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: 2 July 2026 at 10am
Location: Fire Headquarters, Pirehill, Conference Room 1

Present:

JARC members	**Officers**
Chris Key (CK) **CHAIR**	Sarah Wilkes – FARS Director of Finance (SW)
Bryon Preece (BP)	Corrina Bradley - FARS Assistant Director of Finance (CBr)
Craig Brown (CB)	Victoria Adams – FARS Strategic Risk Manager (VA)
Emma Christmas (EC)	Glynn Luznyj – FARS Chief Fire Officer (GL)
Gurpreet Singh (GP)	Michelle Hickmott FARS Deputy Chief Fire Officer (MH)
	Louise Clayton - SCO Chief Executive (LC)
	Kathryn Grattage - SCO Governance Manager (KG)
	External Officers in attendance
	Dan Harris - Partner RSM Auditors (DH)
SCO - Staffordshire Commissioner's Office	
Force - Staffordshire Police Force	
FARS - Staffordshire Fire and Rescue Services	

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: None

Apologies: Paul Grady and Azola Dudula (Azets), Ralph Butler (SCO)

CK advised members that the absence of Azets was due to illness and noted a change in audit personnel in the interim. GL asked that the Committee's best wishes be recorded for a speedy recovery. CK confirmed he had also contacted Azets on behalf of the Committee.

Minutes & Actions of the meeting on the 19 March 2026

AGREED - That the minutes of the meeting held on the 19 March 2026, are confirmed as an accurate and true record.

ACTIONS: It was confirmed that there were two outstanding actions from previous meetings which remained ongoing:

- Action 3 from 25 November 2025 – Review of the Counter Fraud and Corruption Policy.
- Action 1 from 19 March 2026 – Review and amendment of the image contained within Appendix A of the Corporate Governance Framework.

Both actions would remain on the Action Log and be reported back to a future meeting.

CK advised that, as part of JARC's governance role, private meetings had taken place with the Commissioner and Internal Auditors, with a further meeting with External Auditors scheduled for September. These sessions form an important part of the Committee's assurance process.

2. Questions from members of the public

There were no questions submitted from members of the public for this meeting.

3. Internal Auditors

i. Progress Report

DH presented the Progress Report and advised that two final reports had been issued since the March meeting; Payroll and HMICFRS Action Tracking. The Rope Rescue follow-up review remained in final quality assurance as the implementation date had been at the end of May. RSM are currently finalising the report and it was expected to be issued imminently. Although unusual for the report to remain incomplete at the date of the Committee meeting, DH assured members that the work had been completed and was awaiting final sign-off. He further advised that, subject to progress, two reports from the 2026/27 audit plan may be available for the next meeting.

DH highlighted Appendix B regarding External Quality Assessment requirements under the newly introduced Global Internal Audit Standards. He explained that every five years internal audit providers must undergo an independent assessment to confirm compliance with professional standards. RSM had commenced procurement for an independent provider to undertake the review and intended to report outcomes back to the Committee following completion. DH noted that revised guidance now allowed providers serving multiple clients to be assessed through a single review rather than numerous separate reviews.

DH referred members to the Emergency Services Briefing and Emerging Risk Radar. Whilst cyber security remained a significant concern across the sector, he highlighted artificial intelligence as a growing area of interest. Organisations were investing considerable effort into AI implementation, however the briefing highlighted that attention now needed to focus on governance frameworks, staff training and oversight arrangements to ensure risks remained controlled.

Q: GS referred to the planned audit relating to Failure to Prevent Fraud, and asked why the timetable showed this as TBC?
A: DH explained that the review remained scheduled for Quarter 4. The work would be undertaken by specialist fraud colleagues rather than the core audit team and dates had not yet been finalised. The review would still proceed as planned.

Q: CB referred to observations within the payroll report around routine reconciliations between payroll, HR and staffing records and sought clarification regarding whether the underlying issue represented a process weakness or a people issue.
A: DH advised that the issue related primarily to non-compliance with an established process rather than the complete absence of controls.

