



**joint audit & risk committee**

*Building trust in policing and fire and rescue*



**Minutes of the Joint Audit and Risk Committee (JARC)**

**Fire & Rescue Meeting**

**Date: 19 March 2026 @ 10am**

**Location: Room 1, Staffordshire Fire HQ**

**Present:**

<b>JARC members</b>	<b>Officers</b>
Chris Key (CK) <b>CHAIR</b>	Glynn Luznyj – Deputy Chief Fire Officer (GL)
Emma Christmas (EC)	David Greensmith - FARS Director of Finance (DG)
Craig Brown (CB)	Corrina Bradley - FARS Assistant Director of Finance (CBr)
Gurpreet Singh (GP)	Sarah Wilkes – FARS Director of Finance (SW)
	Louise Clayton - SCO Chief Executive (LC)
	Kathryn Grattage - SCO Governance Manager (KG)
	<b>External Officers in attendance</b>
	Dan Harris - RSM Auditors (DH) on TEAMS
	Azola Dudula - Azets Auditors (AD)
<b>SCO - Staffordshire Commissioner’s Office</b>	
<b>Force - Staffordshire Police Force</b>	
<b>FARS - Staffordshire Fire and Rescue Services</b>	

No members of the public were in attendance today.

Prior to the meeting today JARC members held their pre-meeting.

**1. Declaration of interests, apologies, minutes and actions.**

Declarations of Interest: No declarations were made.

Apologies: Byron Preece (JARC), Rob Barber (FARS) Paul Grady (Azets) Louise Davies (RSM)

Minutes & Actions of the meeting on the 26 November 2025

**AGREED** - That the minutes of the meeting held on the 26 November 2025, are confirmed as an accurate and true record.

**ACTIONS** All Actions carried forward have been completed with the exception of Action 3 from 26 November 2025. The Counter Fraud and Corruption Policy is in date was reviewed December 2024 but will be reviewed before the next JARC meeting on 2 July 2026.

## **JARC Update**

CK confirmed that the Committee operate under the auspice of the Nolan Principles, there are no specifics in relation to this meeting but a reminder for all members, officers and audit members. There has been an increasing tendency to put reports out of the public domain and whilst there is usually good reason for this, it might be something for the Committee to reflect.

The Chair will reiterate at each meeting that the Committee operates under the Nolan Principles as a reminder to all attendees.

### **2. Questions from members of the public**

There were no questions from members of the public today.

### **3. Update from Deputy Chief Fire Officer including Governance**

CK took the time to congratulate GL on his appointment as Chief Fire Officer which will begin officially in June, with a period of handover with the current Chief Fire Officer.

This report is focused on the HMI findings for the service in terms of the full inspection, the specifics around the human resource related thematic on areas of misconduct within the sector. There is also a forward look at what is coming over the next few weeks for Staffordshire FARS in terms of the scrutiny and assessment by HMI.

In terms of the full inspection, there were three outstanding recommendations from the last process, these have been managed through a process of formally reporting quarterly into the Service Delivery Board (SDB), in terms of the work undertaken in each of the areas to get to a point where the board is comfortable that the action has been achieved. There is an element with each one of a judgement call, which is why it is important that it goes through to the full SDB, which is chaired by GL and has broad representation across the organisation. GL is able to challenge the actions and have good oversight of the scrutiny undertaken. The three actions were all signed off and accepted as complete at the most recent SDB.

1 – Quality Assurance Process in regard to one of the protection functions. In respect to staff carrying out audits of the buildings and premises in a consistent standard and that process having the evaluation and assurance process, to make sure that all the information was coming back. This has now been demonstrated, in that there is a robust central process which applies and GL has been really impressed with both the capture of performance in this area, the assurance process which uses some of the more technical fire safety officers, and also being able to have an external peer review, which is critical. There is a partnership with Shropshire FARS for external peer review. This has now been embedded and is being used on a daily basis, but there is a review process in place, to make sure the mechanism for evaluation will pick out any trends, problems or future improvements.

