



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



**Item 2 (ii)**

## **ETAP ANNUAL REPORT 2020/21**

### **Introduction**

In accordance with best practice, I hereby present the report summarising the activities of the Ethics Transparency and Audit Panel (ETAP) during the financial year 2020/21. This is in addition to the submission of regular reports and updates by the Chair on ETAP activities during the year to both the Commissioner's Office and the Strategic Governance Board (SGB).

The role of ETAP covers two main aspects firstly, covering the statutory function of a joint Audit Committee for all three organisations:

- Staffordshire Commissioner's Office (SCO)
- Staffordshire Police Force
- Staffordshire Fire and Rescue Service

Secondly, the Panel acts as an independent scrutiny body of all three organisations reviewing specific topics and where appropriate issuing separate thematic reports of the results of the reviews.

### **ETAP Meetings**

In order to comply with the regulations to combat the coronavirus all of ETAP meetings during 2020/21 were held using Microsoft Teams.

There have been five public meetings of ETAP covering the Force and SCO. To maintain separate corporate identities separate ETAP meetings covering the Fire Service and SCO were also held. In addition, the Panel held two meetings in private.

The first was for planning and development of ETAP work and the second meeting held after the end of the financial year was a self-assessment session on own performance during 20/21.

The ETAP chair along with Chair of Finance Panel and Chair of the Ethics and Review panel have met the Executive Teams after the year-end to review ETAP performance during 2020/21 and plans for the subsequent year.

In addition to the full ETAP meetings, two sub groups held additional meetings.

### **ETAP Finance Panel**

The Finance Panel assists in understanding the detailed financial workings of the different organisations. This panel examine the budget reports along with regular progress reports and updates from the Internal Auditors. The panel also oversee the way that all three organisations manage and control risk.

There were six panel meeting during the year for Police and SCO and a further six panel meetings of the Fire Service with SCO were held. The meetings included update report from managers on specific topics.

In addition, the Chair of ETAP and the Chair of the Finance Panel continue to receive briefings from both the Section 151 Officers on a regular basis.

Due to current working arrangements, these meetings were all held on Teams.

### **ETAP Ethics and Review Panel (EPR)**

During the year, a new sub group for ETAP was set up. This was primarily to work on the non-statutory functions of ETAP including the progressing of thematic reports.

The group has only met twice in 2021 but already has had presentations on the current work on ethics by both the Force and the Fire Service. Both organisations have made significant advances in this area with the Staffordshire Fire Service taking on a national lead.

The other more recent work has been a review on all three organisations of the working arrangements in place to manage COVID. The panel are including the review from national inspections and overseeing how the local organisations are dealing with any recommendations for improvement or changes.

The other topics that the EPR are monitoring are the progress on the Thematic Report covering the new procedure for handling police complaints from members of the public. The plan is for this report to be available by July 2021

The panel are also examining the possibility of using a scoring scheme to rank potential topics for review to ensure the most beneficial review is actioned first. The intention is that this will not always involve a full thematic report and will be clear the planning stage.

## **PRINCIPAL AREAS OF REVIEW**

### **1. Annual Governance Statement (AGS) and Head of Internal Audit (HOIA) opinion**

The ETAP reviewed the draft AGS of SCO (2020/21) and were pleased to see again continued improvements over the previous versions. The members concluded that it was consistent with the views of ETAP on both the organisation's systems of internal control and accordingly supported the approval of the AGS.

The Force has recently produced a draft of the AGS and this will be part of the ETAP meeting in May.

The Fire Service incorporates the AGS into the annual report and accounts and a draft will be available in mid-June.

The Finance Panel also received from RSM the draft HOIA Opinion for the Fire Service covering the year 2020/21. The opinion from RSM provides assurance and confirms that there is an adequate and effective framework for risk management, governance and internal control for the Fire Service. This report is on the agenda for the ETAP meeting in May. A similar report from RSM will cover the SCO and the Force.

