



**ethics, transparency
& audit panel**
Building public trust in policing and fire and rescue



Draft V02

Item 2

MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) FIRE & RESCUE MEETING held on Thursday 23 November 2023
Meeting held on Teams

Present:

ETAP members	Officers
Bob Simpson (BS) Chair	Rob Barber - Chief Fire Officer (RB)
Craig Brown (CB)	David Greensmith - FARS Director of Finance (DG)
Chris Gill (CG)	Corrina Bradley - FARS Assistant Director of Finance (CBr)
Jane Barr (JB)	Louise Clayton - SCO Chief Executive (LC)
Jane King (JK)	Victoria Jones - Director of Governance & Assurance (VJ)
John Wheatley (JW)	Jean Cass - SCO Governance Manager (JC)
Sue Westacott (SW)	Also, in attendance
	Daniel Harris - Partner RSM Auditors (DH)
	Jim McLarnon - Audit Director, Grant Thornton (JM)
	Sarah Jassal - Audit Manager, Grant Thornton (SJ)
SCO - Staffordshire Commissioner's Office	
Force - Staffordshire Police Force	
FARS - Staffordshire Fire and Rescue Services (the service)	

Three members of the public also joined the meeting today on Teams.

Prior to the meeting today, ETAP members held their pre-meeting 11.00 – 11.30

1. Update Chief Fire officer

RB, presented a current update of the service. Since the last ETAP meeting, the service has been very busy with lots of prevention, protection and response work taking place on across the county.

HMICFRS – The service has been chosen by the HMCFRS as one of the 10 fire services in England to be reviewed. This inspection will review the ways in which Fire and Rescue Service's in England deal with cases of misconduct.

The inspection will involve a mixture of remote and on-site engagement in a three-week period looking at a sample of complaints, grievance, discipline and also Whistleblowing files.

Although the service will receive a debrief which will highlight any areas of concern, the report will not be specific to an individual service, but will give an overall position of the sector as a whole.

Extension of integration risk management plan (IRMP). - The current IRMP runs between 2020 and 2024. The service intended to publish a new plan in April 2024. However, with the Police, Fire Crime Commissioner's (PFCC) governance model requires the publication of fire and rescue plan as well as an IRMP. To allow time for the alignment the priorities from both plans and the outcome of the PFCC elections in May 2024 to be understood, the current IRMP will be extended to December 2024.

Annual Statement of Assurance -The publication of this is an annual requirement as part of the national framework for all fire authorities. This statement is covered under item 5 (ii) on today's agenda,

On-call trial - This trial has seen a new approach for the service of mobilising appliances with fewer fire fighters, then the traditional number of 4. The trial has been running since 1st June, with full consultation of staff and is due to conclude on the 1st December when a full evaluation will take place.

Community Engagement work - all staff have been out in the community recently running 5 local open days. Leek Station had a very positive turn out the over 3k attendees.

BS thanked RB for inviting ETAP members to attend the consultation events.

RB thanked ETAP members for their attendance and confirmed that all of the feedback has been captured. This will now be evaluated and presented to ETAP members at their next meeting in February.

ACTION 1 – RB is requested to report back at the next ETAP public meeting with the results of the on-call consultation work

Q: SW, can you comment on the Risk Management Assessment, targeting over 80s, will this include people with disabilities?

A: RB, yes, the methodology takes lots of data sets for example from GPs, carers and local authorities. The service carries out an assessment of this data and disabilities is prevalent in many of the fatalities from fire accidents.

BS thanked RB for his update.

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

i. Declarations of Interest: None

Apologies: ETAP member Emma Christmas (EC) and Chris Key (CK), Angela Ward, RSM Audit Manager (AW), Ralph Butler, Director of Strategy and Change (RB)

ii. Minutes & Actions of the meeting on the 27 September 2023

AGREED - That the minutes of the meeting held on the 27 September 2023, are confirmed as an accurate and true record.

Carried forward from 22 February 2023

ACTION 3: DG to provide an update on the Benchmarking group at a future meeting of the Finance Panel – passed to the Finance Panel - complete

3. Questions from the Public

There have been no questions received from members of the public.

4. Deputy Chair's Feedback

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

BS, on behalf of EC presented report. He thanked her for this update and confirmed that items in the report will be covered elsewhere on today's agenda.

BS also mentioned the management of Risk session held recently at the Fire service.

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

JK confirmed that the panel has met once in November since the last ETAP Public meeting. The Head of Vetting joined this meeting and gave members an update of current issues for the Professional Standards Department (PSD)

JK & CB, continue to work on Stage 2 of their review of the Commissioners Independent Scrutiny Panels (CISP). JK advised that their review has found a good level of assurance that the panel is operating effectively and has an active and diverse membership. The Force is engaged with the panels and welcomes their scrutiny and inputs.

