



**joint audit & risk committee**

*Building trust in policing and fire and rescue*



**Minutes of the Joint Audit and Risk Committee (JARC)**

**Fire & Rescue Meeting**

**Date: 26 November 2025**

**Location: Fire HQ, Room 1**

**Present:**

<b>JARC members</b>	<b>Officers</b>
Chris Key (CK) <b>CHAIR</b>	David Greensmith - FARS Director of Finance (DG)
Bryon Preece (BP)	Corrina Bradley - FARS Assistant Director of Finance (CBr)
Craig Brown (CB)	
Emma Christmas (EC)	Louise Clayton - SCO Chief Executive (LC)
Gurpreet Singh Kallar (GS)	Sarah Wilkes – SCO Director of Finance (SW)
	Kathryn Grattage - SCO Governance Manager (KG)
	<b>External Officers in attendance</b>
	Louise Davies – Manager RSM Auditors (LD)
	Paul Grady - Azets Auditors (PG)
	Azola Dudula - Azets Auditors (PD)
<b>SCO - Staffordshire Commissioner’s Office</b>	
<b>Force - Staffordshire Police Force</b>	
<b>FARS - Staffordshire Fire and Rescue Services</b>	

No members of the public were in attendance today.

Prior to the meeting today JARC members held their pre-meeting

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

Declarations of Interest: None

Apologies: Victoria Adams – FARS, Louisa Harrison - JARC

Minutes & Actions of the meeting on the 25 September 2025

**AGREED** - That the minutes of the meeting held on the 25 September 2025, are confirmed as an accurate and true record.

**ACTION LOG** – One ongoing action from 25 September 2025. For JARC to review that the AI Policy in relation to Cyber Security has been implemented. This has been carried over to the next meeting.

## 2. Questions from members of the public

There were no questions from the public today.

## 3. Internal Auditors – RSM

### i. Progress Paper

RSM have finalised one report Rope Rescue which is to be discussed in a Closed Session after the public meeting. The Financial Controls audit is in progress and RSM expects that to be a positive report. The payroll review has been postponed until February 2026 to allow the new head of payroll to embed in the role. The Fleet management and Follow-up reports are to be completed in January 2026. RSM expects all elements to be concluded by end of the year, in line with the audit plan.

Q: GK asked when the new payroll manager started?

A: CBr confirmed this was June 2025, but there were also two new assistants who started in July. There was only one previous member of the team, a half post, so essentially this a completely new team. The new manager wanted to review the processes and to have time to get used to the service, they have already made a lot of suggestions for new ways of working and it will be good to incorporate these in the audit.

### ii. Emergency Services Benchmarking Report

LD discussed the Benchmarking report, it included information on key themes. Staffordshire FARS compares favourably with the sector, a thematic overview of the sector was also provided. The Annual Opinions for FARS are generally in line with the sector and have been positive for the last 3 years.

Q: CK, do the risk team look at the broader piece and check that this aligns with the risk register and is estates on the Risk Register for FARS?

A: DG will check that this aligns and that there are no gaps.

**ACTION 1: DG/Risk Team to check the broad risks set out in RSM's Risk Benchmarking Report align appropriately with FARS 'Risk Register'.**

Q: GS in relation to the Annual Opinions on page 11 regarding the options, there are no red and no green categories, is this reflective of the work of RSM across other Fire services?

A: LD yes, it is across the services nationally, it is very unusual to get many red or green opinions.

Q: CK are the opinions for the whole year?

A: LD yes this is overall over the year and takes into account not just individual reports, but other factors to give an overall opinion.

### iii. Emerging Risk Radar

This briefing is pulling together emerging risks nationally and may be one for FARS to cross check that their risk register is in line with emerging or national risks.

Q: CK the visuals on pages 8,9,10 are good and when looking as an overview of risks across Police and Fire this is a good starter and a strong visual. This may or may not suit the organisations, but it would be good to look across all the organisations. Do other RSM Clients use this type of report?

A: LD there are not many, but some of the more mature organisations do use this type of reporting.

