Lincolnshire
POLICE & CRIME
COMMISSIONER
SAFER TOGETHER

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JOINT INDEPENDENT AUDIT COMMITTEE
25 April 2022
1.30pm to 4.02pm

PRESENT:

Members: Mr D Forbes (Chair), Mr W Leschenko, Mr D Matthew, Mr A Middleton, Ms Judit Seymour

OPCC Officers: Ms J Flint (Chief Finance Officer), Mrs G Holder (Deputy Chief Finance Officer), Mr A Williams (Research & Performance Officer), Mrs C Horton (Support Services Officer), Ms H Kelly (Intern), Ms K Pickett (Apprentice)

Force Officer: Mr J Harwin (Deputy Chief Constable), Ms S Clark (Director of Finance & Corporate Services)

Also in Attendance: Mr M Lunn (Internal Audit – Mazars), Mr N Harris (External Audit – Ernst & Young)

01/22 ANNOUNCEMENTS

The Chair announced that the Deputy Chief Constable (DCC) was attending his final Committee meeting prior to retiring. The Chair commented that it had been a pleasure to work with the DCC and his input had been welcomed as proactive and constructive. The Chair wished the DCC a long and happy retirement.

02/22 DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

None.

03/22 APOLOGIES

Apologies were received by Mr J King (Corporate Administration Officer).

04/22 MINUTES OF THE 2 MARCH 2022

Resolved: That the Minutes of the meeting held on 2 March 2022 be taken as read and signed by the Chairman as a correct record.	**Responsible officer:** -

05/22 SUMMARY ACTION LOG

Ref 382 and 383. It was confirmed that both actions had been completed.

Ref 372. The Committee noted that a briefing paper on Cyber Security had been expected. The DCC advised that a paper would be prepared and circulated to Members before the next Committee meeting.

Resolved: That: 1. the Action Log be noted; 2. action 372 be updated to reflect that a briefing paper on Cyber Security will be circulated to Members before the next Committee meeting.	**Responsible Officer:** - CAO

06/22 INTERNAL AUDIT PROGRESS REPORT 2021/22

The Internal Auditor advised that one audit report had been finalised and several others had been produced as draft reports since the update had been prepared. The Chair noted that several collaboration audits had been cancelled or deferred and queried whether this was a concern. It was confirmed that audits had been deferred due to staffing issues within Internal Audit. It had been necessary to cancel audits in response to changes within some areas of regional collaboration, which had impacted on the Audit Plan.

The Internal Auditor confirmed that the Future Services Programme audit had considered the governance structure and the risks associated with the programme. The DCC confirmed that a discussion on the commissioning of an appropriately timed evaluation, including a review and lessons learnt associated with the transition from G4S, would be considered shortly.

Resolved: That the progress report be noted.	**Responsible Officer:** -

07/22 DRAFT INTERNAL AUDIT STRATEGY AND PLAN 2022/23

The Internal Auditor presented the draft Internal Audit Strategy and Plan for 2022/23. The plan was presented as a first draft for consideration. It was expected the final plan would either be considered at the next meeting or agreed 'off-line'.

The Internal Auditor confirmed that an audit on 'Wellbeing' had been included in the draft 2022/23 Audit Plan whilst areas such as recruitment and workforce planning had only recently been undertaken so had not been included. He confirmed that scoping would be shared in advance and include consideration of environmental sustainability.

The Chief Finance Officer (CFO) advised that previous Internal Audit strategies and plans had been set in the context of a four-year contract period. However, in light of the one-year extension to the Internal Audit contract, the plan only covered 2022/23. It was confirmed that a four year plan would be prepared the following year.

It was noted that IT Governance, IT Benefits Realisation and Stock Control were all featured in the Audit Plan. The DCC acknowledged the importance of IT to the organisation but stated that IT audits would not be taken forward until after the summer due to the number of projects currently in train. The CFO commented that the IT Governance Audit would be critical in helping to identify priority areas for further work.

Resolved:	**Responsible Officer:**
That the draft Internal Audit Strategy and Plan 2022/23 be noted.	-

08/22 INTERNAL AUDIT REPORTS – IMPLEMENTATION PROGRESS

It was noted that an action under 'Workforce Planning' had been marked as complete despite the parameters being changed. Similarly, the timeframe for completing an action under 'Wellbeing' had been extended.

The DCC commented that a review was underway to identify the key roles required in relation to operational and organisational demand. He stated that talent management and succession planning would also be a challenge as the Force had less capacity than many other forces.

