

MERSEYSIDE FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

27 SEPTEMBER 2022

MINUTES

Present: Cllr Jan Grace (Chair)
Cllr Harry Gorman
Cllr Dave Hanratty
Cllr Andrew Makinson
Cllr Hugh Malone
Anthony Boyle

Also Present: Deputy Chief Fire Officer Nick Searle, Ria Groves and Ian Cummins

Apologies of absence were received from: Chief Fire Officer Phil Garrigan, Cllr Lynn Hinnigan and Cllr Edna Finneran

1. Preliminary Matters

Members considered the identification of declarations of interest, any urgent additional items, and 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; 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 7th June were agreed as an accurate record.

3. Audit Findings 2021/22

Grant Thornton presented the report on the audit findings for Merseyside Fire and Rescue Authority. Members were asked to consider the report and verbal presentation concerning the audit findings following their audit of the Authority's 2021/22 financial statements.

Georgia Smith from Grant Thornton advised Members' that the audit is substantially complete however there are a few final outstanding queries that need to be addressed but that these should be completed by the end of next week and will not impact on their findings.

Members questioned if all of the bullet points had been resolved contained at page 5 of the report. Georgia Smith stated that there are a couple of areas with outstanding queries and work needs to be completed on both sides to ensure this is finished however nothing is substantial and no major findings should be brought back.

RESOLVED that Members noted the verbal presentation outlining the audit findings following their audit of the Authority's 2021/22 financial statements and accompanying report.

4. Statement Of Accounts 2021/22 - Approval of Unaudited Statements

Director of Finance and Procurement Ian Cummins took the committee through the statement of accounts for 2021/22. Members were asked to consider the report. (Appendix 1)

Cllr Gorman queried what the main reason for the delay in the pension fund was. Ian Cummins stated the delay is down to the difficulty of providing the level of assurances and information Grant Thornton are required by regulations to get from Merseyside Pension Fund and the associated Fund investments. He then assured Members that the information required by the Auditors and associated audit work should be completed by next week and the draft statement of accounts are expected to remain unchanged.

RESOLVED that

- a. the unaudited Statement of Accounts 2021/22 attached as (Appendix A) to report CFO/44/22 be approved and authorised for issue, and
- b. the letter of representation in relation to the 2021/22 accounts (Appendix B) be approved

5. Financial Review 2022/23 - April to June

Director of Finance and Procurement Ian Cummins then took the committee through the financial review for 2022/23. (Appendix 2)

Members queried the current rise in interest rates and questioned how confident the Authority is that the impact of higher inflation can be contained within the current financial plan. Ian Cummins stated that he was confident that the inflation reserve, £3m, combined with the 2022/23 inflation provision was sufficient to meet the inflation challenges in the year and any longer term impact would be considered as part of the 2023/24 budget process.

Members then queried what effect the interest rates and general inflation would have on the capital programme and new training centre. Ian Cummins stated that the Authority won't need to borrow until the middle of next year at the earliest, however the new Training and Development Academy business plan was based on interest rates of 4% which is the current Public Works Loan Board ('PWLb') rate. The PWLB rates will be monitored closely.. Cllr Makinson then queried if the government business energy price caps apply to the public sector. Ian Cummins confirmed that this does apply.

Cllr Hanratty followed this by stating that we need to ensure our budget is tight and must be monitored to protect the Service. He then questioned if there was an update on the letter the Chief sent out to the home office about the cost of living crisis.

Ian Cummins advised that there has been no indication that there would be any increase in costs in respect of the cost of living crisis or inflation costs.

Ian also stated that there is a lot of uncertainty around pay rewards in further years and provisional settlement. Nothing really moved in regard to funding provisional settlement out in early December

RESOLVED that

- a. The contents of the report be noted ;
- b. The proposed revenue and capital budget alignments be approved,
- c. The use of the £3m inflation reserve to cover 2022/23 pay awards above 2.5% MTFP assumption and higher energy costs be approved, and the Director of Finance and Procurement is instructed to continue to work with budget managers to maximise savings in 2022/23
- d. Instructed the Director of Finance and Procurement to continue to work with budget managers to maximise savings in 2022/23

Close

Date of next meeting Thursday, 9 February 2023