



Item 2

Draft V01

**MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) POLICE
& CRIME MEETING held on Wednesday 25 May 2023
Conference Room 2, Block 7, Police HQ**

Present:

ETAP members	Officers
Bob Simpson (BS) Chair	John Bloomer - Force Director of Resources (JB)
Ben Thompson (BT)	Emma Cranidge – Force Finance Service Director (EC)
Chris Gill (CG)	Deb Wilne - Force Governance, Planning & Policy Manager (DW)
Craig Brown (CB)	David Greensmith - SCO Director of Finance (DG)
Emma Christmas (EC)	Louise Clayton – SCO Chief Executive (LC)
Jane King (JK)	Victoria Farrar - SCO Head of Governance & Assurance (VF)
Jane Barr (JB)	Jean Cass - SCO Governance Lead (JC)
John Wheatley (JW)	Also in attendance
Sue Westacott (SW)	Hassan Rohimun - EY Executive Director (HR)
	Umesh Lakhota – RSM Assistant Manager (UL)
	Angela Ward - RSM Audit Manager (AW)
	Daniel Harris - RSM Partner (DH)

SCO - Staffordshire Commissioner's Office
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Force - Staffordshire Police Force

Prior to the meeting today, ETAP members held private meeting with Angela Ward and Daniel Harris from RSM Internal Auditors. This was followed by a member's pre-meeting.

Following the meeting of ETAP today, members held a closed session with Force and SCO officers and RSM Internal Auditors.

1. Annual Election to the ETAP posts

VF confirmed the following ETAP Chair's election results: -

Members had the option to express their interest in the Chair positions of ETAP by email between the 12 May and 19 May 2023.

The SCO received the following three expressions of interest.

ETAP Chair - one expression of interest from the existing Chair Bob Simpson (BS).

Deputy Chair - Chair of the Ethics and Review Panel one expression of interest from the existing Deputy Chair Jane King (JK)

Deputy Chair - Chair of the Finance Panel one expression of interest from existing chair Emma Christmas (EC).

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

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

i. Declarations of Interest: None

Apologies: Chris Noble Chief Constable (CN) and Emma Barnett Deputy Chief Constable (EB).

ii. Minutes & actions of the meeting held on the 22 February 2023

AGREED - That the minutes of the meeting held on the 22 February 2023, was confirmed as an accurate and true record.

No actions noted

3. Questions from members of the public

Relating to Item 8 – Force Annual Governance Statement

The minutes of the ETAP Police meeting held on 26 July 2022 contain the following action which resulted from points raised at the meeting: "ACTION: DW to add a note on the Public Sector Equality Duty [PSED] in the Force's AGS."

It was too late (in July 2022) to make a change to the documents for 21/22 but the AGS was to be reviewed to make sure that the PSED would be correctly referenced for 22/23 accounts.

I note that the 'Force Final Draft AGS Statement 2022/23' does not mention the PSED, so I would like to ask if this is an oversight or has the matter been reconsidered and a decision made not to add a note on the PSED?

Response from Deb Wilne (DW)

DW advised that the Force are happy to reconsider this point as part of the general feedback for the Force's final version of the Annual Governance Statement (AGS).

BS reminded the meeting that the AGS for 2022/23 remains open until the Statutory Accounts for 2022/23 are signed off by the external auditors.

ACTION 1: DW to consider adding a note of the PSED to the Force's final version of the Annual Governance Statement (AGS).

4. Deputy Chair's feedback

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

EC confirmed during her verbal update the following key points: -

There has been two meeting since the last ETAP meeting in February 2023.

The items raised at the May's Finance Panel meeting are on the agenda today.

Member's main concerns are around the sign off of the Statutory Accounts, which are on today's meeting agenda.

BS thanked EC for her update today.

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

JK confirmed that her update report included the following key points: -

Members have completed a couple of reviews recently;

A review of the project management process in the setting up of the Commissioner's Independent Scrutiny panel (CISP) and

A review of the HMISFRS areas of improvement (AFIS) 2019 which have all been satisfactorily concluded.

JK also added recently her comments on behalf of ETAP to the consultation process of the new College of Policing Code of Ethics.

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 report and update today.

5. Statutory Accounts

i. 2020/21 sign off of Statutory Accounts

JB advised that the Annual Auditors letter is still outstanding from 2020/21.

HR advised that the figures in the annual accounts for 2020/21 have now been agreed. The audit has not been certified and closed as there were ongoing considerations of items for the VFM report.

