



2024 Annual Report

1. Role and Purpose of Ethics Transparency and Audit Panel (ETAP)

ETAP is the Joint Audit Committee of three organisations:

- Staffordshire Police Force (Force)
- Staffordshire Fire and Rescue Service (FARS) and
- Staffordshire Commissioners Office. (SCO)

The Panel is independent of all three organisations. A major function and purpose of ETAP are recommending to those charged with governance the approval of the annual accounts for the organisations. This is undertaken at public meetings. ETAP also tries to increase confidence for both the taxpayers and the wider public that the funds are being well utilised and good value for money is obtained and ensures that the processes in use are transparent.

ETAP continues to perform the role of an Audit Committee for the three organisations. To ensure the panel are covering the full responsibilities of an Audit Committee, ETAP has worked with the Staffordshire Commissioner's Office in implementing the Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement of 2022. This has enabled a delivery matrix of the various topics of work for the panel be prepared and along with timetabling the work assists in setting the agendas for the full ETAP public meetings, Finance Panel meetings and the Ethics Review Panel meetings.

In addition to the functions of a public sector Audit Committee for the three bodies ETAP also undertakes a scrutiny role in examining the processes of specific topics. This report sets out:

- The membership and structure of ETAP,
- All of the activities undertaken by ETAP during 2023/24,
- How the results of ETAP activities are shared with the public,
- Plans to ensure ETAP adopt best practice and enhance future assurance to the public.

2. Membership and Structure of ETAP

Membership of ETAP is drawn from residents of Staffordshire to ensure panel members have a vested interest in the work of the panel. Members need to be independent and have the technical knowledge and the ability and willingness to ask searching informed

questions of the three bodies. ETAP therefore adds value to all of the services by scrutinising finances and also examining specific topics.

The current panel membership has fourteen members with a wide variety of knowledge and experience from the financial, public sector, and other external organisations. During COVID the tenure of members was extended to nine years this has now reverted to six years. There was a successful recruitment round conducted in late 2023 with membership numbers increased to assist with succession planning and transition. To assist new members in understanding the role of ETAP there was a full induction for new members in January 2024.

During the last twelve months period ETAP held five public meetings for the Fire Services and five public meetings for Police Service. Both sets of meetings also had representatives from the Staffordshire Commissioners Office. Due to the increased membership and additional time required to ensure all items on the delivery matrix were given proper coverage the meetings for Fire and Police were moved to separate days and held at the respective Headquarters.

ETAP also has oversight of both internal and external audits together with the financial and governance reports, for all three organisations in helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

To ensure delivery of the planned workload ETAP has two subgroups: Finance Panel and Ethics and Review Panel. The Finance Panel concentrates on a variety of financial and other information for all three organisations and the Ethics and Review Panel leads on the scrutiny of processes on specific topics. Each panel is chaired by an ETAP member appointed as Deputy Chair and all ETAP members are a member of at least one of the panels.

The panels have the opportunity to add further value through the in-depth analysis of the subject matter and the value and experience from professional expertise and working at high levels in multi-faceted organisations.

a) Finance Panel (FP)

This panel has a close working relationship with the statutory Head of Finance for each organisation (often referred to as the Section 151 Officers). The panel takes the lead for ETAP on the audit committee responsibilities and examines the details of the reports. This is to provide the full ETAP meeting with an independent assurance at a high level on the adequacy of governance, risk, and control arrangements that are both in place and operating well.

The Finance Panel has separate meetings for the two service organisations which are attended by the Section 151 Officers (or their deputy) and the Staffordshire Commissioners Office also has senior staff in attendance. To best utilise ETAP members' time, Finance Panel meetings are normally held back-to-back on the same day at the same venue.

With the introduction of the performance matrix the Finance Panel meetings have been aligned to the quarterly management reporting timetable and the production of the Statutory Annual Accounts. This has reduced the formal meetings to four and the panel are using the freed dates as an opportunity to review specific finance related topics. During 2023/24 there were closer reviews of the risk management and counter fraud procedures for all three organisations.

As a result of both ETAP's and Finance Panel's actions, this has ensured that there is sufficient assurance over governance, risk, and control and greater confidence can be given to all those charged with governance in the three separate organisations that those arrangements are effective.

b) Ethics and Review Panel (ERP)

The function of ERP is to review specific topics to ensure good management is in place and give assurances to the public that established processes and procedures are being adhered to. Any departures from the agreed processes need good reasons or assurance that management will take remedial action. Without ERP review this level of assurance would not be in place.

