



**JOINT INDEPENDENT AUDIT COMMITTEE**  
**25<sup>th</sup> November 2020**  
**10.00am to 12.45pm**

**PRESENT:**

**Members:** Mr D Forbes (Chair), Mr J Gallagher, Mr I Haldenby, Mr D Matthew, Mrs T Latham-Green

**OPCC Officers:** Ms J Flint (Chief Finance Officer), Mrs G Holder (Deputy Chief Finance Officer), Mr A Williams (Research and Performance Officer), Mrs C Horton (Support Services Officer), Mr Adam Muspratt (Policing Intern), Miss Lucy Pettit (Policing Intern)

**Force Officers:** Mr B Skelly (Chief Constable), Ms S Clark (Force Chief Finance Officer)

**Also in Attendance:** Mr M Lunn (Internal Audit – Mazars), Ms Helen Henshaw (External Audit – Ernst & Young)

**23/20 DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS**

None.

**24/20 APOLOGIES**

Mr J Harwin (Deputy Chief Constable, LP) and Mr J King (Corporate Administration Officer, OPCC)

## 25/20 MINUTES OF THE 10 JUNE 2020

| <b>Resolved:</b>  | <b>Responsible officer:</b> |
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| That the Minutes of the meeting held on 10 June 2020 be taken as read and signed by the Chairman as a correct record. | -                           |

## 26/20 SUMMARY ACTION LOG

**Ref 304** It was hoped that the planned briefing on Regional Collaborative Issues could be included on the January 2021 meeting agenda for the Committee; time permitting.

**Ref 245** The Chair was pleased to note progress made with the Assurance Map.

| <b>Resolved:</b>                      | <b>Responsible Officer:</b> |
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| That the Summary Action Log be noted. | -                           |

## 27/20 INTERNAL AUDIT: ANNUAL REPORT 2019/20

The Committee received the Annual Report for 2019/20. It was noted that preparation of the report had been delayed due to the COVID-19 pandemic. The overall audit opinions for both the Police and Crime Commissioner and Chief Constable was that generally adequate and effective control and governance processes were in place to manage the achievement of organisational objectives. However, weaknesses had been identified in relation to Commissioning, the Victims Code and Recruitment.

The Chair requested an update on the Recruitment follow-up audit in relation to ex-gratia/bonus payments. The Chief Constable advised that discussions were still progressing and the follow up report yet to be finalised. However, it was expected to be available for the next meeting in January 2021. It was however confirmed that an additional step had been introduced with regards to ex-gratia payments within the Force's financial system.

| <b>Resolved:</b>  | <b>Responsible Officer:</b> |
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| That the Internal Audit Annual Report for 2019/20 be noted. | -                           |

## **28/20 INTERNAL AUDIT: PROGRESS REPORT 2019/20 AND 2020/21**

The Internal Auditor advised that due to timing issues, the progress report covered up to the end of 2019/20 and beginning of 2020/21. It was reported that good progress had been made with the 2020/21 audit and it was noted that the Force had recently accommodated a short notice audit. There was one outstanding regional collaboration audit report from 2019/20 but this was being progressed.

The Internal Auditor confirmed that the 2020/21 Audit Plan would address key areas of concern/risk and that discussions were due to be held early in the new year in relation to the 2021/22 Plan. Individual audits would include consideration of lessons learnt from their response to the COVID-19 pandemic. Members were concerned that the time frame for the 2021/22 planning process would be too drawn-out and that discussions should start as quickly as possible. The Chair concurred and suggested that conversations take place as soon as possible.

The Chair highlighted that the Collaboration Unit Health and Safety report did not refer to a timescale. The Chief Finance Officer advised that Lincolnshire was not part of the collaboration, so this was not a risk area for Lincolnshire.

With regards to commissioning, Members queried whether concerns had been raised in relation to the recording of decisions. The Internal Auditor reported that he had held discussions with both Chief Finance Officers regarding the matter and was satisfied that appropriate processes were in place. The Chief Finance Officer stated that the commissioning landscape was evolving, and consideration would need to be given to whether a marketplace existed for future services to be commissioned through the Force Procurement department.

| <b>Resolved:</b>  | <b>Responsible Officer:</b> |
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| That:<br><br>1. the Internal Audit Progress Report for 2019/20 and 2020/21 be noted;<br>2. discussions in relation to the Internal Audit Plan for 2021/22 take place as soon as possible. | -<br><br>DCFO               |

## **29/20 INTERNAL AUDIT REPORT: ANNUAL CHARTER 2020/21**

The Internal Auditor advised that no fundamental changes had been made to the document, but it had been refreshed and had been presented to the Committee for noting. Members queried how Internal Audit ensured the safeguarding and confidentiality of documentation during their audits. It was confirmed that documents were transferred via a secure portal.

