

**MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) FIRE & RESCUE MEETING held on Monday 27 September 2021  
(Virtual meeting held on MS Teams due to Covid19)**

**Present:**

<b>ETAP members</b>	<b>Officers</b>
Alan Edwards (AE)	Jean Cass - SCO Governance Lead (JC)
Bob Simpson (BS) Chair	<b>Fire Officers</b>
Craig Brown (CB)	Becci Bryant - Chief Fire Officer (BB)
Jane Barr (JB)	David Greensmith - FARS Director of Finance (DG)
Jane King (JK)	Corrina Bradley - FARS Deputy Chief Finance Officer (CBR)
John Wheatley (JW)	<b>Also in attendance:</b>
Emma Christmas (EC)	Mark Stocks - Partner Grant Thornton (MS)
Sue Westacott (SW)	Sarah Jassal - Audit Manager (SJ)
	Angela Ward - Senior Audit Manager RSM (AW)
Also in attendance as observers, Ben Thompson, Martyn Rochelle and Terry Stock (Proposed new ETAP members awaiting acceptance to the panel)	
<b>SCO - Staffordshire Commissioner's Office</b>	
<b>Force - Staffordshire Police Force</b>	
<b>FARS - Staffordshire Fire and Rescue Service</b>	

BS advised that meeting that there is private meeting of members with the external auditors following the meeting today.

**1. Declaration of interests and apologies.**

Declarations of Interest: - no declarations of interest were received.

Apologies: Sue Finney - ETAP member (SF), Glynn Dixon - SCO Chief Executive (GD), Victoria Farrar - SCO Head of Governance and Assurance (VF).

Minutes & actions of the meeting held on the 23 June 2021.

Minutes of Previous Meeting

**AGREED** - That the minutes of the meeting held on the 23 June 2021 to be confirmed as an accurate and true record.

**Actions**

Updates to actions from previous meetings

- Item 1 Penetration testing – CBR, the testing has now been completed and a report has been received which includes a number of recommendations – complete

Members asked for updates against the recommendations to be included in the Governance Highlight report and for a copy of the penetration testing report to be posted on Huddle.

**ACTION: CBR to supply of copy of the Penetration findings report for member on Huddle**

- Item 2 - JK to meet with FARS to pull together on action plan for the first Grenfell report - complete updated covered under item 2 (ii)
- Item 3 - to look at adding appropriate narrative to the Statutory Accounts.

DG advised that the narrative for this year's account has been revisited and does contain more information. DG added that that the narrative will be revisited at again next year from both the Commissioner and Chief Fire Officer - complete

BS reminded the meeting that a White Paper is to be issued next year on the future Governance arrangements of Fire Service which may have also have to be considered when preparing the narrative on next years accounts

## **2. Deputy Chair's Feedback**

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

AE presented a summary of the reports presented to the last Finance Panel meeting in September.

#### **Monthly Financial Monitoring**

The total revenue spend at the end of period 4 was £14.6m which was £0.4m favourable against the budget. Non-pay costs remain slightly favourable being 3.7% below budget.

The Panel have expressed their concerns on the delay in finances not being spent on the Capital Projects and noted that only £147k has so far been spent against £6m Capital Budget.

#### **Annual report and accounts**

The Panel received a verbal update on the position of the annual audit. The majority of work on the audit has been completed and that there are no significant issues identified or reinstatements required. The main item outstanding issue relates to the audit of the Staffordshire County Council Pension fund by EY. This is due to be completed prior to the next ETAP on the 27 October.

#### **PSAA reporting**

The Panel discussed the approach towards the current PSAA consultation on the tender of external audit. The Panel confirmed their support for a single auditor approach for both the fire and police accounts.

BS thanked AE for his update.

### **ii. Deputy Chair of Thematic Reviews – Jane King (JK)**

JK advised on the following updates:-

### **Covid**

JK advised meetings have been held across all three organisations and the team are producing reports for all organisations, which includes how each have coped with the challenges of Covid.

### **Grenfell Review report update**

ETAP members are reviewing FARS's response to the Grenfell Phase1 Report. Two members are working with FARS and are meeting this week to start their work.

### **Ethics and Review Panel meetings**

Members have developed a 'prioritisation matrix', led by CB, which will provide a rigorous and transparent method of selecting future areas of review.

BB, commented that ETAP could consider the outcome of the Manchester Arena inquiry report which focused on both the Fire and Police services.

BS, the matrix is going to help the panel consider future areas for review and thanked to BB for her suggestion of a review area of the Manchester Arena inquiry.

A copy of all ETAP thematic reviews published to date can be found on the SCO website <https://staffordshire-pfcc.gov.uk/transparency/etap>

BS thanked JK for her update

## **3. Police, Fire and Crime Panel (PFCP) (verbal feedback)**

EC advised at the PFCP meetings on the 21 June, the panel supported the appointment of the Deputy Crime Commissioner, Helen Fisher and appointment Emma Barnett as the temporary Staffordshire Chief Constable.

