



MINUTES OF THE MEETING OF THE CLOSURE OF ACCOUNTS COMMITTEE held on Wednesday 25 June 2014 at Fire Service Headquarters, Winsford on the rise of Policy Committee.

PRESENT:

Councillors J Joyce, M Biggin, P Carey, E Johnson, L Jones, G Merry, B Rudd and D Topping

ALSO IN ATTENDANCE:

External Auditors, Grant Thornton representative: Caroline Stead

1 PROCEDURAL MATTERS

A MEMBERSHIP OF COMMITTEE

Members were asked to note the membership of the Committee for 2014-15, as agreed by the Fire Authority at its Annual Meeting on 18 June 2014 and listed below:

Councillors J Joyce – Chair
M Biggin
P Carey
E Johnson
L Jones
G Merry
S Nelson
B Rudd
C Thorley
D Topping

B APOLOGIES FOR ABSENCE

Apologies were received from Councillors S Nelson and C Thorley.

C DECLARATION OF MEMBERS' INTERESTS

There were no declarations of Members' interests.

D MINUTES OF THE CLOSURE OF ACCOUNT COMMITTEE

Resolved: That

[1] the minutes of the meeting of the Closure of Accounts Committee held on 19 June 2013, be received for information.

2 2013/14 DRAFT FINAL ACCOUNTS

The Head of Finance introduced the report and advised Members that prior to 2010-11 it had been a statutory requirement that Members approved a draft set of the Authority's accounts by the end of June. He explained that this had been replaced, with effect from 2010-11, with the requirement that the Treasurer approve the draft accounts within the same timescale. However, the Closure of Accounts Committee had proved to be a useful forum which enabled Members to closely scrutinise the draft accounts and, for this reason, the Authority had continued with this meeting.

The Head of Finance introduced the External Auditor, Caroline Stead from Grant Thornton, who was in attendance at the meeting. He also introduced his colleagues Sue Mantle, Finance Manager and Tom Williamson, Accountant who would be assisting him in presenting the draft final accounts to Members.

The Head of Finance drew Members' attention to the 'Explanatory Foreword' attached as Appendix 1 to the report which was an introduction to the accounts. He explained that each of the sections within the 'Explanatory Foreword' would be covered in more detail as he continued with his presentation of the draft 'Statement of Accounts 2013-14'. He advised Members that in previous years this Committee had received a draft copy of the Authority's Annual Governance Statement which explained how the Authority managed its governance and internal control measures. This now formed part of the Annual Statement of Assurance which would be considered at the meeting of the Governance and Constitution Committee on 16 July 2014.

The Head of Finance and his team gave an overview of a number of areas within the draft accounts, including the outturn against revised budget for each service area which showed a total underspend of £809k. He explained that the Performance and Overview Committee had recommended that previously identified underspends be transferred to reserves to manage the risk in delivering the outcomes of the IRMPs and this was shown in the draft accounts. He explained that Members would be asked to endorse this and to agree that the remaining underspend of £809k also be transferred to the IRMP reserve at the Authority meeting which approves the accounts in September.

The Head of Finance drew Members' attention to the Movement in Reserves Statement (MIRS), which showed the Authority's reserves, including the balance on the General Fund. He explained that not all of the capital grant received in the year had been spent but would be utilised as the ERP was delivered, along with a considerable amount of the other reserves identified in the MIRS.

The Finance Team referred Members to the Income and Expenditure Statement within the draft accounts which detailed the costs of services and the Authority's Balance Sheet which showed the value of the Authority's assets and liabilities. The Accountant explained the movements in the value of assets such as land and building, vehicles and plant and equipment, in particular as the result of the five yearly revaluation of Property which had taken place during the year. The Finance Manager referred to the short term investments reported on the Balance Sheet and the value of stock which had increased mainly due to high volumes of Personal Protective Equipment (PPE) being held in stores in recent months to facilitate the roll-out of additional PPE. The Head of Finance explained that the provisions

detailed on the Balance Sheet included likely costs in respect of termination payments.

The Accountant advised Members that the Firefighters' Pension Fund was administered locally and reported as a separate account within the Authority's draft accounts. He explained that the draft Firefighters' Pension Fund account included the Authority's contributions as well as firefighters contributions which had recently increased. He advised Members that the government funded any deficit to the pension fund each year by way of a top-up grant.

The Head of Finance drew Members attention to further sections within the draft accounts which included reference to the transfer of the Authority's control centre to the North West Fire Control (NWFC). He explained that as a joint controlled entity, one of whose owners was Cheshire Fire Authority, it was possible that there would be a requirement to create Group Accounts to include NWFC. This had not been required in 2013-14 as NWFC was not material to the accounts but this would be subject to review in 2014-15.

The external auditor provided an update in relation to the plan of work currently being undertaken following the External Auditors' report to the Fire Authority in April and confirmed that the final accounts would be reported to the Authority's meeting in September for approval.

The Chair confirmed that the reported draft accounts were for Members' information and for the Committee to note at this stage. He drew Members attention to Appendix 2 of the report which was a draft letter of response to the external auditors, requesting that the Chair of the Authority write to them to explain the way in which the Authority gained assurance from its officers in respect of certain management processes and arrangements. He asked the Committee if they were happy for him to sign the letter of response and Members confirmed their agreement to the letter being signed.

Members thanked the Head of Finance and his team for all their hard work in the preparation and production of the draft accounts ready for audit. Members acknowledged the achievement of producing a comprehensive set of accounts in such a timely manner.

RESOLVED That:

[1] the draft accounts be noted; and

[2] the Chair be authorised to sign the enclosed letter to the Authority's external auditors on behalf of the Authority.