

## **County Durham and Darlington Fire and Rescue Service**

At a meeting of the **Audit and Risk Committee** held remotely on **28 October 2020** at **10:00 hours**.

**Present:** Cllr John Turnbull (Chair)  
**Durham County Council:** Cllrs Brian Avery, D Bell, R Manchester, and E Scott  
**Darlington Borough Council:** Cllr J Dulston  
**Officers:** Tony Hope (TH)  
**Internal Audit:** Stephen Carter  
**External Audit (Mazars):** G Barker (GB) and C Dearden

### **Part A**

#### **1 Apologies, substitutions and declaration.**

Cllr G Lee was substituted by Cllr J Dulston  
Cllr L Marshall was substituted by Cllr R Manchester

#### **2 Minutes of the Previous Meeting**

The minutes of the previous meeting held on 28 July 2020 were agreed as a true record.

#### **Item 3: External Audit follow up letter**

GB from Mazars presented this item. He explained that there have been some changes at national level therefore the Statement of Accounts needed to be amended and reapproved. He outlined the changes that are due to the Pensions Audit and various court decisions. Assurance has now been received regarding the outstanding declarations of interests and the issue has now been fully resolved. The audit report will be issued today and a certificate later. GB state that the Post Balance Sheet Event (PBSE) note requires amendment to reflect the pensions changes and the revised PBSE note: 8.23 should now read:

The Statement of Accounts was authorised for issue by the Treasurer, Tony Hope, on 28th October 2020. This is the date up to which events after the Balance Sheet date have been considered. There is one post balance sheet event which relates to an adjustment to an estimate for McCloud in relation to the Firefighters Pension Scheme. This has been amended in the financial statements and reduces the overall pension liability by £2m.

#### **Item 4: Statement of Accounts for the year ended 31 March 2020**

TH presented the revised Statement of Accounts.

Although the accounts were approved by the Committee at the meeting on 28 July 2020 the audit sign-off has been delayed until the pensions issue was resolved. The deadline for sign off is 30 November 2020. TH outlined improvements and amendments which require approval by the Finance Committee. The amendments were noted.

The Statement of Accounts and amendments were approved.

#### **Item 5: Corporate Governance Action Plan Update**

TH took members through the action plan. The following issues were highlighted to members:

Medium Term Financial Plan (MTFP): this provides visibility on settlements going forward. It is likely that it will be a single year settlement only and there is no timescale yet, but it may be December 2020.

Police and Crime Commissioner (PCC) Review: The PCC Review could mandate governance transfers from Fire Authorities to PCCs. Which is part of the Government's wider reform agenda.

Covid-19: The Service has a register and strategy in place; all the initiatives about Covid-19 are therefore recorded. The Strategic Pandemic Team (SPT) was established to examine and provide strategic direction on the longer-term impact of Covid-19. A Recovery Group was established but has been stood down as we move into Phase 2 of the pandemic. SPT meetings are also tied into Senior Leadership Team meetings.

Business Fire Safety (BFS): The Service is working towards compliance for training and the government has provided grant funding of £175,000 towards BFS.

Resilience: At the moment the Service is not spending the resilience fund. The government provided additional funding of £600,000 to support the Covid-19 work and this was fully utilised at the end of October 2020. No further funding from the Government is due from November 2020 onwards. TH is to bid for additional monies through the Home Office.

Members asked about resilience reserves and whether we will need to start using them. TH advised he does not foresee this at present, but it will depend on the impact of the pandemic as we move through the year.

The report was noted and accepted.

### **Item 6: Corporate Risk Register**

TH went through the new risks on the register.

The report was noted and accepted.

### **Item 7: Internal Audit Progress Report**

SC presented on the progress of the Internal Audit report from 1 April to 30 September 2020.

There has been an impact on internal audit work carried out due to the Covid-19 Pandemic as the Service has gained new ways of remote working with the Authority. There were 15 reviews including 5 carried forward, 6 complete, 5 in progress and 3 not started. Following the Ethics Assurance Review CDDFRS was awarded substantial.

The report was noted and accepted

### **Item 8: Independent Review of Local Authority Financial Reporting and Audit**

SC presented Members with information on the outcome of the Redman Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting. This looks at standardisation, local frameworks and the costs of Audit Committees.

The report was noted and accepted.

### **Item 9: Audit Committees: Practical Guidance for Local Authorities and Police 2018:**

SC presented CIPFA's view of best practice for Audit Committees. There was a high-level checklist provided. The CIPFA information can be viewed as a key component and should be a resource to the whole Authority. One recommendation is that the Audit and Risk Committee should include an independent member in order to provide extra external scrutiny.

The report was noted and members agreed to recommend to the Combined Fire Authority that an independent member should be appointed to the Committee.

## **PART B**

### **Item 10: Internal Audit Outstanding Actions**

SC presented this item which relates to the previous progress report. Each action has a revised target date and the DCC Internal Audit Team have been working with the Service to make sure that the new dates are achievable. The report presents a position as to where the Service is.

TH gave reassurance that the outstanding HR actions will now be addressed through the restructure.

The report was noted and accepted.