



Item 1

DRAFT VERSION 02

MINUTES OF THE ETAP (FIRE & RESCUE) HELD ON FRIDAY 19 OCTOBER 2018

Present:

ETAP members	Officers
Alan Edwards (AE)	Jane Heppel - SCO Interim Director of Finance (JH)
Bob Simpson (BS)	Victoria Farrar – SCO Head of Gov. and Assurance (VF)
Emma Christmas (EC)	Jean Cass - SCO Governance Lead (JC)
Sue Finney (SF)	David Greensmith – FARS Director of Finance, Assets and Resources (DG)
Sue Westacott (SW)	Rob Barber – FARS Deputy Chief Fire Officer (RB)
Adrian Bowen (AB)	Corrina Bradley - FARS Finance Manager (CB)
Tony Wilmot (TW)	Alex Cannon – ICT Audit Manager Staffs County Council (AC)
Clare Cowley (CC)	Lorraine Noak – Manager Grant Thornton (LA)
Jane King (JK)	

Apologies: David Davies ETAP Member (DD), Glynn Dixon SCO Chief Executive (GD) and Becci Bryant FARS Chief Finance Officer (BB)

1. Inaugural meeting

BS welcomed members to the first ETAP meeting with FARS and confirmed that ETAP are the formal audit committee for the fire service.

BS thanked DG and RB for their recent presentation to members which gave an overview of their roles and the work of FARS.

2. Deputy chair's feedback Alan Edwards (AE)

AE presented his report which covered feedback from the September FARS Finance Panel meetings and a verbal update from the panel meeting this week.

AE confirmed the panel had received the IS260 report from Grant Thornton which included an unqualified opinion for both the year end accounts and the Value for Money Statements. The panel received budget monitoring reports in September and last week received the reports with a narrative as they requested. This report gave the panel assurances that the recent overspends, as a results of the major incidents, can be covered by the Reserves. More worrying ahead are the additional pension payments that are coming in 2019/20.

SF asked DG to confirm what the expected amount for the additional pension payments.

DG confirmed that figures given at the moment, the employee contribution rate for 2015 Pension Scheme, the employer rate is expected to increase to an average of 30.2% from the average rate of 17.6%. This will mean an additional contribution rate will be required from April 2019, at an anticipated cost of £1m)

3. Internal Auditors – Staffordshire County Council

i. Progress update Internal Audit Plan 2018/19

AC presented the progress report with actions completed since he last reported to the Fire and Rescue Authority Audit Committee in July 2018.

Since July, two reports have been completed:-

Community Interest Company with a **Satisfactory** opinion with 10 recommendations.

Procurement of Desirable Goods **Substantial** opinion given with no recommendations.

AC confirmed that no changes have been made to the 2018/19 Audit Plan. Off the 126 recommendations that Internal Audit are tracking covering the past three years, 19 are yet to be implemented with 8 passing their agreed action date. A full of the recommendations was included in appendices 2 of the report.

Q: AE the first recommendation that you are tracking that is overdue as an agreed action date from December 2016, could you clarify this please.

A: CB confirmed that this recommendation had a revised action date of 30 September; the details of which was given on page 16 of the report.

ETAP members noted the progress against the Internal Audit Action Plan 2018/19

ii. National Fraud Initiative Repot 2018

AC confirmed that this report is to brief ETAP on the requirements of the Cabinet Office's latest National Fraud Initiative data.

NOTED: ETAP members noted the progress against the Internal Audit Action plan 2018/19 and the National Fraud Initiative Report and BS thanked AC for reports.

4. External Auditors – Grant Thornton

i. Annual Audit letter 2017/18

LN confirmed that Grant Thornton were formally notified last week by the Public Sector Audit Appointments (PSAA) as External Auditors for FARS. For future ETAP meetings LN will bring progress reports and updates against the external audit plan.

LN presented Grant Thornton's Annual Audit letter which is a summary of their findings from the audit of accounts for the period ending 31 March 2018. This information was

drawn through from the IS260 which was presented to the Fire and Rescue Authority Audit Committee on the 27 July 2018.

LM presented an overview of their findings. Page 3 included an Executive Summary which sets out their requirements and gives the materially level which was set at £957k and how this was set.

The Annual Audit letter confirmed an unqualified financial opinion on the accounts and 'emphasis of matter' due to the abolition of the Fire Authority and the establishment of the new Authority. The letter also confirmed a positive opinion Value for Money statement and a certificate of closure for 2017/18.

Page 6 included the audit of significant risks, how these were identified and how these were addressed. They also identified four minor issues which related to IT issues.

Page 11 confirmed the audit fees of £31k for 2017/18 accounts. LA confirmed that the, PSAA have reduced the fees by 23% across the board to £23,646 for next year accounts.

Q: SF looking at the audit fees, have you ever gone over the agreed budget?

A: LA confirmed that about 3 or 4 years ago they did go over the budget but this was due to additional work.

Q: AE can you confirm the length of your appointment

A: LA confirmed that Grant Thornton were appointment by the PSAA for 3 years.

5. AOB

The meeting closed at 16.30pm

Date and time of the next meeting is Monday 10 December.