CBr expanded on this point and explained that the organisation operated separate HR and payroll systems. FireWatch was used for HR and crewing arrangements whilst payroll was managed through ResourceLink

provided by Stoke-on-Trent City Council. Undertaking monthly reconciliations between both systems was currently a highly manual and time-consuming process. Whilst the process existed, it relied heavily upon manual intervention and administration. Work had commenced to map payroll processes and, more recently, the HR processes linked to them. This had evolved into a larger review than originally anticipated, as improvements would need to encompass both payroll and HR functions.

Q: EC added that this appeared to be a significant project and asked whether funding and resources had been considered?
A: CBr confirmed the work remained in its exploratory stages. Whilst the organisation was seeking to focus on the original weaknesses identified, there was a risk of scope expansion as opportunities for wider system improvements became apparent. The current priority was understanding existing processes and identifying where controls and efficiencies could be strengthened.

SW added that a meeting had been scheduled with Payroll and HR colleagues to consider options. Recent staff changes within Payroll had brought fresh perspectives and improvements, but there was increasing recognition that systems and software required further review. Consideration was being given to external consultancy support to assist with process mapping and future options. Whilst significant investment of time and resources could be required, it was viewed as an important piece of work.

Q: EC asked if the reconciliation was ongoing and if this provided assurance in the interim?
A: CBr advised that sample checking continued to take place and there remained a number of additional controls, exception reports and monitoring arrangements which would identify and highlight any discrepancies. The recommended reconciliation formed only one component of a broader control framework.

Q: BP asked the question of proportionality and queried the value of any errors identified, compared with the resource implications of undertaking additional reconciliation activity.
A: DH advised that only one example of overpayment had been identified during audit testing. Furthermore, budget monitoring controls, managerial oversight and wider financial controls provided other sources of assurance and reduced the likelihood of significant errors going undetected.

CK commented that whilst the issue was perhaps unexpected given the strength of the Finance function, it was nonetheless appropriate to review arrangements and ensure payroll and HR systems remained properly aligned.

GL advised that all future work would progress through existing internal governance processes. He noted that the report had provided a useful evidence base and highlighted that workforce changes, shared service arrangements and uncertainty surrounding police reform and future governance models all contributed to the complexity of decisions being made.

LC highlighted that future governance arrangements could result in Fire becoming part of alternative structures and that future employers may take different approaches to back-office functions and systems.
SW confirmed these matters were being considered within the review.

ACTION 1: An update to be provided to the next meeting on the progress with payroll and HR process reviews, reconciliation arrangements and potential system improvements.

CB referred to Cyber Security from the Emerging Risks briefing, and in relation to phishing attacks commented that people often represent the greatest risk rather than the technology itself.

GL advised that regular phishing exercises were undertaken and extensive information governance and cyber awareness training had been delivered across all staff groups, including on-call firefighters. Additional resources had also been invested within the team and cyber security remained a strategic risk area.

VA advised that positive results had been obtained from recent phishing exercises, although further learning opportunities remained. She acknowledged that human curiosity and human error would always present a potential vulnerability.

MH added that training also focused heavily upon password security and wider cyber awareness. HMICFRS were currently undertaking thematic work in this area and any findings would be considered for future improvements.

VA further advised that a recent phishing incident involving over 1,600 messages had been successfully contained within a generic inbox and had not compromised systems or information. It was reassuring that they all fell into the one inbox.

DH reminded members that cyber security had previously received a Partial Assurance opinion in 2024.25, but follow-up work had demonstrated positive progress. He noted that HMICFRS activity was one reason cyber security did not currently feature within the 2026.27 audit plan.

ii. Internal Auditors DRAFT Annual Report and Auditors Opinion

DH presented the Internal Audit Annual Report and explained that this represented the culmination of all audit work undertaken during 2025.26. The audit programme had been designed to enable an opinion to be provided on the adequacy and effectiveness of governance, risk management and internal control arrangements. He referred members to the opinion set out within the report and was pleased to report a positive assurance opinion, concluding that adequate and effective arrangements were in place across all areas reviewed. Whilst some weaknesses had been identified during the year, robust action tracking arrangements were in place to address these.

DH outlined the work undertaken during the year, noting one Partial Assurance opinion, one Reasonable Assurance opinion and two Substantial Assurance opinions. HMICFRS Action Tracking work had also demonstrated positive progress. The final follow-up report remained in the process of being issued.

