Lincolnshire POLICE & CRIME COMMISSIONER
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**JOINT INDEPENDENT AUDIT COMMITTEE**
**27 January 2020**
**1.30pm to 3.10pm**

**PRESENT:**

**Members:** Mr D Forbes (Chair), Mr J Gallagher, Mr D Matthew, Mrs T Latham-Green

**OPCC Officers:** Ms J Flint (Chief Finance Officer), Mrs G Holder (Deputy Chief Finance Officer), Mr A Williams (Research and Performance Officer), Mr J King (Corporate Administration Officer)

**Force Officers:** Mr J Harwin (Deputy Chief Constable), Ms S Clark (Force Chief Finance Officer)

**Also in Attendance:** Mr M Lunn (Internal Audit – Mazars), Helen Henshaw, Andy Reid (External Audit – Ernst & Young)

## 52/19 DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

None.

## 53/19 APOLOGIES

Mr I Haldenby

## 54/19 MINUTES OF THE 19 NOVEMBER 2019

| **Resolved:**<br><br>That the Minutes of the meeting held on 19 November 2019 be taken as read and signed by the Chairman as a correct record. | **Responsible officer:**<br><br>- |
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## 55/19 SUMMARY ACTION LOG

**Ref 304** The Chief Finance Officer (CFO) suggested that a date sometime in April/May 2020 would be the best time for Members to be briefed on key regional collaborative issues. Following a brief discussion, it was agreed that the briefing would be delivered on the same day as the Accounts Workshop scheduled for 22 May 2020.

**Ref 299** Members queried when the finalised report of the Independent Crime Recording Confidence Panel would be made available. The CFO expected the report to be published within the next few days.

**Ref 306** The Chair queried whether, in light of previous discussions, it was still necessary for the Committee to receive an outline of the Business Continuity Plan. Following a brief discussion, it was agreed that the action be closed.

**Ref 313 and 314** Members agreed that the two actions could also be closed.

| **Resolved:** | **Responsible Officer:** |
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| That: | |
| 1. the Summary Action Log be noted; | - |
| 2. the Committee receive a briefing session on Regional Collaborative issues on 22 May 2020; | DCC/RCM |
| 3. Ref Nos 306, 313 and 314 be closed. | CAO |

## 56/19 INTERNAL AUDIT: PROGRESS REPORT 2019/20

The Committee received an update on progress following internal audits in 2019/20.

In noting that the Counter Fraud audit report could not be finalised in time for the meeting, Members queried whether the first meeting of the year in 2021 ought to be in February rather than January. The Internal Auditor explained that exceptional circumstances had prevented the report from being prepared in time and had no issue with the meeting being held in January.

| **Resolved:** | **Responsible Officer:** |
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| That the Internal Audit Progress report at Appendix A be noted. | - |

## 57/19 INTERNAL AUDIT REPORTS: IMPLEMENTATION PROGRESS

The DCC invited the Committee to review progress with the implementation of the recommendations from internal audit reports.

Members were advised that the Governance Working Group was working constructively towards a solution to the Ex-Gratia payment highlighted on page 2 of the Summary of Recommendations (Recruitment Follow-Up June 2019 Rec 4.2 refers).

| **Resolved:** | **Responsible Officer:** |
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| That progress with implementing recommendations contained in Internal Audit reports be noted. | - |

## 58/19 DRAFT ANNUAL GOVERNANCE STATEMENT

The Committee was invited to review the preliminary drafts of the Chief Constable and the Police and Crime Commissioner (PCC) Annual Governance statements.

The CFO reminded the Committee that under ordinary circumstances it would have signed-off the Statement of Accounts by the end of July 2019. The Annual Governance Statements had therefore been prepared on the basis that the Accounts, as they currently stood, would not be changed.

The Committee proceeded to review both the PCC and Chief Constable Annual Governance Statements making a number of general observations and recommendations.

| **Resolved:** | **Responsible Officer:** |
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| That: | |
| 1. consideration be given to refreshing some of the out-dated phrasing (such as that used in relation to fairer funding) used within the Chief Constable's AGS; | FCFO |
| 2. a governance structure chart be provided to support paragraph (4.4) of the Chief Constable's AGS; | FCFO |
| 3. consideration be given to re-writing the section between paragraphs (6.9) to (6.17) in the Chief Constable's AGS to make it more succinct; | FCFO |
| 4. the wording used in paragraph (7.3) of the Chief Constable's AGS and (6.2) of the be PCC's AGS be reviewed to ensure that it reflects the current positive trajectory; | FCFO/CFO |
| 5. consideration be given to re-writing paragraph (5.9) in the | CFO |

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| PCC's AGS to make it more succinct;<br>6. Members of the JIAC be advised of the dates, times and locations of future Public Assurance Meetings and provided with the link to the live recording;<br>7. paragraph (5.15) of the PCC's AGS be divided into two separate paragraphs relating to the PCC's promotion of fairness/equality and the role of the Police and Crime Panel;<br>8. the abbreviations used in paragraph (5.19) (e.g. CoPaCC) be written out in full;<br>9. wherever there is a risk with multiple relating paragraphs, those paragraphs will be sub-numbered;<br>10. paragraph (6.6) be amended to include the view-point/justification of the Chief Constable in relation to the recruitment of the ACO (Resources);<br>11. paragraph (6.16) of the PCC's AGS be updated to reflect the current position;<br>12. the word **forces'** be amended in paragraph (6.19) of the PCC's AGS to read **force's**;<br>13. the final sentence of paragraph (6.7) of the PCC's AGS relating to the audit of benefits realisation in March 2018 be updated;<br>14. paragraph (6.17) of the PCC's AGS be updated to reflect the recent national review of specialist units. | <br>RPO<br><br>CFO<br><br>CFO<br>CFO<br>CFO<br><br>CFO<br>CFO<br>CFO<br><br>CFO |

