



JOINT AUDIT AND ETHICS COMMITTEE

**MONDAY 9TH SEPTEMBER 2019 AT 11:30AM
CABINET ROOM D, COUNTY HALL, PRESTON**

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MINUTES

PRESENT

Ms Karol Sanderson (Chair)
Mr Stephen Dobson
Mr David Jones
Mr Paul Richardson
Mr Russ Weaver

IN ATTENDANCE

Mr I Cosh	Director of Resources, Lancashire Constabulary
Supt I Dawson	Lancashire Constabulary
Mr S Freeman	Chief Finance Officer, OPCC
Mrs J Greaves	Head of Legal Services and Monitoring Officer, Lancashire Constabulary
Mrs J Taylor	Audit Manager, LCC
Mr G Winstanley	Grant Thornton
Mrs J Nicholas	Business Support Officer, OPCC

1. Apologies for absence

Mrs A Harrison	Director, OPCC
Mr R Baker	Grant Thornton
Det Supt M Winstanley	Lancashire Constabulary

AUDIT Matters – Part I

2. Constitutional matters

None

3. Disclosure of members' interests

Paul Richardson declared that his daughter is employed by the Local Pensions Partnership.

4. Minutes of the meeting held on 24th June 2019

It was noted that under the Committee Member Reports, Mr Cosh had agreed to prepare a report on Cyber Crime and its wider implications for the Committee. A discussion took place and it was agreed that Mr Cosh would arrange a separate, broader training session on Cyber Crime rather than provide a report.

Mr Cosh also confirmed that he would ensure the training session from PSD on complaints etc would be arranged with the committee.

ACTION-: Mr Cosh to arrange training sessions on Cyber Crime and the PSD complaints process with the Committee.

Mrs Greaves asked the Committee to note that her formal title perhaps should be recorded as "*Head of Legal Services and Monitoring Officer, Lancashire Constabulary*" as it is in the capacity of Monitoring Officer that she attends this meeting.

ACTION: JN to amend the Minutes and to note for future Agendas.

RESOLVED: Committee noted and agreed the Minutes.

5. Matters arising

CIPFA Website: Mr Freeman advised that he was also still having problems accessing the CIPFA website and would take this further and advise Members once resolved.

The Chair mentioned that she had experienced difficulty finding the Committee's agendas on the OPCC website. JN confirmed she would send a link to all Committee Members for easy access to the Committee's papers on the website.

ACTION: JN to send link to all Committee Members for straightforward access.

Force emails for committee members

Arrangements had been made to provide committee members with force email accounts but an issue had arisen preventing their use. Mr Cosh will follow up and ensure the emails are in place as soon as can be arranged.

6. Committee Members Reports

None

7. External Audit – Audit Letter

The Audit letter confirmed the Audit Findings report at item 8 on the agenda.

Mr Winstanley highlighted that due to additional work required for the audit relating to national issues the Audit fee for 2018/19 has increased. The proposed increase has been submitted to Public Sector Audit Appoints (PSAA) Ltd for approval.

RESOLVED: Committee noted the report

8. External Audit – Audit Findings Report

Mr Winstanley presented the Report to the Committee and confirmed that:

- It is a brief but positive report and the working papers are good.
- The final accounts were signed off on the 29th July by the Chief Constable and the OPCC and gave a clean bill of health on Value for Money.

Mr Winstanley highlighted that there was an audit adjustment regarding the on-going national case (an age discrimination pension case) at the Court of Appeal. The Government had applied for Leave to Appeal which had been refused. There would be a knock-on effect for the Statement of Accounts and a material adjustment made of £206m. There would be no impact on Useable Reserves.

Members confirmed they were content with the Report.

RESOLVED: Committee noted the report

9. Internal Audit Report

Mrs Taylor presented the Internal Audit Monitoring Report for the period from 1st April 2019 to 31 August 2019.

25 days of the 2019/20 programme have been completed to date including the completion of the review of the Commissioner's Treasury Management arrangements

and work done on the reviews of Stock control at the Constabulary and the administration of the Commissioner's Community Action Fund.

All 2018/19 reviews carried forward in to 2019/20 have been completed.

2018/19 Audit follow-up work will commence in the next quarter.

All actions agreed for 2018/19 and 2019/20 reviews and progress against them will be reported in future monitoring reports to the committee.

All outstanding action from previous periods will also be reported in the monitoring reports.

Mrs Taylor highlighted a review of the internal audit work (conducted by Deloitte) undertaken by the Local Pension Partnership that found a number of controls to be 'ineffective'. Mrs Taylor confirmed this is equivalent to the 'limited assurance' rating from her team. The partnership manages the pension scheme that OPCC and Constabulary staff are members of.

Mr Cosh brought the Committee's attention to a letter he had sent on the 20th August 2019 to the Local Pension Partnership. He also distributed a copy of the email response he had received dated 30th August 2019.

ACTION: Mr Cosh to update the Committee on progress at the December meeting.

RESOLVED: Committee noted the report.

10. Urgent Business

None

Audit Matters - PART II – PRIVATE AND CONFIDENTIAL

The following matters will be discussed in private as it involves the likely disclosure of exempt information as defined in the Freedom of Information Act 2000.