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| <b>Resolved:</b>   | <b>Responsible Officer:</b> |
| That the Internal Audit Annual Charter 2020/21 be noted. | -                           |

### **30/20 INTERNAL AUDIT REPORTS IMPLEMENTATION PROGRESS**

Members sought further information regarding the 'Recruitment follow-up' audit. The Chief Constable advised his view that there was no blanket authorisation for anyone other than the employer to have access to information relating to ex-gratia payments as this was personal data. However, decisions on access would be made on a case-by-case basis depending on individual circumstances. Requests for information would need to be put in writing and a decision made as to whether disclosure could be made. The Recruitment follow-up audit report would be presented for consideration at the next Committee meeting.

Members noted that the deadline for 'Collaboration – Strategic Financial Planning' had been revised to April 2021. Members were keen for this matter to be resolved as quickly as possible. The Chief Finance Officer reported a clear commitment from Audit Committee Chairs in the region to meet and discuss the challenges ahead. A date for the meeting was in the process of being arranged. The Chief Finance Officers had also agreed a form of words for discussion at the next East Midlands PCC and Chief Constable Board meeting. It was therefore expected this would be resolved by the end of the calendar year.

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| <b>Resolved:</b>          | <b>Responsible Officer:</b> |
| That the report be noted. | -                           |

### **EXCLUSION OF PRESS AND PUBLIC**

#### **31/20 HMIC AREAS FOR IMPROVEMENT**

The Chief Constable updated the Committee on the current status of Areas for Improvement and recommendations identified by HMICFRS during the period 2014 to 2020.

The Chief Constable advised that HMICFRS was undertaking a national thematic inspection on the responses by forces to COVID-19. Lincolnshire had not been chosen for an in-depth review however, Lincolnshire would feed in their own views to the Inspection via a self-assessment return. It was confirmed that the National Police Chiefs' Council was also undertaking their own review.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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### **32/20 LINCOLNSHIRE POLICE RISK REGISTER**

The Chief Constable advised that the COVID-19 pandemic had impacted on the Force's ability to train police officers and staff and there was a limit to how much training could be undertaken 'on-line'. He encouraged the Committee to keep training under review. It was reported that the Force was looking at reviewing and streamlining both the training given to new officers and refresher courses.

The UK's impending exit from the European Union (EU) was highlighted and it was recognised that this would impact on information sharing between the EU and UK. The Force would ensure that its officers/staff were made fully aware of any changes to working practices following the UK's exit from the EU. A Mutual Aid request had been made in connection with the exit, which was being considered by the Force.

In response to questions from members, the Chief Constable confirmed that both officers and support staff worked within the Force's Collision Support Unit. He explained that some roles within the department required a warranted Officer, but where this was not necessary, support staff were utilised.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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### **33/20 PCC AND CHIEF CONSTABLE'S ASSURANCE MAP**

The report was presented to the Committee. It was confirmed that further moderation of the content would be completed during December 2020 to enable a phased roll-out of the Assurance Map in early 2021.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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### **34/20 G4S CONTRACT**

The Chief Finance Officer reminded the Committee of the Police and Crime Commissioner's decision not to extend the G4S contract beyond the original 10-

year term. Discussions/decisions in relation to each of the 18 service areas within the present contract would be undertaken in due course. A programme plan would be developed as soon as possible to identify criteria and work streams. The Committee requested a regular update on progress with the programme.

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| <b>Resolved:</b><br><br>That: <ol style="list-style-type: none"> <li>1. the report be noted;</li> <li>2. a standing item on the G4S contract be included on the forward plan for future Committee agendas.</li> </ol> | <b>Responsible Officer:</b><br><br>-<br>DCFO |
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## **INCLUSION OF PRESS AND PUBLIC**

### **35/20 REVIEW OF COMPLIANCE WITH GOVERNANCE ARRANGEMENTS**

The Committee noted that an issue had arisen regarding contractual procedures. The Chief Finance Officer confirmed that as a consequence of a car being loaned to the Force, a procedural issue had been identified and subsequently corrected.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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### **36/20 EXTERNAL AUDIT: ANNUAL AUDIT LETTER 2018/19**

The External Auditor stated that whilst it had been her intention to present the Annual Audit Letter 2018/19, this had not been possible as there were still a small number of outstanding matters that needed to be resolved before the letter could be finalised. These included several updates to the narrative within the letter; some additional work regarding variations on asset valuations in 2018/19 compared with 2019/20; and an outstanding matter relating to Internal Audit. It was hoped these issues would be resolved prior to the next meeting of the Committee.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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### 37/20 EXTERNAL AUDIT: 2019/20 AUDIT – PROGRESS UPDATE

The External Auditor advised that progress with the 2019/20 audit was going well but that there were some outstanding matters that needed to be resolved before they could finalise their conclusions. These included an outstanding issue with asset valuations and a matter concerning the Local Government Pension Scheme. The Deputy Chief Finance Officer confirmed that a 'lessons learnt' review would be undertaken post audit.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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### 38/20 ACCOUNTS PCC/CFO NARRATIVE 2018/19

The Chief Finance Officer reported that some amendments had been made under the Financial Performance section within the report to address a methodology issue identified during the production of the 2019/20 Accounts. The narrative reflected the position as at 31<sup>st</sup> March 2019 and the External Auditor confirmed that a post balance statement included reference to COVID-19.

