



Draft V02

Item 1 (i)

**MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) FIRE & RESCUE MEETING held on Monday 31 October 2022**  
**Conference Room 2, Block 7, Police HQ**

**Present:**

<b>ETAP members</b>	<b>Officers</b>
Bob Simpson (BS) Chair	Glynn Luznyj - Deputy Chief Fire Officer (GL)
Ben Thompson (BT)	David Greensmith - FARS Director of Finance (DG)
Chris Gill (CG)	Corrina Bradley - FARS Deputy Chief Finance Officer (CBR)
Craig Brown (CB)	Louise Clayton - SCO Chief Executive (LC)
Jane Barr (JB)	Ralph Butler - SCO Head of Policy and Strategy (RB)
Jane King (JK)	Jean Cass - SCO Governance Lead (JC)
John Wheatley (JW)	<b>Also, in attendance</b>
Sue Westacott (SW)	Angela Ward - Senior Manager, RSM Auditors (AW)
	Sarah Jassal - Public Sector Audit Manager, Grant Thornton
	Mark Stocks - Partner, Grant Thornton

**SCO - Staffordshire Commissioner's Office**

**Force - Staffordshire Police Force**

**FARS - Staffordshire Fire and Rescue Services**

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

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

ETAP members Sue Finney (SF), Martyn Rochelle (MR), Emma Christmas (EC), Rob Barber Chief Fire Officer (RB), Victoria Farrar SCO Head of Governance and Assurance (VF)

Apologies have also been received from invited guest, Bernard Peters who is chair of the Police, Fire and Crime Panel (PFCP).

Minutes & Actions from of Previous Meeting 26 July 2022.

Add Corrina Bradley - FARS Deputy Chief Finance Officer (CBR), attended the meeting on the 26 July 2022.

**AGREED** - That the minutes of the meeting held on the 26 July 2022 were confirmed, with the one amendment as above, as an accurate and true record.

**Actions**

Updates to actions from previous meetings

Item 1 – A summarised report of the ETAP Chair's Annual Report is now published on the SCO's website - complete.

Item 2 - FAR's Expenses, Gifts and Expenses, for the period ending 31 March 2022 is on today's agenda item 5 - complete.

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

### **i. Finance Panel – Emma Christmas (EC)**

EC was unable to attend today's meeting.

BS advised that finance updates are covered on the agenda today.

### **ii. Review update - Jane King (JK)**

JK presented a verbal update at the meeting today.

JK and BS have recently met with GL to discuss future areas of review work for ETAP members.

Items discussed during the meeting included: -

- Members are requested to work through the Project Plan for the recent HMICFRS Inspection to give an independent eye and their feedback to the Fire Exec Team, ETAP members BT and SF will undertake this work;
- Members will give an input on Grenfell 2, as and when published;
- A review of the FARS Capital processes has been requested to start early next year, GL is to sign off the terms of reference for this review.

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 and report.

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

EC was away on leave and therefore was unable to attend the last PFCP meeting on the 24 October.

BS advised that main item on the agenda was the Medium-Term Finance Strategy updates (MTFS) for both Police and Fire. The panel were very complimentary on the work undertaken for both reports. They raised no issues during the meeting and the only concerns were impact of matters of uncertainty covering inflation, supply and pay rises.

CG will attend future PFCP meeting as the observer for ETAP.

## **4. Fire, Gifts credit cards, Gifts and hospitality report**

CBR presented this report for the first time to the Panel on FARS gifts and expenditure items.

In the period, there were not a significant amount of transactions to review. The Director of Prevention and Protect, did make a purchase on his credit card and the details are included in the report; this was noted as one-off purchase in exceptional circumstances.

Following the Transparency Code, all credit card spend, with no restrictions in value, are published on the FARS website. All card users are made fully aware of the requirement for publication under this code.

Gifts received under the value £10, i.e. tins of biscuits and chocolates, can be accepted by staff and do not need to be declared and recorded on the register. However, items over this value are recorded on the register and in the period reported there were 5 entries on the register in the past 12 months. One entry, an Amazon voucher was declined after the individual had sought advice from the finance department.

