

Minutes of the **County Durham and Darlington Fire and Rescue Service Audit and Finance Committee meeting** held at Fire HQ on **26 January 2023 at 10:00hours**.

Present:	Cllr R Bell (Chair)
Durham County Council:	Cllr J Blakey Cllr N Jones Cllr B Kellett
Darlington Borough Council:	Cllr Chris McEwan
Officers:	Tony Hope
Internal Audit:	David Mitchell
External Audit (Mazars):	Campbell Dearden

Part A

1 Apologies

No apologies received.

2 Minutes of the Previous Meetings

The minutes of the previous meeting held on 30 November 2022 were agreed as a true record apart from one amend.

3 Progress Report – Report of Internal Audit

Members were presented with a report advising on the work undertaken by Internal Audit between 1 April 2022 and 31 March 2023.

D Mitchell highlighted amendments to the plan in respect of Data Quality and review of the MTFP.

Cllr Kellett queried why the Data Quality Audit has been deferred until 2023/24. T Hope explained that it was deferred to allow the publication of the HMICFRS inspection report so the results can be incorporated. T Hope noted that it was agreed to cancel the MTFP audit as it provided no added value. Cllr Kellett requested that extra context is added to the report to further explain the reasons behind the decisions made. D Mitchell agreed to feed this back to Nicola Cooke.

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

4 Progress Report – Report of External Audit

Members received an update on the work that had been undertaken by external audit.

C Dearden noted that it was not possible to issue a certificate formally closing the 2020/21 audit as a response was still outstanding from the National Audit Office regarding Whole of Government Accounts.

C Dearden confirmed that an unqualified opinion on the 2021/22 accounts was issued on the 30th November 2022 meaning that the Authority was one of only 11% of local authorities to receive an audit opinion by the specified deadline.

Cllr McEwan thanked the Finance team for ensuring information was submitted on time.

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

5 Forecast of Outturn 2022/23 – Estimate Based on Expenditure and Income to 31 December 2022 (Quarter 3)

T Hope presented a report providing an indication of the Service's revenue and capital financial outturn position based upon expenditure and income to the 31 December 2022.

T Hope explained that we have an improved position on the estimated forecast revenue outturn which will assist the service in covering costs within existing budgets.

Cllr Kellett queried the utilisation of agency staff to cover staff absences and vacant posts. T Hope explained that agency staff are predominantly used for admin and processing roles and not senior posts.

Cllr Blakey asked if there was an update regarding closure of the HQ building and migration of staff to the Service Training Centre in Bowburn. T Hope explained that the lease on the Service HQ is not due to come to end until July 2027. Alternative options are being considered which include relocation to Bowburn.

Cllr McEwan queried the forecasted overspend on vehicle running costs. T Hope advised that this was due to the increased cost of fuel.

6 Short Term Investments – Period 31 December 2022 (Quarter 3)

T Hope introduced a report on the performance of the Authority's short-term investments for the period ended 31 December 2022.

Cllr Bell queried the capital borrowing figure for the service. T Hope confirmed that capital borrowing is at £5m, the loan for which was taken out before the increase in interest rates.

The report was **noted**.

ACTION: T Hope to add context to the report.

7 Corporate Risk Register – Position at 31 December 2022

T Hope presented Members with details of the Corporate Risk Register as at 31 December 2022.

Cllr Kellett noted that he was keen to put pressure on Durham County Council regarding empty buildings. It was agreed that a report is to be presented to a future CFA meeting.

The report was **noted**

ACTION: K Lazzari to arrange for a report regarding empty buildings to be presented to a future CFA meeting.

8 Revenue and Capital Budgets 2023/24 and Medium-Term Financial Plan

T Hope introduced the report setting out the details of the provisional local government finance settlement for 2023/24 and to consider the revenue and capital budgets and Medium Term Financial Plan.

Members considered the report and in particular the level of increase in council tax for 2023/24. In view of the budget pressures facing the Authority and the forecast shortfall in funding in the Medium Term Financial Plan.

Cllr Kellett queried if there is a risk of Firefighters leaving the service for alternative employment with higher rates of pay. T Hope explained that there is a resilience plan in place to ensure that operational staffing does not fall under minimum levels.

Cllr McEwan noted that whilst increasing council tax is difficult, he is aware of the risks to front line services and the public's health and safety if council tax is not increased

Members agreed to recommend an increase in Band D council tax of £5 (4.6%) to the meeting of the Authority on 15 February 2023.

The report was **considered, noted and agreed.**

9 Outstanding Audit Recommendations Quarter Ended 31 December 2022 Appendix 3

Members were presented with outstanding audit recommendations for Quarter 3.

The report was **considered and noted.**

Actions

	Who	Action	Date
1	T Hope	to add context to the Short Investments report around Capital borrowing.	ASAP
2	K Lazzari	to arrange for a report regarding empty buildings to be presented to a future CFA meeting.	ASAP