

MERSEYSIDE FIRE AND RESCUE AUTHORITY
AUDIT COMMITTEE
6 JUNE 2024
MINUTES

Present: Councillors Jan Grace (Chair), Sam Gorst, Barbara Murray and Lynne Thompson (Substitute for Pat Moloney)

Also Present:

Deputy Chief Fire Officer	Nick Searle
Director of Finance and Procurement	Mike Rea
Monitoring Officer	Ria Groves
Internal Audit (LCC)	Melanie Dexter
Internal Audit (LCC)	Johnathan Brookman
External Audit (Forvis Mazars)	Katie Kingston
External Audit (Forvis Mazars)	Karen Murray

15. Apologies

Apologies received from Councillors Pat Moloney, Susan Murphy, Edna Finneran, the Co-opted Member Anthony Boyle and the Chief Fire Officer Phil Garrigan.

16. Declarations of Interest

There were no declarations of interest received for any of the items on the agenda.

17. Minutes of the previous meeting

RESOLVED that the minutes of the previous meeting held on 8th February 2024 were agreed as an accurate record.

18. Treasury Management 2023/24 Annual Report

Mike Rea, Director of Finance and Procurement, presented the report which provided an overview of the Authority's treasury management performance against prudential indicators for 2023/24.

It was reported that treasury management activity for the year had been carried out in line with the agreed strategy and within borrowing and Treasury Management limits set by the Authority.

Members were advised that there had been no new borrowing arranged in the year, outstanding debt remained at £33.7million and investments reduced from £35.5million to £26.4million. Members were also advised that the Authority's treasury management services (provided by Liverpool City Council) had been recently audited.

Councillor Jan Grace asked for further information about the sterling overnight rate referenced in the report. It was explained that it was a benchmark overnight interest that the banks pay, to compare the Authority's return on investment against.

RESOLVED that Members noted the Treasury Management Annual Report 2023/24 (attached as Appendix A).

19. Annual Governance Statement 2023-24

Mike Rea, Director of Finance and Procurement, presented the Annual Governance Statement, outlining the key elements of governance and internal control systems within the Authority. The report considered the effectiveness of the controls in place and confirmed that the current arrangements were fit for purpose and the review provided an acceptable overall assurance of the effectiveness of the Authority's system of internal control. Members attention was drawn to the risks and challenges outlined in the report noting that the Authority felt there was sufficient financial resilience to meet those challenges.

The Chair of the Audit Committee noted that there were no significant areas of weakness identified as part of the report and that risk management arrangements in place were effective.

RESOLVED that Members approved the 2023/2024 Annual Governance Statement.

20. Mazars Audit Progress Report 2023-24

The report outlined Mazars approach for 2023/24 and was presented by Karen Murray, Audit Partner, and Katie Kingston, Audit Manager.

Members were advised that Mazars had merged with Forvis to become Forvis Mazars. It was noted that the timetable in the report had been drafted before the general election was announced and as such it may change.

Members were advised that all auditors were asked to work towards a deadline of the 30th September to clear all pre 2022/23 audits. A further announcement was expected from the Department for Levelling Up, Housing and Communities after the general election. It was expected that the 2023/24 audit would begin in October with planning behind the scenes taking place beforehand. It was anticipated that an Audit Strategy Memorandum would be submitted to the next meeting of the Audit Committee.

RESOLVED that Members noted Mazars Audit Progress Report 2023/2024 and the timing of the Authority's 2023/2024 audit of the financial statements.

21. 2023-24 Annual Year-End Internal Audit Report

Mike Rea, Director of Finance and Procurement presented the report which summarised the outcome of the work undertaken by internal audit in 2023/24. It was explained that an Internal Audit opinion provided substantial assurance that

the systems of internal control in place at the Authority accorded with proper practice and Internal Audit were not aware of any control weaknesses.

Melanie Dexter, Liverpool City Council, outlined the opinion for 2023/24 which was a substantial opinion that the system of internal control was in accordance with good practice.

Members were advised that a new self-serve tool have been introduced and as such, time was needed to update the system and allow for the recommendations from the previous 12 months to be updated.

Councillor Dave Hanratty asked if there were any areas of concern that the Authority Members needed to scrutinise further. Members were assured that Internal Audit had not identified any areas of concern.

With regards to Service Instructions, Melanie Dexter explained that the recommendation had only been issued in the last 3-4 weeks and work was underway to make improvements as recommended.

Councillor Sam Gorst asked when the opinion on bullying and harassment would be finalised, and it was explained that could be expected in the next few weeks.

RESOLVED that Members noted the contents of the Internal Audit Report for 2023/2024.

22. Internal Audit Plan 2024-25

Mike Rea, Director of Finance and Procurement, notified Members of the proposed Internal Audit Plan for 2024-25. It was explained that 40 audit days had been allocated to review fundamental financial systems and internal control process and 38 days had been allocated to cover 3 strategic areas.

Members discussed the new Training and Development Academy at Long Lane and Internal Audit's review of cost recovery arrangements. It was explained that the plan was for Internal Audit to work with the Authority on cost models given the interest from external parties in the UK and abroad to come and use the new facilities. Councillor Murray asked if a marketing plan for external training had been devised and it was explained that a manager had recently been appointed and part of their remit would be to create that marketing plan.

Councillor Barbara Murray also asked how long it would take the Authority to pay off the debt accumulated to build the new Training and Development Academy. Mike Rea explained that the additional borrowing to finance the new Training and Development Academy had not been taken out as the Authority was currently using internal cash to fund the build and reduce the level of borrowing. Members were advised that additional income generated would be used to enhance the training facilities and the Authority was assured that when the additional borrowing was taken out it would be financed using existing budget without the need to generate income.

With regards to the budget for the new Training and Development Academy, Mike Rea explained that there had been a slight overspend which would be reported back to the Authority for approval in due course.

RESOLVED that Members considered any comments or opinions they might have on the proposed audit plan and approved the 2024/25 Internal Audit Plan.

Close

Date of next meeting Thursday, 26 September 2024

Date: _____ Signed: _____