

MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) POLICE & CRIME MEETING held on Wednesday 29 May 2019

Present:

ETAP members	Officers
Bob Simpson - (BS) Chair	Glynn Dixon - SCO Chief Executive (GD)
Alan McEntire (AM)	David Greensmith – SCO Director of Finance (DG)
Craig Brown (CB)	Victoria Farrar - SCO Head of Governance & Assurance
Claire Cowley (CC)	Jean Cass - SCO Governance Lead (JC)
David Davies (DD)	Gareth Morgan - Chief Constable (GM)
Emma Christmas (EC)	John Bloomer - Force Chief Finance Officer (JBL)
Jane Hackett (JH)	Jasraj Purewal - Force Chief Accountant (JP)
Jane King (JK)	
John Wheatley (JW)	Also in attendance:
Sue Finney (SF)	Daniel Harris - RSM Senior Manager (DH)
Sue Westacott (SW)	
Tony Wilmot (TW)	

Observer

Mark Wood – RSM Auditors

1. Annual Election to ETAP posts – Chair and Deputy Chairs

VF introduced this item which was for ETAP members to elect a Chair and two Deputy Chairs for the coming year.

ETAP Chair one expression of interest from the existing chair BS

Deputy Chair Finance Panel one expression of interest from the existing Deputy chair AE

Deputy Chair Thematic Reviews one expression of interest from the existing interim Deputy Chair DD

Members agreed the election to these three posts as per their expressions of interest. No ballot was required as only one member per position had expressed an interest.

AGREED: The annual election of ETAP members to the posts of Chair, Deputy Chair Finance Panel and Deputy Chair Thematic Reviews (next election in May 2020)

2. (i) Declaration of interests and apologies.

Declarations of Interest - No Declarations of Interest were received.

Apologies ETAP member Alan Edwards (AE) , Justine Kenny Force Director of People and Resources (JK) , Deb Wilne Force Governance, Planning and Policy Manager (DW), Hassan Rohimun EY Executive Director (HR), Jason Burgess EY Audit Manager (JB) and Stephen Sweeney Chair of the Police, Fire and Crime Panel (SS)

Minutes & actions of the meeting held on the 27 March 2019

Minutes of Previous Meeting

AGREED - That the minutes of the meeting held on the 27 March 2019 to be confirmed as an accurate and true record.

Actions

Updates to actions from previous meetings

- Item 1 Query on seizure of cash amount over £10k September - carried forward
- Item 2 follow up briefing on Cash Seizures - carried forward

Both items will be actioned at the September meeting.

2. (ii) Chairs Annual Report for ETAP

BS presented his Annual Report for ETAP. The report covered the key responsibilities and achievements of the Panel over the past 12 months.

Members thanked BS for his comprehensive report.

3. Deputy Chairs feedback

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

BS covered this item on behalf of AE. The report included updates on a number of key areas covered by the Finance Panel including the monthly financial monitoring, draft annual reports, draft Annual Governance Statement (AGS), Internal Audit annual report, the Commissioner's Strategic Risk Register and updates on the Boeing contract.

BS acknowledged the assurance that the Finance Panel provides to ETAP and recorded his thanks to AE for chairing the panel over the past 12 months.

ii. Deputy Chair of Thematic Reviews - David Davies

DD confirmed that the two remaining reports have now been published and the hours spent on these reviews recorded.

DD advised that attempts have been made to start a review of Partnerships. TW raised that he has been unable to secure a date and time to meet to discuss the review. GD offered his apologies on the delays in agreeing a start date.

VF added that a meeting had taken place with the Chair at the beginning of May. The review had been delayed and the review would start in autumn.

TW asked if a start date and scope of review could now be set for this review.

ACTION: VF to set up a meeting to discuss the review with ETAP members

DD confirmed that Panel members had recently undergone thematic training and DD introduced at the training session a control documents to monitor further reviews on a monthly basis.

BS thanked DD for his work as Deputy Chair on thematics over the past 12 months.

iii. Overview of published Thematic Reports

a) FGM Report

CC introduced this report and acknowledged that there were very few reports of FGM made to Staffordshire Police. There were potentially 15 cases in 2017/18 and these were all used as the basis of this review. There were some delays in reporting matters in these cases. On two occasion the delay was due to information coming from other agencies. However, there are new arrangements in place with cases going to a specialist team to deal with.

CC confirmed that there were 5 recommendations made following the review. These included a recommendation that the the force review its current policies and a feasibly study is undertaken investigating the possibility of a shared IT system between the force, health and social services.