2 – Equality Diversity and Inclusion and the positive action in promoting this. The ask from HMI was to check the understanding at all levels, in particular at watch and department level, to see that they truly understand the value of ED&I within the service and the community, and in it's simplest form the legal requirements. One aspect of this is how FARS functions as a service, how we interact and engage with communities and help to keep people safe, which is a real underpinning value that is needed to check people's understanding. There were a number of different work streams that have come together, FARS has partnered with the Police and drawn on their experience with community engagement which has gone really well. The policy and strategy work continues, but the most important part was delivering training, and this has been done face to face, which is a big challenge for on-call staff, and progress has been made with visits the process and feedback, which has been exceptionally positive. GL is really interested in the challenging conversations ongoing with staff members and members of the EDI team as that is where it is really showing the benefit. This is all being fed back to SDB, there is probably a further 6 to 12 months of this programme to ensure this has reached all staff. In terms of the ask from HMI, the service is confident at board level that has can be signed off.

3 – Fair process regarding high potential, the Committee are aware of this. This was knocked back at SDB, the board looked at the theory, the policy and the process, up and wanted to see evidence that this was up and running, which it is now with a number of individuals on the programme. This is really important as in the next 10 years approximately 50% of the workforce is due to retire. There is a challenge around skills and experience leaving the organisation but also an opportunity to bring in new skills and perspectives.

There were 15 recommendations regarding the handling of misconduct in Fire and Rescue services, Staffordshire were one of 9 or 10 services that were selected to be part of the thematic review and all 15 recommendations have been signed off by SDB at the last meeting. One area that was tricky was in respect of the probationary policy, due to a recent change in legislation for employers to adopt, this is now fully adopted but it took time for the full consultations with the representative bodies.

There has been a large ongoing element with HR which has been training, much of this has been delivered face to face and aimed at supervisory manager levels. Leaders at all levels of the service have contributed to this, along with HR professionals. GL is also really proud of the active bystander work that has been done in relation to changes in legislation around sexual harassment and worker protection, and that has been as a direct response to tackling those issues.

In terms of a forward look the next framework from HMI is expected soon. Within the report it sets out key time periods, for things like data collection, workforce surveys and the document requests, which are commencing from the 4<sup>th</sup> May. Reassurance to the Committee that all preparations are in place for this and the inspection activity will take place in June.

The two most recent inspections were published yesterday for Greater Manchester and Bedfordshire, Mandy Heal is the HMI single point of contact and has done a full assessment of the strengths and weaknesses, which is to pick up anything around national signs of properties or national trends of weakness that Staffordshire may want to look at for the Staffordshire inspection process.

For information there is a Cyber Security thematic inspection which is under way, and FARS will wait for outcomes and recommendations to be shared nationally, then will review what needs to be picked up locally.

## **Risk Overview**

FARS meets at least quarterly for a full strategic risk register review, but the work in the background is continually supported by VA, who keeps the organisation on track in terms of risks on the horizon, any changes and any new actions that need to be taken care of. There is a strong connection with SCO on risk. From a strategic and corporate perspective FARS are assured that the right framework is in place which feeds upwards and downwards, and is a moving framework to manage the risks as effectively as possible.

Key highlights are the changes that have been undertaken, the organisation is broadly stable but it is a pressurised environment, one risk has been archived this quarter around public reputation, but there are two other risks which have come onto the register. The first is around the governance uncertainty, with the abolishment of PFCC in 2028 and the inception of a new Police Fire and Crime Board, which creates a lot of risk that the organisation is aware of. FARS is working locally and nationally with MHCLG and the Home Office and National Fire Chiefs Council to unpick what the risks look like in terms of the legal entity, employer status, statutory duties and knock on risks like precept and funding. When you add in the complexities around Local Government Reform and Police Reform there are a number of issues that could directly impact the service delivery.

The second risk is around funding concerns and constraints going forward, which affects all elements of the service delivery and potentially public confidence too, which is where the public reputation risk has been absorbed. In terms of technological and information governance, there are some risks and there is a specific project regarding fire control and mobilization and the command and control system, which is work is being carried out conjointly with the West Midlands, which has increased scrutiny and cooperation around that project. FARS is confident that there is the right level of technological experience and also the right strategic players support in relation to this, and this needs to be delivered by the summer as it has knock on impacts on the front end technology, which is supporting firefighters with mobilization information and their decision making at an incident.

