

Minutes of the **County Durham and Darlington Fire and Rescue Service Audit and Finance Committee meeting** held at Fire HQ on **27 September 2023 at 14:30hours**.

Present:	Cllr R Bell (Chair)
Durham County Council:	Cllr A Batey Cllr J Blakey
Darlington Borough Council:	
Officers:	Tony Hope
Internal Audit:	Nicola Cooke
External Audit (Mazars):	Campbell Dearden

Part A

1 Apologies

Apologies received from Cllr Neville Jones, Cllr Bill Kellett and Gavin Barker.

It was noted that as there was not a Darlington member present the meeting would not be quorate, but as there were no decisions to be made it would go ahead.

2 Minutes of the Previous Meetings

The minutes of the previous meeting held on 6 April 2023 were agreed as a true record.

3 Audit Completion Certificate for 2020/21

C Deardon reported that the Audit Certificate for 2020/21 has been signed, formally closing the audit. C Deardon noted that they are awaiting instruction regarding the Whole of Government Accounts for 2021/22; timeframe for which is currently unknown. The delay in signing off accounts is reported to be an issue nationally.

The report was **noted**.

4 Audit Strategy Memorandum 2022/23

C Dearden introduced the Audit Strategy Memorandum for year ending March 2023, summarising their audit approach, highlighting significant audit risks and areas of key judgements.

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

5 Audit Completion Report 2022/23

Members received an update on the Audit Completion Report for year ending 31 March 2023. C Dearden noted that it is anticipated that an unqualified

opinion, without modification, will be issued on the financial statements. Pension Fund assurance is expected in October and a further report update report is to be presented to the Committee in November.

Further work is to be carried out on Value for Money but no significant weakness has been identified. C Dearden noted that a report will be presented at the end of January 2024 providing an update on the Value for Money aspect.

C Dearden thanked the CDDFRS Finance team for their timely and detailed responses.

Cllr Batey expressed appreciation on behalf of the Audit and Finance Committee for the work carried out by T Hope, the CDDFRS Finance Teams and Mazars.

ACTION: T Hope to thank the CDDFRS Finance Team for their assistance on behalf of Mazars.

6 Annual Internal Audit Opinion and Report 2022/23

N Cooke introduced the Annual Internal Audit Opinion Report for 2022/23. Based on the work undertaken, a Moderate overall assurance opinion is provided on the adequacy and effectiveness of the governance, risk management and internal control arrangements operating across the Authority in 2022/2023.

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

7 Annual Review of the System of Internal Audit 2022/23

N Cooke presented a report asking Members of the Audit and Finance Committee to consider the findings and conclusions of the 2022/23 review of the effectiveness of the Internal Audit system.

It was noted that the service is happy with the work undertaken.

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

8 Fraud and Corruption Annual Report 2022/23

N Cooke introduced a report advising and providing assurances to Members of the Audit and Finance Committee of the results and work being undertaken within the Authority in seeking to identify, control and prevent fraud and corruption.

N Cooke explained that the latest exercise carried out by the National Fraud Initiative focused upon payments made in relation to pensions, payroll and creditors and generated various reports containing a total of 143 data matches for further investigation across the Authority. All 143 data matches were reviewed and investigated as appropriate with no instances of fraudulent

or irregular activity, being perpetrated by Service employees, pensioners or their representatives identified.

Cllr Batey noted that this is very re-assuring.

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

9 Internal Audit Progress Report 2022/23

Members were updated on work undertaken by Internal Audit between 01 April 2022 and 31 March 2023.

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

10 Corporate Risk Register

Members were updated details of the Corporate Risk Register at 31 August 2023.

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

11 Short Term Investments and Long-Term Borrowing – Period to 31 March 2023 (Quarter 4)

T Hope introduced a report providing an update on the performance of the Authority's short-term investments and long-term loans for the period ended 31 March 2023.

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

12 Short Term Investments and Long-Term Borrowing – Period to 30 June 2023 (Quarter 1)

T Hope presented a report providing an update on the performance of the Authority's short-term investments and long-term loans for the period ended 30 June 2023.

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

13 Medium Term Financial Plan Update

Members were updated on the latest Medium Term Financial Plan position.

T Hope explained that to assist in balancing the budget a full review of all budget headings has been undertaken to identify savings and correct any shortfalls in current budgets. The review identified annual net savings of £309,000 which have been removed from the MTFP from 2024/25 onwards.

T Hope summarised several assumptions in the report that have been made in relation to settlement funding, council tax increases, pay, prices and pension costs across the MTFP period.

Work has commenced on preparing the 2024/25 budget and MTFP and the assumptions will be updated as information becomes available. Further reports will be presented to the Committee prior to approval of the 2024/25 budget and MTFP at the meeting of the Fire Authority on 16 February 2024.

Cllr Bell queried if timescales for budgets are known. T Hope explained that a settlement figure will be received towards the end of the year. Council Tax and grant funding is key to preparing the budget.

T Hope explained that the overall financial position has improved but there remains a number of factors outside of our control that may have an impact on this moving forward.

Cllr Batey noted that it is good to deliver a more positive stance regarding the financial position, but we need to remain realistic and continue to highlight the pressures we face as a Committee.

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

14 Internal Audit Outstanding Actions

N Cooke noted that a circular is going out this week in order to action outstanding actions.

ACTION: T Hope to chase Information Services and provide contact details to N Cooke.