



JOINT AUDIT AND ETHICS COMMITTEE

MONDAY, 12TH OCTOBER 2020 AT 13:00
VIRTUAL MEETING

JOINT AUDIT AND ETHICS COMMITTEE

MINUTES OF THE MEETING HELD ON THE 12TH OCTOBER 2020

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
Ms J Darbyshire	Head of Risk and Compliance, Lancashire Pension Partnerships Administration
Mr S Freeman	Chief Finance Officer, OPCC
Mrs J Greaves	Head of Legal Services and Monitoring Officer, Lancashire Constabulary
Mrs A Harrison	Director, OPCC
Ms R Hoy	Lancashire Constabulary – attending for Supt Eddie Newton
Mrs R Lowry	Head of Internal Audit, Lancashire County Council
T/Supt Z Mainey	Head of Professional Standards, Lancashire Constabulary
Janet Morville-Smith	Head of Risk and Compliance, Lancashire Pension Partnerships Administration
Mr I Murray	Grant Thornton
Supt S Osiowy	Lancashire Constabulary (for Ethics Session)
Chief Constable A Rhodes	Lancashire Constabulary
Supt R Robertshaw	Lancashire Constabulary
Mr D Rogers	Head of Finance, Lancashire Constabulary
Mrs J Taylor	Audit Manager, LCC
Ms C Wilkinson	Lancashire Constabulary – Observer

Ms S Wiseman	Lancashire Constabulary – attending for Supt Eddie Newton
Mr G Winstanley	Grant Thornton
Mrs J Nicholas	Governance Support Officer, OPCC

1. Apologies for absence

Chief Supt Ian Dawson, Lancashire Constabulary

AUDIT Matters – Part I

2. Constitutional matters

3. Disclosure of members' interests

There are no Members' interests for disclosure.

4. Chief Constable's Presentation

The Chief Constable gave a verbal presentation of his annual update to the Committee.

The Committee thanked the Chief Constable for his presentation and noted the extremely complex environment that policing is operating in at the current time.

The Chair took the opportunity to wish the Chief Constable well for his impending retirement.

5. Lancashire Pension Partnerships – Governance Review

A presentation was delivered to the Committee by Jo Darbyshire (Managing Director) and Janet Morville-Smith (Head of Risk and Compliance) of Lancashire Pension Partnerships Administration (LPPA). They had offered to attend following some concerns which had been raised with the Committee by Mr Cosh in September 2019 about the quality of the service being provided to the Force following an audit finding by the Lancashire County Council.

The company has experienced a significant number of challenges since it came into being two years ago.

The company has split into two operating areas, investment and administration. This split will enable the partnership to address the issues of poor performance they have experienced.

The Internal Audit function (provided currently by Deloitte) for the company is being brought 'in-house' and an external audit will take place to provide additional assurance to all members of the fund.

Mr Cosh thanked both for all the work they have undertaken so far. He felt that LPPA were now in a much better place than when it was first raised as a risk. They had provided some reassurance but there was still a need to continue pushing for improvement in this regard. Mr Cosh advised the Committee that he would circulate the documents he had received to date, including the LPPA Annual Assurance Report.

Mr Weaver asked whether the transfer to an in-house internal audit function would run in parallel with the service provided by Deloitte. Jo Derbyshire advised that for the rest of this year, it is parallel. The intention for the following year is that Deloitte will be asked to undertake the Annual Assurance Report to provide the essential scrutiny and independence to evidence that LPPA is doing all it should.

ACTION-: Mr Cosh to circulate the LPPA documents received to date to the Committee members.

6. Emergency Services Network (ESN) Update

Sandra Wiseman and Rachel Hoy were introduced to the Committee in the absence of Supt Edward Newton.

Mr Cosh told the Committee that this is a high risk issue for the Constabulary and remains so.

Supt Robertshaw gave the Committee the background to the ESN project after which Sandra Wiseman and Rachel Hoy delivered a detailed presentation which highlighted the increased costs that are now predicted for Lancashire Constabulary as well as highlighting the risk that costs are expected to increase yet further.

