



**MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) POLICE & CRIME MEETING held on Wednesday 26 May 2021  
(Virtual meeting held on MS Teams due to Covid19)**

**Present:**

<b>ETAP members</b>	<b>Officers</b>
Alan Edwards (AE)	Gareth Morgan - Chief Constable (GM)
Bob Simpson (BS) Chair	John Bloomer - Force Chief Finance Officer (JBL)
Emma Christmas (EC)	Justine Kenny - Force Director of People and Resources (JKE)
Jane Barr (JB)	Deb Wilne - Force Governance, Planning & Policy Manager (DW)
Jane King (JK)	Jasraj Purewal - Force Chief Accountant (JP)
John Wheatley (JW)	Glynn Dixon - SCO Chief Executive (GD)
Sue Finney (SF)	Victoria Farrar - SCO Head of Governance and Assurance (VF)
Sue Westacott (SW)	David Greensmith - SCO Director of Finance (DG)
	Jean Cass - SCO Governance Lead (JC)
	<b>Also in attendance</b>
	Helen Henshaw - EY Associate Partner (HH)
	Daniel Harris - RSM Partner (DH) from item 6 onwards

<b>SCO - Staffordshire Commissioner's Office</b>
<b>Force - Staffordshire Police Force</b>

**1. Annual Election to the position of Chair, Deputy Chair Finance Panel and Deputy Chair Ethics & Review Panel**

VF introduced this item to address the annual election of ETAP members to the positions of Chair and two Deputy Chairs for the coming year.

Members had the option to express their interest in these positions by email between the 17 May and 24 May 2021.

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 Ethics and Review Panel one expression of interest from existing Deputy Chair JK.

VF confirmed that the existing chairs will remain in their posts for a further 12 months from the date of this meeting.

## 2. Declaration of interests, apologies, minutes and actions.

- i. Declarations of Interest: AE declared that he is joining the Audit Committee of Public Sector Audits Appointments (PSAA). AE does not believe that this is a conflict of interest but wanted to advise the meeting of his recent appointment.

BS congratulated AE on his appointment and wished him well in his new role.

Apologies: Craig Brown (CB) & Tony Wilmot (TW) ETAP members. Emma Barnett - Deputy Chief Constable (EB).

### Minutes & actions of the meeting held on the 10 February 2021

<b>AGREED</b> - That the minutes of the meeting held on the 10 February 2021, to be confirmed as an accurate and true record.
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Updates to actions from previous meetings

**Item 1** - To supply a copy of the Executive Summary of the Force Management Statement at the meeting on the 26 May 20221 - complete on today's meeting agenda item 7(ii)

**Item 2** - To consider and update on ETAP's involvement and review role of the Force's Governance Structure - complete on today's agenda meeting item 5

**Item 3** - To give a further update on the Force's Governance Structure in May 2021 - complete on today's meeting agenda item 5

**Item 4** - To contact the SCO should EB have any questions on the SNP areas of work - complete with any action to be taken by EB outside of the meeting

**Item 5** - To share an update on Staff Wellbeing at a future meeting - complete - JKE supplied members with a report on Staff Wellbeing

**Item 6** - To agree a process for ETAP members to access a sample of complaint records for the Complaint review - complete DW & JB

**Item 7** - To present the final Internal Audit Plan for 2021.22 to the next ETAP meeting in May 2021 - complete on today's meeting agenda item 9 (v).

ii. Chairs Annual Report

BS presented his Chair's Annual Report of ETAP's work. This report contained ETAP's activities over the past 12 months.

BS advised that despite Covid restrictions being in place, the Panel were able perform all of their statutory functions, publish one Thematic Review and start the new Ethics & Review Panel.

BS added his thanks to the SCO officers VF and JC for their support over the past 12 months including the use of MS Teams for virtual meetings for all members.

The meeting advised that they have no further questions on BS's report.

### **3. Deputy Chair's feedback**

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

AE's presented his report on the recent work of the ETAP Finance Panel.