At the PFCP meeting on the 24 September, the panel considered the recruitment of new chief constable and the chief fire officer, the development of the Commissioner's Police and Crime plan and new Governance Structure for SNPS.

The next meeting the panel is the 12 October, at this meeting the panel will look to confirm the choices of new officers and the development of the Commissioner's plan.

BS thanked EC for her update.

## **4. Staffordshire Fire and Rescue Final Statement of Accounts 2020/21**

DG and CBR presented the audited statement of accounts to the panel; this is third set of accounts since the governance changes in 1 August 2018 to the creation of the Staffordshire Commissioner Fire Authority.

The independent findings report by the External Auditors will be inserted into the accounts and is covered with item 6 of today's agenda.

The draft statement of accounts were signed off by DG, as Chief Finance Officer in line with the statutory requirements at the start of June. This was prior to the external audit which was in line with the agreed timescale.

The accounts are now close to being at a final stage for sign off.

Since the draft stage of accounts, the changes to the accounts include:-

- One significant adjustment to the accounts, audit findings page 23, this relates £2.6m to the business rates and council tax position. This was information was not available on the time of the completion of the draft accounts;
- A number of audit disclosures;
- Amendments to the audit narratives.

The letter of the representative from EY has not yet been received the LGPS EY Pension Assurance Letter, this is expected on the 26 October 2021 following a meeting at Staffordshire County Council.

DG, also mentioned the additional amount of work that the auditors carried out relating to the Value for Money (VFM) statement. This statement will not be issued until around December.

DG advised that, following a recent notification from the H&S Executive, there will be an additional contingency liability note inserted into the accounts before the accounts are published. DG advised that he will be sharing the details of the note with the Commissioner and the Chair and Deputy of ETAP.

BS advised members that the Finance Panel have previously analysed the final accounts at their meeting on the 15 September.

### **Q&A session**

Q: SW, has the extra work for the VFM statement by GT been costed?

A: DG, this will be covered in Item 6 by MS.

Q: AE, the H&S liability note, have you previously made the Panel aware of this?

A: DG, this is something that happened in the past but only recently materialised, a contingency liability note will be needed in the accounts. This is being worked through with the Commissioner and will be shared with BS and AE.

AGREED: ETAP, subject to the pension letter and disclosure notice being satisfactory, members agreed their approval for the sign off of the Fire Statement of Accounts for the year ending 31 March 2021
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BS thanked DG and CBR for the statement of accounts for the period ending 31 March 2021.

## **5. Internal Audit – presented by Angela Ward**

- i. Progress report

AW presented the progress paper the 20.21 internal audit plan

The Contingency work report has been submitted for comment and draft IT report is soon to be available, once finalised these reports will be available for the ETAP meeting in October.

AW advised that there will be a couple of changes to timings in the plan; the Governance review will be available for the February ETAP meeting and the Training and Development work will starting in February 2022.

Q: CB, on page 6 of the report there is included a reference to an agile or flexible approach to working, is this a new approach to working?

A: AW, the RSM team have always worked in an agile and flexible way, one example of our flexible work is demonstrated by our ability to move the training and development work to a new start date in February 2022.

BS thanked AW for her update.

## **6. External Audit**

MS presented GT's audit findings report following their external audit of the statutory accounts for the period ending 2020/21.

MS advised that this year's accounts were another strong set of accounts. There was one adjustment made, since the draft accounts and this was expected due to the MDR. This was around the clarification of the position rather than for any errors in the accounts.

Value for Money – a substantial amount of work has been completed in this area.

Fees on page 25 – have increased this year due to GT's VFM work and the changes in the accounting standards.

MS, advised that they cannot issue their opinion at the moment due to pension letter being outstanding from EY Auditors. This is expected towards the end of October 2021.

BB, commented that the team have done a fantastic job on the accounts and appreciated that there is disappointment that the accounts are not getting signed off this month due to the lateness of the pension letter.

Q: CB, the valuation of land and buildings are defined as a 'significant risk area', why is the case?

A: MS, an area 'significant' risk is defined as anything that could materially impact on the financial statements and that requires a significant level of management input. For example payroll is not a significant risk area there is not a level of judgement needed. The property valuations are subject to significant market fluctuations to reach a market value and therefore there are a lot of judgments needed in this area and a greater level risks.

BS thanked MS and his team for their work on this year's audit.

BS advised that the Panel are holding a private meeting with MS from GT, Ext Auditors following this meeting today.

## **7. AOB**

i.

As this was BBs last meeting due to her imminent retirement from Staffordshire Fire and Rescue Services, BS, thanked her for the openness in her approach to working with ETAP during the past two years and wished her well for her retirement.

BB, thanked BS for his comments and advised that she is proud of the work of ETAP and the strength of their scrutiny work.

ii. Date of the next meeting is Wednesday 27 October 2021.