



**Lincolnshire
POLICE & CRIME
COMMISSIONER**

SAFER TOGETHER



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**JOINT INDEPENDENT AUDIT COMMITTEE
31 October 2017
1.20pm – 3:10pm**

PRESENT:

Members: Mr J Gallagher (Temporary Chairman), Mr I Haldenby, Mr D Matthew

Apologies: Mr A Cordoza (External Audit – KPMG)

OPCC Officers: Ms J Flint (Chief Finance Officer), Mrs G Holder (Deputy Chief Finance Officer), Mr A Williams (Research and Performance Officer), Mr J King (Corporate Administration Officer)

Force Officers: Mr C Naylor (Temporary Deputy Chief Constable), Ms S Clark (Force Chief Finance Officer)

Also in Attendance: Mr J Machej (External Audit – KPMG), Mr B Welch and Mr D Hoose (Internal Audit – Mazars)

39/17 ELECTION OF CHAIR

Resolved: That Mr J Gallagher be elected as Temporary Chairman for the duration of the meeting.	Responsible officer: -
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40/17 DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

Mr Haldenby declared his appointment as Chief Finance Officer for the Academy Trust in Grantham. He would ensure that his declaration of disclosable interests was updated to reflect his appointment.

41/17 MINUTES – 27 JULY 2017

Reference was made to Minute 29/17. Members considered the Minute too negative and that it did not properly reflect the importance of the message being communicated to budget holders.

<p>Resolved:</p> <p>That:</p> <ol style="list-style-type: none">1. the Minutes of the meeting held on 27 July 2017 be taken as read and signed by the Chairman as a correct record.2. Consideration be given to changing the following passage at Minute 29/17: <i>'The Chief Finance Officer (FCFO) accepted that the response had been poorly drafted and explained that Budget holders would need to change their mindset from saving money to delivering services'</i> The passage is considered too negative and does not properly reflect the importance of the message being communicated to budget holders.	<p>Responsible officer:</p> <p>-</p> <p>FCFO</p>
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42/17 SUMMARY ACTION LOG

Ref 237: The Committee noted that the action in respect of Op Argo had been closed although a further oral update had been expected. The Temporary Deputy Chief Constable (T/DCC) pointed to the comprehensive report previously provided to the Committee and to the assurance mechanisms that were in place. The Chairman stated that whilst Members had accepted the report, it had not dealt with the cultural aspects of the case. There were concerns that a failure to abide by the internal values and standards of behaviour might occur elsewhere in the organisation. The T/DCC was clear that whilst he could not give a guarantee that something similar might not occur again in the future, the force assurance framework would ensure that such risks were carefully monitored and managed. He further stated that the Chief Officer team was fully committed to driving forward high standards of professional behaviour within the force. Members emphasised the importance of ensuring that performance incentives did not encourage perverse behaviour.

<p>Resolved:</p> <p>That:</p> <ol style="list-style-type: none">1. the Summary Action Log be noted;2. Internal Audit to examine how fraud awareness and training is provided to police officers and staff on secondment	<p>Responsible Officer:</p> <p>-</p> <p>IA</p>
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43/17 INTERNAL AUDIT: PROGRESS REPORT 2017-18

The Chief Finance Officer (CFO) referred to the audit of the East Midlands Special Operations Unit (EMSOU) Forensics Services and queried why the recommendation around the Section 22 agreement had only been graded as a 'priority 3'. She considered the existence of a collaborative agreement to be a fundamental requirement. The Internal Auditor explained that the recommendation referred to updating the existing S22 agreement in a timely manner as opposed to putting a new agreement in place.

Resolved: That the Internal Audit Progress Report be noted.	Responsible Officer: -
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44/17 INTERNAL AUDIT REPORTS: IMPLEMENTATION PROGRESS

The current status of the Internal Audit recommendations was reviewed. Members referred to Rec 4.1 (East Midlands Police Legal Services – Nov 2016) and queried whether the Management Board for EMPLS had been reinstated. The T/DCC highlighted the Managers Update, which pointed to the action being complete.

In noting that the timescale for completing Rec 4.5 (East Midlands Operational Support Services – May 2017) had been further extended, the Committee suggested that if completion dates were pushed back on more than one occasion, that consideration be given to providing an estimated date of completion.

Resolved: That: <ol style="list-style-type: none">1. progress made in implementing recommendations contained in Internal Audit reports be noted;2. a brief explanation be provided on the outcome of the debt recovery policy review.	Responsible Officer: - DCFO
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45/17 REVIEW OF COMPLIANCE WITH GOVERNANCE ARRANGEMENTS

Resolved: That the report be noted.	Responsible Officer: -
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46/17 EXTERNAL AUDIT – ANNUAL AUDIT LETTER

Resolved: That the Annual Audit Letter be noted.	Responsible Officer:
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47/17 APPOINTMENT OF EXTERNAL AUDITORS FROM 2018/19 AUDIT

Members noted the PSAA would be consulting on scale fees for 2018/19 and would publish confirmed fees for opted-in bodies on their website in March 2018. A reduction in scale fees for the region was anticipated for 2018/19.

