



## JOINT AUDIT AND ETHICS COMMITTEE

### Minutes of the meeting held on the 13<sup>th</sup> June 2022

#### PRESENT

Ms Karol Sanderson (Chair)  
Mr Stephen Dobson (*arrived at 14.15*)  
Mr David Jones  
Mr Paul Richardson (*via Teams*)  
Mr Russ Weaver

#### IN ATTENDANCE

Mr A Dalecki	Head of Internal Audit, Lancashire County Council
Mr I Dickinson	Head of Governance & Accountability ( <i>attended part of Audit and part of Ethics matters</i> )
Mr S Freeman	Chief Finance Officer, OPCC
Mrs L Fletcher	Head of Legal Services and Monitoring Officer, Lancashire Constabulary
Supt Z Mainey	Head of Professional Standards, Lancashire Constabulary ( <i>Ethics matters only</i> )
Ch Supt S Osiowy	Lancashire Constabulary
DCI J Richardson	Professional Standards Department, Lancashire Constabulary ( <i>Ethics matters only</i> )
Mr D Rogers	Lancashire Constabulary ( <i>Audit matters only</i> )
Mrs G Routledge	Chief Operating Officer, Lancashire Constabulary
Mrs J Taylor	Audit Manager, LCC
Insp D Arthur	Lancashire Constabulary
Mrs J Nicholas	OPCC
Mr G Winstanley	Grant Thornton ( <i>Left after Item 7</i> )

#### 1. Apologies for absence

Mrs A Harrison, Director, OPCC  
Mr I Murray, Grant Thornton

The Chair welcomed Mr Dalecki, Mrs Fletcher and Mrs Routledge all attending their first JAEC meeting and all attendees introduced themselves.

## AUDIT Matters – Part I

### 2. Constitutional matters

None.

### 3. Disclosure of members' interests

There are no Members' interests for disclosure.

### 4. Minutes of the meeting held on the 13<sup>th</sup> June 2022

The Chair queried a discussion at the last meeting regarding the audit of IT systems. Mrs Taylor confirmed the Internal Audit Service has a contract with an external provider for the provision of IT audit services, and the Constabulary and OPCC can procure IT audit services directly under this arrangement if they so wish.

### 5. Matters arising relating to audit issues

Mrs Taylor reported that Item 8 – Internal Audit, would benefit from clarification as follows:

- (i) *The audit plan of 200 days is sufficient to enable us to provide an opinion on risk management, governance and internal control.*
- (ii) *The audit plan was based on consideration of changes impacting the Constabulary and the OPCC, as well including items that the Constabulary/OPCC would welcome assurance on.*
- (iii) *The audit plan contains the audit programme.*

It was agreed that the Minutes should be amended to reflect the above.

**NOTE: Item 7 was moved forward to enable Mr Winstanley to attend another meeting.**

### 7. External Audit – Audit Findings Report 2020/2021

Mr Winstanley presented the finalised Audit Findings Report and highlighted the key points as follows:

- Grant Thornton provided an unqualified audit opinion for 2020/21
- a delay in finalising the audit work had led to the delay in issuing of the opinion.
- The key issues were shown on pages 3 and 4 of his report. There had been no changes to the Chief Constable's accounts. Changes shown to the PCC's accounts were covered in pages 26 and 27.
- Value For Money work is still ongoing and a report will be issued in July.
- Mr Winstanley highlighted their recommendation in respect of a Control efficiency relating to the approval of journals – Mr Rogers confirmed a process has been put in place to meet the requirement.

Mr Winstanley told the Committee that it was very pleasing how the audit teams and finance teams worked together very well.

Mr Rogers agreed with Mr Winstanley that the spirit between the teams was excellent. There had been some difficult issues which both teams had dealt with very well together. Mr Rogers highlighted that although he felt the Constabulary team required more resources, he was content with the current position. The 2020-2021 year had been very difficult but 2021-2022 should be improved.

The Chair thanked the teams for their hard work on these matters.

**RESOLVED:** Committee noted the report.

**NOTE: Item 13 was moved forward to enable Mr Dickinson to attend another meeting.**

**13. Joint Audit & Ethics Committee – Review of Governance Framework Document**

The Committee received a report setting out a revised Governance Framework document and Financial Regulations.

It was noted that the documents were last reviewed in 2016.

It was noted that there had been some minor amendments to the Governance Framework documents and the framework will be brought to the Committee every two years. The substantive amendment related to the inclusion of a key decision following a recommendation from the internal audit team which ensured that any decision of the Chief Constable over £1m in cost or anything deemed to be novel, contentious, or repercussive would require the approval of the Police and Crime Commissioner.

The Committee was also advised that further amendments had been made in relation to the Chief Executive's delegated authority in relation to Chief Constable complaints and the conducting of an independent review of complaints against police officers, where the PCC is the appropriate authority following changes to legislation in 2020.