The Chair requested that comparative data for previous years be reflected within the gender pay gap section of the report. The Chief Finance Officer confirmed this would be reflected in the 2019/20 narrative.

Members requested that the figures of £5.8m and £5.1m on page 14 of the report be clarified. The Chief Finance Officer explained that the table referred to the original budget (£5.1m) and the current budget (£5.8m).

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| <b>Resolved:</b><br><br>That:<br><br><ol style="list-style-type: none"><li>1. the report be noted;</li><li>2. the Accounts PCC/CFO narrative for 2019/20 include comparative data for previous years in relation to gender pay gap.</li></ol> | <b>Responsible Officer:</b><br><br>-<br>CFO/DCFO |
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### 39/20 FINANCIAL GOVERNANCE AND PERFORMANCE REPORT 2019/20

The Chief Finance Officer highlighted the section on financial performance within the key financial health indicators set out at Appendix A to the report. The narrative provided context in terms of budget against spend. She stated that failures in fully utilising the budget would impact on services to the public.

The Chief Finance Officer confirmed that a regional collaborative approach had been taken in some areas of procurement. However it was recognised that the impact of the UK's exit from the EU might well impact on future procurement programmes.

In relation to Insurance Services, the Chief Finance Officer advised that it would not be relevant to include comparative data either nationally or locally in relation to claims made in previous years as the individual circumstances of each claim meant that a direct comparison was very difficult.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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### **EXCLUSION OF PRESS AND PUBLIC**

#### **40/20 FINANCIAL GOVERNANCE AND PERFORMANCE REPORT 2019/20 – APPENDIX D – INSURANCE SERVICES**

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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#### **41/20 PROCUREMENT MID-YEAR REVIEW REPORT**

It was noted that more 'blue light' related procurements were being undertaken locally alongside national blue light commercial procurement exercises via the Treasury/Home Office.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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### **INCLUSION OF PRESS AND PUBLIC**

#### **42/20 TREASURY MANAGEMENT MID-YEAR REPORT 2020/21**

The Committee noted the helpful and comprehensive report. However, it was suggested that future reports include a demonstration of how the cash position fluctuates in the year.



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| <b>Resolved:</b><br><br>That:- <ol style="list-style-type: none"> <li>1. the report be noted;</li> <li>2. future reports demonstrate how the cash position fluctuates in the year.</li> </ol> | <b>Responsible Officer:</b><br><br>-<br>CFO/FCFO/DCFO |
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#### 43/20 BALANCE SHEET REPORT

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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#### 44/20 FINANCE REVIEW

Members were informed of the delay in preparing the Action Plan due to work being progressed in relation to the year-end accounts and the impact of the COVID-19 pandemic. Progress reports would continue to be presented to the Committee.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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#### 45/20 PCC'S RISK REGISTER

The Committee noted the decision that had been taken by the Police and Crime Commissioner (PCC) not to extend the G4S contract beyond the original 10-year term. The risks associated with this decision would be kept under review by the PCC and Chief Constable and the risk scores/controls updated accordingly.

An update was requested in relation to the recruitment of a new Chief Constable. The Chief Finance Officer reported that the position had been advertised and an interview process had taken place. The preferred candidate would be presented to the Lincolnshire Police and Crime Panel at a confirmation hearing scheduled for mid-December 2020.

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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**46/20 POLICE AND CRIME COMMISSIONER (PCC) AND CHIEF CONSTABLE  
RISK MANAGEMENT STRATEGY**

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| <b>Resolved:</b><br><br>That the report be noted. | <b>Responsible Officer:</b><br><br>- |
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**47/20 FORWARD PLAN**

The Committee noted the plan and reiterated the Committee's earlier decision that a standing item on the G4S contract be included on the forward plan for future Committee agendas.

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| <b>Resolved:</b><br><br>That:<br><br><ol style="list-style-type: none"><li>1. the report be noted;</li><li>2. the tenure expiration of members of the committee be considered for action.</li></ol> | <b>Responsible Officer:</b><br><br>-<br>DCFO |
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**CHAIRMAN**