**ACTION 2: FARS Risk Team to please review and consider the visual risk reporting format as shown in the RSM report as a possible format to clarify risk reporting for FARS.**

### iv. Failure to prevent fraud

This is a briefing for information on guidance which has been issued.

Q: CK are the defenses mentioned in this report adequately in place for FARS?

A: DG there are a number of policies and procedures in place to combat fraud. FARS have taken number of actions to limit the opportunity for fraud and ensure that it take all the precautions that it can, although no organisation is foolproof, the policies and procedures are in place to minimise the risks and are comfortable with what the organisation is doing.

CBR added that the Counter Fraud and Corruption policy was updated 18months ago, and it would be good to review this with the emerging risks and concerns around AI and Cyber Security, to review any gaps.

**ACTION:3 For CBr to review the Counter Fraud and Corruption Policy**

Q: CB Cyber Security is a lot about phishing attacks, so this is also a cultural piece with regards to staff. Are all computer users well versed in utilisation and supported with training?

A: DG there is a lot of proactive work done by the IT team, including ongoing training. It is important to understand that the number of phishing incidents is numerous, these are picked up by firewalls and security systems, but some things can leak through. Internal Audit regularly reviews Cyber Security and has put forward Cyber Essentials and Cyber Essentials Plus for outside organisation to review practices. No one is safe but the organisation is as proactive as it can be and is educating the workforce to recognise unusual emails. IT also sends regular reminders and test emails.

Q: CB other organisations like M&S and Jaguar have had to shut down due to issues, what are the contingency plans if something does happen? Are there plans in place for business continuity?

A: DG the IT systems are backed up and there are arrangements in place, but it would depend on the severity. If an organisation the size of M&S can be taken down for months, then if there were to be a significant attack this could take any organisation down. The protections are in place and FARS are doing everything they can in trying to keep up with the pace and making investments in this area.

CBR added that there are Business Contingency Plans in place, and the Risk Lead is very proactive regarding this and ensuring these are tested with exercises. One exercise is to have a full team

simulation across the Finance Team, so how would this be dealt with in the event of an incident, checking that the Business Contingency Plan is as good as it could be.

DG added that the Deputy Chief Fire Officer chairs a meeting that reviews all protection, not just across Cyber but also physical security, protecting information, assets and buildings. They ensure that the Business Contingency Plans all fit together and are aware that this is a growing area of risk.

Q: BP from a school's perspective, schools are encouraged to get staff not to use personal email addresses. And only use work emails to send and receive messages. Is this the same for FARS?

A: DG this is against policy at FARS and staff should always use work emails. The SCO is keen for Police and FARS IT to be more aligned and have a more strategic overview. Currently Fire and Police are not on the same network, and there is a cost related to this but it may be something that is progressed in the future.

LC added that this was a valid point and whilst recognising there would be an increased cost in relation to this if it protects the service, it could prevent future costs. It is an ongoing piece of work.

CK added that on the Risk Report it indicates that the scoring for risk has increased around Data Protection, so there are perceived weaknesses and maybe all the more reason to look at the piece of work in aligning with the police systems.

#### **4. External Auditors – AZETS**

The report ultimately becomes a public document and summarises the totality of the work for the audit year. Azets anticipate issuing a clean audit opinion and confirms the arrangements are strong.

One update is that the IS19 Pension Fund letter was received yesterday evening, and Azets will be working through this over the next few days.

In relation to Value for Money there are good arrangements in place for financial sustainability, governance and how well the money is used. The financial plans have been reviewed and a sense check of the assumptions completed, Azets are very comfortable with the assumptions and the strength of processes used; this is the same with the governance arrangements. Azets have also reflected on the change from ETAP to JARC and can see a gain in strength year on year, in terms of the arrangements in place.

The continued progression with the service and the innovations in place, which benefit FARS and the wider system, are excellent examples of how public sector bodies should be working, in terms of the benefits to the system as a whole and the taxpayers in the area.

