

County Durham and Darlington Fire and Rescue Service

At a meeting of the **Audit and Finance Committee** held at Fire HQ on **27 January 2022 at 10:00 hours**.

Present: Cllr R Bell (Chair)
Durham County Council: Cllrs B Kellett & Cllr A Batey
Darlington Borough Council: -
Officers: Tony Hope
Internal Audit: Tracy Henderson
External Audit (Mazars): Gavin Barker & Campbell Dearden

Part A

1 Apologies

Apologies were received from Cllr Crumbie and Cllr Jones.

2 Minutes of the Previous Meetings

The minutes of the previous meetings held on 25 November 2021 were agreed as a true record.

3 External Audit Annual Report

G Barker noted that the deadline for the Audit of the accounts had been extended (21/22 and 22/23 to end November and the following 5 years deadline would be end of September).

G Barker also noted a sanction and fine Mazars had received from the Financial Reporting Council after falling short in its audit of a local government authority. T Hope gave his assurance to members that the incident was not relevant to the authority.

R Bell thanked G Barker for bringing the matter to the attention of the committee.

C Dearden gave an overview of the Auditor's Annual report which covered Financial sustainability, governance and improving economy, efficiency and effectiveness.

The rise in audit fees were highlighted, ISA 540 work and the new VFM approach. G Barker noted that Mazars had absorbed some of the additional costs in the current year. T Hope explained that the rise in fees had been

expected but was pleased the authority had been charged the minimum. T Hope confirmed that the additional fees had been included in the budget.

Action: The report was **noted**.

4 Internal Audit Progress Report

T Henderson noted that she had been appointed Chief Internal Auditor and would take up her new appointment on 1 February and explained the resourcing issues within her team. R Bell congratulated T Henderson on her new role.

T Henderson introduced the report which advised members of the work undertaken by internal audit between 1 April 2021 and 31 March 2022.

Action: Members **considered** the outturn position in delivering the internal audit plan for 2021/22 together with comments made by managers in responding to the work of internal audit to gain assurance on the adequacy and effectiveness of the internal control environment.

5 Corporate Risk Register – Position at 31 December 2021

T Hope provided members with details of the corporate risk register as at 31 December 2021. No risks had been closed during the period, no new risks had been added during the period and no risks had been removed during the period. The two risks that had increased in severity were discussed in turn.

A Batey noted that one year financial settlements didn't always assist in relation to risk planning.

Action: The report was **considered** and **noted**.

6 Forecast Out-turn 2021/22 – Estimate based on expenditure and income to 31 December 2021 (quarter 3)

T Hope introduced the report which provided members with an indication of the Service's revenue and capital financial outturn position based upon expenditure and income to 31 December 2021.

Overspends and underspends were discussed in turn.

A Batey queried the use of Durham Fire Station grounds as a COVID testing site and whether only revenue was received. T Hope agreed to speak with S Errington.

Action: Members **noted** the forecast revenue and capital outturn position.

7 Short Term Investments – Period to 31 December 2021 (Quarter three)

T Hope provided the committee with an update on the performance of the Authority's short-term investments for the period ended 31 December 2021.

R Bell queried if investments could be made elsewhere for greater return. T Hope explained the restrictions on where the money could be invested.

Action: Members **noted** the report.

8 Revenue and Capital Budgets 2022/23 and Medium-Term Financial Plan

T Hope introduced the report which set out the details of the provisional local government finance settlement for 2022/23 and asked members to consider the revenue and capital budgets and medium-term financial plan (MTFP) to agree a firm recommendation on the budget and council tax to the meeting of the Fire Authority on 16 February 2022.

A Batey noted the uncomfortable position to agree the council tax increase due to other economic factors. T Hope explained H Crumbie had agreed to the increase via email.

Action:

- i) Members considered the information in the report
- ii) Members considered the level of council tax for the 2022/23 financial year
- iii) Members noted the risks that have been identified as part of the budget setting process
- iv) Members agreed to a 1.99% increase in council tax for 2022/23 and agreed to a firm recommendation to the Combined Fire Authority meeting on 16 February 2022

PART B

11 Outstanding Audit Recommendations

The report was noted.

ACTIONS FROM MEETING

	Who	Action	DATE
1	TH	To speak to S Errington with regard to covid testing at Durham Fire Station	ASAP