



**Lancashire  
Constabulary**  
police and communities together

## **JOINT AUDIT COMMITTEE**

**MONDAY 21 SEPTEMBER 2015 AT 1.30 PM  
IN THE DUKE OF LANCASTER ROOM (FORMER CABINET ROOM  
C), COUNTY HALL, PRESTON**

### **MINUTES**

### **PRESENT**

Mr Clive Portman (Chair)

Mr Stephen Dobson  
Mr David Jones  
Ms Karol Sanderson  
Mr Russell Weaver

### **IN ATTENDANCE**

Mrs A Harrison	Director, Office of the Police and Crime Commissioner
Mr I Cosh	Director of Resources, Lancashire Constabulary
Mr S Freeman	Chief Finance Officer, Office of the Police and Crime Commissioner
Ms Nicola Bickerstaffe	Senior Auditor
Ms Judith Taylor	Audit Manager
Mr R McGahon	External Audit Manager
Mr M Thomas	Engagement Lead, External Audit

### **SECRETARIAT**

Mrs Rebecca Atkinson	Project Support Officer, Office of the Police & Crime Commissioner
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## **APOLOGIES FOR ABSENCE**

Apologies were presented by Mrs R Lowry.

## **DISCLOSURE OF MEMBERS INTEREST**

The Chair disclosed that he was also currently Chair of the North West Regional Police Pensions Board.

## **PRESENTATION BY CHIEF SUPERINTENDENT WOODS**

A presentation was given by Chief Superintendent Woods in relation to the Constabulary's response to austerity, the risks arising from the reduction in funding and how these risks are being mitigated.

## **CONSTITUTIONAL MATTERS**

Members were invited to review the Joint Audit Committee's (JAC) Membership, revised Terms of Reference.

**15/01 RESOLVED**: - That:

1. the Terms of Reference of the Joint Audit Committee should include the requirement to scrutinise the basis of the assurances provided as to the integrity of crime data, including the related performance management systems of the Constabulary; and
2. the Police and Crime Commissioner and Chief Constable be recommended to approve the Terms of Reference.

## **MINUTES OF THE MEETING HELD ON 15 JUNE 2015**

Mr Dobson raised two issues in respect of the Annual Governance Statement that had been raised in the previous meeting on 15 June 2015 but had not been included in the minutes.

-The Force's response to the Government's Austerity programme, and

-The risk in relation to the funding of the Constabulary.

It was requested in the meeting that the Constabulary provide a presentation to the next meeting (21 September) in respect of these concerns.

**15/02 RESOLVED**: - That subject to the agreed amendment the Minutes of the meeting held on the 15 June 2015 be approved and signed by the Chair.

## **MATTERS ARISING**

### **EXTERNAL AUDIT (GRANT THORNTON) – AUDIT FINDINGS REPORT**

Mr McGahon presented the Audit Findings Report for the Police and Crime Commissioner and the Chief Constable for the year ended 31 March 2015.

Key messages from the audit were reported. The Committee was advised that an unqualified audit opinion on the accounts and arrangements for securing value for money was anticipated.

The report detailed the finding of the External Auditors in relation to the Police & Crime Commissioner's performance against the Audit Commissions criteria. All areas were reported as adequate and there was a consistent approach between the Police and Crime Commissioner and Chief Constable reporting arrangements.

Further, the work of the External Auditors had not identified any control weaknesses which should be brought to the Committee's attention.

Details of audit findings; audit findings against significant risks; audit findings against other risks; accounting policies, estimates and judgements, value for money; and fees, non-audit services and independence, were presented.

In response to a query to concerns raised in relation to the capital underspend, the Chief Finance Officer, Mr Cosh explained that largely the underspend was due to slippage of both ICT costs and the timing of the purchase of land for the new police station build.

There were two recommendations arising from the action plan which were, to ensure that consideration is given to the impact on the Medium Term Financial Strategy (MTFS) should general inflation start to rise and the inclusion of a table within the MTFS showing the impact each year on overall reserve levels.

Due to a change in regulations it was noted that the timing of the production and auditing of the accounts would change in the next financial year. The Committee agreed to look at the work programme and amend dates of future meetings as appropriate.