CC thanked members of the force for their help in the compiling this review.

b) Independent Custody Visitor Quality Assurance (ICVA) Report

JK explained that Independent Custody Volunteers, ICVs, were volunteers who checked on the wellbeing of people held in custody by the police. During 2019 the ICVA introduced a national quality assurance framework. The SCO had applied to be assessed for compliance against this framework with a range of evidence submitted electronically to the ICVA. ETAP members assessed this evidence to ensure that it demonstrated compliance with the statutory requirements.

JK confirmed that included in the review were three recommendations covering only minor points. She felt that the evidence supported the Gold standard performance.

VF confirmed that following the ICVA assessment on the 15 May, she was pleased to announce that the Staffordshire Commissioner's Office achieved the Gold Standard. Nationally, 2 schemes were awarded the Platinum award, 10 schemes received the Gold Award and in excess of approx. 60 other schemes filtered through to Silver and co-compliant.

VF added that the scheme only attained this level with the help of the force including the support of the Custody Officers.

Q: TW, what does the Commissioner's scheme need to do achieve Platinum level and how often is the assessment?

A: JK, the requirements from the ICVA are clearly laid out in their guidance documents and the SCO has taken note of these.

VF, The assessment is every two years. We now have an action plan in place which includes the feedback from the first assessment. One piece of feedback was related to a need for greater promotion of the scheme through Social media.

A full list of all published ETAP thematic reviews can be found at <https://staffordshire-pfcc.gov.uk/volunteer/ethics/#etap-thematics>

4. Police, Fire and Crime Panel

EC attended this meeting on behalf of SF and provided today's update from the meeting.

The main items on the agenda included the appointment of DG to the position of Director of Finance/Section 151 Officer for the SCO. Also on the agenda was workforce planning, custody suites, the Boeing Project and Joint CCTV network.

BS offered DG congratulations on behalf of the Panel on his appointment to his post and thanked EC for this update report.

5. Force

i. Governance Highlight Report

GM presented this report on behalf of DW.

GM talked through the report which summarised progress against Governance related matters in relation to HMICFRS, both internal and externally issues, Risk and ETAP recommendations from thematic reports.

Highlights from the report included:-

HMICFRS

The current position is that we pending a further Peel inspection under a single regime in the summer 2019. We have now been able to sign off the 2016 Peel Effectiveness Inspection following the creation of a Missing Persons Team. A number of areas remain outstanding with progress being monitored through the Peel Board and these are detailed in this report.

CC raised the issue of reporting on the progress against recommendations from ETAP Thematic Reports.

Following a discussion on the reporting of recommendations, it was agreed that there would be follow up meeting with Lead members with DW to discuss the reporting mechanisms to make progress clearer for members.

ACTION: ETAP Lead members to meet with DW to agree on the reporting of monitoring arrangements on ETAP recommendations.
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Risk Register

GM confirmed that they have been monitoring and managing a number of 4 risks and 2 issues. As result of some discussions both local and nationally, we have now moved the Emergency Services Network on to the forces Strategic Risk Register. The Force have also added the

implementation of Niche on to Register. Finance Capital has been de-escalated and is now held at a directorate level.

EC, confirmed that the outcome of her Risk Review, is positive. She confirmed that beneath the Strategic Risk Register is whole framework of risks held at different levels of hierarchy.

Q: EC, where is the force with data quality?

A: GM, data quality is directly related to Niche. We have been doing a significant amount of work around data quality and we have now transferred staff across to the data quality department to manage the back log.

Q: SW are they right of amount of people in place to manage the Niche project.

A: GM, yes I am comfortable with the implementation plan for of Niche and the number of staff in place to work on the project.

BS commented on the good monitoring of risks for both the SCO and the force.

ii. Draft Force Annual Governance Statement

GM introduced the statement.

BS confirmed that the statement has already presented for comment at the Finance Panel meeting last week.

SW confirmed that she had carried out comparison with other forces's AGS and had passed a few comments on. SW felt the document had improving significantly over the years and the fact that it had been prepared earlier gave everyone an opportunity to comment on a timely basis.

Members were asked to forward any additional comments directly to DW on this is statement.

Q: BS was aware that the Force AGS was required to be consistent with the Force Management Statement (FMS) and asked when would this statement would be available to members?

A: GM, confirmed that an Executive Summary of the statement will be available to members once this is finalised.

6. SCO

i. Governance Highlight Report

VF presented this document for members to review.

Key points included:-

Audit & Reviews

There has been 6 reviews in the last 12 months.

This included 2 National assessments:-

1. PCC Statutory CoPaCC Transparency Mark; out of 43 PCC offices, 28 were awarded the mark.
2. ICVA relation to the quality assurance framework; The SCO, nationally were within the top 12 in the country achieving the Gold standard.

Recommendation's Update

From the reviews, there has been 12 recommendations, of which 3 are currently outstanding and identified in the report.

