

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUDIT COMMITTEE		
DATE:	26 FEBRUARY 2026	REPORT NO:	DFP/15/2526
PRESENTING OFFICER	AUDIT PARTNER AT FORVIS MAZARS, KAREN MURRAY		
RESPONSIBLE OFFICER:	AUDIT PARTNER AT FORVIS MAZARS, KAREN MURRAY	REPORT AUTHOR:	AUDIT PARTNER AT FORVIS MAZARS, KAREN MURRAY, DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA
OFFICERS CONSULTED:	NONE		
TITLE OF REPORT:	2024/25 AUDIT COMPLETION REPORT		

APPENDICES:	APPENDIX A: FORVIS MAZARS - AUDIT COMPLETION REPORT FOR MERSEYSIDE FIRE AND RESCUE AUTHORITY – YEAR ENDED 31 MARCH 2025
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Purpose of Report

1. The Authority's Auditor, Forvis Mazars, is required to report on the Authority's financial statements and if in their opinion they give a true and fair view of the financial position for the year and have been prepared in accordance with the relevant local authority accounting Code(s) and standards. Forvis Mazars "Audit Completion" report is attached as Appendix A, for Members' consideration.

Recommendation

2. It is recommended that Members note the contents of the Auditor's report.

Introduction and Background

3. The Authority is required to prepare annually a set of financial statements, the Statement of Accounts, as required by the relevant codes and regulations. These statements must then be audited by an independent auditor, who will then issue an opinion on the statements. An unqualified opinion would mean the statements have been prepared in accordance with the codes and regulations and reflect a true and fair view of the financial position for that year.

4. The attached Auditor's "Audit Completion" report confirms Forvis Mazars have completed the audit of the Authority's financial statements and subject to the satisfactory conclusion of the remaining audit work, Forvis Mazars anticipate issuing an unqualified opinion following today's Audit Committee, confirming that the 2024/25 financial statements:
 - a) give a true and fair view of the financial position of the Authority as at 31st March 2025 and of its expenditure and income for the year then ended; and
 - b) have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. The Audit Completion Report identified a number of internal control weaknesses within the production of the 2024/25 Statement of Accounts. The Director of Finance and Procurement (Section 151 Officer) will ensure these are addressed through targeted improvements to the 2025/26 accounts production process to ensure both timely publication and ensure the accounts are completed with due regard to the updated Code and regulations. The following areas will be addressed:
6. **Fully Depreciated Assets** - To prevent recurrence and ensure full compliance with the IFRS Accounting Standard IAS 16 and the Code of Practice, when closing the 2025/26 Accounts and future years we will:
 - Work in collaboration with the Fleet Manager to implement a formal year-end procedure to review the remaining useful lives of all significant asset classes.
 - Work in collaboration with departmental leads and review the Authority's Accounting Policy regarding depreciation and asset lives to ensure the default life cycles remain realistic for the types of equipment and vehicles currently in use.
 - Introduce a new internal control to ensure that assets reaching the end of their predicted life are physically verified before being treated as nil-value, ensuring the "Value in Use" is accurately reflected.
 - Monitor progress on these improvements to ensure that the financial reporting controls remain robust.
7. **Internal Control Weaknesses** - To prevent recurrence and ensure full compliance with the Code of Practice when closing the 2025/26 Accounts and future years we will:
 - Strengthen our financial reporting control framework by integrating a formal technical standards review stage for complex accounting standards within the annual closedown process.

- Invest in additional CIPFA training and professional development for the finance function, focusing on emerging regulatory changes and technically demanding areas like IFRS 16.
- To mitigate future risks, the Finance team will establish a technical working group tasked with evaluating the impact of new accounting standards well in advance of implementation deadlines.
- Monitor progress on these improvements to ensure that the financial reporting controls remain robust against current and future regulatory changes.

Equality and Diversity Implications

8. There are no equality and diversity implications contained within this report.

Staff Implications

9. There are no staff implications contained within this report.

Legal Implications

10. There are no legal implications directly related to this report.

Financial Implications & Value for Money

11. Forvis Mazars identified several misstatements within the Statement of Accounts during their audit, which officers have adjusted for in the Audited Statement of Accounts.
12. In relation to the Authority's approach to value for money, the Forvis Mazars Audit Completion report states it has not identified any significant weaknesses in respect of the Authority's arrangements for the year ended 31st March 2025 and has not identified any significant weaknesses in arrangements that have required them to make a recommendation.

Risk Management and Health & Implications

13. If the Auditor had qualified the accounts or identified significant value for money weaknesses the Authority would be expected to resolve those issues and reissue the Statement of Accounts, and/or make necessary changes to the current value for money processes.

Environmental Implications

14. There are no environmental implications contained within this report.

Contribution to Our Vision: *To be the best Fire & Rescue Service in the UK.*

Our Purpose: *Here to serve, Here to protect, Here to keep you safe.*

15. The achievement of sound financial administration is essential if the Service is to achieve the Authority's vision.

BACKGROUND PAPERS

NONE

GLOSSARY OF TERMS

NONE