The report identifies strong areas of performance. One of the risks that has been on the register for a long time is around the loss of key staff and a prime risk is the threat of industrial action, which is an increasing risk. The continuity plans, the testing and response nationally is already in train as to what that could mean. In terms of preparation the organisation is strong but that doesn't necessarily mean comfortable. GL is pleased with the work put in place on the environment, but there are areas that are more of a high concern, things like security and cyber security, project failure and shared service, which is inextricably linked with the governance changes.

So, for assurance at the end of the report that the recommendations are captured and worked through outside of the meeting structure.

CK thanked GL for the comprehensive report and confirmed it was clear that the organisation takes recommendations from inspections and reports and takes learning seriously. The work that goes into further improvements really comes through.

Q: CB: with the risk of industrial action what makes the organisation suspect there is heightened risk of this? This is in context of the 70% increase from 2024 to 2025 in outdoor fires and dealing with more operationally.

A: GL there are two elements to this, the first is funding constraints so there are many organisations that are making difficult choices that chip into the front-line services. Some areas are looking at potential closures of fire stations, although this is not locally it could result in national strike action. The second element is related to pay, July is the date for the next pay claim for grey book salary members, so dependent on how the negotiations go this could potentially trigger industrial action on a national level.

Q: CB so a percentage for the pay award has not yet been presented to the FBU, there is a risk with the geopolitical condition that inflation is going to be little bit stickier so that the FBU will probably ask a little bit more is put forward?

A: GL there is probably another complexity, and this relates to the discussions relating to Fire Reform. GL has a national role as the Fire Leaders Association National Secretary, represents brigade managers and is directly involved with negotiations with the National Joint Council, who are conducting all the pay negotiations. They are trying to work on fire reform and different changes to the pay structures, which have modernised the fire and rescue service and bring opportunities to do more in that space, to create more public value and bring more skills into the sector, which could arguably bring more funding into the fire system and bring sustainability. The FBU have a different view on that, and any changes to terms and conditions from their perspective, they would want to see recompense and appropriate remuneration for their members. This is another complexity which is beyond our control locally and nationally we are trying to have an influence, but it may impact on industrial relations.

Q: CB on the theme of people and that approx. 50% of staff could retire in the next decade at what point do you say we have done enough and this is no longer a risk, where do you feel comfortable?

A: GL it is very difficult to predict this, with younger people coming in and there is a very different outlook on careers than 30 years ago. It is an environment that we probably have to get used to, the reason that this is more of an issue now is that recruitment drives took place in the 1990's and all those officers will be reaching retirement at same time. It maybe a particular spike, but it might also be that people are more fluid in and out of the organisation. It prompts work around recruitment, retention and attracting people, with the added complexity around market salary, and particularly with some of the specialisms around the protection functions and fire safety, but particularly for fire support staff as well with bespoke skills, so this is also a risk and it is an evolving area.

Q: GS this is just for clarity regarding the probationary policy, what was the previous process if staff could not be dismissed immediately?

A: GL this is more around attaining recruitment rights after two years, and the probationary period was more set on the process of training the skills as a firefighter, so more in the operational sense of core skills lasting three months, then into an internal probation period, which is an apprenticeship really, which can last up to three years. This was more about bringing all of the employment rights into the six-month period. Therefore, as an employer we have to be more focused and sharper if we are picking up issues around capability after such a short space of time, the stance would be if it is a training issue then the organisation needs to support these individuals, if we are picking up issues around attitude and conduct early on it is knowing that under legislation the organisation needs to act sooner to tackle those issues.

Q: CK this refers to Section 6 referring to the organisations need for further savings to be met. You've been asked for another £2million and the phrase was significant transformational changes may need to be made. What is this referring to?

A: GL the organisation has just gone through the second phase of transformation work, with incredible savings to date, with £2.3 million recurring savings. We need to reset the transformation work and look at phase three. This is going to be based on scenarios and choices that may need to be made over the medium term to save between £500,000 to £2million, so there is some uncertainty and there will not be any quick decisions. The scale of the transformational savings is going to be factored in by other ongoing efficiency work, and equally on the Commissioner's decision on precept. This work needs to be fluid, but we need to start now because of the lead in time. It will be challenging because some of the scenarios, particularly towards the £2million savings, can be quite worrying. Once there is certainty on the direction then there may need to be public consultation work built into this.

