

Audit Progress Report

County Durham and Darlington Fire and Rescue Authority

January 2023



1. Audit progress
2. National publications

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Section 01:
Audit progress

Audit progress

Purpose of this report

This report provides the Audit and Finance Committee with an update on progress in delivering our responsibilities as your external auditors and also includes, at Section 2, for your information, a summary of recent national reports and publications.

2020/21 audit

We recently received group instructions from the National Audit Office (NAO) allowing us to complete our work on the 2020/21 Whole of Government accounts and we issued an assurance statement to the National Audit Office on 18 December 2022. However, we are unable to issue our certificate formally closing the 2020/21 audit because the NAO have not yet responded to our query about whether the Authority has been selected for additional procedures.

When we receive confirmation on this, we will be able to issue the audit certificate and finally bring the 2020/21 audit to a conclusion.

2021/22 audit

We issued an unqualified opinion on the 2021/22 accounts on 30 November 2022. This meant that the Authority was one of only 11% of local authorities to receive an audit opinion by the deadline specified in the Accounts and Audit Regulations of 30 November 2022.

We plan to complete our work on the Authority's arrangements for Value For Money (VFM) in January 2023. At this time, we have not identified any significant weaknesses to bring to your attention. We will issue our Auditor's Annual Report including our detailed VFM commentary for the next Audit and Finance Committee.

As with 2020/21, we are anticipating a significant delay in being able to complete our work on the Authorities' 2021/22 Whole of Government accounts due to the absence of group instructions from the NAO. Our focus will now turn to planning our 2022/23 audit, which will be the last one under the current contract with Public Sector Audit Appointments Limited (PSAA). We are pleased to confirm that PSAA have recently appointed us as your auditors for a further five years, commencing with the 2023/24 audit.

02

Section 02:

National publications

National Publications

	Publication/update	Key points
Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)		
1.	Fire and Rescue Service Inspections 2021/22 – Summary of findings from Round 2, Tranche 2 (July 2022)	This report gives an overview of the main findings from the inspection of 15 fire and rescue services assessed by HMICFRS in the second of three tranches.
National Audit Office (NAO)		
2.	Improving Government Data: A Guide to Senior Leaders (July 2022)	This guide is aimed at accounting officers, chief executives, and other senior managers responsible for government services and stresses the importance of accurate data for effective decision making.
3.	Guide to Corporate Finance in the Public Sector (September 2022)	This interactive guide contains insights from 139 NAO reports and sets out key questions for senior decision-makers to consider when overseeing corporate finance activities.
Home Office		
4.	Detailed Analysis of Fires Attended by Fire and Rescue Services, England, 2021/22 (September 2022)	The Home Office have analysed their statistics in respect of incidents attended in 2021/22, which show that incidents increased nationally as lockdown restrictions were lifted.
5.	Trends in Fire False Alarms and Fire False Alarm Policies (November 2022)	This report discusses the reasons for a long-term downward trend in false alarms.
6.	Fire Prevention and Protection Statistics, England, Year ending March 2022 (November 2022)	These statistics show that in 2021/22, prevention and protection activity started to recover from 2020/21 levels but remained below pre-pandemic levels.

National Publications

	Publication/update	Key points
Home Office (continued)		
7.	Detailed Analysis of Response Times Attended by Fire and Rescue Services, England, 2021/22 (December 2022)	These statistics show that response times slowed slightly in 2021/22.
8.	Fire Safety (England) Regulations 2022 (December 2022)	The regulations will come into force on 23 January 2023 following publication of this guidance.
Chartered Institute and Public Finance and Accountancy (CIPFA)		
9.	Audit Committees Practical Guidance for Local Authorities and Police 2022 edition (October 2022)	The guidance and suite of publications (only available for those with a subscription) has separate guidance resources for audit committee members in authorities, members of police audit committees, and a supplement for those responsible for guiding the committee.
Financial Reporting Council (FRC)		
10.	Major Local Audits – Audit Quality Inspection (October 2022)	The Financial Reporting Council (FRC) has published its annual report on the quality of local audit work. This follows its 2022 inspections of files for the 20/21 audit cycle. These included three Mazars files and the results for Mazars were very positive, with each file rated good or with limited improvements required.

NATIONAL PUBLICATIONS

HMICFRS

1. Fire and Rescue Service Inspections 2021/22 – Summary of findings from Round 2, Tranche 2, July 2022

HMICFRS published their second full assessment of fire and rescue services in July 2022, focussing on the service they provide to the public and the way they use the resources available.

They were encouraged that many services that received cause for concern warnings in the first round of inspections had taken appropriate action in response to recommendations and that there had been a further positive shift towards prevention. However, they were concerned that some services had failed to act on the causes of concern issued in Round 1 inspections and they found problems relating to values and culture in 8 of the 15 services inspected in the tranche.