Azets has not identified any significant weaknesses in terms of the arrangements and as such no actions or recommendations have been identified. This is partly due to not wanting to duplicate the work of the Internal Audit and Azets would only raise an action if there was a benefit in doing so.

There is one recommendation from previous years that has now been closed off. Subject to the final work on the Pension Fund letter this will close off the work for this year.

CK commented that this was a very positive report and underpins the robustness of the processes in place at FARS and is a good piece of evidence for JARC.

DG added that now the Pension Fund letter has been received then hopefully the accounts can be signed in the next few weeks. There was a significant delay in receiving this and FARS have just been waiting for this one letter.

AD added that there was a previous enquiry from the committee in relation to why the MRP was high, and this has been picked up in the report.

PG added that overarchingly does this trigger any risks of financial stress, and it does not. The PFI is a big factor as part of the MRP funding, but it is all done appropriately and correctly both legally and regulatory.

GS added that the reason there were not many questions from the Committee is because the report is very thorough and answers any queries they may have had.

PG added that there may be two audit opinions in one year, as the Pension Fund letter did not come until January last year.

Q: DG I just wanted to check that Azets would be happy for electronic signatures for the accounts again this year?

A: PG confirmed that this would be acceptable, with an accompanying email.

Q: CB on page 24 in the report it references the HMICFRS Inspection, there are a few things from the governance report, around putting in place processes to support high potential staff and potential leaders. Where is the organisation with this?

A: DG in terms of the process to identify future leaders and dealing with succession planning this is a continual process and is included in the workforce planning, to ensure the organisation knows where the gaps are with retirement and vacancies, and it is prepared for when roles will be coming vacant. It is a continuous process and is not just done as a one off.

Q: CB there was an action for this to be delivered by October 2025, has this been delivered?

A: DG we will check on the progress of this and come back to the Committee.

**ACTION 4: For DG to confirm whether the process to support high potential staff and potential leaders is in place.**

Q: CK on the question of reserves, the conclusion is that there is a reasonable level of reserves. Is the conclusion of 'reasonable' based upon the level of reserves similar sector clients hold or is it based upon the level you would expect this specific organisation should hold?

A: PG this is a combination of if all income ceased how long could the organisation continue? It factors in the risk environment, management history etc. The stronger the arrangements the lower the risk environment. There is a subjective element to this, and as auditors they would not go as far as to say it is correct, but Azets would raise concerns if there were any elements that they were uncomfortable with.

Q: CK the language changed between the Force and FARS reports in terms of the earmarked funds, is there a reason for this?

A: PG it is the same point but phrased slightly differently. Essentially the general fund is the main fund to review. Earmarked reserves can be earmarked for specific events/projects or to offset unforeseen impact and are they are quasar general. General funds can be used instantly, and usable reserves are still available but there is a different process and approval.

## 5. Finance – MTFS Update

This paper was presented to the Police Fire and Crime Panel on the 17 November 2025. The format of the paper is similar to the Police paper. This is a mid-year update, incorporating any changes during the year in terms of the actual position, and factoring in estimates regarding funding for next year and beyond.

FARS is slightly different to the Police in terms of the comprehensive spending review announced in spring. This was the first time that the government had confirmed a three-year settlement, previously it had been a single year settlement. For Fire and MHCLG a fair funding update was published in June, incorporating the grant simplification and proposed changes to the settlement funding assessment, it updated the formula funding for FARS. This has been assessed and reviewed by the National Fire Chiefs Council and some separate work has been assessed by LG futures to suggest the impact this will have on FARS and for the sector in general.

The headlines originally were looking at a real term cut of 4% over three years which equates to around £1million of cuts, the equivalent of 1500 fire fighter roles would need to be cut to deliver this saving.

Modelling suggests nationally that this is around £100million, which for Staffordshire is around £3.5million of funding taken out fairly evenly over a 3 year period which is not good news. The mitigation offered was a £5 Council Tax referendum for stand-alone FARS which is about 5.4% for Staffordshire, this is a significant increase required over 3 years to mitigate the cuts in settlement funding. This puts the Commissioner in a difficult position with raising council tax and making local people pay for cuts in national funding.