The Risk Management item was completed last week. The staff consultation item, under Fire Governance, is expected to be completed around July and the ICVA item is expected to be completed in the autumn.

Risk Management

The Strategic Risk Register was an agenda item at Finance Panel meeting last week. The SCO have four risks that are sitting outside of the Risk Appetite these will be reviewed by DG.

3 risks are being monitored with a plan to close these over the next few months.

Governance & Assurance Operational Update

This sections includes areas of work within the Governance Team.

This includes:-

- Corporate Governance Framework for Fire (due to be refreshed by the beginning of August)
- SCO Risk Management Policy (Incorporating Police & Fire read across) this is now complete.
- Review of Force Appropriate Adults scheme against the NAAN Standards – this is to ensure that we meeting the standards.

BS thanked the VF for this new report and for confirmation of these actions are being managed and monitored.

VF confirmed that this report will be presented to ETAP twice per year.

ii. Draft SCO Annual Governance Statement V06

VF confirmed that the AGS was presented at the Finance Panel last week and comments from SW on some of research have been included in the recommendation tracker for next year's AGS.

VF confirmed that we are the statement was now ready for publication in draft on the SCO website by the end of May 2019.

Q: DD, on page 13, where the Finance Panel is quoted, it is implied that the panel and ETAP are two separate bodies.

A: VF, I will amend this point to make it clear that the Finance Panel is part of ETAP before publication.

SW offered her congratulations on this document and a good effort.

7. Force Accounts & Group Accounts

JBL presented an overview of the Group statements of Accounts.

JBL confirmed that the 2 sets of accounts had been produced and circulated prior to this meeting. These represent the two corporate soles; the force and the SCO.

Financial Context

In cash terms there has been a reduction from £200m in 2010 to £183m in 2018. Any increase in funding since 2016 onwards has come from Council Tax rises.

In terms of Government funding we have seen:

- 22.8% reduction in cash terms
- This equates to 32.1% real terms (inflation adjusted cut)

In terms of local raised taxation:

- A 23% increase from 2010/11

Overall 8.4% cash cut, equating to 19.4% in real terms

England and Wales Average is 10.4% in cash terms and 21.2% in real terms

Revenue Budget

- Overall group net revenue budget of £183.448m
- Estimated population of Staffordshire and Stoke on Trent of £1.125.5m
- £150 per person spend by Staffordshire Police
- £8 per person spend by the SCO
- £5 per person on capital financing

Funded from:

- £104.936m home office grant
- £70.090m precept (incl. freeze grants)
- £8.423m Revenue support grant

Revenue Outturn

A headline underspend of £1.204m (0.6%)

Goes into the General Fund Reserve to be held for future use and to provide additional sustainability

Change in Minimum Revenue Provision (MRP) resulting in one off saving of c. £1m

Comes after the significant use of capital receipts (£2.545m) to fund transformation costs

Underspends against staffing (c.130 vacant police staff posts)

Police Officer numbers as per MTFS 'glide path'

Overspends against IT & Estates

Additional income received vs budget

Capital Spend

Capital spend continues to be dominated by IT spend (83% of the total) predominantly driven by NICHE, server refresh and continued ESN costs.

Change in payment profile on NICHE responsible for underspend vs budget on IT capital
Significant underspend on Estates capital programme (only 51% of budget spent)

In addition to this the Commissioner's office & the Force incurred £2.567m of spend on transformation that can be funded from capital receipts under statute.

2018/19 Financial Performance Value for Money

Staffordshire is identified as one of the most 'Efficient' Forces in the Country

- Real strong track record of having the 'right people, with the right skills, in the right place at the right time'
- Strong record of allocating resource to 'front line policing'
- One of the lowest spends on 'back office'
- One of the lowest rates of sickness absence in any Force
- The lowest increase in council tax precept of any area between 2013 and 2018

BS thanked JBL for the presentation and added it was re-assuring to see that the Group had made a surplus during year and that more funds have been added to Reserves with Capital Receipts received during the year.

Q: BS, Is there a Capital Receipt programme planned for 2019/20?

A: JBL, there are currently 8 properties up for sale in this year's programme. The programme will not be able to deliver the same values as in 2018/19, now that the largest asset, the old Police Headquarters, has been sold. This year, the Transformation Programme is now funded out of the Core budget, not from Capital results.

Q: BS, the Transformation Programme was meant to replenish Reserves and make savings. Is the Transformation Programme will on track to deliver?

A: JBL, in 2019/20, there are early indications we are on track to deliver what is in MTFS. The MTFS requires us to make savings in 2019/20 of £5.5m and £0.75m in the Commissioner's office.

BS thanked JBL and his team, during the past year there has been a restructure and yet you have still delivered the accounts on time and have met the plans.

