



**ethics, transparency
& audit panel**
Building public trust in policing and fire and rescue



Draft V02

Item 1

MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) FIRE & RESCUE MEETING held on Wednesday 19 June 2024
Location: Conference Room 1, Staffordshire Fire and Rescue, Pirehill, Stone, Staffordshire ST15 0BS.

Present:

ETAP members	Officers
Bob Simpson (BS) Chair	Rob Barber - Chief Fire Officer (RB)
Craig Brown (CB)	David Greensmith - FARS Director of Finance (DG)
Chris Key (CK)	Corrina Bradley - FARS Assistant Director of Finance (CBr)
Emma Christmas (EC)	Louise Clayton - SCO Chief Executive (LC)
Jane King (JK)	Victoria Jones - SCO Director of Governance & Assurance (VJ)
John Wheatley (JW)	Jean Cass - SCO Governance Manager (JC) on Teams
Louisa Harrison (LH)	
	External Officers in attendance
Sue Westacott (SW)	Paul Grady - Azets Auditors (PG) on Teams
	Angela Ward - Associate Director (AW)
SCO - Staffordshire Commissioner's Office	
Force - Staffordshire Police Force	
FARS - Staffordshire Fire and Rescue Services	

There are no members of the public in attendance today.

Prior to the meeting today, ETAP members held their pre-meeting 13.00 – 14.00. This included a private meeting with the RSM Internal Auditors.

BS, on behalf of ETAP, gave his congratulations to RB who will receive the King's Fire Service Medal for distinguished service to the fire and rescue sector.

1. Declaration of interests, apologies, minutes and actions.

Declarations of Interest: None

Apologies: ETAP members, Gurpreet Singh (GS), Bryon Preece (BP), Chris Gill (CG), Paul Atkins (PA), Dan Harris Partner RSM Auditors (DH) Azola Dudula Azets Auditors (AD)

Minutes & Actions of the meeting on the 27 February 2024

Action 1 – RB to feedback to the Panel on the results of the Hive Survey.

RB advised that the Hive Report has now been delivered to the organisation and a copy is available for ETAP members if required. Hive is an online reporting tool and the service is slowly introducing new functions with two added recently on communications and staff recognition for colleagues. A further survey will be carried out towards the end of the year and this will focus on colleague's health and wellbeing.

AGREED - That the minutes of the meeting held on the 27 February 2024, are confirmed as an accurate and true record.

2. Questions from the Public

No questions have been received from members of the public.

3. Update from Chief Fire Officer

RB key highlights included: -

The HMICFRS inspection process ran for 10 weeks and started on the 26 February 2024. The inspection included a review of documents and data, key lines of inquiry, a number of desktop interviews and station visits that concluded on the 6 May.

RB advised that in the self-assessment submission, he highlighted two issues of concern. These were around the fragility of the service and included retention of staff and E&D inclusion.

From the hot debrief, the feedback was 95% positive following the inspectors first look of the service but this could change. The full report will be available next week.

In addition the 'Fall' responses and Home to Hospital scheme has been extended and is fully funded with a slight surplus which is reinvested into the Team and equipment.

The service's Community Engagement is going from strength to strength, with two open days at Rugeley and Lichfield. Attendance has been very good with over £11k raised for the Fire Fighter's fund.

Q: SW, when will the Grenfell 2 Report be available?

A: RB, this will be available in September and this will be based on the condition and quality of the building itself.

Q: CB, following the fire at the premises in Cannock, is the service seeing more intense fires?

A: RB, the service has had two major significant fires in the past six weeks with ongoing investigations.

Q: JK, has there been any formal evaluation work for the 'Falls' and 'Home to Hospital' work.

A: RB, yes, for the Falls work, as part of the project, Chester University have written a formal evaluation report and this has been presented to the Fire Minister. An evaluation report will also be written for the 'Home to Hospital' work.

Q: JK, is there a specification for this work?

A: RB, yes, there is and this is tightly controlled by Fire Officer, Ian Reid, Area Manager in charge of Prevention and Protection work. Ian produces a performance dashboard on a monthly basis and this is also shared with the National Fire Council.

Q: BS, can you give an update on the three-person crew and has these been extended?

A: RB, the scheme has been extended to December 2024 and a feedback report has been delivered to a scrutiny meeting at Newcastle Council. There have been no near misses and there have been no safety concerns. A formal evaluation will be carried out at the end of this pilot.

Q: BS, is the White Paper still on hold?

A: RB, this is on hold, pending the General Election results and this will be on the agenda for the next elected party.

