

MERSEYSIDE FIRE AND RESCUE AUTHORITY

7TH JUNE 2022

MINUTES

Present: Cllr Linda Maloney (chair)
Cllr Jan Grace
Cllr Andrew Makinson
Cllr Edna Finneran
Cllr Hugh Malone

Also Present:

Apologies of absence were received from: Cllr Lisa Preston

1. Preliminary Matters

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

RESOLVED that:

- a) no declarations of interest were made by individual members in relation to any items of business on the agenda;
- b) no additional items of business to be considered as matters of urgency were determined by the Chair; and
- c) no items of business required the exclusion of the press and public during consideration thereof because of the possibility of the disclosure of exempt information.

2. Minutes of the Last Meeting

RESOLVED that the minutes of the last meeting held on 10th February 2022 were agreed as an accurate record.

3. Grant Thornton 2021/22 Audit Plan

Georgia Smith presented the Audit Plan for 2021/22, which considered the risks identified as part of their audit work. Members were advised that some of the risk identified were common across local government and the public sector such as evaluations on land and buildings.

The report presented the value for money work undertaken.

Councillor Makinson noted the Authority's relationship with the district authorities and asked if there was a need to review that risk in relation to

electricity contracts, as discussed at the recent Urgency Committee. It was explained that the Authority had three lines of defence starting with the Audit Committee who were charged with scrutinising governance arrangements and procurements. Secondly, Internal Audit were able to provide a plan in relation to emerging risks that could provide the Members with some insight into whether the risk needed to be escalated. Finally, External Audit consider the risks and whether the appropriate level of assurance is provided.

The Chief Fire Officer, Phil Garrigan, queried the change in costs for Grant Thornton's services for the 2020/21 audit, which had risen by £6,000 from the proposal received in 2021. Georgia Smith explained that extra work had been undertaken on the evaluation of land and buildings and there had been delays as well as issues with the quality of information provided during that process. Extra work was undertaken to provide assurance and these additional costs were being reviewed by PSAA as part of a rigorous challenge process. Ian Cummins added that the level of assurance needed had changed as a result of new demands by the Government which were subsidised with a grant of £15,000 for the additional work. Furthermore, actions had been taken to ensure that the right standard of information would be provided on time in the future.

Members queried the financial risk surrounding pension liability which was a common issue in public sector bodies. It was explained that under accounting standards that apply to the year-end financial statements, the Authority must report the estimated total pension liability over the life of the fund. This liability estimate is reviewed each year and can change significantly as small changes to pension assumptions can materially change the liability estimate (up and down). Ian Cummins noted that this was different to the budget which considers the annual employer contribution that is funded from the General Fund, and not the pension liability.

RESOLVED that the contents of the report be noted.

4. Grant Thornton Request - Informing the Audit Risk Assessment 2021/22

Ian Cummins presented the report which considered the Authority's response to a questionnaire from external audit on management processes and oversight.

Councillor Makinson noted that there had been no cases of fraud and asked if there are attempted cases of fraud how they were managed by the Authority. Members were advised that the anti-fraud policy was being reviewed alongside the whistle-blowing policy to ensure it can be effective and clear as possible. If there was any suspected fraud involving statutory officers this would be reported to the Audit Committee and dependant upon circumstances there would be a full investigation and a report back to the Audit Committee and for all other officers the matters will be dealt with in accordance with the policies in force.

With regards to training, Ria Groves, Monitoring Officer, explained that this was to be delivered this year as well as training on the Gifts and Hospitality Policy.

Ian Cummins noted that Internal Audit were also considering the Authority's Fraud Policies and that work was progressing as expected. Any significant proposed changes to the current policies would be brought back to the Authority for consideration.

RESOLVED that:

- a) the Director of Finance and Procurement's responses to the Grant Thornton risk assessment questions outlined in Appendix A be reviewed; and
- b) the responses outlined in Appendix A be approved.

5. Treasury Management 2021/22 Annual Report

Members were reminded that they had received regular updated on performance against the Treasury Management Strategy as part of its quarterly reports. The report advised Members on the 2021-22 outturn provision and activities undertaken by the Authority and it was highlighted that Treasury Management performance had been in line with the approved strategy and within the agreed borrowing limits.

RESOLVED that the report be noted.

6. 2021/22 Annual Year End Internal Audit Plan

Members considered the 2021/22 annual end of year report which provided summaries of the work carried out by Internal Audit. It was noted that Internal Audit had concluded that the Authority provided substantial assurances in accordance with proper practice and that based on their work they were not aware of any significant weaknesses.

RESOLVED that the contents of the report be noted.

7. The Annual Governance Statement 2021/2022

The Members considered the Annual General Statement for 2021/22 which provided a review of governance and the systems of internal control in operation throughout the year.

The report outlined the potential risk and challenges to be faced in 2022-23 and Ian Cummins noted that the current position was that the Authority had the financial resilience to meet those challenges.

RESOLVED that the 2021/2022 Annual Governance Statement be approved.

8. 2022/23 internal audit plan

Ian Cummins presented the proposed plan for 2022-23 which suggested audit work to be carried out over the next year. It was explained that the Authority had

112 audit days as part of its service level agreement with Liverpool City Council and 12 audit days had been carried forward into 2022-23 as a result of deferred work.

The allocation had been considered by the Strategic Leadership Team with 57 days arranged to cover seven strategy reviews. The balance of days would be apportioned to ad hoc unplanned audit work and audit management.

The Chief Fire Officer acknowledged the comments previously made by Councillor Makinson in respect of third party contractual arrangements and the recent Urgency Committee. It was explained that the Authority had considered its utility costs and its arrangements with Liverpool City Council which would be reviewed.

Furthermore, it was noted that there was a timescale in the plan for counter fraud policies which would provide Members with reassurance that their concerns were being addressed.

RESOLVED that:

- a) the proposed audit plan and the areas of focus within be sighted and considered; and
- b) the 2022/23 Internal Audit Plan be approved.

Close

Date of next meeting Tuesday, 27 September 2022

Signed: _____ Dated: _____