Q: EC who will this be shared with, how will this be managed will it be at SDB level or beyond?

A: GL I think that we are going to have to share some of those scenarios more widely with the workforce, knowing that this may cause some anxiety, and realistically this may need to be shared with councillors and members of the public. Containing some of the anxiety becomes a challenge but if it is kept strategic only that creates mistrust. We need the workforce engaged as they often have some of best ideas to guide decisions.

Q: EC is there a timeline to create these scenarios, and would there be a number of scenarios reduced to form a shortlist that is then shared?

GL – yes this will form part of the process, and it sounds simple but it is very hard and the organisation is aware of the risk in terms of public confidence and have seen this in the past.

LC added as part of the governance arrangements, last year we changed the way that we manage the governance boards, we now have quarterly Strategic Governance Boards (SGB) and we also have Strategic Transformation conversations in between these meetings, and FARS are very well prepared. Just to go back to the precept from the Commissioner's perspective. The government settlement was based on the Commissioner maxing out on the precept, the Commissioner has been clear and consistent in using the same principles for the budget papers this year as in previous years, because he doesn't know what he will set the precept at because he has yet to consult the public. Precept requires public consultation and this has just been done for one year, so whilst we are not saying the Commissioner won't max out on the precept we will not know the outcome until after the public consultation, and that needs to be caveated with the Local Government Reform and the changes to governance on the horizon which are due to come in in 2028. But if there are transitional arrangements that might impact on the scenario.

DG added if the Commissioner maxes out on precept the gap holds at £500,000 but this could rise to a £2million gap if he doesn't and this leads to the scenario where more difficult decisions might need to be made. The window around the consideration is short as HMIC will be coming in soon and they will be challenging around that gap in the MTFs, what we are doing about this, it is a real challenge.

GL added that he wanted to say thank you on behalf of RB as well to DG for his hard work over the years, and to wish him a very happy and healthy retirement as this will be his last meeting.

CK added thanks from the committee and good wishes to DG for his retirement.

DG added that the governance arrangements that FARS came into under the PFCC were more robust than the organisation had had previously and it was a real benefit and has been a good experience, the journey has been good and he leaves in a good place.

#### 4. Internal Auditors

i. **The Progress report** shows that one report has been finalised on Key Financial Controls, there is a further review ongoing in payroll and the two remaining audits to complete the work for 2025.26 will commence next week. These are the follow up review, and fleet management has been replaced with HMIC action tracking. These should be in a position to issue in draft by the middle of April so the annual report can be issued, and the remaining audits will come to next JARC with the annual opinion flowing through to AGS. There was one partial assurance throughout the year which will impact but not negatively on the year end opinion. The service has a very good history of implementing management actions, there are no concerns at this stage around the year end opinion.

ii. **Key Financial Controls** was a substantial assurance opinion, the focus in this was debtors and creditors it was reviewed in last year's programme as well and had a reasonable assurance opinion. There were nine actions last year which were all followed up along with controls. Eight have been fully implemented with one low priority action still outstanding that has been reiterated in this report. There are four actions for this report around updating policies and procedures and something around system access records, the design of a control in relation to credit note requests, all are very minor enhancements.

Q: CK what are the key characteristics for a step up from reasonable to substantial assurance?

A: DH typically RSM will look at the number of actions and the priority around these actions. One high action could result in a lower assurance opinion, similarly a large number of low priorities could result in the same as this shows poor control or lack of compliance. We will always consider the severity of the actions and this will result in change of opinion.

CBr added that all four of the actions from the audit have already been completed.

DG added it was important to note that there was a completely new team that came in 18 months ago, and this first audit was really important to make sure the team were doing what they were supposed to, and it really shows the development of the team.

Q: GS this is a positive report and congratulations to the Finance Team. Regarding the ongoing payroll audit, how are the controls being embedded, is it on track because there is a new payroll manager as well isn't there?

A: CBr the new payroll manager joined the team last summer, in fact there is a whole new team except one member of staff so it has been a challenging time. The payroll audit is in draft form and it is a positive outcome with a reasonable assurance. The audit just highlighted a few areas with relation to training, but a new team has come in with really good ideas and fresh eyes, they have questioned ways of working and have produced a process map for payroll, gone back to basics and are looking at where they can find efficiencies. There were a number of workarounds in place and these have been reviewed and looking at areas of improvement, it has been brilliant having a new team and challenging the way we work. We are looking forward to next year's audit.