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 updates.

5. i. Medium Term Financial Strategy (MTFS) update report

DG presented a copy of the MTFS update report to members. DG advised the Panel that this report has already previously presented to the Police, Fire and Crime Panel (PFCP) meeting on the 13 November.

The report included the following details: -

- Update to the current year's budget

- Update to future years' MTFS assumptions
- Sensitivity analysis around key financial items
- Transformation Update
- Key investment areas
- Update on capital programme

DG advised: -

- MTFS covering the period 2023/24 to 2027/28 was approved by the Staffordshire Commissioner following presentation to the Police, Fire and Crime Panel on 13 February 2023. The approved MTFS included an estimate gap in funding of around £1.3m by 2025/26.
- This update to the MTFS provides an estimated savings required beyond 2023/24 including updates on pay pressure and increasing costs due to the ongoing levels of inflation. Whilst the direction of inflation is downward many these factors are largely outside of the control of the Authority. It has been estimated that the total cost of inflation for English FRA's for 2023/24 amounts to a budget pressure of c.£141m

Q: CB, could you comment please on how challenging will the budget sessions be and what will the methods be this year for budget holders?

A: DG, advised that the easier savings have already been made in the budget and this year's sessions are going to be as challenging as ever.

RB added the budget sessions have been developed over a long period of time by DG, CBr and their team. The easy savings or 'low hanging fruit' were taken away a number of years ago. The service does go through every line of the budget and the challenge is now getting harder and harder within the budget setting process.

Q: CB, will the service be carrying out their financial roadshows this year?

A: RB, yes, the service will again be holding workshops this year as part of the budget setting process.

Q: JK, can you give further clarity on the precept limit mentioned in your report please?

A: DG, this MTFS update includes the assumption of an increase at £2.52 which equates to 2.99%. Should the Commissioner look to raise the precept to £5 this would raise an additional £900k and then the service could look for some investment areas.

LC, for clarity, PFCC will not be deciding on the precept limit until after the public consultation has concluded. The Commissioner's office is just working through the timeline for the consultation which is likely to begin in a week or two and the office will share more details in due course.

Q: CG, is it only option to raise the precept?

A. DG, it is one of the options to raise the precept. The service does recognise that it is a balancing act.

RB, clarified, the days of the service being able to deliver more for less have long since gone. The service is now a lean organisation and the challenges now are to 'balance the books' and to perform that best it can be.

The service is working with the Commissioner's office on a regular basis to understand the impact and where investments will be best placed in order to maximise the efficiency and make calls as effective as possible.

ii. **Staffordshire Fire and Rescue Annual Assurance Statement 2022/23**

RB, advised members to take a look at this document. It is now a larger document which is appropriate as it includes how the service assess and mitigates against their risks.

Q: CB, looking at the infographics in the report, can you comment on the fact that incidents are up by 15%. Is there a point, when the number of incidents have increased and staffing levels couldn't cope?

A: RB, the service would need to have a significant increase in terms of overrunning the supply. There has been a slight increase but the service has the capacity to deal with this. The service will continue to monitor national events including wild fires as a result of climate changes and use of the charging lithium batteries.

Q: JB, Community Risk Management plan does this put more charges on the service?

A: RB, every fire service across the country is required to have this plan to ensure that their service has sufficient resources and funding to deal with the identified risks. It is getting more and more difficult due to the fact the service has been reducing for the past 12 years. However, the service has far fewer people dying from fire today than there was 10 years ago due to its protects and prevent work

BS thanked DG Statement and offered ETAP 's assistance with the writing of next year's statement. This action will be added to ETAP's work plan.

6. Internal Auditors

DH presented the following reports to the panel today.

i. Progress Report

There are two final reports on the agenda today and there will be 4 further reports being taken to the next ETAP meeting in February 2024.

DH, advised that there have been some changes to the 2023.24 plan as result of available resources and work plan. Whilst it is too earlier to give a final year end opinion, there has been one minimal assurance opinion but this will not qualify the year end opinion.

Q: LC, there is one high risk, mentioned in the Progress report but this is not in the actual report is this correct?

A: DH, the Progress Report is incorrect on this instance

ii. Whistleblowing Report

Taking account of the issues identified, the Service can take reasonable assurance that the controls upon which the organisation relies to manage this area 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 area(s).