The Audit opinion was a clear certificate for the 2020.21 accounts, but EY are reviewing the need for VFM report for 2020/21 to have a reference to the results of the HMICFRS inspection report published in September 2022. This may have changed the conclusion and the wording in the VFM report and the final audit certificate.

ii. 2021/22 Statutory Accounts IS260 Findings Report

HR advised that highlighted areas from the executive summary and two areas that were outstanding: -

- i. Pensions – due to timings the tri-annual valuation has not been completed. Some significant movement which are still to be considered.
- ii. VfM areas – EY's work is ongoing and when this is concluded EY will provide members with an update.

Action 2: EY to provide ETAP members with update on the VFM statement
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UL advised on the audit differences that have been identified to date.

- i. Valuation of PPE. (Property Plant & Equipment).
The fair value of land & buildings represents significant balances in the Group Balance Sheet and are subject to valuation changes and impairment reviews. Management is required to make a high degree of material judgmental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. The risk is the possibility these judgements are inappropriate which may result in a material change on the financial statements.
- ii. Pension observations – is looking at the timing on the Pension valuation as already noted by HR

HR, also noted that on page 31 of the report, the names of individuals had been included. He apologised for this error and advised that the report will be redacted and reissued.

VF, advised the meeting that as the report had already been published that any earlier versions of the report are removed/corrected and earlier printed copies shredded.

Action?

Q, DG, IGPS valuation, can you advise on the timings for the finalised figures?

A: HR, as outlined in the CIPFA bulletin, there is a requirement for the preparedness of the figures and EY need to take an opinion on this. EY need to understand the movements in the figures and needs to look to their actuarial Team for an opinion.

HR advised that EY will get back to DG by the end of next week with the timeline and will advise on their position.

JB, reminded the meeting that the Force is required to publish a draft of the 2022.23 Statutory Accounts by the 31 May 2023 even if the figures were not yet finalised.

Q: BS, what impact, has the changes in the Pension figures, have on the bottom line on the revenue accounts.

A: JB, advised there is not a lot of change in relation to the revenue accounts but this does have effect on the future on going liabilities in the Balance sheet.

Q: BS is the timing of the adjustments, in the Pension valuation going back to 2021/22 in the Pension figures, costly, time consuming and effective to the public?

A: JB, the adjustments are worthwhile for the accounts as they are liability service costs but they do not affect regional policing today.

Q: BS, HR are you happy with the workings of the pension?

A: HR, yes this is an area of disclosures that are being considered by CIPFA.

BS asked if ETAP members were happy with the answers given by HR and JB.

JW added that fundamental the pension figures do not affect the bottom line

Q: SW, technical issues that need to be addressed to meet the existing standards?

A: HR, the adjustment does affect the Pension liabilities does affect potential future figures.

CG advised that the line has to be drawn somewhere and it be useful if a deadline could be agreed?

Q: DG, if the pension figures are resolved by the end of next week, when can issue a closed position from the audit?

A, HR, the next meeting of ETAP is on the 27th July, this is the date that EY will work towards. HR added that EY will need to engage their actuaries and he would get back to DG.

APPROVED: Members accepted that there will be draft Statutory Accounts for 2022/23 published by the end May 2023 and the final agreed figures will be available and presented at the ETAP meeting on the 27th July.

Action 3: The draft Statutory Accounts for 2022/23 are to be published by the 31 May 2023

iii. 2022/23 Statutory Accounts verbal update

JB presentation a summary of the performance stats and financial update from the 2022/23 Statutory Accounts.

Q: CB, looking at the performance slide, is there a consistent activity trend across the matrix?

A: JB, the figures are consistently up on pre- Covid when the busiest times were Friday and Saturday nights and Bank Holidays. However, the Force is now seeing demand more random and consistently up. This continues to be a real challenge for the Force.

Q: SW, looking at the online access, has the Force noticed that the level of issues reported are minor?

A: JB, I'm not aware any analysis, incidents are graded from 1 to 9 when they come in. Online contact can be 999 issues and there is a triage system in place for online 999 and 101 calls.

Q: CB, looking at the value of reserves, what can the Force hedge against inflation?

A: JB, it is a challenge, the Force could budget to inflate reserves each year but there is currently no need or requirement to take this action. The reserves are in a relatively healthy position to provide cash that can be invested to generate an income.

BS thanked DG and JB for their updates

6. External Auditors

The main items on the audit of the annual accounts were covered in item 5.