JBL thanked the wider team for the support that he had been given him. It has been an eventful year, old faces leaving and new faces joining. To deliver what we have is a real credit to the team.

Q: BS, has the Budget training being delivery to non-finance members?

A: Yes we put training in place for non-finance members.

Q: BS, how has the non-finance uniformed officers received the Budget training?

A: GM, we have had to clarify what is delegated and what is not. The training has been really useful. In the last four months of the last financial year, we have seen a much better grip and understanding of leaders who did have access to budgets in particular overtime.

Q: SW are the budgets delegated?

A: GM, Yes, budget are delegated, but within rules. We did have redefine what the budgets could be spent on.

Q: SW, Are you confident that budgets holders are receiving the information they need to manage their budgets?

A: GM, this is not complete, but we are in much improved position. There is more clarity on managing budgets but there is still more work required.

Q: SW, JBL do you or your manager meets with Budget holders?

A: JBL, rules are set through Force Strategy Board, if Budget holders want to go outside of the rules they have to go through a Corporate Governance process. Finance Business Partners are in place, and they spend 2/3 of their time with the directorates that they support.

8. Internal Auditors - RSM

DH, from RSM, presented four papers;

i. Follow up

DH confirmed that as part of the internal audit plan for 2018/19 they have carried out a follow up progress review.

This was to check on the recommends from three audits:-

- i. Procure to Pay including Credit Cards;
- ii. Accounts Receivable; and
- iii. Capital Programme and Fixed Assets

In their opinion, the force has demonstrated 'good progress' in implanting agreed management actions. There are one' medium priority action remaining and ongoing for implementation.

ii. Overtime Report

DH presented the findings from RSM's review of overtime payments. The objective of the audit was to ensure the use of overtime has taken place to maintain a specific level of service or completion of a specific service. The audit also included looking if the use of overtime had been appropriately reviewed and approved prior to payment.

This review received a 'reasonable assurance' opinion with 7 recommendations; 2 low and 5 medium.

Q: TW, from the internal audit report, do you mean that there are 176 claims relating to 2012 were submitted last year?

A: DH, No, as listed on page 10, we found a number of claims and some of these were outstanding back to 2012.

Q: JW, Do you know what the value was?

JBL the table on page 10, show a table and there are 25.50 hours that go back to 2012. The materiality level is very low. He added that the data has been cleansed and currently approx. 20% remains outstanding.

JBL confirmed that the recommendation is going forward to set a time limit on claims and therefore we would not be in the position again.

iii. Annual report 2018/19

DH confirmed that the overall, the opinions for 2018/19 are both positive as follows:-

For the Office of Police and Crime (OPCC)

The Head of Internal audit opinion 2018/19

The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal controls to ensure that this remains adequate and effective.

For the Chief Constable of Staffordshire

The Head of Internal audit opinion 2018/19

The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal controls to ensure that this remains adequate and effective.

These opinions have been reflected in the Annual Governance Statements of the Force and the SCO. DH confirmed that the AGS's both include a reflection of the findings of internal audit during the year.

BS commented that the work of RSM is reassuring to the Panel and he thanked DH and his team for their work during the year.

iv. Progress 2019/20

DH confirmed that the reviews for 2018/19 are now all complete. The timeline for reviews for 2019/20 includes 3 starting in July and one starting in August.

DH confirmed that reviews in Capital Receipts and Asset Management have been deferred until Quarter 4.

BS asked the Finance Officers to comment on how the reviews have gone in the first year of audits by RSM.

JBL thought that things have gone really well with a good working relationship with the team on site. RSM brought a greater depth of insight and challenge this year, acting as a critical friend and have been very professional in their work.

JBL added that his team has made strong progress throughout the year and would be aiming for the highest level of opinion over the next two years.

9. External Auditors - EY

Apologies had been received from both HR & JB of EY. BS, therefore asked JBL to comment on the progress of the audit.

JBL advised that he last met with HR & JB about 6 weeks ago and they confirmed that we were in a better position than the year before. JB advised that he not had any recent contact with them since.

JP confirmed that he also had no contact with them for the last two weeks, but believed that were currently working with their NHS contracts.

BS confirmed that he understood that EY were to start on the VFM side after Easter.

JBL confirmed that he did expect some contact with them after the Easter period; this could be due to resource issues or it could be that they recognise that we are in a better place that this time last year and they see us a lower risk.

Members expressed their disappointment in the absence of EY colleagues for today's meeting.

Member asked if there were any indications of time tabling or staffing issues for this year's audit. It was agreed that JBL would wrote to EY for an update on the timetable for the 2018/19 audit.

ACTION: JBL to contract EY to confirm the timetabling of the 2018/19 audit.
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10. AOB

Date and time of next meeting Wednesday 24 July at 10.30am