



MINUTES OF THE MEETING OF THE CLOSURE OF ACCOUNTS COMMITTEE held on Wednesday 19 June 2013 at Fire Service Headquarters, Winsford on the rise of Policy Committee.

PRESENT:

Councillors J Joyce, D Brickhill, P Carey, L Jones, J Leather, G Merry, S Nelson and D Topping

ALSO IN ATTENDANCE:

External Auditors, Grant Thornton representatives: Julian Farmer and Robin Baker

1 PROCEDURAL MATTERS

A MEMBERSHIP OF COMMITTEE

Members were asked to note the membership of the Committee for 2013-14, as agreed by the Fire Authority at its Annual General Meeting on 12 June 2013 and listed below:

Councillors J Joyce – Chair
 D Brickhill
 P Carey
 L Jones
 J Leather
 G Merry
 S Nelson
 B Rudd
 C Thorley
 D Topping

B APOLOGIES FOR ABSENCE

Apologies were received from Councillors B Rudd 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 20 June 2012, be received for information.

MATTERS ARISING:

The Chair welcomed the external audit representatives from Grant Thornton, Julian Farmer and Robin Baker who were in attendance at the meeting. He advised Members that Julian Farmer was due to retire shortly and on behalf of the Fire Authority wished to thank Julian for all his help and assistance in his work with the Authority and wished him all the best in his retirement. Julian Farmer thanked the Chair for his comments and introduced his colleague Robin Baker to Members and explained that he would be the new Grant Thornton Engagement Lead working with the Fire Authority.

2 2012/13 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 approved the 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. Once approved by the Treasurer, the draft accounts would be subject to External Audit and then be formally considered for approval by the Fire Authority in September. He explained that the draft document entitled 'Statement of Accounts 2012-13' had been made available on the Service's website a week prior to the meeting and hard copies were provided for all Members at the meeting.

The Head of Finance introduced his colleagues Sue Mantle, Senior Accountant and Tom Williamson, Accountant who were in attendance at the meeting and would be assisting the Head of Finance in presenting the draft final accounts to Members.

The Chair queried whether the notice of the availability of the draft accounts to members of the public had been provided to the press and the Head of Finance confirmed this was the case.

The Head of Finance summarised the two appendices attached to the draft accounts which comprised of the 'Explanatory Foreword' contextualising the introduction to the accounts and included supporting information, financial performance, current borrowing and sources of funds for capital. He explained that these areas would be covered in more detail as he continued with his presentation of the draft 'Statement of Accounts 2012-13'. He advised that the second document the 'Annual Governance Statement' considered the Authority's position in relation to principles of governance in Local Authorities

The Head of Finance and his team brought Members' attention to a number of areas within the draft accounts, including the outturn against revised budget for each service area which showed a total underspend of £274k. He explained the contributing factors to this underspend included the continued vacancies in certain departments and a reduction in On-Call activity. He advised that Members would be asked to approve that this underspend be transferred to the IRMP reserve to help to manage the risk in delivering the outcomes of IRMP10, at the Authority meeting in September 2013.

The Finance team summarised a number of entries reported on the Authority's Financial Statements. They confirmed to Members that the deficit of the Pension Fund was met by a Top-up grant received from the Government.

Members queried the amount of employee arrears reported on the Firefighters' Pension Fund. The Service's Accountant explained that these arrears related to the day crewing allowance which had recently been deemed pensionable by a high court ruling and that additional payments were now being reclaimed from the impacted employees on a monthly basis.

The Head of Finance explained the changes in provisions on the Authority's Balance Sheet, particularly in relation to ongoing issues in respect of the insolvency of the Authority's previous insurers, Mutual Municipal Insurance (MMI).

The Head of Finance highlighted a contingent liability which was identified and included as a note to the 201-1 accounts regarding an issue with On-Call firefighters pensions which still remained as a liability for 2012-13. He advised that this related to changes to regulations in respect of part time workers which meant the Authority might be liable for pension contributions in respect of On-Call firefighters. In addition he pointed out that the position with regard to MMI required the Authority to include a further contingent liability.

The Head of Finance explained that NW Fire Control Limited (NWFC) had not been included within the Authority's draft accounts as it had been determined that in 2012-13 the impact was not material and NWFC was not providing any services. He advised that in future it was likely that NWFC would be accounted for as a joint venture, and that this would lead to the need for group accounts.

Members queried a number of areas within the draft accounts and requested more details on the debtors (other entities and individuals) reported, given that it amounted to over £3m, and further explanation of the Resource Centre Managers' Reserve. The Service's Senior Accountant explained that some of the £3m reported was due to the prepayments of council tax in March prior to the next financial year starting and also Princes Trust courses currently running that had not fully completed the 12 week course prior to the end of this financial period of reporting. The Head of Finance confirmed the Resource Centre Managers' Reserve included the IRMP reserve. Other reserves included those available to meet future identified commitments such as the recruitment of On-Call firefighters, the programme of change for ICT and funds to smooth out the costs for uniform and equipment.

Members thanked the Head of Finance and his team for the detailed presentation and the work involved in the preparation of the draft accounts ready for audit. Members acknowledged the achievement of producing a comprehensive set of accounts which involved a complex set of requirements, at this early stage of the final accounts process.

The Chair thanked Officers for the work carried out and confirmed the 'Statement of Accounts 2012-13' would be formally considered for approval by the Fire Authority

in September following the audit of the draft accounts. He reminded Members that the accounts are also subject to public challenge during this period.

RESOLVED That:

[1] the draft accounts be noted.