HR was asked what arrangements were in place to bring the audit of annual accounts back to the normal reporting cycle. HR mentioned there were ongoing discussions at a national level in trying to resolve the backlog of audits and looking for a way forward for the future and there was a proposal to set up an Audit, Reporting and Governance Authority (ARGA)

7. SCO Final draft Annual Governance Statement 2022/23

VF presented the actions as covered in the SCO's draft AGS for 2022/23.

The AGS for 2022/23 contains five actions: -

- i. The SCO will work with the Force and FARS to develop an overarching community engagement strategy to drive a consistent and cohesive approach and avoid duplication of initiatives between the three organisations
- ii. The SCO will support the implementation of further joint Police and Fire stations in a number of locations across Staffordshire during 2023/24.
- iii. The SCO builds on the work so far and the staff handbook is to be accompanied by a new approach to Personal Development Reviews to ensure clear accountability for delivering SCO plans and identification of training and development needs of staff.
- iv. In relation to the 'Engage' stage of the Force, the SCO will continue to carry out a number of additional assurance measures.
- v. The SCO noted the content and recommendations made within the Baroness Casey Review report. The SCO will consider these when gathering information and assurances for the PFCC to assist in holding the CC to account.

Q: CB, can you comment on the Force's Fire Range decision?

A: JB, advised that the decision has been made by the Staffordshire's Commissioner to take the Firing Range to a pre-planning stage/pre-procurement stage. The planning application will then be submitted and the Force will then look to take the project thorough to the procurement stage. At this stage firm costs will be available so that the Commissioner can look to make his decision committing this as a Capital project.

Q: CB, do you know how much the Firing Range will cost?

A: JB, there is £14.5m in the MTFS for the range, the final costs are unknown at the moment. Subject to the procurement stage, the costs could vary by millions as all early indicative costs are subject to general inflation, higher building costs and increases due to lack of availability of both buildings material and firms able to undertake the work.

DG added that a substantial amount of contingency has been built into the MTFS to cover inflation and the Project Team have been challenged to ensure that the costs in the MTFS are no out of kilter.

VF, reminded the meeting that there is an on-going action for the Finance Panel to receive regular updates on the progress on Firing Range project.

DW mentioned that the Force AGS governance chart for the Force, is different to the one that is in the SCO's AGS. VF advised that the chart used in the SCO AGS, is that the one that in place for the majority of the year. DW and VF agreed to look at this off line.

ACTION 4: DW and VF to discuss the use of the Force's current governance chart for the SCO and Force's AGS 2022/23.

BS thanked VF for her update on the AGS.

8. Force Draft Annual Governance Statement 2022/23

DW presented highlights from the Force's AGS statement for 2022/23. She offered her apologies that the Panel were only sent this copy on the previous Monday. This delay in submission was due to the need for the draft AGS to be consistent with the Force's Management Statement (FMS). The FMS had only recently received clearance by the Executive team.

DW noted that there is an enhanced level of assurance on this year's statement, raising from last year's position of partial assurance. There is still more to do, but the trajectory is improving which is testimony to all the hard work of the Force.

DW advised that the AGS has been through the Force's Executive team and asked ETAP members to send on any comments or required changes to the AGS.

DW confirmed that there are three key actions for 2022/23 are all carried forward actions from the previous year's statement.

- i. The force will enhance its engagement activity to develop greater insight and understanding around what matters to communities building this in to planning for the future Staffordshire Police Annual Governance Statement 2022/23.
- ii. The development of Corporate Function will be a priority for 2022/23 to ensure maximum linkage across strategic planning cycle, delivery of change and development of comprehensive performance and benefits monitoring.
- iii. Further review of the force's governance structure and mechanisms will ensure clear alignment to the new policing plan in terms of monitoring, reporting and accountability.

Q: CB, minor points, page 12, graph is very low, a typo on page 17. Page 10, Section 4, the data in the statement has the Force carried out any cost benefit analysis and has the Force faced any challenges on the implementation of the Digital Strategy?

A: DW, the Force knows that this is an area that they have investment plans going forward. The Force does have the BI capability but this is being rolled out a sprint basis one priority at a time.

Q: JK page14, looks at 2023/24 on organisational learning, are these lessons learnt internally and or nationally from other Forces?

A: DW, some of this is external learning from the Independent Office for Police Complaints. (IOPC) and some is taken from the Force's own learning.

Q: CG, what planning is taken ahead on vacancies in particular on critical vacancies?

A: JB, the work force planning is a real challenge. The uplift programme has been achieved with the numbers of new officers with the Force has exceeded their targets. Part of the challenge is getting officers all through their training courses and the fact that officers only have to give 28 days' notice when they plan to retire.