It was agreed that a copy of the full report including scope and recommendations in relation to the Governance Audit would be provided to Members.

The DCC confirmed that records relating to the skill sets of individual Police Officers was held on a separate regional system.

Resolved:	Responsible Officer:
That: 1. the progress report be noted; 2. a copy of the Governance audit report including scope and recommendations be circulated to Members.	- RPO

09/22 REVIEW OF COMPLIANCE WITH GOVERNANCE ARRANGEMENTS

The DCC confirmed that the recruitment of a Level One Mobile Phone Examination Team would assist with digital forensics in terms of high-risk missing persons and concerns for welfare.

The CFO clarified that the 'Twinning Project' related to the provision of funding to support the rehabilitation of prisoners through football-based activity.

Resolved:	Responsible Officer:
That the Review of Compliance with Governance Arrangements report be noted.	-

10/22 DRAFT ANNUAL GOVERNANCE STATEMENTS – 2021/22 PRELMINARY

The DCC commented that the Force was addressing concerns raised by HMICFRS in relation to the workforce and was driving activity in this area. It had been noted that whilst Officers had good energy and drive to perform their duties, there was a general lack of experience.

The RPO advised that meetings of the Anti-Fraud and Corruption Steering Group were scheduled every quarter to consider emerging issues. He confirmed that the Fraud Risk Matrix would be ready by August 2022. The matrix would be considered at Steering Group meetings but wouldn't be used to drive business.

Resolved:	Responsible Officer:
That the draft preliminary Annual Governance Statements 2021/22 be noted.	-

11/22 SCHEME OF ARRANGEMENTS INCLUDING FINANCE, CONTRACT AND PROCUREMENT REGULATIONS

The CFO advised that no significant changes had been made to the documentation. The DFCS confirmed that a review and restructuring of both the Finance department and Commercial Contracting department would be undertaken. An updated version of the Regulations would be brought back to the Committee after the review/restructuring had been completed.

It was explained that the restructuring of the Commercial Contracting department would ensure that it had the necessary capacity and appropriate skill sets. It was confirmed that the existing structure had sufficient numbers of qualified staff to deliver on the considerable re-procurement requirements.

Resolved:	**Responsible Officer:**
That the Scheme of Arrangements including Finance, Contract and Procurement Regulations be noted.	-

12/22 CODES OF CORPORATE GOVERNANCE

Resolved:	**Responsible Officer:**
That the Codes of Corporate Governance be noted.	-

13/22 VALUE FOR MONEY AND EFFICIENCY PLAN

The DCFS commented that the Value for Money and Efficiency Plan highlighted the investments and efficiencies for the Force, which were heavily weighted in terms of investment in IT due to emerging demand issues.

It was noted that in 2016 there had been a wholesale review of services across the Force and a priority-based budget exercise had been undertaken, which emphasised key priorities to ensure the efficiency of the Force. With the arrival of the new Chief Constable and his vision for the Force, there would be a further opportunity to review services.

The DCC advised that a needs assessment would be carried out to identify the issues and how these could be policed; this assessment would link to the Force Management Statements.

The DCFS advised Members that an update on the outcome of the review would be reported to the Committee at their September 2022 meeting. Frontline services would be reviewed in quarter one with departments that had transferred from G4S reviewed in quarter two. The review would be concluded or be nearing conclusion by September.

The DCFS confirmed that in the past business cases would be considered by the Capability Board with no method of comparability or prioritisation. However, a new more consistent approach had been introduced with areas for service investment being considered by the Evaluation Board. The Evaluation Board had refined the criteria for business cases and had added value. As a result, the quality of business cases had improved. The benefits derived from investments were considered in terms of cashable and/or non-cashable benefits.

In terms of Force performance, Members noted that when compared with its Most Similar Group, Lincolnshire had significantly more crimes allocated per Officer in 2020/21. The DCC commented that it was a simple case of capacity versus demand, however representations would continue to be made to government for an improvement in the Force's funding position and to improve services.

The CFO highlighted that Lincolnshire had been instrumental in the 1990's in securing additional funding for policing rural areas, but that had been abolished around 10 years ago to simplify the funding formula. One-off funding was being provided via the levelling up agenda, but recurrent funding was what was required.

