

The Police and Crime Commissioner for Lincolnshire



JOINT INDEPENDENT AUDIT COMMITTEE

3 September 2014

9.30 am – 1.15 pm

PRESENT:

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

OPCC: Ms J Flint (Chief Finance Officer), Miss V Mason (Research and Performance Officer)

Force Officers: Mr K Smy (Deputy Chief Constable), Ms Nancie Shackleton, Assistant Chief Officer (Resources), Mr A Tomlinson (Force Chief Finance Officer), Mrs S Cunningham (Support Services Supervisor), Miss V Hepple (Personal Assistant)

G4S Officers: Mrs A Durham (Head of Finance), Mr N Ward (Finance Manager), Mrs H Marshall (Corporate Accountant)

Also in Attendance: Mrs S Sunderland (External Audit – KPMG), Mrs H Brookes (External Audit – KPMG), Ms S Lane (Internal Audit - Baker Tilly)

ANNOUNCEMENTS

The Chairman reminded Members that, at the close of the formal meeting, an informal meeting of Members with both External and Internal Auditors would take place.

34/14 DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTEREST

None

35/14 MINUTES – 5 JUNE 2014

The minutes of the meeting held on 5 June 2014 were agreed and signed by the Chairman.

36/14 MINUTES – 17 JUNE 2014

The minutes of the Working Group meeting held on 17 June 2014 were agreed and signed by the Chairman.

37/14. SUMMARY ACTION LOG

The Committee reviewed progress against actions recorded at its previous meeting. It was confirmed that External Audit would be represented at future meetings.

Resolved:	Responsible Officer:
That: 1. The Summary Action Log be noted.	

38/14. INTERNAL AUDIT CHARTER

Ms Lane presented the Internal Audit Charter setting out the role, definition, authority and responsibility of Internal Audit. Members requested that a separate heading be included within the Charter as item 9, for sign off/signature.

Resolved:	Responsible Officer:
That: 1. The Internal Audit Charter be noted. 2. Reports submitted to this committee in future (where the report had been previously reviewed by the Committee) be formatted with 'track changes' to ensure that changes are readily apparent.	All

39/14. INTERNAL AUDIT PROGRESS REPORT

The Committee reviewed the Progress Report and noted that two of the three outstanding reports from the 2013/14 Internal Audit Plan had now been completed but that the Capital Accounting & Fixed Assets report remained in draft. Members discussed the Payments & Creditors report which had received a "Red" opinion; there was particular concern around the lack of segregation of duties.

Three reports had been finalised for 2014/15: T-Police Implementation; Governance; and Service Expectations (POCA). It was noted that identified weaknesses had been readily resolved. The Fleet Management audit was near to completion.

Resolved: That <ol style="list-style-type: none"> 1. The Internal Audit Progress Report be noted. 2. Fieldwork timescales be included within future Summary Progress Reports, along with details of the Force / G4S responsible lead officer (role titles only). 	Responsible Officer: - Internal Audit
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40/14. INTERNAL AUDIT REPORTS – IMPLEMENTATION PROGRESS

DCC Smy presented the report and provided a brief update on current status.

Resolved: That: <ol style="list-style-type: none"> 1. Progress in implementing Internal Audit recommendations be noted. 2. Force / G4S responsible lead officers be identified within future reports (role titles only). 	Responsible Officer: - DCC
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41/14. INTERNAL AUDIT PROCUREMENT

It was reported that the contract for Internal Audit Services provided by Baker Tilly was due to expire on 31 March 2015. The current contract was procured in collaboration with the East Midlands forces.

A timescale for procuring services had not yet been identified, however an indicative timescale was provided for information.

Resolved: That: <ol style="list-style-type: none"> 1. The Internal Audit Procurement report be noted. 2. Mr J Gallagher assist during the evaluation stages of the procurement. 	Responsible Officer: - -
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42/14. COMPLIANCE WITH GOVERNANCE ARRANGEMENTS

Resolved:	Responsible Officer:
That: 1. The Compliance with Governance Arrangements report be noted.	-

43/14. PCC AND FORCE APPROACH TO ANTI-FRAUD, CORRUPTION AND WHISTLEBLOWING

The Committee reviewed the paper and received a briefing from the DCC on the work of the Anti-Corruption Unit and the Force Bad Apple procedure.

Resolved:	Responsible Officer:
That: 1. The Anti Fraud, Corruption and Whistleblowing Policy to be reissued dated September 2014; 2. The Anti Fraud and Corruption meeting terms of reference to be reviewed in line with CIPFA guidance; 3. The Anti Fraud and Corruption policy to be reviewed by the Committee in June 2015, prior to publication in September 2015.	RPO RPO RPO

44/14. EXTERNAL AUDIT REPORT 2013/14 – REPORT TO THOSE CHARGED WITH GOVERNANCE 2013/14 (ISA 260)

Ms Sunderland (KPMG External Auditor) presented the report summarising the conclusions of their audit work for the year 2013/14.

