



MINUTES OF THE MEETING OF THE CLOSURE OF ACCOUNTS COMMITTEE held on Wednesday, 22 July 2020 - Remote Meeting via Skype at 11.00 am

PRESENT: Councillors Phil Harris, Razia Daniels, Gina Lewis, Les Morgan, James Nicholas, Jonathan Parry, Peter Wheeler and Norman Wright

1 PROCEDURAL MATTERS

A Recording of Meeting

Members were reminded that this meeting would be audio recorded.

B Apologies for Absence

There were no apologies for absence received.

C Declaration of Members' Interests

There were no declarations of Members' interests.

2 DRAFT STATEMENT OF ACCOUNTS 2019-20

The Treasurer introduced the report and advised Members that normally the draft unaudited annual accounts would need to be approved by the end of May each year. However, this year the statutory deadlines had been extended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. These Regulations gave local authorities additional time for the approval of the draft unaudited accounts for 2019-20 and the publication of the audited accounts for 2019-20. The deadline for the publication of the audited accounts had moved from 31st July 2020 to 30th November 2020.

The Treasurer explained that, as part of the annual accounts process, a draft set of accounts was reported to this Committee for its consideration.

Members' attention was drawn to the differences between the position set out in the Year End Financial Position Report, considered at the Authority meeting on 1st July 2020, and the position shown in the Comprehensive Income and Expenditure Statement. The latter showed the accounting cost of providing services in 2019-20 in accordance with generally accepted accounting practices, rather than the amounts funded by council tax, government grants and business rates.

The Balance Sheet within the draft accounts sets out the value of the assets and liabilities recognised by the Authority. The 'net liabilities' of the Authority at 31st March 2020 were £426m compared to £495m at 31st March 2019.

The funding amounts for Cheshire Fire Authority for 2019-20 were detailed at

paragraph 3.1.1. of the report. Members were reminded that the Authority received over half of its revenue funding from its share of council tax 'precept' that was collected from the four local authorities. The precept approved by the Authority for 2019-20 was increased by 2.99% that was £77.74 (compared to £75.48 in 2018-19) for a Band D property. In addition to the precept, the Authority received its share of a surplus or deficits on the council tax collection funds which amounted to a surplus allocation of £0.2m for 2019-20 compared to £0.3m for 2018-19.

The majority of the balance of revenue funding was received from Central Government and the four local authorities in the form of the Settlement Funding Assessment that was broken down into two elements – Revenue Support Grant and Baseline Funding Level. This was detailed further at paragraph 3.1.3. of the report.

The Head of Finance advised that the coronavirus pandemic had brought about an unprecedented public health emergency and the Authority's top priorities were to maintain the best service to the public, protect firefighters and staff and support the national response. In terms of funding, the Government announced emergency local government funding for Covid-19 additional costs. Tranche 1 was announced on 20th March 2020 with Cheshire Fire and Rescue Service receiving £166,768 in 2019-20. Tranche 2 was announced on 18th April 2020 with Cheshire Fire and Rescue Service receiving £793,795 in 2020-21. The associated costs for PPE; equipment; additional staff cost; cleaning materials; and staff welfare had been incurred during 2020-21. The Government paid the S31 grants up-front for 2020-21 to support cashflow.

The collection funds for business rates and the Authority's 1% share of these, were also included in these accounts, again with both debtors and creditors based on data from the start of the pandemic. For all of the collection funds, as 2020-21 progresses, these may materially change as the impact on the economy and its ability to recover was felt and any changes would be included in the 2021-22 budget report reflected as prior year deficit; or in extreme circumstances would be reported in year at the quarterly budget monitoring meetings if any of the collection authorities decide to change the amounts distributed during the year.

It was reported that the accounts were subject to external audit and that once the audit was completed the Authority would formally consider the accounts for approval at the meeting on 16th September 2020.

Members thanked the Treasurer and Head of Finance for their work on the accounts.

RESOLVED: That

[1] the draft Statement of Accounts 2019-20 be noted and be submitted to the Fire Authority on 16th September 2020 for final consideration and approval.

3 ANNUAL GOVERNANCE STATEMENT 2019-20

The Director of Governance and Commissioning introduced the Annual Governance Statement (AGS) 2019-20, required to accompany the draft Statement of Accounts. The production of the Annual Governance Statement was a requirement under the Accounts and Audit Regulations (England) 2015 and helped to ensure that a reliable system of internal controls could be demonstrated.

It was reported that the governance framework, internal controls and application of principles had been reviewed during 2019-20 with Coronavirus, nationally-led change and collaborations being areas highlighted as risks together with the mitigating actions required, as detailed at paragraph 12.4 of the report.

A Member requested further information on the collaborations risk. In response, the Director of Governance and Commissioning advised that not all key collaborations had been assessed and work needed to take place to ensure that the existing collaborations were fit for purpose and still performing.

The Annual Governance Statement 2019-20 would be submitted to the meeting of the Fire Authority on 16th September 2020 for consideration and approval accompanying the Final Accounts 2019-20.

RESOLVED: That

- [1] the Annual Governance Statement 2019-20 be noted and be submitted to the Fire Authority on 16th September 2020.**