Upon request, Lancashire Constabulary have provided feedback regarding the key risks and issues identified in this presentation to the Regional ESN Programme. These have been subsequently shared with the National Programme

The Committee Members thanked Supt Robertshaw, Ms Wiseman and Ms Hoy for the update.

7. Minutes of the meeting held on the 30th July 2020

The Chair requested that the minutes be amended to reflect correct job titles and ranks.

ACTION-: Jay Nicholas to ensure the Minutes of the 30th July 2020 are amended

8. Matters arising relating to audit issues

Mrs Lowry wanted to provide clarity regarding the discussion around the sharing of Internal Audit papers at the meeting on 30 July. Previously some additional papers had been shared with Members only (rather than the full meeting attendees) and it had been discussed that some of these papers would be suitable for wider circulation. Mrs Lowry wanted to clarify that whilst this was the case, many papers would require significant redaction before they could be circulated.

It was agreed that not all additional papers would be automatically shared and that the minutes of the 30 July meeting be amended to reflect this.

9. Committee Members Reports

Mr Richardson updated the Committee on his attendance on a training session provided by CIPFA. He had also attended the COVID-19 Fixed Penalty Meeting and accepted the role as Chair. As Chair he may be included in regional and/or national meetings in the future.

The Chair referred to Training Day (Item 13 on this Agenda) and confirmed that it was hoped this meeting could be a physical meeting if a suitable meeting room could be identified to ensure social distancing could be adhered to. Mr Cosh and Mr Freeman would continue to liaise with the Chair and would keep Members informed of any progress.

ACTION- Mr Cosh and Mr Freeman would continue to liaise with the Chair and would keep Members informed of any progress

RESOLVED: Committee noted the reports

10. External Audit – Audit Update

Mr Winstanley advised the Committee that nationally all audits had been delayed due to issues with recorded data, this meant the new deadline for External Audit is the end of November 2020. He confirmed that Grant Thornton are fully up-to-date and had regular meetings with Mr Rogers at Lancon and were progressing other areas of work, including the VFM (Value For Money) conclusion. Mr Winstanley confirmed that after the 25th November, he would present the audit findings to both the Chief Constable and the Police & Crime Commissioner after which they will be able to issue the Audit Report.

Mr Winstanley assured the Committee that all work was up-to-date and was working well. He added his thanks formally to the Constabulary teams who had been working with Grant Thornton to achieve this.

There were no questions from the Committee Members and the Chair thanked Mr Winstanley for his update.

RESOLVED: Committee noted the report.

11. External Audit – Redmond Review

Mr Murray from Grant Thornton updated the Committee on the high levels findings and recommendations of the review in respect of the audit of public sector organisations.

Mr Murray advised that these were only recommendations at this stage and a Government response to the report is awaited.

The Chair commented that it would be interesting to see which recommendations will be acted on and implemented in due course.

RESOLVED: Committee noted the report.

The full report and Executive Summary are available here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/916217/Redmond_Review.pdf

12. Internal Audit Report

Mrs Taylor presented an updated Audit Plan for 2020/2021 which had been issued with the agenda pack. The following four streams have been added -

Positive Action
Disclosure
CCTV Compliance
Officer/ staff PDR

Three workstreams have also been removed from the original plan. Audit days had increased from 200 to 215. Mrs Taylor advised that some of her Team had been redeployed during COVID-19 and the key issue was to ensure the audits are scheduled effectively. The documentation submitted to the Committee included work up to the end of September and more work had been undertaken since then.

Mrs Taylor advised that discussions had been taking place with the Constabulary around practical working arrangements. Work was currently being done remotely as much as possible but if it needed to be in person, Mrs Taylor confirmed this was being undertaken safely. She was confident that ongoing work was being completed and was confident it could continue.

The Chair asked Mrs Taylor if she was happy that it could be done safely and Mrs Taylor confirmed this was the case.

RESOLVED: Committee noted the report and agreed to the changes in the audit plan

13. **Training Day**

This item had been covered by Ms Sanderson during Item 9

14. **Urgent Business**

None.

15. **Dates of future meetings**

Detailed on the Agenda and confirmed as follows with the timings and format to be confirmed:

Monday, 14th December 2020

Monday, 8th March 2021

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.

