



JOINT AUDIT AND ETHICS COMMITTEE

MINUTES OF THE MEETING HELD ON THE 8TH MARCH 2021

(Part I)

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
Mrs A Harrison	Director, OPCC
Mr S Freeman	Chief Finance Officer, OPCC
Mrs J Greaves	Head of Legal Services and Monitoring Officer, Lancashire Constabulary
T/Supt Z Mainey	Head of Professional Standards, Lancashire Constabulary (<i>Ethics Session only</i>)
Det Ch Supt I Whitehead	Lancashire Constabulary (<i>Item 6 only</i>)
Supt S Osiowy	Lancashire Constabulary
Ch Supt I Dawson	Lancashire Constabulary
Mr D Rogers	Head of Finance, Lancashire Constabulary
Mrs J Taylor	Audit Manager, LCC
Mr I Murray	Grant Thornton
Supt N Evans	Lancashire Constabulary (<i>Ethics session only</i>)

1. Apologies for absence

Mr G Winstanley, Grant Thornton

AUDIT Matters – Part I

2. Constitutional matters

3. Disclosure of members' interests

There are no Members' interests for disclosure.

4. Minutes of the meeting held on the 14th December 2020

Two of the actions identified at the meeting on 12th October are dealt with on the agenda for this meeting.

ACTION: Mr Cosh to provide focussed recruitment information at the June meeting of the committee

5. Matters arising relating to audit issues

None

6. Dealing With Fraud

Det Ch Supt I Whitehead presented a report of the Constabulary's approach to dealing with fraud.

RESOLVED: Committee noted the report.

ACTION: Mr Cosh to arrange for the narrative report provided to HMICFRS in respect of fraud and the recent Internal Audit report on fraud to be provided to committee members

7. External Audit – Audit Findings Report 2019-2020

8. External Audit – Joint Annual Audit Letter 2020-2021

Mr Murray advised the Committee that the audit for 2019/20 was finalised with an unqualified opinion provided. Mr Murray described that the key element impacting upon the audit of accounts was the impact of Covid, in particular on the value of assets giving rise to 'material uncertainty' simply because the valuation of all assets is extremely volatile. Mr Murray also noted the impact of Covid on the process of conducting the audit and recognised the excellent work of the Grant Thornton and Constabulary finance teams in delivering the process.

Mr Weaver noted the level of reserves held by the Commissioner being identified as an issue. Mr Freeman and Mr Cosh assured the committee that the Commissioner's reserve strategy ensured that reserves are held at an appropriate level and that the position was under constant review. Mr Murray's view was that the level of reserves did not raise any concerns.

Ms Sanderson asked about the timetable for the completion of the 2020/21 audit of accounts. Mr Murray advised that the deadline for the completion of the 2020/21 audit is 30th September and this represents a 'challenge' for Grant Thornton. Ms Sanderson asked Mr Rogers for his view of the process and he noted that the relationship between Grant Thornton and the Constabulary had proven to be very strong for the 2019/20 audit which will carry on for 2020/21 and support the delivery of the audit as efficiently as possible.

RESOLVED: Committee noted the report.

9. Internal Audit Report

Mrs Taylor presented an update on progress for the Audit Plan for 2020/2021 and confirmed that, despite the impact of the pandemic, good progress has been made with no actions which had been assessed as e 'high' risk.

Mrs Taylor reported that just under 100 audit days have been completed by the end of February against the 215 days included in the 2020/21 internal audit plan. As a result, four audits have been moved in to the 2021/22 financial year totalling a commitment of 60 audit days. It is expected that all other audits in the 2020/21 plan will be completed, six initial audits and three follow up audits.

Mr Richardson asked if these follow up audits had commenced and Mrs Taylor confirmed that they had all started and reports would be provided shortly.

RESOLVED: Committee noted the report

10. Audit Plan 2021/22

Mrs Taylor presented the Audit Plan for 2021/22, highlighting that four audits (totalling 60 audit days) were included from the 2020/21 plan. Mrs Taylor assured the committee that this does not represent any reduction in effectiveness of the audit programme and that the areas covered in the 2021/22 plan provided the required range of assurance required.

RESOLVED: Committee noted the report

11. JAEC – Audit workplan

Committee considered the proposed work plan for Audit issues in 2021/22

RESOLVED: Committee endorsed the workplan for 2021/22

12. Committee Members Reports

None.

13. Urgent Business

None.

14. Dates of future meetings

Monday, 21st June 2021
Monday, 13th September 2021
Monday, 13th December 2021
Monday, 14th March 2022

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.

