

# **MERSEYSIDE FIRE AND RESCUE AUTHORITY**

**14 FEBRUARY 2019**

## **MINUTES**

**Present:** Councillors Denise Allen, Joe De'Asha, Andrew Makinson and James Roberts

**Also Present:**

**Apologies of absence were received from:** Anthony Boyle and Cllr Chris Meaden

### **1. Chair's Announcement**

Prior to the start of the meeting, information regarding general housekeeping was provided by the Chair to all in attendance.

The Chair confirmed to all present that the proceedings of the meeting would be filmed and requested that any members of the public present who objected to being filmed, make themselves known.

No members of the public voiced any objection therefore the meeting was declared open and recording commenced.

### **2. Preliminary Matters**

Members considered the identification of declarations of interest, any urgent additional items, any additional announcements, any business that may require the exclusion of the press and public.

Resolved that:

- a) no declarations of interest were made by individual Members in relation to any item of business on the Agenda;
- b) no additional items of business to be considered as matters of urgency were determined by the Chair;
- c) it was announced that the External Auditor was delayed and would arrive late to the meeting. Due to this it was asked if Members objected to her item being moved to the end of the agenda and if she fails to make the meeting the Treasurer would introduce it.  
Members agreed to the movement of:
  - Item 3 'External Audit Progress Report – January 2019'; and

- d) no items of business required the exclusion of the press and public during consideration thereof, due to the possible disclosure of exempt information.

**3. Minutes of the previous meeting**

The Minutes of the previous meeting of the Audit Committee held on 27<sup>th</sup> September 2018, were approved as a correct record and signed accordingly by the Chair.

**4. External Audit Progress Report - January 2019**

This item was moved to the end of the agenda.

Members considered the attached report from the Authority's External Auditors – Grant Thornton, concerning the External Audit Progress Report at January 2019.

Members were informed that planning for 2018/19 financial statements audit had started and the interim audit is due to commence in February 2019. It is expected that the plan summarising our approach to the key risks on the audit will be issued in March 2019.

Audit guidance for value for money in 2018/19 has been issued and remains consistent with prior years.

Members were advised that Grant Thornton's Audit Findings Report will go to the Policy and Resources Committee in July 2019.

Members enquired about the HMICFRS Inspection Findings report referenced in the Grant Thornton report and asked when they will see this report. Members were advised that a report on the HMICFRS findings will go to a future Authority meeting.

**5. financial review 2018/19 - april to december**

Members considered report number CFO/004/19 of the Treasurer, concerning the financial position, revenue and capital, for the Authority for 2018/19. The Authority receives regular comprehensive financial reviews during the year which provide a full health check on the Authority's finances. This report covers the period April to December 2018.

Members were given a brief overview of the report confirming to them that the revenue budget remains consistent with the approved original budget at £59.701m and that the approved revenue budget saving options are being delivered as expected.

Members were advised that revenue spend has forecast a 3% or £1.850m saving against the budget, due to a one-off saving and a new grant income.

As outlined in the January Budget strategy day, Members were asked to approve that this saving be used to increase debt repayments/Minimum Revenue Position, as part of a plan to free-up debt servicing budget in the future to allow re-investment in frontline services.

Members were informed that in quarter 3, £3.123m of amendments have been built into the capital programme, which was mainly due to a £3.500m increase in the TDA refurbishment scheme and a reduction in vehicle spend of £0.672m.

Members were advised that there has been a movement in reserves in quarter 3 of £0.739m. This is to fund works on the new Saughall Massie Fire Station that were originally planned for 2019/20 but will now be incurred in 2018/19 as building works are ahead of schedule.

It was also explained to Members that the performance of treasury management was consistent with the approved treasury management strategy for 2018/19. That no new loans have been taken out in the year to date and that at the end of December the Authority held a total of £29.4m of investments. All the investments are consistent with the approved investment strategy and within the individual institutional limit.

Members queried what the £191,000 planned capital spend on the MFRS Museum entailed. They were advised that the museum building and car park is in need of some refurbishing, however a report will come back to members for approval before the scheme can commence.

Members resolved that:

- a) an increase in the Minimum Revenue Provision (MRP) payment of £1.850m funded from the forecast revenue savings identified in this report, be approved;
- b) the Director of Finance be instructed to continue to work with budget managers to maximise savings in 2018/19;
- c) any additional savings identified before the year-end be used to increase MRP, as part of a strategy to free-up future debt servicing budget to reinvest in frontline service, be approved;
- d) the amendments to the capital programme, be approved; and

the current planned use of approved reserves, be noted.

## **6. INTERNAL AUDIT PROGRESS REPORT – APRIL TO DECEMBER 2018**

Members considered report number CFO/005/19 of the Treasurer, concerning the work of Internal Audit for the period April to December 2018.

Members were reminded the 2018/19 Internal Audit Plan was approved at the meeting of the Audit & Scrutiny Committee on 7<sup>th</sup> June 2018. The Plan allocated 112 days out between a review of fundamental finance based systems and specific project based workstreams.

The following audits were all completed by January 2019: Medium Term Financial Plan, Budgetary Control, Procurement – National Resilience, Avon Review and Review Workshop Arrangements for Procurement of Small Value Items. All of these audits found that the work reviewed had substantial control and compliance measures in place.

The following audits have commenced and have been in progress since January 2019: Debtors, Creditors, PFI – review of Monthly Payment and Adjustment Process between Tripartite Authorities, Review FPS Pension Administration Controls, Review Data Protection Processes and Management of Ancillary Fleet.

Members were informed that most of the audit work is carried out in the last quarter of the year. This is to allow testing on how the systems have operated throughout the year and also provide some reliance for External audit on the robustness of the systems.

Members were advised that a year-end report on the actual performance of Internal Audit against the Plan and their findings, will come back to this committee in early summer 2019.

Members asked how many Audit days were used in previous years. They were advised that any unused days out of the 112 days can be carried forward, which was the case in 2016-17, when 13 days were carried forward into 2017/18, making 125 audit days available for the 2017/18 plan.

Members asked if 112 days were enough and were informed that the number of days had been reduced, as there used to be 130 audit days. It was added that if we required more than 112 audit days in the future, it would be discussed with the Auditors and Officers to be agreed.

Members resolved that:

the contents of this report, be noted.

## **7. CORPORATE RISK REGISTER SEPT-NOV 2018 UPDATE**

Members considered report number CFO/002/19 of the Chief Fire Officer, concerning approval for the updated Corporate Risk Register for 2018/19 which incorporates the current status of those risks to November 2018.

Members were advised that the Strategic Leadership Team collaborate on the Corporate Risk Register reviewing the risks contained within it and any new risks that might affect MFRA. All risks are scored as either low (green), moderate (amber) or high (red) and are re-evaluated regularly. Currently the risks are amber or green, which is an achievement.

Members asked if any new risks had been added to this register and were informed that none had but previously one had regarding Brexit.

Members resolved that:

the updated Corporate Risk Register for 2018/19 which incorporates the current status of those risks to November 2018, be approved.

Close

Date of next meeting Thursday, 6 June 2019