DH added that the conversation relating to looking forward to next years audit underpins the good governance that is seen at FARS.

### iii. Audit Strategy and Draft Plan 2026.27

Section 1.1 is the proposed reviews and there are two reviews driven by risks on the risk register and three core activities to review. One of these is in relation to the on-call payments, the failure to prevent fraud linked to the new legislation that is coming, so it is a really good time to review this and look at the updates made, review the governance arrangements and policies and procedures.

Driver training review, had a minimal assurance rating a few years ago, so the work from the review was followed-up and the actions implemented but it is now timely to have another full blown review of that. There is also the normal audit coverage to meet the internal auditing standards.

Section 2.1 is the strategy, to remind the Committee of where RSM have looked at other areas and the respective assurance opinions and levels issued and then the Charter. The plan does remain flexible in timing and also if a risk comes on line in year this is reviewed and discussed with officers and any suggested changes can be brought back to the Committee.

Q: CB in relation to Cyber Security, the two previous audits were minimal assurance will this be reviewed again?

A: DH HMICFRS have this in their programme of work, so there are other sources of assurance that are available. It would be discussed for a future review depending on the outcome of the HMICFRS review?

Q: CB: there is another audit on the physical security, has this ever been carried out before for FARS and do you feel confident as a fire service that you will pass?

A: DG the internal audit didn't do a previous review, this was done by Staffordshire Police around the FARS Headquarters site. It is important to review this as there have been a lot of issues across the fire and rescue sector, in particular areas with specific types of equipment being targeted. It is important that these reviews are done to make sure that what is in place is adequate.

Q: CB there is the issue of people breaking in at night and stealing equipment, did you also feel there is a risk around daytime with people coming on site?

A: GL we recently did some testing with three scenarios involving headquarters. We are very conscious that we need to stay on top of this and have a balanced approach to the security requirements. We have already made a number of changes which are positive but there is always more that can be done.

VA added this is due to be discussed at the next protective security strategy meeting, to look at the types of testing that can be done and how we deal with evacuations in different situations. The CCTV has been significantly improved but there is a little more work to be done, but there are plans in place.

Q: GS one of the key risks on the risk register is shared services, which is a high residual risk rating, how is that captured in the audit plan, is it covered in any of the audits?

A: DG this is on the audit universe plan, but not something that has been picked up that immediately needs to be reviewed.

LC added this was on a few years ago and something that GL mentioned in that it may become an issue that needs to be looked at. Shared service is something that we need to consider from a police and fire perspective to understand what the impact of the future governance changes will be.

GS added that he had noticed that this wasn't on any of the audit plans over the next year, but it is a key element because there is also a third party risk there as well, and maybe should be something to consider next year.

Q: CK the rope rescue audit was amber, has a decision been made yet as to whether this will be kept in-house or subcontracted, or is it still an ongoing issue?

A: GL confirmed that a decision has been made that has been through governance. The position adopted is that there is still capability internally, but the change has been around crewing and this will no longer be done if the crew is below the national minimum recommendation which is five. The fallback arrangement is for an over the border crew to be utilised, primarily from West Midlands or Cheshire, both are in effect and have been observed to be working well, so there is assurance about the level of risk to the crews in those teams.

## **5. External Auditors – Draft Audit Plan for 2025.26**

For the Audit Plan for 2025.26 there are just a few changes, which are mainly with the branding and structure, and there is a comment on the independence page which will be discussed later.

The aim is for the audit to be finalised by the end of September, Azets has used the interim period to do large parts of the in-year testing. So, work has already started and Azets is getting good responses back from the team, so thanks to CBr and the team, as this has been really helpful. Azets are only able to issue the audit opinion once they have the assurance statement from the pension auditors.

In terms of materiality, Azets use the 2% of gross expenditure as the benchmark, as this is the wide use within the local government sector. The samples for testing have increased from 75 to 80%, this is due to reviewing the changes within the authority, and the understanding of the risk assessment and the previous year audit. Last year the only issue raised was the adjustment for the precept decision which was quite late.

