

The Police and Crime Commissioner for Lincolnshire



JOINT INDEPENDENT AUDIT COMMITTEE

29 November 2013

11.00am – 1.53pm

PRESENT:

Members: Mr D Finch (Chairman), Mr J Evans, Mr J Cawdell, Mr I Haldenby

Apologies: None

OPCC: Mr Ms J Flint (Chief Finance Officer), Mr J King (Corporate Administration Officer), Miss G Mason (Research and Performance Officer)

Force Officers: Mr K Smy (Deputy Chief Constable), Mr A Tomlinson (Force Chief Finance Officer), Mr J Schopp (Risk, Policy and Review Officer) for item 17

Also in Attendance: Ms S Lane (Internal Auditor – Baker Tilly), Ms S Kent (Audit Manager, Lincolnshire County Council) for item 9

25/13 CHAIRMAN'S ANNOUNCEMENT

The Chairman warmly welcomed members and officers to the inaugural meeting of the Joint Independent Audit Committee.

26/13 DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

None.

27/13 MINUTES – 25 SEPTEMBER 2013

Resolved:	Responsible Officer:
That:	
1. the minutes of the meeting held on the 25 September 2013 be taken as read and signed by the Chairman as	-

a correct record; 2. an Action Log be created to assist members in tracking actions agreed by the Committee; 3. member briefings be provided in the hour before the commencement of a Committee meeting.	CAO -
--	----------

28/13. AUDIT COMMITTEE TERMS OF REFERENCE

The Chief Finance Officer invited members to consider proposed terms of reference for the Committee.

Resolved:	Responsible Officer:
That	
1. the terms of reference be approved subject to the following amendment: Point 15: amend " <i>To review any issue referred to it...</i> " to read " <i>To consider for review any issue referred to it...</i> "	CAO
2. the terms of reference be supplemented by additional procedural rules to include changes to membership and the number of terms a member can serve on the Committee;	CAO
3. the potential impact of revisions made to the Government Protective Marking Scheme be considered prior to the implementation date of April 2014.	CAO

29/13. AUDIT COMMITTEE: CODE OF CONDUCT

The Corporate Administration Officer invited the Committee to consider voluntarily adopting a Code of Conduct, which included provision for declaring disclosable interests.

Resolved:	Responsible Officer:
That	
1. the code of Conduct attached at Appendix 1 be adopted;	-
2. members of the Committee sign a declaration to abide by the Code of Conduct;	CAO
3. members of the Committee complete and sign a declaration of interests form.	CAO

30/13. INTERNAL AUDIT: PROGRESS REPORT

The Internal Auditor provided an update on progress with the 2013/14 Internal Audit Plan. It was noted that the Internal Auditors had been appointed for a 5 year term and not 3 years as stated in error on the covering report.

In welcoming the Internal Audit Tracker appended to the report it was suggested that the document show links to the Risk Register and the extent to which those risks were being mitigated. The Research and Performance Officer explained that the Tracker was essentially an internal management tool for tracking actions through to completion and would not ordinarily come to the Committee. However, members were assured that links to the Risk Register were shown within the Audit Plan.

Members queried the relationship between Internal Audit and the Commissioner's strategic partner G4S. The Chief Finance Officer confirmed that work undertaken by G4S on behalf of Lincolnshire Police was audited by the Internal Auditors. However, G4S as an organisation also had its own audit function.

Resolved:	Responsible Officer:
That	
1. progress with implementing recommendations contained in Internal Audit reports be noted;	-
2. a copy of the Audit Plan be circulated to all members of the Committee;	RPO
3. consideration be given to providing a briefing to members on the Internal and External Audit functions.	CFO/RPO

31/13 INTERNAL AUDIT REPORTS: IMPLEMENTATION PROGRESS

The Deputy Chief Constable briefed the Committee on progress with the implementation of the recommendations from Internal Audit reports.

Members suggested that on occasion the management response might be to tolerate a risk rather than implement a particular recommendation and queried where that interaction would be recorded. The Internal Auditor explained that the quarterly update provided details of recommendations made, whether they were accepted or not and the management response.