BS thanked RB for his report

4. Deputy Chair's Feedback

i. Chair of the Finance Panel – Emma Christmas (EC)

EC advised that the Finance panel met in March to discuss the service's Risk Registers. The panel also met in May and on the agenda was the Period 12 results and the draft statutory accounts which are also on today's agenda.

BS thanked EC for her update.

ii. Chair of the Ethics and Review Panel - Jane King (JK)

JK advised that CB has now taken over as Chair of the Panel.

Over the summer months, ERP will be talking to the service about any areas for future reviews. 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 updates.

iii. PFCC Election Group Report – Jane Barr (JB)

JK presented the Election Report on behalf of JB and confirmed that the findings of the report concluded that the SCO conducted an efficient and effective approach for the recent PFCC Election.

BS thanked JB for her report and update

5. Chair of ETAP Annual Report

BS presented to the meeting his annual ETAP Report for the period ending 31 March 2024. The report includes the work covered by the Panel during the past 12 months.

6. Draft Accounts

DG presented the highlights of the Statutory accounts for 2023/24 and confirmed that the accounts were published on the 31 May 2024 and therefore meeting the statutory deadline.

In terms of reported financial position within the Unaudited statement of accounts the deficit on the Provision of Service has reduced slightly to £3.1m (Page 36), and overall the balance sheet unusually has remained stable, year on year, showing a deficit of £301m which is driven by the pension deficit of £380m. Excluding our pension liability the Authority shows net assets of around £78m.

DG confirmed that the key balance sheet movements were as follows: -

Property Valuations - *11 properties underwent a full site inspection and FHP our external valuers have reviewed the sites and external valuations. This has resulted in 9 of the 11 properties having a change in external works %. The impact on the valuation is a £1.5m reduction in valuation. We are now in a position that all stations have had the external works % reviewed over the last 3 years as per the request by our previous external auditor.*

Pensions - *We have reviewed the assumptions used by the actuaries for the Firefighters' pension Schemes and LGPS and also compared the assumption to the PwC annual pension report. Overall the pension assumptions have not changed materially hence there has been only a small change in the net liability across all schemes.*

Reserves - *Overall reserves are shown within note 23. Whilst the Total reserves have remained the same at £17.5m, earmarked (Other) reserves have reduced by £0.5m to £7.1m and includes the contribution to capital programme funding of £0.9m for Vehicles and Station refurbishment. The Authority have continued to reduce earmarked reserves in line with the approved Reserves Strategy but of course continue to hold reserves based upon assessment of risk.*

Long Term Debt – *closed at £16.7m of which £15.7m are PWLB loans*

Capital Financing Requirements – *Whilst the loan position is at £16.7m the total capital financing requirement at £21.4m is shown on page 64. This represents the total debt for the Authority. In year there were capital additions of £3.8m of which £2m was funded by reserves and direct revenue funding, and a £1.3m Minimum Revenue Provision.*

DG advised that the statement of account also included the service's Annual Governance Statement which summaries the Governance Framework of systems and processes in place during the year and also incorporated the Annual Audit Opinion from the RSM.

DG advises that the Statutory Accounts are due to be signed off on the 26 September 2024.

Q: JW, any thoughts on preparing for next year's accounts?

A: CBr, this year's issues within the Finance Team were outside of their control. The service is looking at the structure of the Finance Team with a view to spreading some of the knowledge and tasks out.

Q: JW, were you offered support from the Force?

A: CBr, yes support was offered from the Force. However, as the Finance roles in Fire are different to roles in Fire it would have taken too long to train someone else to help.

Q: CB, do you see any colleagues from the Force Finance Team being able to assist?

A: CBr, the transaction role was the only thing that could be looked at the future.

DG, the Force and FARS are now both on Integra so the catalyst is now in place for shared service.

LC, added her thanks to the John Bloomer at the Force and KR for offering support to the FARS Finance. The sharing of finance services will be revisited in the future.

Q: JK, could a neighbouring Finance Team have offered any finance support?

A: RB, the fire service has seen 12 years of reductions, other teams in neighbouring services and Force's Finance Team are both in lean positions. He added that he agreed with LC to take the opportunity to review the situation for next year's accounts.

Q: CB, can you comment on FARS's Efficiency Roadshows and workshops.

A: CBr, these have been successful and there has been a good involvement with officers who have a good understanding and on Capital spends/resources. As part of the Fire Fighter's Induction session, they receive an hour on finances which includes, details of the precept funding and how much it costs the Staffordshire Fire to run.

Q: JK, is there any evidence that the smarter motorways have an effect on accidents?

