. Tender awarded and work to commence in 2019/20	**Project to be completed next financial year in acordance with revised Asset Management Plan**
5	Loftus Fire Station	232	100	9.4	0	9.4	(90.6)	Approved by CFA in Capital Strategy and Asset Management Plan	Planning, legal fees and drawing costs, and design work in progress. Tender awarded and work to commence in 2019/20	**Project to be completed next financial year in acordance with revised Asset Management Plan**
6	Stockton Fire Station	1,094	391	8.4	0	8.4	(382.6)	Approved by CFA in Capital Strategy and Asset Management Plan	Planning, legal fees and drawing costs, and design work in progress.	**Project to be completed next financial year in acordance with revised Asset Management Plan**
7	Water Tenders	571	571	228.4	0	228.4	(342.6)	Approved by CFA in Capital Strategy and Asset Management Plan	Orders placed, acquired via framework agreement. Chassis complete, body build in progress.	**Chassis complete, body build in progress to de delivered next financial year**
8	Departmental Vehicles	78	20	19.8	0	19.8	0	Approved by CFA in Capital Strategy and Asset Management Plan	To be acquired via framework agreement. One vehicle delivered	**Completed May 2018**
9	Fireground Radios	66	66	65.7	0	65.7	(0.3)	Approved by CFA in Capital Strategy and Asset Management Plan	Acqired via framework	**Completed January 2019**

Item Number	Description	Full cost of schemes £'000	Revised Budget 2018/2019 £'000	Actual as at 31st Mar 2019 £'000	Committed/ Outstanding Orders £'000	Total £'000	Variance £'000	Project Design/Specification	Progress to Date	Anticipated Outcome
10	Gym Equipmnet	75	75	75.0	0	75.0	0	Approved by CFA in Capital Strategy and Asset Management Plan	Following an asset survey a num,ber of items were identified as needing replacing, and were funded from revenue	**Completed March 2019**
11	Outboard Engine	2.5	2.5	2.3	0	2.3	(0.2)	Approved by CFA in Capital Strategy and Asset Management Plan	Acqired via framework	**Completed January 2019**
12	Mobile Data Terminals	148	148	0	0	0	(148.0)	Approved by CFA in Capital Strategy and Asset Management Plan	To be acquired via framework agreement.	**Scheme to slip into next year as detailed in revised Asset Management Plan**
13	Breathing Apparatus Telemetry	125	125	0	0	0	(125.0)	Approved by CFA in Capital Strategy and Asset Management Plan	To be acquired via framework agreement.	**Scheme to slip into next year as detailed in revised Asset Management Plan**
14	ICT Investment to Support Operational Requirements	200	200	0	0	0	(200.0)	Approved by CFA in Capital Strategy	Tender specifications being prepared	**Scheme to slip into next year as detailed in revised Asset Management Plan**
	TOTAL ALL SCHEMES	**19,124**	**2,556**	**737.60**	**0.00**	**737.60**	**(1,818.7)**			

APPENDIX C

Checklist of questions to assist with the understanding of the Authority's Financial Report (Appendix D)

Comprehensive Income and Expenditure Statement (page 16) and Note 6 Expenditure and Funding Analysis (page 35).	
1	Is the purpose of the Comprehensive Income and Expenditure Statement clear (i.e. does it show actual financial performance under accounting standards before fiscal adjustments)?
2	Do the service net expenditure figures clearly demonstrate the financial performance of the services on the face of the Comprehensive Income and Expenditure Statement during the year?
3	Are the material items of income and expenditure in the Comprehensive Income and Expenditure Statement presented separately on the face of the Statement or explained in the notes?
4	Do the notes to the Comprehensive Income and Expenditure Statement provide easily understandable information relating to the Statement (or lines within the Statement)?
5	Are there any unexplained significant variances between current and previous year information?
6	Have any significant differences between budget reports and net expenditure chargeable to General Fund balances been explained?
7	Are the major statutory adjustments clearly explained and easily understood?
Movement in Reserves Statement (page 15)	
8	Can the major movements in net worth that occur within the Movement in Reserves Statement be easily identified? Are these explained within the financial statements or Narrative Report?
9	Do the opening balances in the Movement in Reserves Statement match with the closing balances of the preceding year? Are any adjustments to opening balances explained on the face of the Statement and/or in the notes?
10	Is there a clear explanation of the statutory adjustments in the adjustments from income and expenditure charged under the accounting basis to the funding basis line in the Movement in Reserves Statement? (Note this may be linked with the Expenditure and Funding Analysis.)
11	Do the entries on the statutory adjustment line net to nil?
12	Do the related notes on reserves clearly explain the purpose for holding reserves?
13	Does the Total Comprehensive Income and Expenditure line in the Movement in Reserves Statement agree with the information in the Comprehensive Income and Expenditure Statement?
14	How have the balances of usable reserves moved during the year? Are these balances sufficient to support an authority's financial plans in the immediate future and over the medium term?

Balance Sheet (page 17)	
15	Does the property, plant and equipment information tell the story of the authority's property portfolio during the year (including the major movements in that portfolio i.e. major disposals and acquisitions)? Do these balances reflect the authority's asset management strategy?
16	Has there been any substantial movement in the pension asset or liability? If yes, has the reason for such a movement been explained and the subsequent consequences described in the financial statements or the Narrative Report?
17	Have there been any new provisions or significant movements in provisions in the year? If yes, have the reasons for making these provisions been set out in the financial statements or any material movements been explained?
18	Have there been any significant movements in the authority's borrowings during the year? Are these movements reflected in the authority's borrowing strategy and what impact will this have on the prudential indicators or future investment plans?
19	Are there any significant movements in the authority's investment portfolio? Do these agree with the plans in the authority's treasury management strategies and statutory investment plans?
20	Are there any other significant movements in balances in the balance sheet that are not clearly explained?
21	Do the balance sheet reserves agree with the totals in the Movement in Reserves Statement?
Cash Flow Statement (page 18)	
22	Do the cash balances in the cash flow statement agree with the relevant balances in the balance sheet?
23	Are the authority's balances reflected adequately in the council's treasury management strategies?