AE's report included:-

- Monthly Financial Reporting - The Group outturn for the year was £211.6m. This is represented an underspend of £0.8m (0.37%) against the annual budget. The Panel have been tracking this figure all year and welcomed this year end position as it strengthens the Group's Reserves position.
- A brief update on the External Audit timetable and an early draft of the Stat Accounts - these are both on today's agenda.
- Role of the Section 151 Officer – JKE gave a summary of the meeting between the External Auditors, GM and EB. The meeting was for further discussions of the involvement of the Section 151 Officer in various forums. GM gave assurance that the Force is compliant and this will also be discussed further under item 10. There is also further guidance on the Force's Governance on today's agenda under item 5.
- SCO and Force draft Annual Governance Statements. The Panel felt that there was very little data in relation to environmental and sustainability issues. The Panel felt these were areas to work on for next year's statement.
- SCO Risk register and verbal update on strategic risks for the Force.

AE commented that the Panel felt that they are now seeing the benefits of the ETAP Champions both on the AGS and Risk work.

BS added that one efficiencies the panel has achieved is by only holding bi-monthly meetings. This is a reflection of the improvements made in the information reporting and reliability in the financial reports from the Finance Team.

BS thanked AE for his report

#### **ii. Chair of the Thematic Review - Jane King (JK)**

JK advised that ETAP members are currently working in the following areas:-

Complaints - The main review work is now underway based on the sampling of a small number of cases at different stages in the process. Arrangements are being made for this part of the review to be carried out on-site at HQ.

Covid19 - This review includes looking at the joint working across the Force, FARS and the Commissioner's Office, particularly on staff wellbeing. The review team will be having conversations in early June and will have concluded the review by the time of the next ETAP meeting planned in July.

JK advised that four chairs from the SNP's are joining ETAP members after this meeting as observers of a presentation from Insp. Robson on the Neighbourhood Tasking Teams. (NTT)

Election Task and Finish Group - JB has now completed her report on the Election and Task Group. JB advised that she found that the group was very well organised with each member having their own tasks to complete and report progress back at their meetings.

JK, advised that as a Panel ETAP have been well assured by Jane's report that the Election process was well managed and handled appropriately.

The recording of the Election is available on the Staffordshire Commissioner's website. <https://staffordshire-pfcc.gov.uk/new-staffordshire-commissioner-takes-oath-to-both-emergency-services/>

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 & JB for their updates.

#### **4. Police, Fire and Crime Panel - (PFCP)**

No meetings have been held of the PFCP since the previous ETAP meeting.

The date of the next PFCP meeting is on the 21 June 2021.

#### **5. Force Governance Structure**

Presentation by Justine on the Force Governance Structure

JKE advised that leading on from discussions with EB at the previous ETAP meeting, a copy of the Governance Structure and summary documents have been supplied for this meeting.

JKE presented these documents and asked members if they had any further questions.

Q: SF, are minutes taken in all of the meetings mentioned in the structure and can you confirm where decisions are cascaded down?

A: JKE, minutes are taken for example and cascaded as required, for example the minutes taken at the IT and Digital Policing Board, are feed up to the Strategic, Planning and Change Board. The minutes from Strategic Governance Board (SGB) are cascaded to everyone attending the meetings.

GD advised minutes of SGB minutes are not published but all key decisions from the SGB meetings are published on the SCO website.

JKE also mentioned about the nature of Force Exec which is held for direction setting. This has been the subject of a number of questions and discussed at depth during the ETAP Finance Panel meetings.

Q: SW, are minutes taken at the Force Exec meetings?

A: JKE, no minutes are taken at the Force Exec meetings but an action log is produced.

Q: SW, alterations have been made to the decision network, how these get reflected in the decision making process, do you need to make any future changes?

A: JKE, yes sometimes, but this constantly under review and has evolved over time.

Q: EC, thank you for this helpful diagram and this is an excellent start. How do keep key staff informed as to where to take their issues?

JKE added her thanks to DW for pulling the diagram together.