Q: JW, the amount spent on £1,800 Long Service Awards gift card, is there a standard amount given per award?

A: GL, there is a standard amount for everyone given as of Long Service Award.

JW asked that an error was noted on the Pivot Table, CBR confirmed that this would be corrected.

Q: SW, looking at the gym equipment purchase, what are the regulations on this level of spend?

A: CBR, the Finance Regulations allow for spends on purchases up to £5k with only one quote being required. This equipment is based at HQ and used in assessing staff fitness tests.

Q: JK, can you comment on the credit expenditure for DBS check please?

A: CBR, this was the method of payment required for a DBS check online.

Q: CB, do Senior Manager choose not to make claims their expenses?

A: CBR, for Senior Managers many items are booked in advance, however for day to day expenditure many choose not to claim.

GL added that many managers are conscientious and try and fend for themselves.

Q: CB, how are staff trained in the Gifts and Hospitality policy?

A: CBR, staff are made aware of the policy and will ask for advice if they are unsure how this applies to them. For example, as reported this time, an Amazon voucher was given as a gift but was declined as it did not meet the requirements of the policy.

JK and JB added that during the ETAP's review of Gifts and Hospitality policy, they found that the policy was well laid out and easy to follow and understand.

BS thanked CBR for her report and asked for further updates on a regular basis.

## **5. Governance Report**

GL presented the report which covered four areas: -

### **1. HMICFRS update**

2. ETAP report and recommendations
3. Grenfell Inquiry directed at London Fire
4. Strategy Risk Register

Q: SW, do you have a confidential reporting line in place?

A: GL, yes there has been a line in place for the past 12 months and Fire are also supporting the Force's Know the Line Campaign (KTL).

Q: SW, is there a criteria for the Safe and Wellbeing checks?

A: GL, there is a means test which includes a wide range of factors including details of members of household including their ages and health.

Q: SW, thinking ahead to the winter, do you think the quest for this service will grow with a larger number of vulnerable and elderly people taking risks with their energy provision.

A: GL, a campaign has started last month as FARS are aware that people are using a variety of styles for warming food and heating elements including log burners and open fires which promote a different level of risks.

Q: CB, do you think that the web-based system risk will be delivered on time at the end of 2022?

A: FARS have moved to a Cloud based system. The Infographics and investments are improving but this does come with risks and costs. I am comfortable and assured that this is being managed appropriately but there are risks associated with this work which FARS are working to mitigate.

Q: CB, do FARs have the inhouse capacity and capability to resource the data analysis and IT system work?

A: GL, these have recently been tested by West Midlands Fire control as have they have recently changed over their operating system. There are vacancies in the IT team and data analysis that FARS do need to fill.

Q: CG, can you confirm the timelines, is there an urgency to get the work done?  
Do you have any worries that work is being done rush that more time is needed for?

A: GL, ideally, FARS would like to in a position before the next inspection to have things 'done and dusted'. This will be challenging, heading into the Winter with possible industrial pressures and with such a wide range of tasks in for example the Safe and Wellbeing checks with a backlog. Board and plans are in place to address the improvements.

Q: JK, one of the areas you mention is the diversity of staff, is there any timeframe for the released of the results of the consultation of the White paper?

A: GL, there isn't a timeframe at the moment but a Fit for the Future document has been released, that will introduce flexibility into the role with different routes of entry for fire fighters.

Q: CB, is the amount of risks at a normal level on the register and comfortable are you with the risks?

A: GL, I'm never comfortable with the amount of risks and the numbers of risks haven't changed too much over the year. The risks are all relevant and many are caused by external factors which FARS has to take steps to mitigate.

Q: JW, which is the key risk that keeps you awake at night?

A: GL, the loss of staff is the main key risk.

AW, added that RSM will be carrying out a review of risks for a benchmarking exercise and will be report back to the Panel in the new year.

BS thanked GL for his report and presentation.

## **6. Audited statement of accounts 2021.22 including Annual Governance.**

DG presented the audited statements accounts for 2021.22 ahead of the deadline of the 31 November 2022.