16. HMICFRS Inspection Reports

Ethics Matters – Part I

17. Minutes of the meeting held on 30th July 2020

The Minutes were reviewed and cleared as an accurate record of the meeting.

18. Matters arising

Both Mr Richardson and Mr Weaver confirmed that they were being kept updated by the Constabulary around their access to Constabulary systems to be able to carry out the dip-sampling.

T/Supt Mainey queried whether it was safe and appropriate for them to come in to the Constabulary site and it was agreed that she would review and amend the Risk Assessment for approval by Mr Weaver.

ACTION: T/Supt Mainey to update the Risk Assessment following consultation with Mr Weaver.

19. Key Issues Update

Mr Cosh advised the Committee that most matters had been covered by the Chief Constable in his presentation at the start of the meeting so Mr Cosh would just cover the financial situation. He confirmed that costs of COVID-19 were being claimed back from the Home Office on a monthly basis. It was financially challenging to provide a COVID-19 secure environment for all Constabulary sites. There had been an income shortfall from driver training, road safety, etc.

There is another significant issue for the Constabulary which is addressing the Pensions Discrimination which has been found by the Court in relation to public sector pensions. It is an extremely complex issue and will take time to fully assess and action. Mr Cosh felt that there were two messages for this Committee to be concerned about, one being the fact that there is potential for this to be drawn out over a long period of time and also the issue of inherent 'fairness'

Mr Freeman provided an update to the Committee, advising that the financial impact of COVID-19 is changing on a daily basis. There has been acknowledgement by the Government of the costs involved but making applications for funding meant a larger data burden on Forces. The Government has committed £30million COVID-19 funding for the 'enforcement' of COVID-19 legislation in 2020/21, of which Lancashire will receive £765,000. It is not clear whether this will be sufficient to meet the additional costs arising from this activity.

The Police funding Settlement announcement which is normally received at the beginning of December, may not now be finalised until January. The OPCC has to set the budget by the end of February so there will be an issue on how to prepare the Chief Constable and the Commissioner to make early decisions and strategies around the budget proposals. These delays will condense the consultation period considerably.

The positive to take currently is that Government support for policing is high.

The Committee noted the serious concerns around the issues in this update and thanked Mr Cosh and Mr Freeman for their input.

RESOLVED: Committee noted the update.

20. Update on the Constabulary's Tactical Ethics Committee (TEC)

Supt Osiowy presented a report on the Force TEC meeting held on 16th September 2020. Attendance at the meeting was unusually very poor and there had been a discussion on attendance, membership and opportunities to increase effectiveness.

TEC members had suggested that the committee might benefit from splitting into 4 smaller groups each with a spokesperson – this option has been put to consultation. TEC member had also proposed that, to increase awareness and support that decision by the TEC be reviewed by the Chief Officer Team. Supt Osiowy and Mr Cosh confirmed that the Chief officer Team were supportive of the role of the TEC in the policy process. Supt Osiowy has been appointed a member of the Policy Change Board which will enable the TEC to contribute to policy development and review and it had been agreed the TEC would be involved in the Operational Change Board.

Supt Osoiwy felt that TEC members were committed to the role and that the poor attendance was a 'blip' arising from operational issues. Mr Jones, who had dialled into the meeting, agreed. Supt Osiowy confirmed the following:

It had been agreed that a discussion for the TEC December meeting would be the use of social media outside of the workplace. Staff were confused about the official line and often these issues are referred to Professional Standards.

A further item for discussion would be the internal application process as many staff were applying without their line manager's knowledge.

Mr Cosh advised the Committee that he felt that strong direction from Chief Officers was being given, the TEC was gaining momentum and he was fully supportive that the Chief Officer Team have input into the TEC. As an example, he felt that this would assist with some of the ethical challenges faced by the Force.

Mr Jones expressed there had been great input from all TEC members and everyone involved was very positive.

RESOLVED: Committee noted the update.