11. HMICFRS inspections update.

RESOLVED: Committee noted the report

Ethics Matters – Part I

12. Minutes of the meeting held on 24th June 2019

It was noted that under the Committee Member Reports, Mr Cosh had agreed to prepare a report on Cyber Crime and its wider implications for the Committee. A discussion took place and it was agreed that Mr Cosh would arrange a separate, broader training session on Cybercrime rather than provide a report.

Mr Cosh also confirmed that he would ensure the training session from PSD on complaints etc would be arranged with the Committee.

ACTION-: Mr Cosh to arrange training sessions on Cybercrime and the PSD complaints process with the Committee.

ACTION: JN to amend the Minutes as per the Audit Business Meeting.

13. Matters arising

Mr Cosh and Mr Freeman provided the Committee with an update on recent key developments. There has been a recent announcement of funding for additional officers throughout the country and the Force expects to receive funding for a further 200 officers, in addition to the 150/200 currently being recruited to replace officers leaving. Extra funding has also been promised for the Courts/CPS which would further assist the Force.

RESOLVED: The Committee agreed that it would be helpful to have an update at each meeting on key events and that should be a standing item on future agenda.

Revised DIP sampling protocol: Mr Freeman advised the Committee that there needs to be changes within the OPCC to accommodate the considerable changes in the appeals process after which the protocol would be further amended by Mr Dickinson.

There was a discussion about the current protocol, and the Chair, Mr Richardson and Mr Weaver, all of whom had recent experience of carrying out dip sampling, commented that the current Protocol did not reflect adequately the work which was the Committee had identified as being desirable e.g. identification of themes and ability to respond to changes/developments. It also did not include misconduct and grievances which was work which was included in the Committee Terms of Reference. **IT WAS AGREED** that Mr Dickinson (OPCC) be asked to update the draft protocol to ensure that it was more flexible and fit for purpose and that it included misconduct and grievances dip-sampling. The protocol would then be brought back to Det Supt Mark Winstanley through PSD and the Committee Chair.

ACTION: IDD to provide an updated DIP sampling protocol to Ms Sanderson and Mark Winstanley for views.

14. Terms of Reference

Draft revised terms of reference were tabled at the meeting and discussed. The addition of 3 additional functions of the right to co-opt a member; identification of issues for investigation and ability to attend as an observer at the Constabulary Tactical Ethics Board was agreed. It was also agreed that item 6, relating to Committee involvement in issues of unlawful behaviour be removed.

A final copy of the revised terms of reference, plus supporting papers and guidance, will be circulated to Committee members before the next JAEC meeting.

ACTION: SF to circulate revised terms of reference and supporting papers to Committee

15. Setting the Ethics Scene

The Committee Chair welcomed Mr O'Neill and Ms Webb to the meeting and thanked them for attending.

A member of the JAEC attends meetings of the Tactical Ethics Board at Constabulary as an observer. The Committee discussed the role of JAEC in supporting the Ethics agenda at the constabulary and how the Tactical Ethics Board supports this.

Mr O'Neill referred to the report provided by Det Supt Mark Winstanley setting out the ethics agenda for Constabulary and advised that the report is being submitted to the Tactical Ethics Board meeting tomorrow and is an ideal a tool for senior managers.

The Committee discussed its role in supporting the Tactical Ethics Board and it was identified that issues for the Board could be generated in three ways:

1. Issues raised by the Board itself (including those raised through staff forums)
2. Issues identified by the PCC and Chief Constable
3. Issues identified by JAEC

It was agreed that the Tactical Ethics Board could submit issues to the JAEC for consideration and for the provision of advice in the form of a discussion paper.

Mr Richardson asked if the issues being considered were linked to the Constabulary risk register and it was agreed that relevant issues would be generated that way but not exclusively.

RESOLVED: Committee noted the report

16. Misconduct & Grievances

The Committee terms of reference have always included the authority to scrutinise misconduct and grievance cases and whistleblowing processes. The Committee agreed that they will begin to carry out that work, but will not consider the outcome of the

individual cases themselves. The scrutiny will be in order to provide reassurance that the process is reasonable and proportionate.

Mr Cosh confirmed that Det Supt Winstanley had training planned in November for JAEC Members. Mr Jones asked whether there had been any feedback from his observations of the Promotion Boards and Mr Cosh confirmed there had been no negative opinions at all.

RESOLVED: Committee agreed to begin scrutiny of misconduct and grievance cases and whistleblowing processes -after the November training.

17. Committee Members' Reports

The Chair had been aware of recent news reports regarding image retention and Mr Cosh advised there is an Information Governance Board and there are other groups providing reassurance. Supt Dawson advised that any concerns would be raised to SMT level.

18. Dip Sampling Reports

Mr Weaver reported that there was real transparency from Constabulary colleagues around the dip-sampling process and nothing had been held back. The triage system is working well. If there is a delay, evidence is provided for the cause of the delay.

Mr Weaver noted the improvement for standard letters which now have some personalisation.

Mr Weaver also reported that there is a significant issue with persistent complainers.

RESOLVED: Committee noted the report.

19. Constabulary Business Interest Reports

Ms Webb presented a report to the Committee and advised that this area of work -is being renamed 'business interests and external activities'. This is to ensure that the oversight process -reflects both business activities and other work done for outside organisations.

MS Webb confirmed that the 'Strategic Risk Management Panel' considers all requests from Constabulary employees requesting to take up a new 'business interest'.

MS Webb confirmed that only a small proportion of such requests are refused.