Q: CG, what steps are being taken to up skill officers to make them 'all-rounders'?

A: JB, this is part of the real challenge of modern policing, the Force ends up with less all-rounders and more specialists.

DH added a couple of comments on the AGS's for the Force and the SCO. It was really good to see the link on the work that RSM have carried out in the AGS's. This is a good read across demonstrating that robust tracking is in place

DH suggested that, the Force could consider and reflect upon the negative audit opinions with a sentence in the Force AGS to reflect upon these?

DH, also added that the Baroness Casey report is mentioned in the SCO's AGS as a significant governance issue. DH asked should this also be noted as this in the Force's AGS.

DW there are recommendations in the Force's AGS taken from areas in the Casey Report, if there is sense this is not clear, this can be revisited.

VF, the SCO has taken various elements of the Casey Report and these are then worked through and taken back as assurance to the Commissioner.

ACTION 5: DW to consider matters raised at the public ETAP meeting for the Force's AGS

BS thanked DW for her update on the Force AGS.

9. Internal Auditors

AW presented three reports today during the meeting: -

- i. Fleet Management – Audit Opinion partial assurance

Taking account of the issues identified, the Staffordshire Commissioner and the Chief Constable can take partial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective. Action is needed to strengthen the control framework to manage the identified risks.

AW presented the findings of the report which contained six management actions.

Q: CB, is 10% representative of vehicles going to external suppliers for repairs?

A: JB, the figure tends to flex on a day to day and on a case-by-case basis, the Force does not generally outsource repairs. The larger jobs can be outsourced typically for repair jobs costing £20K that need specialist work. The police fleet is now 614 vehicles and has grown by 24 this year. The Jets estate does have some constraints for larger repairs.

Q: CB, what are the clear guidelines on the repairs?

A: JB, the Force is establishing a fleet board around the repairs work. This Board meets for the first-time next week.

Q: SW, what is the process for external suppliers of repairs?

A: JB, there was a tendering process approx. 3 years ago for repairs and also vehicles may go to main dealers dependent upon the type of repairs needed.

Q: JK, are there plans to add electric vehicles into the Force fleet?

A: JB, there are now hybrid vehicles on the fleet and there is a plan to introduce electric vehicles. However, electric cars do have incur additional costs of around £15k per vehicle and extended lead times in addition to the normal 12 months from the point of order.

Q: BS, can you confirm who will sit on the new Fleet board?

A: JB, this is a joint transport board lead by Michelle Hickmott, Deputy Chief Fire Officer. The Board will be meeting monthly and primarily be working on the responses to this audit report.

Q: BS, could updates on progress go to the Finance Panel?

A: EC, this may be too operational for the Finance Panel.

VF, commented that updates could be added to the ERP meeting work plan later on in the year and invite all ETAP members?

JB asked to think about this, there are different issues now with the service, as reassurance updates will come across from follow up work included in the 2023/24 Audit plans.

Members agreed to consider options for further for follow up work in the area.

Q: CG, could the savings in the Capital Budget for last year be used to purchase additional cars?

A: JB, the savings in the Capital Budget was from a range of items including IT and Estates. Additions have been to vehicle replacement programme when these are required.

ii. **Management Actions - Follow Up –**

Taking account of the issues identified in the remainder of the report, the Organisations have demonstrated good progress in implementing agreed management actions. We have confirmed that all eight management actions reviewed have been implemented or superseded.

iii. **HMICFRS Governance - Audit Opinion substantial assurance**

Our review concluded that a robust governance framework has been introduced following the outcome of the HMICFRS assessments in 2022. Transparent governance and reporting channels have been introduced to ensure oversight and accountability for the delivery of improvement measures employed by the Force. RAPID Improvement Plans are being implemented at an operational level and signed-off to confirm identified concerns are being effectively addressed and new ways of working operating as intended.

This audit was introduced as change to the original plan

BS thanked AW for her update.

iv. **Audit Plan 2023/2024**

DH advised that this plan is a draft and contains some flexibility in 2023/24. The plan has been discussed and agreed at the Strategic Management Boards and also with JB and DG.

The plan includes 13 areas costed in line with the contract and remains flexible as risks emerge. Risk Management is included in the plan as this was delayed from 2022/23 and the IA plan also includes a few areas where there are known issues.

BS thanked DH for his update.

10.AOB

Next and time of next meetings Wednesday 26 July 2023 10.30 – 12.30