

Minutes of the **County Durham and Darlington Fire and Rescue Service Audit and Finance Committee meeting** held at Fire HQ on **23 January 2024 at 10:00hours**.

Present:	Cllr R Bell (Chair)
Durham County Council:	Cllr N Jones Cllr J Blakey Cllr Bill Kellett
Darlington Borough Council:	Cllr Amanda Riley (Substitute for A Anderson)
Officers:	Tony Hope Keith Lazzari Joanne Whitfield
Internal Audit:	Nicola Cooke
External Audit (Mazars):	Gavin Barker Campbell Dearden
Independent Person:	Alan Foster

Part A

1 Apologies

Apologies were received from Cllr Alison Batey and Cllr Andrew Anderson. It was noted that Cllr Amanda Riley was substituting for Cllr Andrew Anderson.

2 Minutes of the Previous Meetings

The minutes of the previous meeting held on 30 November 2023 were agreed as a true record.

Matters arising were discussed and Cllr R Bell confirmed that a letter had been sent to Michael Gove MP outlining concerns around delays to the signing of external audit certificates.

T Hope noted that a response had been received from Clive Betts MP outlining the position and proposed backstop dates for the completion of audits.

G Barker gave a further update regarding the proposals to address audit backlogs and confirmed that Mazars would meet the timescales provided. There was also work ongoing to streamline some of the requirements around technical accounting areas such as infrastructure, PPE and pensions which would assist with delays in the sector. Further details were to be received.

In relation to the delays with signing external audit certificates, G Barker noted that the National Audit Office (NAO) reserve the right to request additional procedures in connection with Whole Government Accounts and the request has been made due to the low volume of returns being received. Audit certificates cannot be issued until clearance is received from NAO and clearance is expected by March 2023 for the 2021/22 accounts. Timescales are unknown for the 2022/23 accounts.

3 Follow up Letter to the Audit Completion Report

G Barker and C Dearden provided an overview of the report which provided an update on the matters that were marked as outstanding within the Audit Completion Report dated 18 September 2023 and any other matters arising since that date.

The outstanding matters and conclusions were discussed in turn.

Cllr R Bell queried the impact of the increase in overall pension liability. G Barker confirmed there would be no increase in contributions and therefore no impact on the Authority as figures were based on estimates and change regularly.

An unqualified opinion of the 2022/23 accounts would be issued however timescales were unknown for the certificate to formally close the audit.

External audit noted that they hold a high opinion of the Authority.

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

4 Statement of accounts for the year ended 31 March 2023

T Hope introduced the report which sought Members' approval of the Statement of Accounts for County Durham and Darlington Fire and Rescue Authority, for the financial year ended 31 March 2023.

Cllr B Kellett questioned the increase in short term borrowing. G Barker explained that the Authority has one of the lowest levels of borrowing across the audits they undertake.

A Foster requested an update around the new accounting policy regarding operational leases. J Whitfield confirmed that the finance team were looking into the policy and any potential impacts, however it had not been included in the 2022/23 accounts.

Members noted their thanks to T Hope, J Whitfield and the wider finance team.

The committee **approved** the Statement of Accounts of County Durham and Darlington Fire and Rescue Authority for the financial year ended 31 March 2023.

5 Corporate Governance Action Plan Update

K Lazzari introduced the report which provided an update on the progress being made in relation to the actions arising from the development of the Authority's corporate governance arrangements.

Members **noted** the contents of the report and the ongoing work in relation to the corporate governance arrangements of the Authority.

6 Corporate Risk Register

K Lazzari presented the report which provided details of the Corporate Risk Register at 31 December 2023.

A Foster requested clarity around firefighter pension grants being included in mainstream funding and questioned whether firefighter pension liabilities were met by Government. T Hope confirmed that firefighter pension deficits were met by Government, however risk FIN08 was referring to a separate grant relating specifically to employers contributions.

Cllr B Kellett commented on the status of FIN152 and noted that it would not be sustainable to use reserves to balance the budget. T Hope confirmed that reserves had not been used following the identification of further savings and additional interest in investments.

The Committee **noted** the report.

7 Short-Term Investments and Long-Term Borrowing – Period to 31 December 2023 (Quarter 3)

K Lazzari introduced the report which provided an update on the performance of the Authority's short-term investments and long-term loans for the period ended 31 December 2023.

The Committee **noted** the current position regarding the Authority's short-term investments and long-term borrowing.

8 Forecast of Outturn 2023/24 – Estimate Based on Expenditure and Income to 31 December (Quarter 3)

K Lazzari presented the report which provided an indication of the Service's revenue and capital financial outturn position based upon expenditure and income to the 31 December 2023.

A Foster queried whether any of the Authority's estate were affected by RAAC concrete. K Lazzari confirmed they were not and noted that an assessment had been conducted as outlined by Government. Guidance had been prepared and issued to staff who may need to go into affected properties.

Cllr R Bell questioned whether supply issues had caused the slippage on vehicles. K Lazzari confirmed there had been some issues with supply however noted that the process for officers cars had been delayed to allow further consideration of options.

The Committee **noted** the forecast revenue and capital outturn position.

9 Revenue and Capital Budgets 2024/25 and Medium-Term Financial Plan

T Hope introduced the report which set out details of the provisional local government finance settlement for 2024/25, asked members to consider the revenue and capital budgets and medium-term financial plan and sought members agreement on a firm recommendation on the level of council tax to the meeting of the Fire Authority on 16 February 2024.

A Foster stated that the inflation rate was likely to be higher than the assumption in the report and queried whether the service use solar panels. K Lazzari confirmed solar panels were now in place on a number of sites.

Cllr B Kellett questioned whether the service had electric vehicles in the fleet. K Lazzari stated that it was something the service were looking to increase and work was ongoing to identify viable options.

Members **noted** the risks identified as part of the budget setting process and **considered** the proposed council tax increase for 2024/25. Following a vote it was **agreed** to recommend a 2.99% increase to the Fire Authority meeting on 16 February 2024.