It was further noted that several delegations had been granted to the Chief Finance Officer to accurately reflect the current working practices.

In relation to the Financial Regulations, Mr Dickinson advised that changes had been made to this document to clearly identify areas of responsibility.

For the convenience of the Committee a schedule was presented showing the current financial limits and those proposed under the revised financial regulations. It was noted that the current levels had not been changed for over 10 years and it was considered an appropriate time to revise them to enable the Chief Constable to authorise his staff and officers without needing authority from the Commissioner or Chief Finance Officer (Mr Freeman). Mr Richardson stated that he was content with this course of action and thanked Mr Dickinson for the full explanation provided.

Mr Dobson raised a query with Mr Dickinson regarding the Corporate Governance Framework and the 7 principles for good governance, workforce, ICT and Estates strategies. Mr Dickinson advised that it was for the PCC to hold the Chief Constable to account in relation to their Estate and ICT Strategies through his Accountability Board rather than JAEC. Mr Freeman agreed with Mr Dickinson but also commented that as they are public documents, if JAEC wanted to consider them, they could.

Officers at the meeting noted the comments from Mr Dobson in relation to the fifth CIPFA/SOLACE principle relating to the capability of the leadership and individuals within both the Constabulary and OPCC.

**RESOLVED:** Committee noted the report.

**6. Committee Members Reports**

The Chair advised that all the Committee Members had now been issued with their Constabulary laptops, Mr Dobson reported that he had not yet collected his and would make arrangements to do so.

**7. External Audit – Audit Findings Report 2020/2021**

(this Item was moved forward on the Agenda. See above.)

**8. Internal Audit – Monitoring Report**

Mrs Taylor presented her Monitoring Report advising that to date, most of the internal audit work had been in completing work from 2021-2022 plan. Only 3 days so far had been spent on 2022/23 audit plan.

Dates for follow-up reports in Appendix 2 are based on the implementation dates which tie in with JAEC Committee Meeting dates. In response to a question from Mr Richardson, Mrs Taylor advised that the audits listed in Appendix 2 were all follow-up reports.

The Chair thanked Mrs Taylor for her report.

**RESOLVED:** Committee noted the report.

**9. Internal Audit – Annual Report 2022/2023**

Mrs Taylor presented the Internal Audit Annual Report which showed overall moderate assurance. This assessment indicated that the control framework was adequately designed and effectively operated. Section 3 showed the individual grading for audit work undertaken. One piece of work from the audit programme had not been completed due to staff absence but the fieldwork had been completed and the findings will be brought to the Committee's September meeting.

The summary at paragraph 3.40 shows essentially that half of the follow up actions have been completed and where they are outstanding, there were valid reasons why things had not yet been

started. No high-risk actions were outstanding. Schedule 2 provides a flavour of the findings from the follow-up audits.

Overall, there were no matters which Lancashire Constabulary, nor the PCC needs to include in the Annual Governance Statement.

External assessments of internal audit are required by regulations to be carried out every 5 years and is next due in 2022/23. Ms Sanderson asked when these are being reviewed and Mr Dalecki advised that they would contact the Institute of Internal Auditors with regard to conducting the external accreditation process. He further advised that although the rule is an audit every 5 years, they were thinking of doing these more regularly.

The Committee discussed the audit of the degree entry programme and Mrs Taylor confirmed it received substantial assurance.

The Chair thanked Mrs Taylor for her report.

**RESOLVED:** Committee noted the report.

**10. Joint Audit & Ethics Committee – Annual Report**

Mrs Sanderson advised those present that she had circulated her report to Committee Members ahead of this meeting and they had agreed it without comment. Ms Sanderson was satisfied that assurance can be provided to the PCC and the Chief Constable and her report would now go to them.

**RESOLVED:** Committee noted the report.

**11. Joint Audit & Ethics Committee – Review of the Committee's terms of reference**

Mr Freeman confirmed that it had been agreed to split the Committee in to two separate committees and a report would be brought to this Committee at its September meeting with terms of reference for a Joint Audit Committee and then to its meeting in December the terms of reference for a Joint Ethics Committee.

Mr Freeman thanked 3 of the Members for agreeing to extend their memberships for one year up to 31<sup>st</sup> March 2023.

**RESOLVED:** Committee noted the report.

**12. Internal Audit – Pensions Assurance Report (moved into Part II)**

Mrs Taylor presented the report to the Committee.

**RESOLVED:** Committee noted the report.

**13. Joint Audit & Ethics Committee – Review of Governance Framework Document**  
(this Item was moved forward on the Agenda. See above.)

**14. Urgent Business**

None.

**15. Dates of future meetings**

Monday, 12th September 2022

Monday, 12th December 2022

Monday, 13th March **2023**

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**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**

Chief Superintendent Stasia Osiowy presented an update to the Committee.

**RESOLVED:** Committee noted the report.

**17. PCC Risk Register**

Mr Freeman presented the report to the Committee.