The ratings for the 15 services across the three inspection pillars were as follows:

- For **effectiveness**, HMICFRS didn't grade any service as outstanding or inadequate overall. They graded nine as good and six as requiring improvement.
- For **efficiency**, HMICFRS didn't grade any service as outstanding or inadequate overall. They graded ten as good and five as requiring improvement.
- For **people**, HMICFRS didn't grade any service as outstanding overall. They graded six as good, eight as requiring improvement and one as inadequate

[Fire and Rescue Service inspections 2021/22 – Round 2, Tranche 2 - HMICFRS \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/hmicfrs/publications/fire-and-rescue-service-inspections-2021-22-round-2-tranche-2/)

NATIONAL PUBLICATIONS

NAO

2. Improving Government Data: A Guide to Senior Leaders, July 2022

The aim of the guide is to encourage decision-makers to realise the benefits of better use of data by helping them understand in more detail the core issues to be addressed which have held back progress in the past. The guide focusses on data to support the operational delivery of public services, but much of the guide will also be relevant to data for decision-making and to improve performance.

<https://www.nao.org.uk/insights/improving-government-data-a-guide-for-senior-leaders/>

3. Guide to Corporate Finance in the Public Sector, September 2022

This guide uses insights from NAO stakeholder engagement and draws on NAO experience of auditing government interventions and corporate finance activities. It covers 14 themes over three core areas:

- Principles and concepts;
- Organisations and functions; and
- Transactions

It may also be of interest to professionals supporting the government to deliver a range of transactions, including commercial investments, loans and guarantees. While not directly focussed on local public services the guide may be of interest to local auditors and audited bodies.

<https://www.nao.org.uk/insights/guide-to-corporate-finance-in-the-public-sector/>

NATIONAL PUBLICATIONS

Home Office

4. Detailed Analysis of Fires Attended by Fire and Rescue Services, England, 2021/22, September 2022

The Home Office's analysis shows that nationally there was an 11% increase in incidents in 2021/22, with a three per cent increase in primary fires. The rise was attributed to the lifting of lockdown restrictions and is not believed to alter the long-term trend of a significant reduction in incidents, especially primary fires.

The Home Office's analysis indicated that cooking appliances were the main cause of accidental dwelling fires but fires ignited by smoking materials caused significantly greater fatalities. Fatalities were evenly spread through the day and night but about half of all fires occurred in the evening.

[Detailed analysis of fires attended by fire and rescue services, England, April 2021 to March 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/detailed-analysis-of-fires-attended-by-fire-and-rescue-services-england-2021-22)

5. Trends in Fire False Alarms and Fire False Alarm Policies, November 2022

The Home Office found that long-term downwards trends in fire false alarms have been largely driven by declines in fire false alarms due to apparatus, and as these types of incidents make up the largest proportion of fire false alarms, there may still be scope for further sizable reductions.

The use of policies has significantly increased and authorities that implemented policies attended fewer false alarms. As such, there is reasonable evidence that these policies have contributed to the decline. By 2018/19, 98% of authorities had introduced a challenge policy for false alarms and one quarter had introduced fines for repeat offenders.

<https://www.gov.uk/government/publications/trends-in-fire-false-alarms-and-fire-false-alarm-policies/trends-in-fire-false-alarms-and-fire-false-alarm-policies#appendix-f-frs-fire-false-alarm-policies>

6. Fire Prevention and Protection Statistics, England, Year ending March 2022, November 2022

The statistics show that the number of home fire safety checks and safe and well visits increased in 2021/22 but not by enough to reverse the decline in 2020/21 due to lockdown restrictions and the long-term trend in prevention activity remains downwards.

[Fire prevention and protection statistics, England, year ending March 2022 Second Edition - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/fire-prevention-and-protection-statistics-england-year-ending-march-2022-second-edition)

NATIONAL PUBLICATIONS

Home Office (Continued)

7. Detailed Analysis of Response Times Attended by Fire and Rescue Services, England, 2021/22, December 2022

The Home Office found that the average response time to primary fires increased by 15 seconds in 2021/22 to a time of 8 minutes and 50 seconds.

[Detailed analysis of response times to fires attended by fire and rescue services: England, April 2021 to March 2022 - GOV.UK \(www.gov.uk\)](#)

8. Fire Safety (England) Regulations 2022, December 2022

The Fire Safety (England) Regulations 2022 that come into effect in January 2023 will implement the majority of the recommendations made by the Grenfell Tower Inquiry in its Phase 1 report, which required a change in the law. The regulations seek to improve the fire safety of blocks of flats in ways which are practical, cost effective for individual leaseholders and proportionate to the risk of fire.

For high-rise residential buildings (a multi-occupied residential building at least 18 metres in height or 7 or more storeys), responsible persons must:

- share electronically with their local fire and rescue service (FRS) information about the building's external wall system and provide the FRS with electronic copies of floor plans and building plans for the building
- keep hard copies of the building's floor plans, in addition to a single page orientation plan of the building, and the name and UK contact details of the responsible person in a secure information box which is accessible by firefighters
- install wayfinding signage in all high-rise buildings which is visible in low light conditions
- establish a minimum of monthly checks on lifts which are for the use of firefighters in high-rise residential buildings and on essential pieces of firefighting equipment
- inform the FRS if a lift used by firefighters or one of the pieces of firefighting equipment is out of order for longer than 24 hours

[Fire Safety \(England\) Regulations 2022 - GOV.UK \(www.gov.uk\)](#)