Resolved: That the update be noted.	Responsible Officer: -
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48/17 REVIEW/TAKE STOCK OF ACCOUNTS PROCESS AND PREPARATION FOR 2017-18

The Deputy Chief Finance Officer (DCFO) confirmed that additional resources would be brought into the Finance department during the period March to May 2018 to ensure that the 2017-18 Accounts preparation timescales were met.

In noting the management responses to recommendations made by KPMG following the audit of the accounts process, Members suggested drafting 'mock-ups' of public documents such as the Financial Statements,, Summary Accounts and reports to the Police and Crime Panel, be produced at an early stage to ensure a consistent and coherent narrative is provided. The CFO concurred, stating that such an approach would also assist in ensuring that finalised reports were of the required standard.

Resolved: That: <ol style="list-style-type: none">1. the review of 2016/17 and the preparation for 2017/18 onwards be noted;2. A copy of the 2016/17 summary accounts be circulated to JIAC members and published on the PCC and Force websites.	Responsible Officer: - DCFO
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49/17 FINANCE REVIEW – PROGRESS UPDATE

Resolved: That: <ol style="list-style-type: none">1. progress to date be noted;2. the Action Plan includes completion dates or estimated completion dates rather than stating 'in progress'.	Responsible Officer: - FCFO
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50/17 HMIC AREAS FOR IMPROVEMENT (AFI)

Members noted under item 1429 (Undercover Policing) that instead of an internal review process, a 'Lessons Learnt' structure had been put in place for undercover operations. The T/DCC clarified the position, stating that a review process was in place but not recognised by HMIC.

Resolved: That: <ol style="list-style-type: none">1. the report be noted;2. the response to Undercover Policing Ref No 1429 be amended to confirm that an Internal Review process is undertaken by the Force but not recognised by HMIC.	Responsible Officer: - DCC
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51/17 PCC RISK REGISTER

Risk C038 (lack of Effective Service Commissioning Capacity): The Research and Performance Officer (RPO) advised that risk C038 was on the cusp of being mitigated following the recent appointment of additional expertise in this area.

Members queried whether further opportunities for regional collaboration had been considered. The RPO confirmed that he would be discussing the matter with the CFO.

Risk C01 (Failure to persuade Government of Lincolnshire's case for a fairer share of national funding): Members sought an update on the future funding position. The CFO advised that she was part of a National Strategy Group set up to reform the police funding formula. This work had now been paused whilst the Home Office considered its options for funding forces in 2018/19. There were a number of potential scenarios including the possibility of Lincolnshire receiving an extra one-off grant for the year.

Risk C036 (Failure to deliver objectives of the Tri-Service “Blue Light Programme”): Members suggested that pressure to meet external deadlines could lead to inadequate time being given for preparatory work and costs being underestimated.

<p>Resolved:</p> <p>That the PCC Risk Register be noted.</p>	<p>Responsible Officer:</p> <p>-</p>
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52/17 POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE’S ASSURANCE MAP

The RPO advised that following factual accuracy checks undertaken in early September 2017, the new style Joint Assurance Map was no longer in draft form. The document had been updated to reflect developments since the previous draft was presented to the July 2017 meeting. The Chairman welcomed the Assurance Map describing it as a ‘great leap forward’.

Members queried whether there were linkages between the Assurance Map and the strategic objectives of the force. The RPO advised that the Chief Officer team was currently in the process of building the force strategic plan but that linkages would be established to assist in measuring progress against objectives.

The Chairman suggested that financial management, central government funding and the local police budget be more clearly differentiated within the document.

<p>Resolved:</p> <p>That:</p> <ol style="list-style-type: none"> 1. the Joint Assurance Map be noted; 2. linkages are made between the Assurance Map and the force Strategic Plan 	<p>Responsible Officer:</p> <p>- RPO</p>
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53/17 AUDIT COMMITTEE FORWARD PLAN

The Committee reviewed the Forward Plan.

<p>Resolved:</p> <p>That the annual private meeting of the JIAC to assess individual performance of all members (including the Chair) be rearranged in light of the Committee currently being without a permanent Chair.</p>	<p>Responsible Officer:</p> <p>DCFO</p>
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54/17 TERMS OF REFERENCE AND CODE OF CONDUCT

Resolved: That the Committee's Terms of Reference and Member Code of Conduct be reviewed after the JIAC Effectiveness Audit has been fully completed.	Responsible Officer: CAO
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EXCLUSION OF THE PRESS AND PUBLIC

55/17 LINCOLNSHIRE POLICE RISK REGISTER

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

Resolved: That the Lincolnshire Police Force Risk Register be noted.	Responsible Officer: -
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56/17 FEEDBACK ON MEETING

The Chair invited Members and officers to provide feedback on the meeting and to identify any issues of concern and/or suggest improvements going forward.

Resolved: That feedback be noted.	Responsible Officer: -
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CHAIRMAN