Referring to revisions that had been made to some of the delivery dates, the Chief Finance Officer considered that senior managers were becoming much more realistic about setting credible target dates for the completion of audit recommendations than in past years. The Internal Auditor concurred and assured members that any unrealistic target dates would also be challenged.

Resolved:	Responsible Officer:
That <ol style="list-style-type: none"> 1. progress made in implementing recommendations contained in Internal Audit reports be noted; 2. the number of recommendations carried forward under '<i>Follow Up of Previous Internal Audit Recommendations</i>' at Appendix A be amended from '1' to '2'; 3. consideration be given to providing a briefing to members on the T-Police function. 	- DCC CFO/RPO

32/13. EXTERNAL AUDIT: ANNUAL AUDIT LETTER

The Chief Finance Officer firstly apologised for the absence of a representative from External Audit to present the Annual Audit Letter. It was explained that this had been due to the recent rotation of Auditors and availability issues affecting the newly appointed Auditor for the region. It was decided that the Audit Letter should still be taken as it largely repeated information previously received in the Statement of Accounts.

Members noted that whilst an unqualified value for money (VfM) conclusion had been issued for 2012/13, this had been tempered by funding challenges highlighted by Her Majesty's Inspector Constabulary (HMIC). The Chief Finance Officer acknowledged that the next spending review period would present fresh demands on the service however it was helpful of HMIC to draw government's attention to the funding formula and the problem of maintaining services with reduced funding.

Resolved:	Responsible Officer:
That <ol style="list-style-type: none"> 1. External Audit be represented at all future meetings of the Committee; 2. information sets required under the Elected Local Policing Bodies (Specified Information) Order 2011 be published on the Commissioner's website before the next Committee meeting; 3. members be provided with a link to the Statement of Accounts 2012/13 published on the Commissioner's website. 	- CAO RPO

33/13. INDEPENDENT REVIEW OF POLICE AND COMMUNITY SUPPORT OFFICER (PCSO) REMUNERATION

The Audit Manager (Lincolnshire County Council) presented the findings of an independent review of the work carried out by Lincolnshire Police on the payments made to PCSO's for shifts and allowances.

Members queried whether liability extended to former PCSO's and whether any thought had been given to other groups of shift workers. It was confirmed that all former PCSO's affected by miscalculations in their shift payments had been contacted. The Committee was advised that whilst a dip sample of other staff groups had identified no particular issues, it had been agreed that a full review would be undertaken to ensure that shift related entitlements had been correctly applied across all groups. Members questioned whether there were any other 'hot spots' that needed attention. The Chief Finance Officer advised that functions included under T-Police would be reviewed to ensure compliance with national terms and conditions and other relevant rules and regulations.

Members accepted the recommendations made in the report and requested that an update be provided at the next meeting.

Resolved:	Responsible Officer:
That	
1. the Report its findings and action plan be noted;	-
2. a further update is provided at the next ordinary meeting;	DCC
3. consideration be given as to the assurance mechanism for T-Police.	CFO

34/13. BUDGET MONITORING POSITION STATEMENT (INCLUDING SAVINGS TRACKER)

The Force Chief Finance Officer presented a budget position statement highlighting the main variances to the budget and providing an assessment of the year end outturn position.

Members queried how the Force could reconcile reducing crime with the reported £667k underspend. The Force Chief Finance Officer explained that the underspend had been due to the average forecast strength being lower than had been planned for combined with falls in average pay.

Members noted that slippage was an issue for capital expenditure with the average underspend being in excess of 40% over the last 7 years. The Internal Auditor advised that this had been the focus of a separate audit undertaken the previous year. Members requested a copy of the report and a list of previous audits for their consideration.

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. the monitoring reports be noted; 2. members be circulated with a copy of the Internal Audit report on Capital and be furnished with a list of previous audits. 	<p>Responsible Officer:</p> <p>- RPO</p>
--	---

35/13. FINANCIAL STATEMENTS 2013/14 – DISCLOSURES AND TIMETABLE

The Chief Finance Officer briefed the Committee on preparations for the Financial Statements 2013/14, including disclosure considerations and the planned timetable. It was confirmed that the timetable fitted around the schedule of Committee meetings.