NATIONAL PUBLICATIONS

CIPFA

9. Audit Committees Practical Guidance for Local Authorities and Police 2022 edition, October 2022

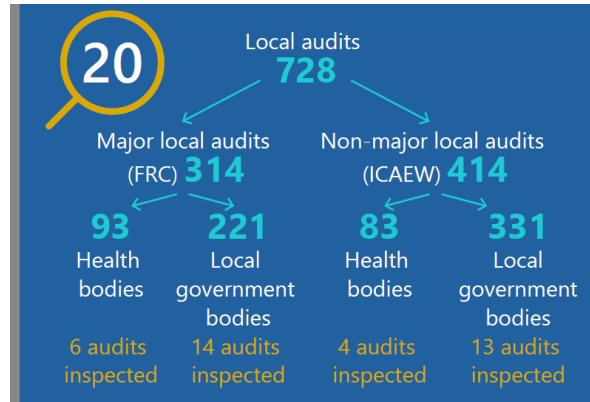
The guidance sets out new expectations for Audit Committees following the Redmond Review. It updates CIPFA's 2018 publication and complements the 2022 CIPFA Position Statement on audit committees. It includes suggested terms of reference, a knowledge and skills framework and effectiveness improvement tool.

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

10. FRC Major Local Audit Inspection Report, October 2022

The FRC is responsible for monitoring the quality of the audits of the largest health and local government entities (called Major Local Audits or MLAs). They do this by annually inspecting a sample of MLAs from each of the audit firms who deliver this work. In their most recent publication, they reported on their review of 20 MLAs, three of which related to Mazars. The ICAEW also reviewed 17 non-MLAs (none from Mazars).

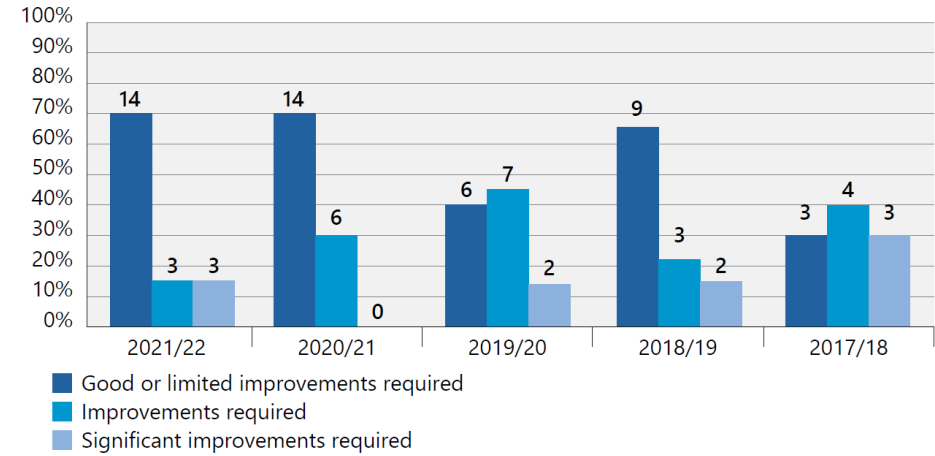
Audit firms undertaking local audits	Number of major local audits (within scope of AQR inspection)	Market share %	Reviewed by AQR in 2021/22
Grant Thornton UK LLP	125	39.8%	7
Ernst & Young LLP	72	22.9%	4
Mazars LLP	55	17.5%	3
KPMG LLP	24	7.7%	2
BDO LLP	21	6.7%	2
Deloitte LLP	17	5.4%	2
Total	314		20



Overall, the FRC found that the number of audits categorised as good or limited improvements required has remained consistent with the prior year. However, there was an increase in the number of audits assessed as requiring significant improvements and they deemed this as unacceptable.

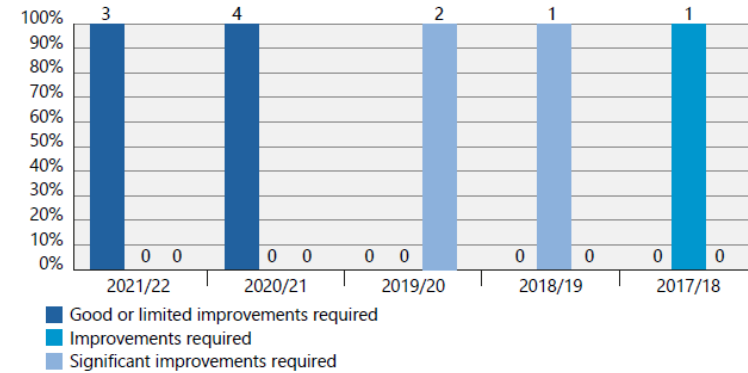
Conversely, for Mazars, the FRC found that all 3 files reviewed met the expected standards. This was the second successive year of 100% compliance following issues with audit quality in 2019/20. Maintaining and improving audit quality is a key objective of the firm.

All financial statement reviews – for the firms inspected



Mazars LLP

Our assessment of the quality of financial statement audits reviewed



100%

At Mazars LLP, all three financial statement audits inspected were assessed as good or limited improvements required.

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