The Management actions in the report highlighted 1 low and four medium priority areas

DH presented a positive opinion result. There is a whistleblowing framework in place which is supported by policies and procedures. Staff have a good awareness of the framework, although there was a low number of respondents to the survey. Those staff that were spoken to were all fully aware of the policies.

RB added the service has invested in a company called 'Say So', this gives staff a safe space to deal with their low-level concerns.

BS, added that a member of the service has recently attended the Ethics and Review Panel and advised that the service does have an open-door policy in place.

iii. Driving Training Report

Taking account of the issues identified, the Service can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).

The Management actions in the report highlighted 4 High and six priority areas

DGH advised that this area was not in the original plan but as this was an area of emerging risk, RSM were asked to include this review. The service has seen a lack of interest in officers undertaking the driver training. This has resulted in overtime and a reduced number of trained drivers.

The audit found that controls are in place to undertake tests and to ask for copies of driving licenses. RSM found that were almost 100 officers who had not provided copies of their licenses or provided the latest update of their details.

RB advised that there has been charges in the legislation for drivers. As most of the workforce are on-call, it is becoming more and more difficult to get officers trained.

Q: CB, what are the reasons that the service is struggling to encourage officers to complete the necessary training and are the 10 actions in the report are these in being dealt with?

A: RB, there has been a couple of changes in legislation that has resulted in training being far more onerous. As the majority of the whole-time workforce are on call, this impacts the requirements of those attending the courses and the course duration is increased significantly. There is an action plan now in place to deal with the areas raised in the report

Q: CG, does the service have in place insurance liability to deal with the implications highlighted in this report?

A: RB, the service has made sure that all of the detailed information is in appropriate action plan and this will be very heavily monitored. The issues associated in this report have been checked and fully mitigated by the services insurance and risk manager.

DG, thanks to RSM and AW. DG advised that the service has taken the management action and that he will be following this up shortly with AW. He added that this is lowest assurance report that the service has received in the last 14 years, offered assurance to ETAP members that the actions will be monitored and updates reported to them.

BS thanked RB and DG for their updates.

7. External Auditors

i. Draft Audit Findings report 2022/23

JM, introducing GT's draft audit findings report for 2022/23. He added his thanks to DG, CBr and their team for their assistance during the audit work.

The audit is now substantially complete, pending some areas of resolution, GT anticipates issuing an unmodified opinion on the accounts.

There were a few minor adjustments made to the financial statements which are set out in detail in the appendices of the report. Overall these adjustments had a £1.3m impact on the position that was reported in the draft comprehensive income and expenditure statement. This is a good outcome for the service in a landscape that remains very challenging for the public sector.

There were no areas of management bias, overwrite of controls and no issues identified. One area noted, as previously mentioned at ETAP meetings, the review of IT systems has noted some members of the Finance Team have administrator access to the ledger. This increases the potential risk for management override of controls.

Q, BS how will this report now be progressed to close the accounts?

A: JM, there is not a lot of further work needed, just the information from the pension funding auditors. This will be followed up with the auditors EY and hopefully this will follow shortly.

Q; CG, is there a point we cannot wait any longer for the information?

A: JM, there is a couple of alternatives and it's difficult to know when this would be concluded. Under the PSA framework, the auditors of the pension fund are obliged to provide this information. GT could perform their own procedure around the pension fund assets and liabilities. However, I'm not sure this would be a scenario GT would like to take as this would create more work for their engagement team.

BS, noted that this issue could be delegated to section 151 officer or the Chair of ETAP?

JM, there is an idea of a back stop being put in place by the end of March. This may be used for situations where there are older accounts going back to 2021, there are plans in place to reduce the back log by qualifying the accounts.

DG added thanks to JM and SJ. The position with the Staffordshire Fire Service is a lot better than many others. The proposed long-term resolution position is not good and is disappointing for the service. The organisation has met all the timeline requirements and delivered the accounts with no serious problems.

BS added that on behalf of the Panel, he could recommend that the accounts for 2022/23 can be signed off. However, BS added the Panel would wait for further guidance which may available for the next meeting in February 2024.

BS thanked JM for this report

ii. Auditor's Annual Report on Value for Money 2022/23

JM advised that the report covers the criteria as set out by the National Audit Office (NAO) code of practice. The code covers financial sustainability, governance and improving economy, efficiency and effectiveness. The work this year was carried out by a specialist in GT's Value for Money team rather than in the Audit Team.

The team find no weaknesses in the VFM arrangements or critical matters to report back. This is a huge positive for the authority and testimony of the work been done.

BS thanked JM for the reports and his update

8. AOB

The date and time of next meeting is the Tuesday 27 February 2024 starting at 10.30