The Force Chief Finance Officer advised that the Accounting policies would assist members' understanding of the issues around preparing the Financial Statements. These would be presented at the next Committee meeting.

In noting the report, members welcomed the initiative taken to simplify the Accounts through publication of the Summary and Compact Accounts.

<p>Resolved:</p> <p>That</p> <ol style="list-style-type: none"> 1. the report be noted; 2. consideration be given to providing members with a briefing session on the Accounting policies prior to the next meeting. 	<p>Responsible Officer:</p> <p>- CFO/RPO</p>
---	---

36/13. REVIEW OF COMPLIANCE WITH GOVERNANCE ARRANGEMENTS

The Chief Finance Officer invited the Committee to review the Police and Crime Commissioner's and the Force's compliance with governance arrangements.

Members recognised the need to understand the assurance mechanisms in place to determine the committee's reporting requirements.

Resolved:	Responsible Officer:
That <ol style="list-style-type: none"> 1. the report be noted; 2. members be provided with copies of the Police and Crime Commissioner's quarterly report to the Police and Crime Panel; 3. members be provided with a copy of the Police and Crime Commissioner's Scheme of Delegation. 	- CAO CAO

37/13. PCC RISK REGISTER AND ASSURANCE FRAMEWORK

The Research and Performance Officer invited members to consider the latest iteration of the Risk Register and Assurance Framework.

Referring to the Critical Risk Register Executive Summary, members queried whether it would be appropriate for the target exposure to contain no red risks. The Research and Performance Officer undertook to review the target.

In noting the Assurance Framework, members queried whether potential 'hot spots' such as population/racial tensions had been considered for inclusion. The Research and Performance Officer advised that such risks were captured within the Force's Confidential Risk Register. The Chief Finance Officer explained that the Assurance Framework might be considered to be an issues log, noting live issues, as opposed to being an assurance map. It was recognised that the development of an assurance map would assist in identifying gaps in risk management and in mapping assurance against risk.

Resolved:	Responsible Officer:
That <ol style="list-style-type: none"> 1. the PCC's Risk Register and Assurance Framework be noted; 2. the target exposure risk for the Critical Risk Register be reviewed. 	- RPO

[The Chairman adjourned the meeting at 12.55pm. The meeting reconvened at 1.10pm]

38/13. FINANCIAL RISK

The Force Chief Finance Officer presented an assessment of current financial risks and the Reserve Policy adopted by the Police and Crime Commissioner.

Resolved: 1. That the report be noted.	Responsible Officer: -
--	--------------------------------------

39/13. AUDIT COMMITTEE FORWARD PLAN

The Research and Performance Officer invited members to consider the latest iteration of the Committee's Forward Plan for 2013/14.

Members queried the Committee's role in the procurement process. The Chief Finance Officer confirmed that if non compliance with the process was identified it would be reported to the Committee as a matter of course.

Resolved: 1. That the Forward Plan be noted.	Responsible Officer: -
--	--------------------------------------

40/13. PROFESSIONAL STANDARDS GOVERNANCE MEETINGS – ACTION LOG

The Corporate Administration Officer explained that the report was intended to provide assurance to the Committee that the Police and Crime Commissioner was effectively discharging his responsibilities as regards exercising oversight of police professional standards.

Members queried how recommendations from external reports such as those provided by the Independent Police and Crime Commission (IPCC) were being tracked and discharged. The Research and Performance Officer advised that a summary of external recommendations were captured in the Committee's Forward Plan.

Resolved: 1. That the Action Log be noted.	Responsible Officer: -
--	--------------------------------------

EXCLUSION OF PRESS AND PUBLIC

41/13. LINCOLNSHIRE POLICE RISK REGISTER

The Risk, Policy and Review Officer updated members on developments within the Force's risk management processes and the Force Risk Register.

Resolved:	Responsible Officer:
That <ol style="list-style-type: none">1. the report be noted;2. the probability score for Risk 4 be reviewed;3. a copy of the terms of reference for the Risk Management Board be included in the report for the next ordinary Committee meeting.	- DCC/RPRO RPRO

CHAIRMAN