



MINUTES OF THE MEETING OF THE CLOSURE OF ACCOUNTS COMMITTEE held on Wednesday 20 June 2012 at Fire Service Headquarters, Winsford on the rise of Policy Committee.

PRESENT:

Councillors J Joyce, D Brickhill, L Jones, J Kerr-Brown, J Leather, G Merry, S Nelson, B Rudd, C Thorley and D Topping

Audit Commission Representative: Alan Rawlings

Internal Audit Representative: Shauna Mallinson

1 PROCEDURAL MATTERS

A MEMBERSHIP OF COMMITTEE

Members were asked to note the membership of the Committee for 2012-13, as agreed by the Fire Authority at its Annual General Meeting on 13 June 2012 and listed below:

Councillors J Joyce – Chair
 D Brickhill
 L Jones
 J Kerr-Brown
 J Leather
 G Merry
 S Nelson
 B Rudd
 C Thorley
 D Topping

B APOLOGIES FOR ABSENCE

No apologies were received.

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 29 June 2011, be confirmed as a correct record.

MATTERS ARISING:

Members agreed that the minutes of this Committee would be confirmed as a correct record at the next Policy Committee meeting to be held in September.

2 2011/12 DRAFT FINAL ACCOUNTS

The Head of Finance introduced the report and advised Members that it was a statutory requirement for the Head of Finance to approve the draft set of the Authority's accounts by the 30 June 2012. He explained that it was no longer a requirement for Members to consider and approve the draft accounts at this stage. However, the Closure of Accounts Committee had proved to be a useful forum which provided Members with an opportunity to scrutinise the draft accounts; it was agreed that it would continue to take place. Once approved by the Treasurer, the draft accounts would be subject to External Audit and be formally considered by the Fire Authority in September for approval.

The Head of Finance summarised the 'Explanatory Foreword' to the draft accounts which contextualised the statements and supporting notes. He highlighted the repayment of some of the Authority's Public Works Loans Board loans subsequent to March 2012, which would appear as a note to the accounts. He also highlighted the potential impact of the current economic climate and the considerable risk to the Authority to the way in which the Authority receives its funding, with more local control and much less certainty. These issues would be considered by Members at future planning days.

Hard copies of the draft Statement of Accounts 2011-12 were provided for all Members at the meeting. The Head of Finance presented this document to Members and confirmed he would certify the draft accounts. He confirmed that the final responsibility for the approval of the accounts would be with Members of the Fire Authority, at their meeting in September.

The Head of Finance highlighted certain areas of the accounts including:

- The impact of misclassification of injury pensions in previous years' accounts;
- A change in the presentation of the relationship between the Firefighter Pensions' Fund and the general Fund;
- A change in Accounting Policy requiring that certain assets be classified as heritage assets and highlighting that the Authority did not consider any of its assets fell into this category;
- The outturn position of the Authority as reported to Members and the relationship between this and the position shown on the Comprehensive Income and Expenditure Account (CIES);
- The effect of the requirement to include the impact of pensions under International Accounting Standard 19, which created large entries on the CIES and balance sheet.

Members queried a number of areas within the draft accounts which included the increase in 'Resource Centre Managers Reserve' and requested further explanation on the 'Accumulated Absences Account'. The Head of Finance explained that the reduction in funding and uncertainty faced by the Authority over the coming years meant that the Authority would require reserves to smooth out the impact of changes in service delivery. He also explained that the accumulated absences account contained notional amounts of leave accrued and not taken, but this was distorted by differential leave years.

The Audit Commission Manager explained the draft accounts would be audited thoroughly over the next few weeks and any issues arising would be formally reported to the Fire Authority in September 2012.

Members requested confirmation of the process, and they felt the recommendation within the report should be amended to reflect the process and that the draft accounts would be noted by this Committee, rather than authorised.

The Members thanked the Head of Finance and his team for the presentation and the work involved in preparation of the draft accounts ready for audit. The Chair also thanked the Member Champion for all her hard work throughout the year, in working closely with the Finance Team.

The Head of Finance provided a brief overview of the Annual Governance Statement which was presented with the draft accounts. He explained that the Statement was based on the Authority's Code of Corporate Governance and laid out which provided regular monitoring and scrutiny, and the involvement of the Authority's Standards Committee, the Internal Audit function and other internal reporting structures. He advised the Chair that he would be requested to sign the Annual Governance Statement along with the Chief Fire Officer and the Treasurer at the Authority meeting in September.

RESOLVED That:

- [1] the draft accounts be received; and**
- [2] the process for external audit and final approval of the draft accounts be noted.**