DH highlighted new reporting requirements relating to organisational culture. RSM had found strong evidence of positive engagement from officers and support for the internal audit process. Internal audit resources continued to be utilised effectively and information requests had been responded to in a timely manner. No concerns had been identified regarding organisational culture.

DH confirmed there were no significant governance issues identified that required reporting through the Annual Governance Statement. He also confirmed compliance with the Global Internal Audit Standards and advised that a benchmarking report would be brought later in the year to compare Staffordshire Fire and Rescue Service against other emergency service organisations.

Q: GS asked how the RSM network arrangements benefited the organisation?
A: DH explained that RSM hosted quarterly webinars and briefing sessions for non-executive directors and committee members covering topics such as governance, risk management and artificial intelligence. These sessions were available to support continuous learning and development.

CK welcomed the positive opinion and noted the importance of the report in enabling JARC to formulate its own annual assurance conclusions. He thanked RSM for their attendance and support throughout the year and expressed appreciation to officers for the work undertaken to maintain strong governance and financial controls.

iii. Payroll from 2025.26 Audit Plan

This item was discussed under Item 3.i Progress Report.

iv. HMICFRS Tracking

DH presented the HMICFRS Action Tracking Review and explained that the audit had examined the five Areas for Improvement identified through inspection activity. Evidence had been reviewed to confirm implementation of actions and RSM were satisfied that reported actions had been completed and appropriately evidenced.

DH advised that clear governance arrangements were in place, with progress regularly reported to the relevant boards and formal sign-off obtained through the Service Delivery Board. Whilst implementation had been demonstrated, he cautioned that ongoing monitoring would be required to ensure improvements remained embedded and effective.

CK advised that he was due to meet HMICFRS later that day and anticipated discussions would include governance and action tracking arrangements. He noted that the review provided valuable independent assurance and evidence of progress.

GL advised that the Executive Team greatly valued the scrutiny provided through both RSM and JARC. He believed the process had strengthened organisational oversight and improvement activity.

4. External Auditors – This item was removed from the agenda for this meeting only, due to exceptional circumstances.

5. Finance Update

i. Accounting Policies 2026.27

SW presented the Accounting Policies and explained that whilst the agenda referred to 2026.27, the report related to the production of the 2025.26 Statement of Accounts. She advised that there had been no changes to the accounting policies from the previous year, however it remained good practice for accounting policies to be formally approved by the Committee prior to consideration of the accounts.

AGREED – That the Accounting Policies for 2025.26 be approved.

ii. Going Concern Assessment 2025.26

SW presented the Going Concern Assessment and advised that the report considered whether Staffordshire Fire and Rescue Service could continue operating for the foreseeable future. The assessment considered financial management arrangements, cashflow forecasts, reserves, borrowing levels, capital financing requirements and medium-term financial planning.

SW reported that monthly financial monitoring arrangements remained robust and oversight was provided through governance structures including SGB and JARC. Cash balances remained positive throughout the forecast period and reserves of £17.2million provided continued financial resilience. No additional borrowing was expected in the short term, although future borrowing requirements around 2029.30 would continue to be monitored.

SW advised that whilst uncertainty remained regarding future funding settlements and governance reform, the Service had successfully delivered over £1m of recurring savings through the Transformation Programme. A further funding gap of up to £2.1million by 2028.29 remained subject to ongoing work and scenario planning.
On this basis, and as the Section 151 Officer for FARS SW was satisfied that the Authority remained a Going Concern.

Q: CB referred to the savings already achieved and sought further information regarding potential future savings opportunities.
A: MH advised that the Transformation Board had recently met and established a number of workstreams. Significant scenario planning was underway due to uncertainty in future funding assumptions. Areas under review included the capital programme, contracts register, vacancy management, budget efficiencies and future service delivery models. Budget holders had also been tasked with identifying potential efficiency options of 5%, 7% and 10% across their budgets.

MH further advised that previous operational research work remained available to support evidence-based decision making, should difficult choices become necessary in the future. She acknowledged that significant savings could impact service delivery and therefore scenario planning remained critical.

