

**MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) FIRE & RESCUE MEETING held on Wednesday 16 February 2022
Conference Room 1, Block 7, Police HQ**

Present:

ETAP members	Officers
Bob Simpson (BS) Chair	Jim Bywater - FARS Temporary Director of Response (JBY)
Ben Thompson (BT)	David Greensmith - FARS Director of Finance (DG)
Emma Christmas (EC)	Corrina Bradley – Deputy Chief Finance Officer (CBR)
Jane Barr (JB)	Victoria Farrar - SCO Head of Governance and Assurance (VF) (Teams)
Jane King (JK)	Ralph Butler - SCO Temporary Chief Executive (RB)
John Wheatley (JW)	Jean Cass - SCO Governance Lead (JC)
Martyn Rochelle (MR)	Also in attendance
Sue Finney (SF)	Sarah Jassal - Audit Manager Grant Thornton (SJ) (Item 6 only on Teams)
Sue Westacott (SW)	Angela Ward - Senior Manager RSM Auditors (AW)
Terry Stock (TS)	

SCO - Staffordshire Commissioner's Office

Force - Staffordshire Police Force

BS advised that ETAP members, prior to the main meeting, ETAP members had a meeting with the Staffordshire Police, Fire and Crime Commissioner Ben Adams.

1. Declaration of interests and apologies.

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

Apologies: ETAP members Alan Edwards (AE) and Craig Brown (CB), Rob Barber, Chief Fire Officer (RB), and Daniel Harris, Partner RSM Auditors.

Minutes & actions of the meeting held on the 27 October 2021

Minutes of Previous Meeting

AGREED - That the minutes of the meeting held on the 27 October 2022 were confirmed as an accurate and true record.

Actions

Updates to actions from previous meetings

- Item 1 – Consultation session with the Staffordshire Commissioner held on the 23 November 2021 - complete

2. Deputy Chair's Feedback

i. Chair of the Finance Panel

BS gave a verbal update on behalf of the AE.

The monthly reports on FARs finances have been accurate and received on time by the Finance Panel. This shows the robustness of the Finance Team during what has been a very difficult time due to Covid.

ii. Deputy Chair of Thematic Reviews – Jane King (JK)

JK gave a verbal update in the following areas: -

Ethics and Review Panel (ERP)

The panel has now been meeting for 12 months, the panel has met four times on Teams and once face to face. The panel has a work plan in place which includes areas of work including areas to be revisited.

The latest report of the panel is due to be published on the SCO website shortly and link will be shared on Twitter.

Grenfell Review report update

JK advised that this report covered the FAR's responses the Grenfell Phase 1 report.

SW advised that she has been working on this review with ETAP colleagues CB and BT

SW advised that the Review Team met with Glynn Luznyj (GL) from FARS. FARS had been doing an enormous amount of work, even before the report had been released. In response to the Grenfell Phase 1 report with 45 recommendations from the report, which was increased to approx. 70 when FARS added their own topics. All but 7 of the recommendations have been implemented and the remainder are on track for completion.

Grenfell 2 report is due out and there will no doubt will be further recommendations in this follow up report.

Copy of all ETAP thematic reviews published to date can be found on the SCO website <https://staffordshire-pfcc.gov.uk/transparency/etap>

Gifts and Hospitality

JK advised that together with JC and JB they have been working on a desktop review of Expenses, Gifts and Hospitality across FARS, SCO and the Force. JK thanked CBR for supplying copies of FARS policies for the review. A full report is due by Easter.

BS thanked JK & SW for their updates.

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

EC is now attending PFCP meetings as an observer on behalf of ETAP members.

At the PFCP meeting on the 14 February 2022, the Fire Budget and MTFS papers were presented. Members agreed the proposed precept increase of 1.99%, this equates to 3p per week. There was a lot of positive feedback on the Fire Service and the additional services provided by the Service supporting the Covid vaccination programme in the Community.

DG confirmed that this is the only time of year when separate meetings are held for the Police and Fire Precept papers.

