

MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) FIRE & RESCUE MEETING held on Wednesday 24 July 2019

Present:

ETAP members	Officers
Bob Simpson - (BS) Chair	Glynn Dixon - SCO Chief Executive (GD)
Craig Brown (CB)	Jean Cass - SCO Governance Lead (JC)
Alan Edwards (AE)	Fire Officers
David Davies (DD)	Rob Bryant – Deputy Chief Fire Officer (RB)
Emma Christmas (EC)	David Greensmith - FARS Director of Finance (DG)
Jane Hackett (JH)	Corrina Bradley - FARS Financial Services Manager (CBR)
Jane King (JK)	
John Wheatley (JW)	Also in attendance:
Sue Finney (SF)	Alex Cannon - Staffs County Council ICT Audit Manager (AC)
Sue Westacott (SW)	Mark Stocks - Audit Partner Grant Thornton (MS)
Tony Wilmot (TW)	

1. Declaration of interests and apologies.

Declarations of Interest - No Declarations of Interest were received.

Apologies

ETAP member Alan McEntire (AM), Claire Cowley (CC), Victoria Farrar SCO Head of Governance and Assurance and Becci Bryant Chief Fire Officer (BB).

Minutes & actions of the meeting held on the 29 May 2019

Minutes of Previous Meeting

One correction noted on page 3, third line down, initials to be AC instead of SC.

AGREED - That the minutes of the meeting held on the 29 May 2019 to be confirmed as an accurate and true record.

Actions

Updates to actions from previous meetings

No outstanding actions

2. Deputy Chair's Feedback

i. Chair of the Finance Panel - Alan Edwards (AE)

AE presented his first written report of the work of the Finance Panel on FARS matters. Key areas of discussion included the Monthly Financial Monitoring and a report from External Audit in relation to the 18/19 audit.

AE advised that the first quarter results showed a healthy position with net expenditure of £233k below the budget and the capital programme budget was largely in line with expectations. The most significant area of underspend reflects vacancies of 1.7 FTE in whole time operational staff, 14.4 FTE for support staffs and 93 FTE for on call operational staff. The cash position is in line with expectations.

AE advised that the Finance Panel also discussed the implications of the Age Discrimination Pension case.

Q: BS, I know you are reviewing the hours required for on-call officers. How's this going?

A: RB, we are currently looking at all aspects for all on-call operational staff and have made some early changes following the review. For example, the minimum hours have been reduced from 50 to 30/40 hours per week and we will monitoring how the results of this change.

ii. Deputy Chair of Thematic Reviews - David Davies (DD)

DD first written report on Thematic Reviews for FARS and as yet started we haven't started any topics. The first area to review will be the Fire Protect Programme and this will be led by AM.

RB offered to send DD a copy of the Fire Protect Programme

BS offered RB an invitation to offer areas of any subjects that they feel would benefit from a review.

ACTION: RB to forward a copy of the Fire Protect Programme to ETAP members

3. Final Statutory Accounts - David Greensmith

DG presented this first set of accounts since the changes in governance since 1 August 2108. The independence statement, the audit opinions be includes in the financial account once signed off by the External Auditors

The external audit has been completed within the agreed timescales and the draft copy was presented on time for the public 30 day consultation.

DG advised that the accounts represented today are the audited statements and will be ready shortly for publication. There are some adjustments included in the External recommendations. An adjustment of £18m has been made to reflect the McCloud adjustment, this reflect an increase in liability

Q: SF what is the requirement of ETAP members are on the accounts?

A: DG, the arrangements for the sign off are the same as for the Force, ETAP needs to recommend the accounts for sign off.

Q: CB, on page 54, there was spike in the figures between years, are you anticipating this in the next financial year and is this just for redundancies?

A: DG, Yes, these figures are for staff who have exited the organization through voluntary redundancies. There will be some more voluntary redundancies during the current financial year.

Q: JK, What is the scope and the scale of the McCloud pension case?

Q: DG at a National scale, the amount is up to £4b per year of additional liability. Part of the complexity is around the numbers and remedies with the figures being expected to be firmed up over the next two years.

AGREED: ETAP members agreed their approval for the sign off of the Fire Statement of Accounts for the year ending 31 March 2019

4. Internal Auditors - Staffs County Council

AC presented the first progress report for 2019/20; since this report has been circulated there have been a number of updates:-

Collaboration Review, a meeting was held on the 14th June, between Police and Fire both internal audit teams, at which the scope and the objective were agreed. The start date on site for this review is the 9 September.

The Finance Ledger review starts on the 17 February 2020 and the Review of Payroll starts on site on the 21 January 2020.

The Insurance field work is now complete and in for review. The final report should be presented at the next ETAP meeting in October.

AC advised that for the two reviews in IT, he is currently liaising with Fire to arrange a start date.

The Data Analytics and Fraud Initiative piece of work, an initial meeting has been held and as start date is due to be confirmed error.

Recommendations - 134 have now been implemented over the auditor's 3 year appointment. At the time of writing the report, 15 of these were yet to be implemented and 5 were past their due date.

Q: DD, have you agreed a date for the Blue Light Collaboration Fleet Workshop been held yet?

A: SC, no we do not have a date yet.

DG noted that the Force are starting their work in this area, so he can also chase for date?

Q: SF, on page 6, do you know the amount of the large sum made but not recorded properly?

A: AC, I don't have the figure to hand.

CBR added it will be in the lump sums are in the region of £100k-£150k and DG gave the Panel assurance that this adjustment has now been properly recorded.

BS thanked AC for this progress update

5. External Auditor - Grant Thornton

MS presented the highlights of the report

The accounts were of a high quality and they will be in a position to offer an unqualified opinion on the accounts.

Completion of the audit and subject to sign off of the accounts the accounts are now complete.

Value for Money position, in terms of finance, happy with MTFS and the liabilities are not excessive and there are some significant savings to be made. We have looked at the Governance arrangements and are happy to issue an unqualified position on the Value for Money Statement as well.

BS, commented that on page 9, the life expectancy age of 45/65 quote low.

ACTION: MS to provide an explanation for this life expectancy age

BS thanked

6. AOB

Q: AE, asked RB if he would like to comment on the current inspection by the HMICFRS

A: RB, the inspection work started this week and from the feedback so far, it's been what we expected. We were part of the pilot work last year and therefore we had a good understanding of the way they would approach the service. We will get a debrief next week and then the report will follow over the next few months.

Q: AE, does the inspection include Governance?

A: RB, Governance is not included in the inspection scope this time

Q: DD, what areas are included in the inspection?

A: RB, they will be looking into three areas including effectiveness, efficiency and people and they are speaking to a range of personnel around the service.

DG added, in addition they will be looking at how we are preparing for the future, including possible scenarios for cuts and the arrangements for collaboration with the Force.

Q: SF, what was the feedback from the pilot?

A: RB, there were approx. five areas for improvements, this was not in a formal report as it was more about the inspectorate developing their inspection methodology. Areas for improvements included improving the diversity within the workforce, Risk Inspection programmes,

arrangements for the Protect Programme and Performance Managements. These areas were included in an action plan, some of these areas have been delivery and other areas are still work in progress.

Date and time of next meeting Wednesday 23 October at 14.00

DRAFT