Resolved:	**Responsible Officer:**
That the arrangements to secure value for money and their effectiveness be noted.	-

14/22 EXTERNAL AUDITS 2018/19, 2019/20 AND 2020/21 PROGRESS UPDATES

The External Auditor advised that there were two matters that were preventing the conclusion of the audits. The first concerned a procurement matter, which the External Auditor hoped would be concluded soon subject to satisfactory responses to follow-up questions from the CFO and DCFS. On receipt of the responses a written position statement on the matter would be prepared by External Audit and presented to the Committee. The Chair welcomed the provision of a position statement as it would give assurance to the Committee.

The second issue concerned a material adjustment of £5m that had been recommended by the External Auditor's pensions consulting team. This related to the McCloud judgement and to assumptions that had been made by the Actuary, Hymans Robertson, about the membership profile. The recommended adjustment was being disputed by the CFO and DCFS with support from the Actuary. Members were advised that a further response was expected to be received from Hymans Robertson shortly.

The External Auditor suggested that subject to the two outstanding matters being satisfactorily concluded, a formal meeting of the Committee be convened during late June 2022 to consider the 2018/19 and 2019/20 Financial Statements.

Resolved:	Responsible Officer:
That: 1. the progress update be noted; 2. a formal meeting of the Committee be convened in late June 2022 to consider the Financial Statements.	- DCFO

15/22 APPOINTMENT OF EXTERNAL AUDITORS FOR 2023/24

Resolved:	Responsible Officer:
That the update be noted.	-

[The Chair adjourned the meeting at 3.05pm and reconvened at 3.10pm]

16/22 PCC'S RISK REGISTER

It was noted that since the last meeting, two risks had been removed that related directly to G4S. The CFO confirmed that those particular issues had been reflected within existing risks relating to how the Force delivered its business. The key focus was now on Force delivery and there was an expectation that plans would be produced setting-out what would be delivered in terms of value for money and productivity.

Resolved:	Responsible Officer:
That the PCC's Risk Register be noted.	-

17/22 PCC AND CHIEF CONSTABLE'S ASSURANCE MAP – DASHBOARD

The RPO confirmed that the scoring on the Joint Assurance Map Dashboard had not changed since the last Committee meeting held in March. However a joint assessment review meeting had recently taken place and it was clear that the primary drive and approach to the Assurance Map Dashboard had been understood.

The DCC confirmed that preparatory work had been undertaken on the Dashboard to support an understanding across the Force and gather inputs. He concurred with the RPO's remarks that it had been well received and understood, and it was hoped the quality of inputs would improve going forward.

The RPO confirmed that work on the finer details of the Joint Assurance Map would continue in conjunction with the DCC.

Resolved:	**Responsible Officer:**
That progress with the Assurance Map Dashboard be noted.	-

18/22 FORWARD PLAN AND ACTION PLAN

Resolved:	**Responsible Officer:**
That the Forward Plan and Action Plan be noted.	-

EXCLUSION OF PRESS AND PUBLIC

19/22 HMICFRS AREAS FOR IMPROVEMENT

The DCC gave an overview of the report, which was welcomed by the Committee. It was suggested that a summary table of recommendations, proposed actions, details on prioritisation of actions by the Force with a RAG rating, be included in future reports.

The DCC commented that a paper on Force governance structures had been circulated approx 6 months ago. The DCC was content for this to be re-circulated again for the benefit of the new Members.

Resolved:	**Responsible Officer:**
That:-	
1. the report be noted;	-
2. future reports contain a summary table of recommendations, proposed actions, details on prioritisation of actions and RAG ratings;	DCC
3. the paper on Force governance structures be re-circulated to Members.	CAO

20/22 POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE'S ASSURANCE MAP – CONTENT SECTION

The DCC highlighted the Crime function and advised that there had been some recent changes made to the team, governance structure and a review of ownership and capability. However it was too early to assess outcomes from implementing the new structure.

Resolved:	**Responsible Officer:**
That the Joint Assurance Map (Content section) be noted.	-

21/22 LINCOLNSHIRE POLICE RISK REGISTER

The DCC highlighted several risks on the register and the mitigations that were being put in place. Following a few questions and queries from Members, which were responded to by the DCC and DCFS, the Risk Register was noted.

Resolved:	**Responsible Officer:**
That the Force Risk Register be noted.	-

22/22 ARRANGEMENTS FOR TRANSITION FROM G4S CONTRACT

The Committee received an oral update on progress with transitioning from the G4S contract by the CFO, DCFS and DCC.

Following a number of questions and queries from Members the oral update was noted.

Resolved:	**Responsible Officer:**
That: 1. the oral update be noted; 2. A further update on the forward plan be provided for the September 2022 meeting.	-

CHAIRMAN