

ETAP ANNUAL REPORT 2021/22

Introduction

I hereby present on behalf of ETAP members the annual report summarising the activities undertaken during the financial year 2021/22 and plans for the future.

The role of ETAP covers two main aspects firstly; to meet the statutory function of a Joint Audit Committee for all three organisations (the OPFCC, the Police Force and the Fire Service), secondly as a scrutiny body independent of all three bodies and conduct reviews on the management procedures of specific topics

Over the last year ETAP has continued to meet using Teams and, more recently, has resumed meeting face to face as the Covid restrictions have eased. In spite of the pandemic restrictions, ETAP has made headway in continuing to meet its statutory requirements in reviewing the accounts and challenging both internal and external audit. ETAP has also published a number of reviews conducted by the Ethics Review Panel over the year.

ETAP Membership and Sub Groups

ETAP has currently twelve members all appointed independently and are supported administratively by the Governance Team at the Staffordshire Commissioners Office. Within our membership we have a wide variety of past experience's from differing professional roles resulting in more informed challenge being provided from our team. Fortunately, the turnover of members is modest although one member has recently stood down after over five years with the panel. The tenure of membership was increased by the Commissioner to a max of nine years during 2021. All members have an annual performance review to ensure continued commitment to the role and address ways of improving the arrangements and function of ETAP.

To facilitate business at the ETAP public meetings there are two sub groups acting on issues between meetings. These sub groups have been set as a Finance Panel (FP) and an Ethics Review Panel (ERP)

The FP deal mainly with the statutory requirements of reviewing of the accounts both in year and the annual published versions. The FP also examine reports from both internal and external auditors including audit certificates. This ensures that they have sufficient time to examine the details of the various issues. FP also receive updates and presentations from the relevant managers on finance related topics including details on setting the Precept and Medium-Term Finance Strategy for all three organisations.

The ERP evolved at the start of 2021 partly as a result of need to change the way reviews were conducted during lockdowns, but also to improve timeliness and clarity of reporting for external readers of the reports. This is to directly assist in the raising of public confidence in the work by the different organisations. The previous Thematic Reviews tended to be very detailed and technical which resulted in long delays before the reports were available for publication. To ensure the limited resources are targeted to achieve

best results a scoring matrix has been introduced during the year that assists in prioritising and giving rationale for a review in a particular area.

Both Panels submit written updates on progress to each ETAP Public meeting.

ETAP Meetings

ETAP has been able to hold public meetings throughout the year for the Police Force and separately for the Fire Service. These have been a mix of using “Teams” and more recently back to face-to-face meetings. Similarly, the sub groups have also been meeting in the same way.

With the delay in the audit of the 2020/21 Annual Accounts, meetings have had to be flexible and whilst the plan was for ETAP and sub groups to meet on alternative months this has not always been possible due to adjustments to work demands and availability of documents.

There are also a number of other meetings held to facilitate ETAP business. These include:

- The Chair of ETAP and the two Deputy Chairs FP/ERP meet on a six-monthly basis with the senior stakeholders of the three organisations,
- Members of the ERP have detailed working meetings with the relevant officers on the topic under review,
- Chair of Finance Panel continue to receive briefings from the Section 151 Officers on a monthly basis,
- Regular monthly updates with the SCO Governance Team & Force Governance Lead,
- A member of ETAP attends the Police and Crime Panel as an observer and reports back at ETAP meetings.

External Audit

The full ETAP membership hold a private meeting with the external auditors on an at least annual basis. This permits the auditor to openly discuss in detail any concerns or issues affecting the organisation. The meetings also discuss any national changes that will impact the organisation. ETAP members have found this a useful meeting as often brings in a wider perspective.

The external auditors for the Force and Commissioner are Ernst Young (EY) whilst for Fire are Grant Thornton. The external auditors attend all the respective public meetings of ETAP and update the panel on progress and plans for audit along with providing copies of sector updates and developments for the future.

The working relationship with both sets of external auditors is well established and early consultation on any new topics of concern are shared as soon as possible to avoid concerns over details of impact on accounts and disclosure.

The Panel were disappointed that the Police final accounts for the year ended 31st March 2021 had yet to be signed off by EY, but are reassured that it would be actioned soon once the manager and partner review was completed. There are no outstanding issues. The draft VFM report has been received and reviewed by ETAP. This is the first year of this style of report and was well received as it included only two recommendations for improvement which were already being addressed.

Internal Audit

ETAP take part in the planning for the IA plan with RSM who are the internal auditor for all three organisations. The majority of the 2021/22 audit plans have been completed and an update will be given at the ETAP Public meeting in May 2022. All Internal Audit reports are reviewed at the ETAP Public meetings with any detailed concerns having been addressed at the Finance Panel. RSM regularly give a wider view of what is occurring elsewhere in the public sector as a comparator.

Outcomes

There were a variety of outcomes from the work conducted by ETAP which include:

- Overview of Election process for appointment of a new Commissioner,
- Advice on wording of AGS for all three organisations,
- Meeting statutory requirements of the Audit Committee,
- Review of Internal and External Audit plans,
- Review of Head of Internal Audit Opinion,
- Review of all Internal Audit Reports,
- Regular monitoring of the in-year finance/budget reports,
- Publication of Ethic Review Panel reports: -
 - Ethical behaviour and professional standards,
 - A response to the Covid pandemic from each organisation (Staffordshire Police / Staffordshire Commissioners Office / Staffordshire Fire & Rescue Service)
 - Review Staffordshire Police Complaints Process
 - FARS Response to Grenfell 1 Report

Work in Progress:

- Expenses, Gifts and Hospitality
- Review of Capital Budget process
- Review of Police vetting procedure
- Monitoring progress on implementation of joint new finance system
- Watching brief on IT strategy for both Fire and Police

Future Plans

In the past ETAP has conducted a self-assessment using the CIPFA checklist and have on alternate years used an external facilitator to ensure proper engagement. The checklist covers the statutory role of ETAP as an Audit Committee. We have also in previous years written to a number of stakeholders seeking their comments on ETAP performance.

However, as a consequence of the restrictions in place to combat COVID during the year we have not engaged with stakeholders (many of whom are new to their role) or used an external facilitator. We do plan to hold an in-house self-assessment but expand this to include the work undertaken by the ERP. We also plan to revisit feedback from keyholders in previous years to ensure we have actioned any suggestions for improvement.

With the recent changes at the top of all three organisations there are plans to change the governance arrangements with the organisations. It is planned that the senior officers will share the new arrangement with ETAP during the summer 2022 and in order to allow the changes to settle ETAP plan to consider a review late 2022 or early 2023.

The other major topic that ETAP are required as an Audit Committee is to review the Risk Management arrangements. ETAP plan to undertake this later in the year to ensure proper and timely actions are managed and proper mitigation is applied where possible.

To assist with better understanding of the ETAP plan to have members take a lead on particular topics and work closely with managers to be aware of the challenges they face in service delivery of the topic. This may also identify the need for a more formal review. In discussion with senior officers of all three organisations it was felt this would aid ETAP in being better educated and acting as an independent eye in adding additional confidence for the public and assurance to the Commissioner and Chief Officers.

Training

As part of the performance reviews of each member a number of topics have been suggested that a revision/update might assist

The topics include:

- Members fully understand the role of scrutiny.
- Members are aware of the statutory requirements of an Audit Committee.
- All ETAP members understand how the finances of the three organisations operate.

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Chair Staffordshire ETAP