Mr Thomas wished to place on record his thanks to Finance staff and other officers in both the Commissioner's office and the Constabulary for their assistance over the course of the audit.

**15/03 RESOLVED:** - That:

1. the report be noted.
2. the Committee look at the future work programme and amend dates of future meetings as necessary.

## **INTERNAL AUDIT SERVICE – MONITORING REPORT**

The Internal Audit Manager presented the monitoring report covering the period 1 April 2015 to 31 August 2015. To date 34 days had been spent this financial year on delivering the 2015/16 audit plan and 26 during the same period was spent completing reviews outstanding from the 2014/15 audit plan.

A brief summary of each review undertaken was presented which set out the planned and actual days spent on each review, together with a summary of the assurance provided.

Internal Audit were not able to provide assurance that the current system of processes and controls were adequate and effective in mitigating the key risks to achieving Evidence Related Property (ERP) objectives. However it was noted that ERP was currently subject to a force wide review. A number of actions had been agreed with management to address the areas of weakness and these were being taken forward as a matter of urgency. Internal Audit would revisit the site before the end of the financial year. The Committee asked that the action plan be presented to the December Joint Audit Committee meeting.

Finally, the review into OPCC Commissioning arrangements had been provided with a limited assurance opinion. Whilst Audit found that the services commissioned are aligned with the priorities within the Police & Crime Plan, a number of areas where controls could be improved were identified. A draft report had been issued to management and actions had been agreed to address the weaknesses identified. Members asked that the action plan be brought to the December Joint Audit Committee meeting.

**15/04 RESOLVED**:- That:

1. the report be noted.
2. action plans relating to both the ERP review and the OPCC Commissioning review be presented to the December Joint Audit Committee meeting.

## **INTEGRITY AND STANDARDS**

An update report in relation to integrity and standards was presented to Members. Her Majesty's Inspectorate of Constabulary had conducted an audit and highlighted areas of concern for Lancashire. Mr Cosh confirmed that both the Police and Crime Commissioners office and the Constabulary had responded to the HMIC report. The Constabulary acknowledged that the requirement to undertake the recommendations to audit compliance against the MOPI code and guidance would only be achieved with additional resource. The Force Information Assurance Manager was therefore in the process of establishing two temporary MOPI auditor posts to undertake the initial work.

**15/05 RESOLVED**: That the report be noted.

## **COMBINED ETHICS COMMITTEE**

The Committee was presented with a report in relation to the establishment of a combined Audit and Ethics Committee. In October 2014 the Police and Crime Commissioner and Chief Constable agreed to establish an ethics committee and made an explicit and public commitment to transparent, ethical policing in Lancashire

that is subjected to rigorous independent scrutiny. Since that time officers have undertaken two public recruitment exercises but have been unable to fulfil the needs of the committee. It was therefore proposed that the current Terms of Reference for the Audit Committee be amended to include Ethics.

Members agreed to accept these proposals, however, it was with the understanding that work would commence on draft proposals and arrangements would be made for current Members to undertake training to enhance their skills. It was agreed that draft Terms of Reference and proposed initial agenda would be presented to the December meeting for further discussion.

**15/06 RESOLVED:**

1. that the report be noted.
2. the Police & Crime Commissioner and Chief Constable be recommended to approve the establishment of a combined Audit & Ethics Committee.
3. that officers present draft Terms of Reference and a proposed agenda to the December meeting.

**URGENT BUSINESS**

No matters of urgent business were reported.

**OUTWARD COMMUNICATION**

The Committee was asked to consider if:-

- a) There were any key messages arising from the meeting which should be sent to:-
  - i) The press / public
  - ii) Local / regional / national bodies
- b) The Police and Crime Commissioner's / Constabulary's press / public relations teams should be asked to consider whether any consultation / research on any particular matters arising from the meeting should be undertaken.

**15/07 RESOLVED**:- The Committee agreed that no further action was necessary.

**DATE OF NEXT MEETING**

**15/08 RESOLVED**:- That it be noted that the next scheduled meeting of the Committee was due to be held at 1.30pm on Monday 7 December 2015.