A: JKE, there are some improvements that we could make, we do make staff aware of this structure in the intranet and this is discussed during their directorate meetings. It also features on the agenda for the new sergeant training.

Q: SF, why are these no minutes taken at the Force Executive meetings?

A: JKE, there are an action logs and action plans made at the Force Executive Meeting.

GM added the Force does not to make any decisions outside of the structure as presented today. GM confirmed that it's not appropriate to have minutes of the Force Executive Meetings are more like Team meetings.

BS thanked JKE for this presentation and update. BS commented that the structure was a great improvement since he became an ETAP member.

## **6. Statutory Accounts**

DG introduced the Group Statutory Accounts for the year ending 31 March 2021.

DG advised that he was very pleased to present the draft accounts to the Panel today before the end of May. He also paid thanks to JBL and the Finance Team for their hard work producing the accounts ready for the external audit by EY.

DG, highlighted the key factors contributing to the significant improving position across the Group:-

- The cash position, page 33 of the Group Accounts, shows the closing cash position is up £11m in the year to a closing position of £21.3m.
- The Earmarked Reserves have improved significantly to £20.4m as shown on page 51 of the accounts.
- The Capital Financing requirements, (Gross Debt position) show on page 64, this was held at £76.5m as at the end of the year. This was slightly down on last year but this despite the £11.3m of Capital investments made during the year.

DG also advised that there has been an increase in the Pension Liability on the Group Balance sheet during the year.

JBL presented the Group and Force, highlighting a number of key areas.

JBL advised that the collection fund figures are still outstanding from the local authorities together with the final pension's figures on the actuaries' fund.

### **Q&A session**

Q: SF, looking at the Capital slippage in the program, what is a normal year like? How do items get into the Capital programme and how is the outturn in the programme reported?

A: JBL, Capital spend is included in the monthly Finance reports. Delivery this year has been slightly better than in the previous year. Capital plans are brought to the table as part of the MTFS programme.

Q: SF, where are the details shared on a Scheme by Scheme process on an outturn basis?

A: JKE, this is reported to the Modern Policing Board and this detail can be shared at the Finance Panel.

SF, added that it is particular important, where investment in Capital spend is expected to delivery Revenue savings and it would be useful to know that this area is monitored.

GM, yes these areas monitored and reports can be provided as you request.

Q: BS, the accounts are very complicated, is there any moves to make these simpler for members of the public to read and understand

A: JBL, these statements are difficult to understand, even for the qualified and experienced officers. JP has lead on putting together is a summary. CIPFA are leading on a revised document which is half its size and this would be very much appreciated for greater public transparency.

Q: JW, last year there were issues with the accounts, have we got any lessons learnt from last year when the accounts are presented to the auditors

A: JBL, yes lessons have been learnt from last year and we are challenging on the pension statements this year. More time has been allowed this year for the checking of the statements prior to these presentation to the external audit. Property values were an issue last year and therefore this year's steps have been taken to assist this including the revaluation of the whole of headquarter site.

BS thanked the DG, JBL and the Finance Team for delivery of a quality sets of accounts to the Panel in a prompt time before the end of May.

**ACTION:** JKE to share the capital monitoring process on a scheme by scheme basis to a future Finance Panel meeting.

## 7.

### i. Force Management Statement

DW presented a summary of the Force Management Statement.

In 2020 there was no formal process for the submission of the statement. The Force have continued pulling together the statement to include the effects of Covid.

This summary statement was forwarded to HMICFRS last week and is now available in the public domain.

Q: AE, this summary is really interesting read and gives a real insight into the challenges in Staffordshire Police. Looking at the Risk section, are there any areas where you have seen a reduction in risk?

A: DW, the knowledge and information management has increased for all forces due to the requirement to produce information at a real faster rate on a daily and weekly basis.

GM, the Force Management Statements are easier to read than the accounts. The risk scores are aggregation score. The Force is not yet able to mobilise the data as quick as it is liked and there is a plan to mitigate this risk, GM advises that he hopes that this will be an improving position going forward.