In terms of Trivia if we use 5% this will stay the same as last year, this is mainly to ensure that any issues identified, even small can be brought to the Committee from a control perspective.

Regarding significant areas, there are three areas identified, the management override which is very high, the PPE pension valuation is high and the reported risk on income and expenditure. In terms of management override this is very high this is not a specific concern for Staffordshire but is more towards the standard as this is treated as a significant area. It was treated as very high in a previous year, and the work done was enough to get the full assurance that there was nothing of concern.

In terms of the IT, Azets have created additional working to clarify the understanding of the process and have fully described what the IT auditors are doing.

The Value for Money work has not identified any significant weakness, if any were found this would have been raised as part of the audit plan.

In terms of Independence, internally Azets has a process policy where staff need to declare if they have a relative working within the organisation. There is an Azets senior manager in the restructuring team whose wife is a retained fire fighter, but there is no threat towards independence, because the firefighter has no involvement with the finance systems or key operational activity, and the Azets member of staff is not involved in audit. It has been agreed that there is no threat to the independence

Finally, the fees are based on the published fee by PSA and there are no additional fees noted. If there is anything that comes through from pensions any additional fees will be communicated and brought to the committee.

Azets also wanted to thank the Finance team for the good and open working relationship.

Q: CK one observation is that the approach has not changed so are Azets are comfortable with the risk environment and there are no concerns arising at this stage?

A: AD there are no concerns arising at this stage.

CBr added that every year FARS has always had the proposed audit adjustments on the collection fund adjustments, because the nine billing authorities do not send the information in on time. This year the unaudited accounts will be kept open to 30th June before being published and they will be published with all the billing authority adjustments in, this will not affect the deadlines for publishing, and as soon as the billing information is received they will be published.

CK thanked AD for the comprehensive report and presentation.

## **6. Finance Update presented by DG**

DG is presenting this section and will pick up highlights from the suite of four reports.

The Budget paper went to the Panel on the 9<sup>th</sup> February and the Council Tax increase of £5 was agreed and approved by the Panel. Conversations have already been had in relation to the impact around the precept and year two and year three budget figures.

This is the first time that FARS has received a three-year settlement and whilst that is welcome, Staffordshire did not come out particularly well in the new fair funding review, and have ended up just above the fire authorities that ended up within the funding floor. The budget went to Panel on the 9<sup>th</sup> February when the final settlement came out, and the MHCLG had raised the funding floor to 3.8%. So Staffordshire did have the budget approved and a little more funding then came through at the last minute. This didn't affect year three but did give some more cash in years one and two. There will be approximately £800,000 for those two years which at the moment has been put into the reserves, because the position for year three has not changed. DG wrote to the Police Fire and Crime Panel subsequently to advise the change in budget.

There is a small saving requirement moving into next year but this does grow significantly as FARS heads into year three. The timing around the transformation work and the strategy over the next three years needs to be considered very carefully over the next three to six months, and this will be a real challenge to get the strategy right, as there are some obvious pinch points and risks involved in that process. There is a good budget position as we move into next year but with significant challenges as we move to the medium term which is reflected in the graph.

Q: CK so it looks as though you are predicting more borrowing in the next two to three years is that correct?

A: DG we have been working with the transformation board about trying to look at the capital financing requirement, to look at debt and to try to minimise that. We have been successful in reducing quite significantly the level of debt the authority holds. There are a number of challenges as we move into the medium term, there is a big capital programme and we still need a capital

programme to replace vehicles, building requirements, operational equipment and the investment in IT. There is still a borrowing requirement into the medium term which pushes up the debt and is reflected in the Treasury Management Strategy.

Q: CK regarding contingencies, you have put a set aside of £1.9million for risk in provision?

A: DG there is a general reserve provision which has not changed over the last 16 years. For reassurance, that provision is to cover medium and high risks. There is also the earmarked reserve for known risk but also some areas of investment. We are not allowed to keep earmarked reserves without good reason, and the reserves strategy sets out the key lines of that earmarked reserve. There are no plans to access the general reserves, that £1.9million.

Q: CB on the capital programme there is the refurbishment of stations, is there a risk that you cannot deliver the refurbishment programmes because of the current geopolitical situation and the cost going up?