The topics can be suggested by any of the Chief Officer teams. The initial approach is to ask the relevant manager to attend an ERP meeting and share the current issues being faced by the team. This helps members greatly as there is a free and open frank discussion of the topic the panel has moved away from requesting formal PowerPoint presentations and only ask for copies of management reports that are already in use, reducing duplication.

The ERP meetings also help with planning the timing of any further reviews that the panel members wish to undertake. In addition, to ensure the best use of panel members' time and only valid topics are scrutinised in detail a scoring template is used for each proposed review. A minimum score has to be achieved for ERP to undertake a review. Items not reaching a suitable score are referred back to the Chief Officer teams for alternative solutions or reviews.

Once a topic is agreed for examination work by ERP a standard template is drawn up setting out the terms of the review along with the expected outcomes. This is shared and agreed upon with the relevant management team before work commences. The review may be a simple review of documents but may also include a test of a small sample to confirm the process is operating as expected. Once the fieldwork is completed the original terms of reference document is updated with the results of the review along with any suggestions for change. The wordings are agreed upon with the appropriate management and any response is included in the updated document. The agreed final document is published on the Staffordshire Commissioner's website. ERP also review the outcome of the exercise to note any lessons learnt or improvements for future reviews.

3. Result and Outcome from ETAP

ETAP has had a busy year which included the catch up on the delayed annual accounts. The external audit of the Fire Service accounts for 2022/23 was formally signed off in early 2024. This was the last action required by Grant Thornton. The Group accounts for the years 2020/21 and 2021/22 were similarly finalised by Ernst Young earlier in the year. The audit of the 2022/23 accounts started in January 2024 and is ongoing. These delays were part of a national issue on all public sector accounts.

a) Annual Governance Statements.

ETAP reviews the Annual Governance Statements of all three organisations. ETAP has reviewed early drafts and passed on comments for improvements

b) Private Meeting with Auditors.

The Chartered Institute of Public Finance Accountancy (CIPFA) recommends that Audit Committees meet the auditors in private at least once a year. ETAP has adopted this good practice and has had private meetings with the internal and external auditors. This ensures that ETAP members have the opportunity to independently ask the auditors difficult questions and have an external view or comparison of how the organisations are performing. This process also adds a further level of assurance for the public.

c) Audit Planning.

ETAP receives and has input into the audit plans of both the Internal and External Audit. This enables ETAP to monitor progress at each public meeting and agree on any charges if required. The 2024/25 Internal Audit plan is on the agenda for the May 2024 meeting.

d) Internal Audit Reports.

ETAP receive all Internal Audit reports and in the main are discussed at the Public Meetings. Sensitive issues may be held in private and the advice of the Monitoring Officer is taken before deciding how to proceed. A major item for ETAP to have added confidence that issues are under control is the Annual Assurance Report from Internal Audit.

e) Finance Panel and Ethics & Review Panel Reports.

In order to promote transparency of the work ETAP does in the two sub groups a written update report is provided from the two Deputy Chairs at each ETAP Public Meeting.

Results of Finance Panel

- a) The panel spend time and use their expertise in working at a very senior level looking into the details of the financial reports of three multi-faceted organisations. In particular, they review the monthly management reports and look at trends and movements over a period of time. The panel has monitored the predicted year-end outcomes which hopefully, will be close to actual outturn results.

- b) The panel has undertaken the review of the annual accounts of each of the three entities. In particular, the panel raised concerns over late changes to the valuation of both pension and buildings and hopefully have speedier resolutions in future years accounts.
- c) The panel regularly reviews the updated risk register of the three bodies and had additional presentations during the year.

5 Results from Ethics & Review Panel

In 2023-24 the ERP has used its meetings and conversations with managers across all three organisations as an opportunity to provide the following in-depth scrutiny;

- Review of the project management of the Commissioner's Independent Scrutiny Panels.
- A briefing from the Professional Standards Department.
- An update on complaints procedure.
- An update on vetting arrangements within the Force.
- An update from both Fire and the Force on changes made after lessons learnt from the Manchester Arena disaster.
- Oversight of the 2024 Police, Fire & Crime Commissioner election arrangements.
- Review of Expenses, gifts and hospitality reporting arrangements.

6 ETAP Topics for the Future

There is a need to ensure a smooth transition through succession planning as more experienced members reach the end of their tenure. Also, a new external auditor has been appointed covering all three organisations.

Robert T Simpson FCMA CGMA
Chair Staffordshire ETAP