Q: JK, look at the increases in Cyber Crime mentioned in the Management Statement, does this involve collaboration with other forces.

A: GM, crime has changed throughout Covid. The Force's initial assessment is that it does have the skills to deal with these changes and increasingly uses of both regional and national structures for assistance. The Force is more of signposting structure in this developing area of activity.

Q: BS, looking at the statement, is the Force getting any benefits from this and you expecting to see re-inspections?

A: GM, the level of inspections are not reducing but it has given the Force agreed data in a single place and it has reduced the amount of time revisiting areas of data.

### ii. Annual Governance Statement (AGS)

DW presented the Force Annual Governance Statement, similarly to the Force Management Statement, this document also sets the scene from across the Force including the effects of Covid. The AGS has been produced to the same formation of last year.

SW advised that she did have comments to add on the AGS and asked if the Force could make more of an acknowledgement of staff in the AGS? She also asked if the support that staff received during Covid was ongoing.

JKE commented that there is a Wellbeing Group meeting and the support to staff is ongoing.

BS asked that if members had any comments on the AGS that they send to either SW or JB.

## 8. SCO Draft AGS V05

VF advised that this version of the AGS, draft V05, was also presented to the Finance Panel at their meeting last week

This draft statement is still awaiting comments from DG, the Annual Internal Audit opinion, and also recommendations made at the Finance Panel meeting relating to the sustainability agenda, (Section C of the statement)

BS asked if any non-Finance members had any comments relating to the statement.

BS thanked VF for this statement which has improved and developed over the years.

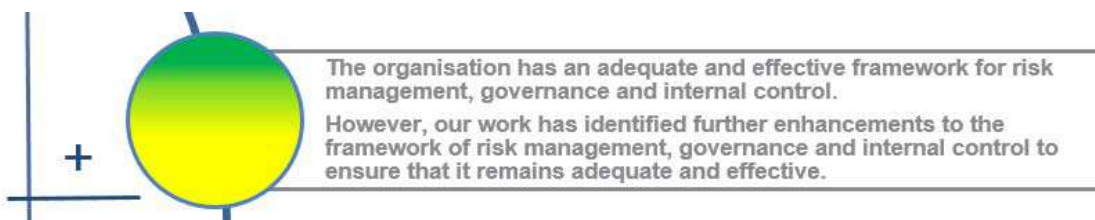
## 9. Internal Auditors

DH Introduced the three papers, which were the remaining reports from 2020.21 Audit Plan and covered the findings from recent audits; Payroll, Boeing Contract Making and Management Action Tracking, all three reports received very positive opinions.

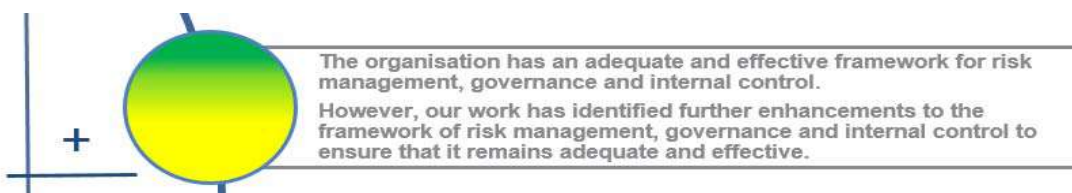
BS commented that he pleased to the results from the Payroll report and the controls that were in place.

(iv). Annual Report 2020.21 is the summary of all the above papers.

For the 12 months ended 31 March 2021, the head of internal audit opinion for Staffordshire Police, Fire and Crime Commissioner of Staffordshire (SPFCC) is as follows:



For the 12 months ended 31 March 2021, the head of internal audit opinion for the Chief Constable of Staffordshire is as follows:



DH advised that they have issued no partial (negative) assurance opinions in 2020/2021.



DH flagged that the organisation should consider the outcome from our advisory review around Asset Management and whether the key themes highlighted from our review should be considered when completing their annual governance statements, together with any actions already taken and action planned by management to address the actions agreed.