15. HMICFRS Inspection Reports

Supt Osiowy provided the Committee with a verbal report.

RESOLVED: Committee noted the report.

Ethics Matters – Part I

Mr Weaver declared an interest in item 19 in respect of his role as an independent person for the South Cumbria and Lancashire Mental Health Trust.

16. Minutes of the meeting held on 14th December 2020

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

17. Matters arising

All actions are included in the agenda.

18. Key Issues Update

Mr Cosh and Mr Freeman provided the committee with a summary of the key financial issues faced by the PCC and Chief Constable.

- They confirmed that the Revenue Budget for 2021/22 including the Council Tax precept, and the Capital Programme for 2021/22 to 2025/26 had been set by the Commissioner in February 2020.
- The £95,000 'Exit Cap' limit of payments to individuals leaving public sector organisations has been rescinded by government but remains under review
- The impact of the Mcleod/Sergeant pension remedy will be a significant challenge for all police forces and the government with significant costs to be realised and complexity being faced.
- Noted that the new Chief Constable starts on 1st April
- The publication of the Home Office review of PCCs presented some recommendations but has not mandated the transfer of Fire Authority functions to PCCs which had been heavily anticipated.
- Noted that the PCC elections take place on 7th May
- Reported that work for the Comprehensive Spending Review for 2022/23 has already started.

RESOLVED: Committee noted the update.

19. Joint Working on Mental Health issues

Supt Evans presented a report on the partnership working being undertaken on respect of Mental Health issues.

The significant demand such issues place on the Constabulary was reported and it was noted that this significant demand was replicated for our partners as well.

A significant amount of work has been done to assess demand and examine how to deal with it. Lancashire have been working closely with the Newcastle, Tyne and Wear Trust (NTWT) which is seen to be the leading organisation in its management of mental health issues in order to develop the approach in Lancashire.

As a result of this work a staged implementation of the NTWT processes will start in East Lancashire in September 2021 using an immediate response approach, working closely with NHS Trusts. The

proof of concept has been achieved by NTWT but Lancashire have a relatively high demand for the service.

There is also a workshop taking place on 24th March to conduct a service mapping exercise. Both activities will assist in determining the shape of the approach to be taken in Lancashire.

Mr Dobson asked if an increase in such demand is expected as Covid recedes, Supt Evans confirmed that an increase in demand is expected.

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 1st December 2020. Attendance at the meeting was good and Mr Jones attended on behalf of JAEC.

The main issues covered at the meeting were the personal use of social media and flexible working arrangements.

Supt Osiowy reported that guidance for the personal use of social media has been drafted and was presented to the TEC for review. The guidance was positively received and seen to reflect the standards, vision, and values of the force. There was a discussion around potential conflict between guidance and policy, the challenges around private social media accounts, and the need for input from Legal and from PSD.

Supt Osiowy noted the TEC view that the issue of Flexible Working was extremely complicated, not least because of the wide variety of roles within the organisation. This in turn means that delivering 'fairness' was difficult.

The Constabulary is developing an agile working strategy that will incorporate flexible working arrangements, TEC will contribute to the development of this strategy.

RESOLVED: Committee noted the update.

21. TEC Workplan

Supt Osiowy reported that consultation on the TEC workplan has been completed and the workplan will be presented to the Committee at its June meeting

ACTION: Supt Osiowy to present the TEC workplan at the June meeting of JAEC.

22. Member reports

The training day for members in respect of the complaints process was discussed with Mr Richardson commenting on it being a very helpful session.

Mr Weaver asked when dip-sampling may recommence, it was suggested that testing for July to September would be appropriate.

The format of PSD reports to the Committee was discussed and it was suggested that Ms Sanderson and T/Supt Z Mainey arrange a meeting to discuss and develop reports for the Committee.

ACTION: T/Supt Mainey to arrange a discussion with Ms Sanderson in respect of the format of PSD reports to the JAEC

Customer service targets for dealing with reconsideration requests were discussed and it was agreed that these should be brought to the JAEC meeting in June.

ACTION: Mrs A Harrison to provide customer service targets to the meeting of the JAEC in June

23. OPCC Ethics Update

Mr Freeman presented a report in respect of the delivery of the OPCC Ethics Framework in 2021/22

RESOLVED: Committee noted the report.

24. JAEC Ethics Workplan

Committee considered the proposed work plan for Ethics issues in 2021/22

RESOLVED: Committee endorsed the workplan for 2021/22

25. Urgent Business

None.