BS thanked EC for her update on the PFCP

4. Precept Report

DG presented the Precept pack of papers which included: -

- i. Budget and MTFS
- ii. Capital Strategy
- iii. Reserves Strategy
- iv. Treasury Management Strategy

DG highlights included: -

The Precept was considered by the PFCP Panel on the 14 February and unanimously agreed at 1.99%, this equates to 3p per week;

Compared to the assumptions around Fire Precept, this is well below the expectations around wages increases and RPI, this is a risk to consider moving forward if wages inflation does start to move:

The Council tax has bounced back quicker, with an increase of 1.84% council tax base, this reflects how well the economy is recovering post the pandemic;

In terms of the medium term, there is still a saving requirement of £2m;

70% support of the Precept from the Staffordshire Commissioner's consultation.

Q: SF, how realistic are estimates for the Capital Programme and going forward can you comment on the introduction of electric cars into the Fire vehicle fleet?

A: DG, next financial year, there is an £8 million Capital spend which does include some robust estimates but also there are some associated risks around the delivery.

Q: SF, will slippage of the Capital Programme impact the Revenue Budget, i.e. are there savings that should flow from Capital expenditure?

A: DG, at the moment not directly, but there will be an impact the longer there is slippage on the program for example on the Stafford Project.

DG confirmed that he will provide further updates any on slippages in the Capital Programme to the Finance Panel.

JBY updated, there is some work behind the scene with Jets and sample work with electric charging points with non-operational vehicles. Fire engines are not an easy concept to move to electric.

EC added that there will be other organisations looking at this. BT, added that JCB are going through some development work on electric vehicles.

Q: BS, where does the increase sit with other forces in the country?

A: DG, the Fire Precept sits broadly in the middle of other Fire services in the country.

Q: BS, what are the benefits of joint working with Police Service?

A: DG, the joint use of facilities is working very well and we are looking at other areas to bring the Police and Fire services together.

BS thanked DG for his presentation of this report.

5. Internal Auditors

AW presented the findings from the Progress report and four internal audits: -

(i) Progress

AW confirmed that there are four final papers included on the agenda today as detailed below.

Appendix B includes changes to the Audit plan and details of the annual opinion 2021.22

(ii) Payroll

The findings of the audit included: -

“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”.

3 low priority actions – including a Pay Advances Procedure to be produced.

(iii) IT Strategy – advisory review, show a real example with a route map moving the organisation forward

DG advised that Fire are in a position of recruiting a new Head of IT who will delivery on the recommendations from this review.

(iv) Key Financial Controls

The findings of the audit included: -

‘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’.

No management controls were made on this report.

(v) Business Continuity

The findings of the audit included: -

‘Taking account of the issues identified, the Authority can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk’

2 low priority accounts were made following this report.

BS thanked AW for her update.

6. External Audit

SJ joined the meeting virtually on Teams to introduce the Value for Money statement.

The National Audit Office (NAO) has introduced a new code of practice for the 20/21 accounts and the main change is that GT are required to produce a Value for Money Statement which included the following areas: -

- Financial sustainability
- Governance
- Improving economy, efficiency and effectiveness

SJ talked through the Executive Summary on page 3 and talk through the six recommendations in the report

BS commented that some of the recommendations are not a surprise to the Panel including the Risk Register which it is recognised as an area for further improvement.

CBR advised that FARS are looking to update Fire Accounts system in November 2022.

Q: SF, are you suggesting that the reserves are too low?

A; SJ, the reserves are there to provide a buffer, at the time of the MTFS there was a sustained period of budget gap. GT are not concerned the reserves are insufficient, just need that there is a need to ensure that there are sufficient funds in the future.

DG commented that reserves should be used intelligently and not for Capital items. There are plans in place to build up the reserves back up.

SJ confirmed for clarity, the recommendations under item 3, the authorities refer to operational risk registers and not the strategic risk registers.

BS thanked SJ for her update

7. AOB

i. Estates Strategy

Q: BT, looking at the Estate's Strategy are you looking at the usage of gas and electric of the building?

A: DG, yes this is part of the Strategy and FARS are trying to reduce the carbon footprint.

Q: BT, how do you monitor the equipment?

A: JBY, FARS have just introduced a set of measures under order to measure the carbon footprint

Q: SF, are most of your buildings under PFI agreements?

A: JBY, most of the fire buildings are brand new under PFI agreements. FARS would be working with the PFI providers to lower carbon foot prints of the buildings.

Q: BS, there are new Governance arrangements in the Fire, have these gone through the SCO?

A: AW, advised that the auditors have looked at the governance framework.

ii. Date of the next meeting is Wednesday 25 May 2022