As part of the original consultation on funding there was some funding which was being taken out of the FARS funding and reinvested in more needy areas. The latest update on 20<sup>th</sup> November guaranteed as part of the policy statement the £5 referendum limit in what has been called real term protection for standalone FARS. This is a floor that has been introduced but will only be provided if the council tax is increased by £5. It appears that from the statement there will be more money going into FARS, but we don't know how that will work until after the revised funding model, that is expected following the budget today.

The MTFS Paper follows the current financial position, the budget process and ongoing work. The work is in progress and FARS is reviewing the budget over a two-year period 2026-27 and 2027-28 to put the organisation in a good position going forward. The organisation is well on the way to being in a good place until the settlement comes through hopefully by the 18<sup>th</sup> December.

The MTFS paper also looks at key assumptions for the budget going forward with two scenarios; one scenario is that the Commissioner puts up the Council Tax by the full £5 and the second which looks at the situation if the Council Tax was increased by 1.99%. There are ongoing conversations around pay and related pressures moving forwards. The current MTFS assumption was for a 2% pay award but the Table shows this increased to 3%. This may still not be high enough, it is behind the key inflation indicators, so there is a threat of public sector pay issues coming into next year.

With reference to the table in section 4.14 it starts with the budget gap for the MTFS. The key areas are that 1% has been added for the pay award for the MTFS period. It is recognised that the pension grant was behind what was expected. It also reflects the increase in operational activity this year,

which is a 22% increase for the first half of the year, so FARS have assumed a circa £300,000 for next year assuming that this increase continues, as this has been seen across the board in the fire sector.

There will also be a loss of £200,000 as the business rates pool that FARS is a member of will not exist next year. Additionally, there are savings that have been put into the MTFs, because of the year end position there is a lower MRP than this year. The table also shows the impact of the £3.51million of Fair Funding reductions and the mitigating Council Tax increase. The headline position by 2028-29 takes FARS from a position of a surplus of £250,000 to a gap of £300,000 so a shift of over £500,000.

The next table assumes that Council Tax remains at 1.99% and the impact of this is a gap of just under £4million by 2028-29. This scenario has been included as the Commissioner will be consulting on the proposals and there is uncertainty whether the respondents will be in favour of a £5 increase.

To conclude it is an uncertain position, things are changing all the time, and it may be clearer after the settlement details on the 18<sup>th</sup> December. Finally, if the Commissioner does not put £5 on Council Tax, then the funding floor does not apply and there will be a financial hole.

Q: BP will the 18<sup>th</sup> December give any more knowledge regarding the change of leadership in the council regarding Local Government reforms or is this relating to funding?

A: LC there is some clarification on how the governance changes will impact on FARS. Staffordshire and Northamptonshire are different as they are the only two areas that have a Police Fire and Crime Commissioner, and there is no mayoral system or Devolution deal in place. The current understanding is that these areas will transition to a Police Fire and Crime Board, but it will only be these two areas that transition, as other areas will remain with the Fire Authority until there is a Devolution deal.

DG added that there needs to be a legal entity which is currently the Staffordshire Commissioner Fire and Rescue Authority, which was created as part of the statutory instrument in 2018. That will end in 2028 and there will need to be a new legal entity which will need parliamentary time to do this.

LC added there is a white paper due to be published shortly on Police Reform which may touch on some of the broader governance arrangements, but it will probably be after Christmas.

There were further discussions between the Committee and officers regarding the potential changes to boundaries for areas with Fire and the expected white paper on Police reform and the impact that this might have.

Q: CK the Committee were struck by the 22% increase in activity, can FARS sustain the increased levels and what is driving this?

A: DG the increase in incidents has predominantly been driven by the weather. It has been a dry summer, the increase in activity is related to secondary fires, grass fires and outside fires. The organisation is busier due to climate change and the weather. Activity has dropped back to normal levels in September and October. FARS see the spike because the on-call staff are paid to be on-call and are also paid when they are turned out, whereas the whole-time staff are paid regardless.