**RESOLVED:** Committee noted the report.

**18. CC Risk Register**

Mr Rogers presented the report to the Committee.

**RESOLVED:** Committee noted the report.

**Mr Dobson arrived at 14.15.**

**The Audit section of the meeting concluded at 14:40.**

## Ethics Matters – Part I (commenced at 15.15)

Supt Mainey and DCI Richardson joined the meeting

### 19. Minutes of the meeting held on 14th March 2022

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

### 20. Matters arising relating to ethics issues

Ch Supt Osiowy updated the Committee around Item 17 that a member of the TEC was on the Tattoo Panel and there were active members on the Standards of Professional Behaviour group.

**NOTE: Item 25 was brought forward to enable Mr Dickinson to attend another meeting.**

### 25. Case Sampling Protocol

The Committee received a report setting out a revised case sampling protocol which had been circulated to the Committee Members ahead of the meeting as agreed at the Committee's March meeting.

Mr Dickinson informed the Committee that this dip-sampling protocol had been redrafted and now included Violence Against Women & Girls and the reviews (appeals) carried out by IOPC.

The Chair commented that she felt suggested wording for sampling review files in Section 16 may be too prescriptive as drafted and may limit the flexibility for thematic reviews. Mr Dickinson advised that this could be changed and it was agreed that a more general wording as set out in Section 12 for sampling of complaint files be adopted.

Mr Richardson noted the low number of the grievance process meant that he felt that once a quarter may be too much for that dip sampling. Mr Weaver commented that sampling of PSD files would be quarterly.

Concern was raised in relation to the possible duplication of dip sampling complaints in the light of changes to legislation mandating the Commissioner as the review body for police complaints.

Mr Dickinson commented that the OPCC were reviewing the Constabulary's handling of complaints as per legislation. Mr Freeman further explained the role of the PCC was to consider the decision of



Professional Standards Department, including the appeal process, whereas the Dip Sampling Protocol was to consider the processes in place.

**RESOLVED: ACTION** – Revised protocol to be circulated to Committee members ahead of the September meeting.

**26. Key Issues Update**

Mr Freeman remarked that the world is a significantly different place than when the budget was agreed in February 2022. There were additional cost pressures and savings need to be delivered. There was also a requirement to deliver the Uplift.

Mr Weaver asked whether there were any concerns around officer retention and Mrs Routledge commented that she did not feel there was. Mr Freeman advised that there had been discussions at the Accountability Board which were very interesting and positive and continued to deliver on all items. Mrs Routledge stated that the next six to twelve months would be very challenging and felt matters should start to ease after that.

**RESOLVED:** Committee noted the update.

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

Ch Supt Osiowy presented a report on TEC consideration of the topic of Positive Action for staff and officers where English was not the first language. Everyone had agreed that language should not be a barrier. Actions to take the matter forward had been agreed by the TEC Mr Weaver asked whether there were any parallels in education, around protected characteristics. Ch Supt Osiowy confirmed she will bring back another report to the Committee's next meeting. Mr Richardson felt it was a very good topic to be raised at TEC.

Ch Supt Osiowy reported that had also been a discussion around continuing business interests whilst on sick leave. She advised this was a contentious issue and different values were discussed. The TEC had agreed to take this forward to the PSD for further discussion.

On behalf of the Committee the Chair thanked Ch Supt Osiowy for her report.

**RESOLVED:** Committee noted the report.

**24. Dip-Sampling of Complaints**

A report by Paul Richardson and David Jones regarding Grievance Audit.

Mr Richardson confirmed they had inspected 8 files and found no issues arising. Both Mr Richardson and Mr Jones felt that these reports could be provided every 6 months rather than quarterly, committee agreed this would be adopted in future.

Mr Jones confirmed that he had sent a draft report for use during the dip-sample exercise.

**25. Committee Members Reports**

Supt Mainey agreed to arrange training for committee members in the use of the Centurion system now that laptops have been provided

**RESOLVED:** Committee noted the report.

**26. JAEC Ethics – Workplan 2022/2023**

The Chair confirmed that she had discussed the Workplan with Supt Mainey ahead of the meeting and the Workplan attached had been amended to reflect the agreed PSD reports. All present agreed the new Workplan.

**RESOLVED:** Committee noted the report.

**27. Urgent Business**

None.

**Ethics Matters - PART II – PRIVATE AND CONFIDENTIAL**

**28. PSD Update – Case Studies**

Supt Mainey and DCI Richardson presented their report to the Committee. There was a detailed discussion of issues arising.

**RESOLVED:** Committee noted the report.

<b>Signed:</b>	.....
	<b>Angela Harrison, Director, OPCC</b>
	<b>Dated the                      day of    2022</b>

<b>Signed:</b>	.....
	<b>Karol Sanderson, Chair, Joint Audit and Ethics Committee</b>
	<b>Dated the                      day of    2022</b>