(v). Internal Audit Plan 2021.22

DH advised that members have seen the report at the last ETAP meeting. The only changes that had been made were in relation to timings.

Members commented that looking at the plan for 2021.22, this includes a review of expenses, is this a good use of internal audit time?

JBL added that there was no issues with expenses, the expenses review is part of the payroll function, it was felt that it was a good time to look in this area.

DH comment, we haven't looked at expenses and that this area had not received any coverage in previous years.

GM advised that he did not expect the audit of expenses in the audit plan, he don't think that this area was a priority to review.

DH, advised that he review the plan further and the inclusion of the expenses with JBL and DG.

BS thanked DH and his team for these reports.

## **10. External Audit**

HH presented the plan for the External Audit planning report for year ending 31 March 2021.

HH confirmed that regarding the Force Governance arrangements, she has had discussions with GM, EB and members of the SCO and she will be considering arrangements in place for 2021.

HH, advised that the timetable for the audit had now changed. It was reported in the plan that the external audit was going to commence in June with the audit findings report due in September. However, since the production of the plan there has been unfortunately a need to delay the start of the audit. It is anticipated that this will be until the end of September.

HH explained that their audit work needs to be prioritised, taking into account the amount of public sector audits opinions that are still outstanding from 2019.20.

BS advised that it was disappointing to see a delay in the audit and that the sign off of the accounts would may not now meet the deadline for the submission of accounts. This delay also has an impact on the staff in the Force's Finance Teams.

GD advised that he is involved with ongoing conversations with JBL and DG.

Q: GD, is this an EY situation or can we expect to see a similar response from other firms. The timeline for the audit has been changed at very short notice, was there any conversations

with the Public Sector Audit Appointments (PSAA) and is this something that is a reflection of EY issue or the board environment?

A: HH cannot comment about the work other firms. The general situation regarding the delays of opinions and the difficulties of the level of resources may not specific to EY. EY has given prioritisation to completing outstanding 2019.20 audits.

Q: GD, as EY is contracted by the PSAA, have they expressed any views or opinions on these issues?

A: HH, PSAA do not dictate the timelines but are involved with conversations in the market place.

DG, this is a very disappointing result and we are going to miss the statutory deadline of the 30 September. If there are going to be a further delays, it is the bigger problem which gives me greater concerns.

BS advised that at this stage, ETAP members would not be approving External Audit plan for 2021.22. This will need to present again at the next ETAP meeting.

Q: BS, have EY picked up any lessons learnt from the audit?

A: HH, advised that there needs to be sufficient time for review of the financial statements before the audit takes place.

Q: AE, fee arrangements page on the report, for there is no inclusion of additional risk factors of £46K, have these discussions been concluded?

A: HH, advised that the results have not been included in the report, discussion are ongoing and that is why these have not been included in the report and shared at this point.

Q: AE, to what extent has EY worked on the development of Value for Money plans including the ability to compare and contract with other organisations?

A: HH, this is something that will be developed rather than being an outcome from year 1. This year's information will be spread out and will come out in a much retracted plan.

<b>ACTION:</b> BS & AE will continue conversations regarding the External Audit with DG, JBL and HH outside of today's meeting.
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## 11.AOB

i. GM asked for his thanks to recorded to colleagues on ETAP :-

*I am proud of the work undertaken by the force across the range of issues scrutinised by ETAP and I am confident that the force will continue to improve and consolidate the improvements made. On a personal note I have always enjoyed the ETAP sessions and will be encouraging the force to continue to engage positively and at a senior level. Best wishes.*

- ii. BS, on behalf of ETAP members wished GM well for the future following his retirement from the Force on the 4 June. BS thanked GM for his support and attendance at ETAP meetings.
  
- iii. The date and time of the next meeting is on Wednesday 29 September 2021 -10.30. It is anticipated following the announcement of a late audit by HH at EY, this meeting will be cancelled.

DRAFT