DG confirmed that he signed off the draft statement of accounts on the 31 May 2022 and the external audit commenced on the 13 June 2022.

Following the audit, two main adjusts have been made as follows: a billing account adjustment and Pension adjustment for the investment returns £925k, these are noted on page 24 on the Grant Thornton (GT) audit findings report.

Also noted in the GT report on page 25 are the minor audit disclosures notes and amendments and two very late adjustments, these are shown as unadjusted misstatements on page 26.

The new code of audit practice in place, this has included in the audit findings of report on page 19. The code has revised the auditor's approach to Value for Money.

DG noted that Capital finance are at their at the lowest, the Reserves are stable and there has been approx. £1m of pressures despite in the year despite the difficult position

Q: CB, how do you stop inflation eroding the value of reserves?

A: DG, the use of resources is there to support FARS through difficult times, but they are not the answer to the challenges ahead and should not be relied upon.

Q: JW, could you give an implemented of the new accounts system with Police?

A: CBR, FARS are on track with integra first week in December and the timeline is working well. The Force have started their work stream and their goal is July next year.

**ACTION:** BS asked for further updates at the Finance Panel.

During the meeting it was agreed that delegation for ETAP formal sign off of the 2021/22 Annual Accounts is passed to the Chair (BS) subject to the final adjustments.

BS thanked DG and CBR for their updates.

**AGREED:** ETAP agreed that, subject to conclusion of two follow areas\* being satisfactory, members agreed their approval for the sign off of the Fire Statement of Accounts for the year ending 31 March 2022.

## 7. Internal Auditors

AW presented RSM's Progress report and three internal audit reports during the meeting.

- i. Progress report updates the panel on the currently position against the internal audit plan. AW confirmed that there are no changes to note in the 21.22 internal audit plan.
- ii. Community Safety Plan
- iii. *Assurance Opinion – Substantial Assurance*

*Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively*

- iv. Immediate Detriment Framework

*Assurance Opinion – Substantial Assurance*

*Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.*

- v. PFI Contract Management

*Assurance Opinion – Substantial Assurance*

*Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.*

Q: BS, who tracks the PFI contracts at FARS?

A: DG, both PFIS contracts are managed by a dedicated member of staff who tracks progress against the contracts.

Q: do amendments needs to be made to the PFI contract when properties are merged with the Force?

A: DG, yes changes were made to the PFI. 1 provider following the Hanley merger between FARS and Force.

Q: BS, are there any savings as a result of the merger with the Force?

A: DG, the additional SLA costs are being paid for the Force and the force are contributing towards the running costs of Hanley based upon the square metre usage.

Q: CB, is there a risk of RPIx increases on the PFIs?

A: DG, yes, this point was raised at the last PFCP meeting. This is a pressure that is being monitored and built into the MTFS.

BS thanked AW for her report and updates.

## **8. External Auditors**

MS presented the GT's Audit findings report and advised that the final sign off of the accounts will take place in the next couple of weeks. He confirmed that GT will be issuing an 'unqualified opinion on the accounts.

MS confirmed that he is currently working on two follow up queries on the accounts. \*This covers the external valuation of properties (the roads and infrastructure) and also a query on the salary increase that is outside of the scope.

Q: BS, if GT were to make changes in the valuations, what would the potential impact be on the final accounts?

A: MS, if the external properties were overstated the values would need to come down on the balance sheet. However, the useable reserves do stay the same

Q: CG, how is not spending on the Capital project is classed value for money issue?

A: MS, GT need to work to the code of practice and the measure are FARS affective at delivering their capital budget and delivering the Capital programme.

Q: JW, any learning from this year's audit?

A: MS, start time of the audit, and couple of areas taken more time, on top of pensions, changes in the team was too much.

SJ, added that GT could have been more upfront with the valuers and would plan to stick to their plan for next year.

MS confirmed that the queries signed over the next few weeks and the accounts will be signed off by the end of November.

MS confirmed that the Value for Money statement work is not yet complete and report will follow to the next ETAP meeting on the 22 February 2023.

## **9. The date and time of next meeting is the Wednesday 22 February 14.00**