A: DG it is a good question and Brewood station is not really fit for firefighters, it has already been put on hold twice and there is now a scaled down version of the project to keep it within the financial envelope, and it is a challenge. The next station due for refurbishment is Tutbury and there will be a number of questions around how this is taken forward over the next few years.

GL added that it does become a balance of what you want to do and what you can afford to do.

Q: CB regarding the detailed capital program, there are itemised costs, what is the process to accurately estimate the costs?

A: DG there is a detailed process and a capital framework that all budget holders adhere to. A number of these will be estimates based on experience and the market on the operational equipment side. There will always be situations where we don't know exactly how much projects will cost, and it won't be until the detailed design work is done.

Q: CB do you ever go back and revisit the estimates, once more details are known?

A: DG If the estimates come back and they are over the original budget they will go back through the Service Delivery Board, and will be reviewed as to whether we continue, or amendments are made or if the project is put on hold. All the projects will go through the governance process and through the Service Delivery Board as well.

CB added that any small fluctuations with programmes, for example fleet, will be discussed at the Capital Review Group if it is still within the overall budget responsibility, and the fluctuations are too small to go back to the board.

DG added that some of the capital assets are very market dependent, so it is difficult to make some of the estimates. However, we are very comfortable with the procurement process around the purchase of new fire engines, this goes through commercial services and there is a robust process for evaluation.

LC added the commercial services as a shared service with Force is very strong, which could be a risk further down the line in relation to police reform.

Q: CK regarding electric cars and lithium battery fires, is this a funding risk with the expansion of electric cars?

A: GL there is a partnership agreement with providers regarding the containment of fires, with a tank for enclosing the vehicles. This does pose new risks and challenges for operational staff and the amount of planning, risk and training that is ongoing to deal with these future challenges is really important, and is part of the evolution of the role.

## 7. Risk Management Update

VA presented and thanked GL for his update at the beginning of the meeting. Both papers were approved at the Service Delivery Board. One is an annual review and highlights that there are some stagnant risks on the register, which indicates that there is more work to be done with the controls, or whether the organisation just decides that a particular risk can just be tolerated. With regard to environmental, due to funding pressures there are some things that cannot be done, and the organisation needs to be comfortable where that risk is.

The organisation has moved away from an excel spreadsheet onto software and are now looking at another software system through RSM, that would be able to provide real insight as to how the organisation is managing risks which ties in with the transformation work which has its own risk register, and we will make sure that the two registers mirror one another.

The annual report will be done every year, but from an assurance point of view the organisation is comfortable in the way that risk is managed and that we are looking at ways to improve risk management.

Q: CK the reports were great and is a real critique of how the organisation is doing. Could you just describe how you score the risks?

A: VA there are discussions with the stakeholders from all across the business including shared service about what the risk means to the organisation, and what would be the real situation if the risk were to happen. In terms of severity the organisation used to use a 4x4 matrix, which meant quite often is sat on the fence in terms of risk. Now there is the opportunity to review things and consider whether that would be detrimental to the strategic objectives if this risk materialises, they are board decisions, not one person making the decisions.

VA chairs the NFCC Risk Management Board which meets quarterly and is a national board, where risk managers come together to discuss the risks that each organisation is facing. Quite often the same risks are across other organisations, so the risk of industrial action and more recently the risks associated with lithium-ion batteries, which brings risks associated with funding pressure.

CK thanked VA for the report and the way that the organisation is managing risk.

## 8. Governance: Draft Corporate Governance Framework

The updated Corporate Governance Framework for FARS was shared as part of the papers that had been reviewed.

CBr added that the main change was a review of the Contract Standing Order Section from page 40 onwards and the impact of the Procurement Act 23 was in relation to the threshold changes, and the introduction of a further threshold, and there are different levels of severity in terms of getting quotes. The Internal Audit, as part of financial controls audit, recommended that a review date was added, and this has been done for 2 years, and so it will next be due for review in January 2028.

Q: CB Just to raise that on page 30, Appendix A the diagram is quite pixelated, whilst the paper is still in draft could this be reviewed?

ACTION 1: For Appendix A of the Corporate Governance Framework be reviewed, as it is currently quite pixelated.

**9. AOB**

The date and time of next meeting is 2 July 2026 at 10am – Fire HQ

CK closed the meeting.

DRAFT