A: RB, no, it's a combination of everything to do with the network and the number of road users and there is now an overcrowded network. Smart lines do have an effect on fire appliance's attending scenes of accidents.

Q: EC, looking at the audit of key financial controls due next February, could the ideas be noted from this year's accounts preparations and the use of shared financial services?

Both DG and ECr agreed that EC's comment were a good idea.

BS paid his thanks to DG, ECr and their Team on behalf of ETAP members to the office for achieving the deadline for the publication of the accounts.

7. Internal Auditors

AW presented the following reports to the Panel today

- i. Follow up Report

The opinion is reasonable progress

Taking account of the issues identified in the remainder of the report, in our opinion Staffordshire Fire and Rescue Services has demonstrated reasonable progress in implementing agreed management actions.

AW advised that the report identified 6 out of the seven (86%) of management actions reviewed have been fully implanted (five) or superseded (one). The remaining action was in progress at the time of the audit.

ii. Financial Control Report

The opinion is Substantial Assurance

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

There were two priority actions identified in this audit, one low action relating to the reconciliation of control accounts and one medium priority relating to the back up of system by Capita.

CBr advised that Capita have agreed to send monthly reports to provide assurance against the medium action.

iii. Payroll Report

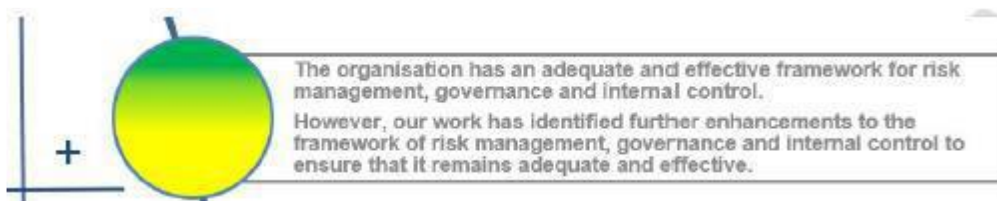
The opinion is Substantial Assurance

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There was one medium priority management action identified in this audit. This related to the administration of leavers ensuring that they are receipted and processed in a timely

iv. Annual Audit Opinion Report 2023/24,

The report includes a positive good opinion for the year.



It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.

BS commented that this result demonstrates that the service's management team are using internal audit appropriately.

DG advised that there will be an audit of driver training follow up, this will take place in March 2025.

v. Final Audit Plan 2024/25

Following the presented of the draft audit plan in February, the final plan was presented at the meeting today.

AW confirmed that the final plan included one change since the February version.

A potential joint review for estates has been taken off the plan and a new audit has been added for protection activity in August.

RB also advised the service has restructured their protection activity and this in line with National Chief Council guidance and therefore it is appropriate to have an audit in this area.

AW added that the audit of driver training will now take place in March 2025.

BS thanked AW for her updates and the final plan of audits for 2024/25

Progress Report

AW The presented the progress report to the meeting and confirm that this outlines the timings for 2024/25 audits

AW confirmed that the audit of Procurement has been completed and will be presented at the next ETAP meeting.

Q: CK, can you comment on how energy is procured, is this is shared service with the Force? How efficient is procurement with energy and fuel?

A: AW, energy was not been not looked as part of the audit.

DG added that there is full shared commercial service in place between the Force and Fire.

VJ, following questions raised by members at previous ETAP meeting, the Head of Procurement is due to present at a future ETAP meeting and will be able to answer members questions.

BS thanked AW for her update

8. External Auditors

BS, welcome PG to the meeting and asked for an update on the audit processed for the accounts. Previous delays in the finalising of the accounts were as a result of queries with the valuation of properties and pension funds.

PG advised the approach taken this year is helpful. FARS's annual spend is relatively low and material levels are low. The large value items, the properties and pension funds the emphasis is based upon these larger items in the accounts which is disproportionate to the low spends.

The audit is due to start on the 8 July and is due to be signed off at the end of September. This is subject to sign off by the pension auditors.

DG, thanked PG for confirming the start of the audit.

BS thanked PG for his update on the audit.

9. Terms of Reference for ETAP (April 2024 Review)

ETAPs Terms of Reference has been updated to include members responsibilities as contained in the CIPFA 2022: Practical Guidance for Local Authorities and Police. These are included in appendix 1 of the document. This document has also been presented to the ETAP Police Public meeting for comment. Once finalised the Terms of Reference will be available for members on Huddle.

~~10. AOB - The date and time of next meeting is on Tuesday 23 July 2024 starting at 10.30 - 12.30.~~

The date and time of the next meeting is Thursday 26 September 10.30 - 12.30