## **2. Risk Management**

In addition to the HOIA Opinion, the Panel examined the process of recording in place for Strategic Risk Registers of all three organisations. The Panel appreciated that whilst the matrix in the Fire Service was different the control process and review were working well.

Due to meeting restrictions, the planned attendance by the ETAP Risk Champion to attend the Strategic Risk Review Board as an observer did not take place.

## **3. Governance**

The Governance arrangements across all three organisations are regularly reviewed to identify the best practice. The intention is to improve, and streamline processes where possible. As more teams from the different organisations start to collaborate more closely a common approach to Governance and will become more common.

The Force refreshed their governance arrangements during the year and ETAP are working with the Force's Senior Management Team to understand the control and governance arrangements that are in place.

## **4. Internal Audit**

The Panel have taken part in the planning for the IA plan for 2021/22 and note that RSM are now internal auditors for all three organisations. The majority of the 2020/21 audit plans have been completed and an update will be given at the ETAP meeting in May.

In accordance with best practice the Panel members were planning to hold a private session with the both the Internal and External auditors. Unfortunately, this did not happen. A date early in 2022 has been made in the diary as an early start to planning the internal audit for 2022/23.

## **5. External Audit**

The external auditors for the Force and Commissioners are EY whilst for the Fire Service 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 working arrangements for the audit of the 2019/20 account changed significantly with most items having to be managed remotely. As a result, the timetable for finalisation of

the accounts was deferred and unfortunately, the SCO/Force accounts were cleared after the revised date at end of November 2020.

Plans are in place to learn from the past year and for the audit of the 2020/21 annual accounts to be concluded earlier than last year.

Whilst good practice would be for ETAP members to have had independent meetings with the external auditors before the audit of the 2019/20, accounts were finalised, for 2019/20 this restricted to a virtual meeting with the Chair of ETAP.

It is intended there will be a members private meeting with the external auditors before the 2020/21 accounts are finalised.

## **6. Finance Panel**

The Finance Panel now meet on an alternative monthly basis and have the time and expertise to examine the detail on the monthly budget reports and other finance issues. The work includes reviews of the annual budget setting, the MTFS, Treasury Management and more recently the plans for merger of the support functions.

The Finance Panel also discuss the detail on all audit reports and any updates on risk registers and major projects. During the year an update was received from the manager responsible for data management of records and the transfer to Niche system.

The Panel were pleased to receive the news that the improvements that the Force Finance Team had gained had national recognition from CIPFA.

## **7. Thematic Reviews**

Due to the current pandemic, all work on the thematic topics has been limited. The work on the thematic review of Children and Young People in Custody was abandoned early into lockdown as members were unable to visit the site to discuss with officers and arrangements for use of teams were not in place.

The initial thematic review at the Fire service was on Fire Protect Programme. Fortunately most of the field work had been completed and the report was able to be drafted and cleared across the internet and was finally published in November 2020

The ERP are currently working on a review of complaints from members of the public against the Police and a review of the impact of COVID on all three organisations.

## **8. Annual Self-Assessment of Audit Committee Effectiveness**

As a part of established best practice for Audit Committees, the ETAP Panel has undertaken a self-assessment of its effectiveness covering the period April 2020 to 31 March 2021. This exercise took place in April.

The Panel have had feedback from senior individuals in the different organisations including the both Section 151 Officers and internal and external auditors. The majority of comments were positive on the working relationships and professionalism of ETAP during 2020/21. They all felt that the work undertaken by ETAP gave benefit and assurance for the public that all organisations were well controlled.

There were some minor items and suggestions, for improvement. Some of those were due to the current working arrangements and others requiring some direct input by ETAP members. Those have been included in an action plan for the Chair of ETAP to manage.

## **9. Membership**

There are currently ten members of ETAP as two members resigned during lockdown. There is a current advert out to seek new members and looking practically for accountants as a number of current members are coming to the end of their period of tenure. The SCO are aware of the issue and actively assisting and promoting the vacancies.

Robert T Simpson FCMA CGMA

ETAP Chair