GL stressed that community safety and firefighter safety remained the organisation's foremost priorities. He welcomed the leadership being shown through the Transformation Programme and advised that engagement with the workforce had been prioritised to encourage understanding and the development of innovative ideas.

MH added that the Transformation Programme also contained a dedicated workstream focused upon income generation and maximising opportunities arising from estate sharing and wider local government reform.

Q: CK referred to reserve forecasts and sought assurance regarding contingency planning assumptions.
A: SW explained that reserves continued to be actively monitored and that the Authority retained flexibility through a range of earmarked reserves. Any changes required due to unforeseen circumstances would be reported through governance processes.

MH advised that planning assumptions were based on both best and worst-case scenarios, whilst GL highlighted the uncertainty generated by national funding pressures, inflation and pay awards.

GL informed members that HMICFRS had been made aware of the financial pressures facing Staffordshire Fire and Rescue Service and the potential impact upon morale and service delivery if funding challenges were not addressed. Although FARS is delivering strong value for money, Staffordshire remained funded below the national average.

SW advised that year-end outturn had enabled the Authority to strengthen reserves through one-off income streams. A specific reserve of £1million had been established to support future governance transition arrangements when the PFCC model ceases in 2028.

iii. Statutory Accounts Unaudited including Annual Governance Statement

SW advised that the unaudited Statement of Accounts had been completed and published by the statutory deadline of 30 June 2026. The previous year's accounts had been approved within statutory timescales and the Authority was not affected by the national local government audit backlog.

SW highlighted the favourable financial position achieved during the year and outlined key elements of the accounts. She explained that movements within the Comprehensive Income and Expenditure Statement and Balance Sheet were largely attributable to reductions in pension liabilities and asset revaluations. Pension liabilities had reduced by approximately £9million during the year. Excluding pension liabilities, the Authority held net assets of approximately £93million, including usable reserves of £17.3million.

SW advised that debt levels continued to reduce year-on-year, and that the Annual Governance Statement reflected CIPFA guidance and incorporated the positive Internal Audit Opinion. External Audit fieldwork had commenced, and it was anticipated audited accounts would be presented to the September meeting.

DH identified a minor amendment within the Annual Governance Statement where references to the Public Sector Internal Audit Standards required updating to reflect the Global Internal Audit Standards.

SW confirmed that the amendment would be incorporated into the final version.

CK noted that whilst the Committee would ideally approve the accounts prior to publication, the timing of meetings had prevented this. He confirmed that members had reviewed the accounts in advance and were satisfied to approve the unaudited accounts.

AGREED – That the unaudited Statement of Accounts and Draft Annual Governance Statement be approved.

iv. Treasury Management Report for the Year Ended 31.03.2026

SW presented the Treasury Management Outturn Report and advised that it detailed borrowing, investment activity and treasury performance during 2025.26. The Authority continued to operate within the requirements of the CIPFA Treasury Management Code and Local Government Act 2003.

SW outlined the economic environment during the year, noting inflation levels, changes in Bank of England interest rates and the Authority's strategy of utilising internal cash balances rather than undertaking additional external borrowing. External debt stood at £15.1million against a Capital Financing Requirement of £20.2million. A LOBO loan had been repaid early to avoid a significant increase in interest costs.

SW advised that the investment strategy had remained low risk and focused on security and liquidity. Average cash balances were £21.1million and investment returns exceeded benchmark rates. The Authority remained within all authorised borrowing and treasury limits.

CK noted that the Authority remained comfortably within all prudential indicators and borrowing limits.
SW highlighted the support provided by Staffordshire County Council Treasury Advisors and explained that regular review meetings provided valuable advice and assurance regarding treasury decisions.

Q: CB queried how specific Money Market Funds were selected?
A: CBr advised that investment decisions were guided by professional advice from Staffordshire County Council and aligned to the Authority's agreed low-risk investment strategy.
SW confirmed that the Authority would continue to adopt a prudent and low-risk approach.

Before concluding the Finance section, SW formally recorded her thanks to the Finance Team and in particular CBr for their support and significant contribution towards production of the accounts and associated reports.

