



**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 representative 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 to present 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' which contextualised the accounts with brief introductions to the key documents and an explanation of some of the issues raised by the accounts. 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 reported 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 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 financial statements. They confirmed to Members that the deficit of the Pension Fund was met by a Top-up grant received from the Government. They also explained some of the detail contained in the notes to the accounts.

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 the additional payments were now being reclaimed from the impacted employees on a monthly basis.

The Head of Finance highlighted a contingent liability which was identified and added into the 2011-12 accounts regarding an issue with On-Call firefighters pensions which still remained a liability. He advised that this related to changes to regulations in respect of part time workers which meant the Authority was liable for compensation payments to former and existing On-Call firefighters and had been accounted for in 2011-12. He also explained the contingent liability in relation to historic insurance issues.

The Head of Finance explained that NW Fire Control Limited had only been included within the Authority's draft accounts for 2012-13 because it was not yet operational. It had been determined that the company would be accounted for as a jointly controlled entity and this would be reflected in future years' accounts.

Members queried a number of areas within the draft accounts and requested more details on the debtors (other entities and individuals) reported that 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 prepayment of council tax does not impact on the General Fund. The Head of Finance confirmed the Resource Centre Managers' Reserve was 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.

**RESOLVED That:**

- [1] the draft accounts be noted.**