Ms Sunderland noted that a number of adjustments had been made to the 2013/14 draft financial statements, as detailed within the Appendix to her report. There had been an associated increase in fees resulting from additional work required on the audit (£8,600). The Committee expressed concern about the deterioration in the quality of working papers.

The CFO confirmed that the Finance Team would produce a detailed plan of activity, to address both t-Police and non-system issues, to embed process and culture change to ensure a smoother process for the 2014/15 financial statements.

Resolved:	Responsible Officer:
That 1. The External Audit Report be noted.	-

2. The Committee be provided with further assurance regarding accounting processes post the implementation of t-Police and the respective roles and responsibilities of Force/G4S.	CFO/FCFO
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45/14. STATEMENT OF ACCOUNTS 2013/14

The FCFO advised that it was intended that the Financial Statements would be signed off by the PCC and the Chief Constable respectively within the next week.

Resolved: That: <ol style="list-style-type: none"> 1. responses to the Report to those charged with Governance (ISA 260) on the 2013/14 accounts be noted; 2. the Accounts for publication (Appendices A1 and A2) be noted; 3. the Letters of Representation (Appendices B1 and B2) be noted; 4. the Summary Accounts for publication (Appendix C1) be noted; 5. the response to the Inquiries of Those Charged with Governance (Appendix D1) be noted. 	Responsible Officer: -
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46/14. INDEPENDENT REVIEW OF PCSO REMUNERATION

The FCFO apologised that the report had not been made available for consideration prior to the meeting. He confirmed that all the outstanding items had now been completed.

Resolved: That: <p>The FCFO circulate the matrix of responses to JIAC members.</p>	Responsible Officer: FCFO
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47/14. HMIC UPDATE REPORT

It was noted that two reports were still awaited from 2013/14 inspections: Undercover Policing and Making the Best Use of Police Time.

In April 2014, HMIC had carried out their fourth annual inspection under Valuing the Police, in which forces were inspected on progress in achieving the savings required from the 2010 Spending Review. The Force had received a positive result from this Inspection.

The Committee discussed the most appropriate way for it to gain assurance from the work of HMIC, for example, by receiving updates from the Force on its response to recommendations.

[ACO Shackleton left the meeting at 12 noon during the discussion of this item.]

Resolved:	Responsible Officer:
That:	
1. The HMIC Update Report be noted.	-
2. The DCC present the HMIC Executive Summary Report at future meetings.	DCC

48/14. POLICE AND CRIME COMMISSIONER'S RISK REGISTER

The Committee reviewed risk management processes with reference to the Risk Register. In addition to the identified risks, the CFO reported that a new risk was to be included within the register regarding succession planning within the Force Chief Officer team.

Resolved:	Responsible Officer:
That	
1. The PCC Risk Register be noted.	-

49/14. ASSURANCE MAP

The Committee reviewed the developing Assurance Map, showing sources of assurance that strategic risks were being effectively managed. A fully populated version of the Assurance Map would be presented to the Committee for further consideration at its next meeting.

Resolved:	Responsible Officer:
That:	
1. The developing Assurance Map be noted.	-

50/14. AUDIT COMMITTEE SELF ASSESSMENT

The Chairman reported on the recent workshop to evaluate the effectiveness of the Committee, which had been attended by Members, the RPO and the FCFO and facilitated by a CIPFA associate. The facilitator had commented favourably on the Committee's high performance.

Resolved:	Responsible Officer:
That:	
1. The agreed actions be implemented.	All

51/14. FORWARD PLAN

The Forward Plan was reviewed. The Chairman requested that a schedule reflecting the Committee's activities between formal JIAC meetings be appended.

Resolved:	Responsible Officer:
That:	
1. The Forward Plan be noted;	-
2. Terms of Reference be reviewed before the next meeting;	RPO
3. A schedule be drafted reflecting the Committee's activities between formal JIAC meetings;	RPO
4. Consideration be given to the timing of the JIAC meeting in March/April 2015, given the internal audit procurement.	CFO / FCFO

EXCLUSION OF PRESS AND PUBLIC

52/14. LINCOLNSHIRE POLICE RISK REGISTER

The Committee reviewed risk management processes with reference to the Risk Register.

Resolved:	Responsible Officer:
That:	
1. The Lincolnshire Police Force Risk Register be noted.	-

53/14. FEEDBACK ON MEETING

The Chair invited Members to provide feedback on the meeting. All members confirmed that the focus of the meeting was appropriate and agenda items / reporting was sufficient for the JIAC to gain assurances on the work of the PCC / Force.

The Chairman indicated that he would be addressing attendance criteria for non-Members of the JIAC as part of the JIAC Terms of Reference review .

CHAIRMAN