Q: CB the figures factor in a 50% sustained increase of the 22% increase, so is that 11% which has been factored in going forwards?

A: DG yes, we have had to make an estimation for this. One of the problems is that with an on call establishment, there are more positions than are actually filled, so at present the organisation is 80 Full Time Equivalent posts down, however we are doing well on recruitment, this is improving and there are now more people, but overall the organisation is down on people, and needs to put a vacancy factor into the budget. As there are more people coming into the organisation then the vacancy factor needs to be reduced, and it is about balancing this with the increase in staff numbers.

Q: CK so the organisation is not budgeting for establishment level, it is budgeting for vacancies?

A: CBr we never budget for 100% staff, it is about balancing this, and the on-call balance has usually been around about budget.

LC asked that with the modernisation of FARS and the role with climate changes what impact might this have?

DG clarified that there are always conversations regarding modernisation of the role with the Fire Brigades Union. Staffordshire FARS is currently operating the Home from Hospital and Falls projects which are funded, but these do not sit well with the representative bodies as they sit outside the usual role.

Q: CB in Section 6 it was good to see the service transformation, there is £1million in phase 2, and £500,000 has already been saved. Regarding the remaining £500,000, this will be harder to achieve as the low hanging fruit has already been taken, are you confident in being able to deliver this remaining £500,000?

A: DG confirmed that CBr sits on the Transformation Board and is fully sighted on the ongoing projects. We are already in the process of delivering workstreams to the Transformation Board which will ultimately deliver the full savings.

CBr added it is difficult because for some of the workstreams we need to look to invest for the future as well. The next workstreams will be more difficult and they will need to be recurring savings.

DG added that this is a good question, if we were in a scenario where we lose funding and the Commissioner decides not to use the maximum precept available then there will be an additional £2million gap, and there will need to be some difficult decisions made. The Commissioner is aware of the work being undertaken and that there may need to be some more difficult decisions.

LC added that this is really important, and the Commissioner would agree with this. There is an excellent piece of work which has been completed by FARS over the last 12 months, the planning is in place, should it be needed.

Q: EC this is in relation to the MTFs but also risk. The Private Finance Initiatives (PFI) where are we and are we near the end of some of these? There has been coverage in the press recently in terms of education where PFI's are coming towards the end, and the company providing the services behind these have declared bankruptcy and are not providing any of the services, so there are schools with huge maintenance costs that have not been covered. There were quite a number of PFI's what are the maturity of these, are these being managed and are we reviewing any issues?

A: DG this is a good question. There are two PFI projects; the one with Fire Support comes to an end in 2034 and we are already having conversations with the Commissioner around actions that may be required. The buildings are currently managed by the Facilities Management Company and under the contract the buildings are supposed to come back in the same state they were built. There is a contracts management team, and I oversee this team and the management of contracts, we are

currently in a good place with PFI 1 and we are confident that when the buildings come back they will be in a good condition.

The PFI 2 contract has been more challenging, the relationships are a little bit different, there is nothing wrong with the stations, just a couple of contractual issues. The contracts are managed fairly but money has been deducted over the last few years, due to some availability and performance issues. There have been some challenges with staff changes, but the contracts are being robustly managed

DG added that he is reassured that both contracts are doing what they need to do, and the properties are being managed to the extent that they expect. As part of the earmarked reserves some of the money that has been deducted from the PFI 2 contracts is going towards the refurbishment at Brewood Fire Station. They are aware that the organisation needs to start planning for first handover in 2034, and to also have a team in place at least 5 years before the hand back.

CK in terms of 2025-26 it appears that you are on track and that there is a balanced budget. DG added that yes, the organisation is comfortable and that this year is okay.

#### **6. Risk Update – Papers Only**

CK added that any questions on risk can be forwarded to KG and these can be forwarded on to VA.

#### **7. AOB**

The date and time of next meeting is **March 19<sup>th</sup> 2025 at Fire HQ, Room 1 @ 10am.**