21. Business Interests

T/Supt Zoe Mainey presented her report to the Committee. It highlighted an increase of 94 approved business interests from last year. She felt that this may be due to the change in the Force Policy which now included voluntary and unpaid work. She told the Committee that there was a robust process for dealing with business interest applications which included an appeal process. The most common approved business interest was from letting out property.

Mr Weaver asked if there was an ability to differentiate between the holding of a professional property portfolio for investment purposes and where income happened to be generated due to the ownership of a 'spare' property. T/Supt Mainey confirmed this was possible because of the introduction of additional questions in the new form.

22. Gifts and Hospitality

T/Supt Mainey presented her report to the Committee. All gifts are recorded in a single corporate register administered by the Integrity and Anti-Corruption Team. The system is accessed via the force intranet and users complete a template with full details of the circumstances of the gift. Year on year the total number of gifts recorded has decreased by 6.3% from 127 (18/19) to 119 (19/20). This is the third consecutive year that total recorded gifts have shown a decrease. T/Supt Mainey is concerned that they may be under-recording

In response to a question from the Chair, T/Supt Mainey advised that the current system for recording gifts is 'not the most user friendly' and that she intends to ensure that the process is reviewed fully and appropriate changes made. Mr Jones thanks T/Supt Mainey for a thorough report.

RESOLVED: Committee noted the report.

23. PSD Update

T/Supt Mainey presented her report to the Committee including:

In February 2020 there had been a change in Regulations and Statutory Guidance on recording Public Complaints and the IOPC had improved accessibility of their online complaints recording system. These changes have resulted in a doubling of the monthly number of Cases & Allegations. Between March and August there were 52 recorded Complaint Cases and 57 Complaint Allegations relating to COVID-19.

During the period April – August 2020 an average of 112 Cases and 219 Allegations were recorded;

- timeliness of complaint recording within 10 days is very strong at 98%
- most complaints related to 'expectations of service' not being met;
- 84% (919 out of 1092) of complaint allegations were finalised in less than 56 days, an improvement on previous timings;
- a service recovery approach was adopted wherever possible to ensure that complaints are dealt with in line with legislation and in a reasonable and proportionate manner resulting in 37 cases where the Finalised Allegations were either resolved or required no further action.
- there were 35 Misconduct Cases recorded between April and August 2020. The most common outcome for Finalised Misconduct Allegations resulting in 1 police officer and 1 police staff member being dismissed. 3 other officers would have been dismissed but had retired / resigned.

The Chair was encouraged to note that the average timeliness for finalising complaints was 32 days compared with 131 days last year and thanked T/Supt Mainey for a very encouraging and positive report.

Mr Richardson echoed the Chair's comments and asked a question around dismissals. It appeared that Police Officers were named, although Police Staff were not. T/Supt Mainey explained that the Police Regulations stated Police Officers had to be named, which did not apply to Police staff.

Mr Dobson asked if there was any concern around the differences in complaint cases between West and South. T/Supt Mainey advised that she would look at that for the next meeting and report back.

RESOLVED: Committee noted the report.

ACTION-: T/Supt Mainey to update the Committee at its December meeting on any reasons for difference in complaints in West and South division

24. OPCC Reviews

Mrs Harrison presented her Complaints review report to the Committee.

The OPCC had taken on the work of dealing with appeals that would previously have been the responsibility of the Chief Constable. She gave an update to the Committee advising that there had been 59 reviews from February 2020 to 30th September 2020. Of the 59, 31 had been finalised. She explained that there had been delays due to problems accessing to the Centurion system but the OPCC now had access to the technology both remotely and on site at the Commissioner's Offices at Police HQ. She confirmed that the OPCC Team had been working very closely with PSD and felt happy that the process was now settling in although it was a very time consuming process for OPCC.

In response to a question from the Chair around resourcing, Mrs Harrison advised that new temporary roles had been identified to deal with these Reviews.

Mrs Harrison confirmed she would bring more refined data to the next Committee Meeting.

ACTION: Mrs Harrison to update the Committee at its December 2020 meeting.

25. Urgent Business

None.

26. Date of future meetings

Detailed on the Agenda and confirmed as follows with the timings and format to be confirmed:

Monday, 14th December 2020

Monday, 8th March 2021