6. Risk

i. Risk Management Update

VA presented the Risk Management Update and advised that whilst strategic risks remained broadly stable, this should not be interpreted as a reduction in risk exposure. The organisation continued to operate within an increasingly challenging environment characterised by funding uncertainty, governance reform, digital transformation and workforce pressures.
VA advised that a new strategic risk had been introduced relating to delivery of the Community Risk Management Plan (CRMP). The addition strengthened the strategic risk framework by recognising the impact that wider organisational challenges could have on the delivery of commitments to Staffordshire communities.

VA explained that greater emphasis was now being placed on deep-dive reviews of individual risks, including consideration of controls, risk targets and risk narratives. Revisions had also been made to safeguarding and environmental sustainability risks to better reflect current assurance requirements and the operating environment.

VA noted that Public Trust and Confidence was one area where risk exposure had increased due to wider governance and financial pressures. Emerging risks relating to artificial intelligence, cyber security and increasing demand associated with AI-generated Freedom Of Information and Subject Access Requests were also being monitored.

VA advised that her primary concern was the cumulative impact of multiple interconnected risks, rather than any one individual risk. Overall assurance regarding the risk position remained moderate and consistent with previous reporting periods.

Q:CK sought clarification regarding the relationship between the Community Risk Management Plan and strategic risks.
A: GL explained that the CRMP represented the organisation's overarching strategic plan and set out priorities and commitments. Strategic risks therefore reflected factors which could impede delivery of those commitments and increasingly required consideration within corporate planning.

Q: CK asked about risk ownership, risk scoring and governance arrangements?
A: VA explained that all strategic risks were reviewed at every Strategic Risk Management Board meeting. Risk owners, together with Board members, reviewed controls, narratives and scoring to determine whether risks remained relevant and appropriately assessed. New risks were introduced through a combination of horizon scanning, discussions with Principal Officers and issues identified through directorate risk registers

Q: CK questioned whether robust challenge took place during these meetings?
A: VA advised that debate and disagreement formed an important part of the process and represented a significant development from historical approaches. Significant improvements had been achieved through stronger governance, enhanced reporting arrangements and increased horizon scanning.

GL praised the work undertaken by VA and the progress made in strategic risk management over recent years. He highlighted the value of assurance obtained from both strategic and directorate-level risk reviews. MH added that the quality of strategic risk management within Staffordshire Fire and Rescue Service was amongst the strongest she had encountered. She felt significant value was created through the diversity of views and challenge brought to Strategic Risk Management Board discussions.

Q: CB referenced increasing incident numbers and sought clarification regarding the impact on strategic risks and organisational capacity?
A: GL advised that demand was increasing due to a variety of factors, including weather-related incidents and special service calls. Despite this increase, attendance standards and operational performance remained strong. However, growth in demand remained under review from both an operational and financial perspective and was one of the reasons for incorporating CRMP delivery into strategic risk arrangements.

VA confirmed that operational demand was monitored through directorate risk registers and would be escalated to Strategic Risk Management Board should strategic intervention become necessary.

7. Governance

i. Gifts and Hospitality Report for 2025.26

CBr presented the annual report covering senior officer expenses, procurement card usage and Gifts and Hospitality declarations for the year ending 31 March 2026.

CBr advised that it remained unusual for senior officers to claim expenses. Total expenses claimed amounted to £1,666, however £1,602 related to an officer secondment arrangement and these costs had subsequently been recovered. Actual expenses claimed by the senior team therefore amounted to only £64 during the year.

Members were advised that credit cards continued to be used sparingly and primarily for organisational expenditure rather than personal travel or subsistence costs. Usage remained consistent with previous years. CBr reported that an online Gifts and Hospitality Register had been launched during November 2024, replacing previous spreadsheet-based arrangements. The Gifts and Hospitality Policy had also been reviewed with the declaration threshold increasing to £50.

Five gifts had been recorded during the reporting period. These included a memorial bench donated by a firefighter's family, donated crockery for community facilities, prizes provided for Tutbury Fire Station's 60th anniversary event and a nationally awarded Blue Light Card "Pamper Hamper" presented to Abbots Bromley Fire Station, which was shared with the team.

No questions from the Committee on this report.

8. AOB

There was no other business.

The date and time of next meeting was confirmed as **30 September 2026** at 10am at Fire Headquarters, Pirehill.