## 59/19 REVIEW OF COMPLIANCE WITH GOVERNANCE ARRANGEMENTS

| **Resolved:** | **Responsible Officer:** |
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| That the report be noted. | - |

## 60/19 EXTERNAL AUDIT PLAN 2019/20 AND ASSOCIATED FEES

The External Auditor informed the Committee that she had taken over the lead audit role for the 2019/20 audit. She also acknowledged that she was in the unusual position of presenting the Audit Plan before the Statement of Accounts had been signed-off. In presenting the 2019/20 delivery timetable, Members noted that the accounts would not be reviewed until September 2020. The Chair queried, in light of the Committee's previous experience, what degree of certainty the Auditor had with the timetable. The Auditor assured the Committee that the timetable would be delivered. Discussions were currently on-going with the Head of Finance and his team in relation to their approach to the audit work, which would take account of learning lessons from the previous audit. The Committee's attention was also drawn to two additional risks/areas of focus for the coming audit, namely IFRS16 (leases) and ISA570 (new auditing standard).

Members queried what measures would be taken to ensure that the 2019/20 Accounts were not delayed. The Auditor highlighted a number of key learning points that had been taken forward, including early dialogue with the Finance team, the timing of specialist involvement in the audit, such as professional Valuers, and ensuring that audit resources were maintained and not extracted.

| **Resolved:** | **Responsible Officer:** |
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| That the External Audit Plan 2019/20 be noted. | - |

**61/19 FINANCE REVIEW**

The Force Chief Finance Officer (FCFO) presented the report, which detailed the findings of the CIPFA financial management capability review of Lincolnshire Police. She reported that the next step would be to meet with CIPFA and agree the proposed improvement plan. This would take place in January/February 2020. Members requested that the Committee be provided with a copy of the plan and receive updates on progress.

| **Resolved:** | **Responsible Officer:** |
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| That: | |
| 1. the report be noted; | - |
| 2. Members receive a copy of the agreed improvement plan and receive updates on progress. | FCFO |

**62/19 REVIEW OF ACCOUNTING POLICIES**

The Committee was invited to consider the report, which detailed changes to policies, the key dates to delivering the year-end timetable and updates on the statutory environment and assumptions. Following a number of observations and recommendations, the report was noted.

| **Resolved:** | **Responsible Officer:** |
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| That: | |
| 1. the accounting policies for 2019/20 attached at Appendices 1 and 2 be noted; | - |
| 2. the wording 'including the 2019/20 financial year' in paragraph (1.7) of the PCC accounting policies at Appendix 1 be removed; | CFO/FCFO |
| 3. paragraph (1.35.3) of the PCC accounting policies at Appendix 1 be amended to include reference to the | CFO/FCFO |

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| Scheme Manager;<br>4. paragraph (1.35.5) of the PCC accounting policies at Appendix 1 be amended to include reference to it being a 'closed scheme';<br>5. the proposed accounting timetable for the delivery of the 2019/20 accounts outlined in Section 3 be noted;<br>6. the updates on the statutory environment and assumptions as described in Section 4 be noted. | CFO/FCFO<br><br>-<br><br>- |

**63/19 PCC RISK REGISTER**

The Committee was invited to consider and review the current iteration of the PCC's Risk Register.

**Risk C044 (Failure of the Force to deliver operational effectiveness)** The Deputy Chief Constable (DCC) undertook to provide the Committee with a copy of the Force Performance Improvement Plan, which was being monitored through the Police and Crime Strategic Board.

| **Resolved:**<br><br>That:<br><br>1. the PCC Risk Register be noted;<br>2. the Committee be provided with a copy of the Force Performance Improvement Plan. | **Responsible Officer:**<br><br>-<br>DCC |
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**64/19 POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE'S ASSURANCE MAP**

The Chair described the on-going work to combine both the Force and PCC Assurance Maps into a single framework as a positive situation. The Research and Performance Officer (RPO) had originally intended to present the revised template at the meeting but for various reasons, this had been deferred to the next meeting. Once the new template was formally accepted by the Committee then it would be populated. The DCC was confident that the new framework would add value and provide the necessary assurance.

| **Resolved:**<br><br>That the Joint Assurance Map be noted. | **Responsible Officer:**<br><br>- |
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## 65/19 AUDIT COMMITTEE FORWARD PLAN

| **Resolved:** | **Responsible Officer:** |
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| That: | |
| 1. the updated forward plan be noted; | - |
| 2. the Procurement mid-year review report be presented to the Committee in October each year; | DCFO |
| 3. the Balance Sheet Review report be presented to the Committee in the October and January meetings, with the outturn position included in the Financial Statements reviewed by the Committee in May; | DCFO |
| 4. the Self-Assessment of the Committee be held on 28 April 2020 prior to the Committee's pre-meeting briefing. | DCFO |

**EXCLUSION OF THE PRESS AND PUBLIC**

## 66/19 HMICFRS AREAS FOR IMPROVEMENT

The DCC updated the Committee on the current status of Areas for Improvement and recommendations identified by HMICFRS during the period 2014 to 2020.

The DCC explained that the Force's internal tracker had been redesigned in order to match the new HMICFRS online tracker. He also welcomed the on-line HMICFRS portal as this enabled the Force to update areas for improvement remotely, which was a much more efficient approach. The Committee was advised that the PEEL Inspection report was expected to be released on 7 February 2020.

Members queried whether the increasing scale of Cyber related crime was having a financial impact on the Force. The DCC admitted that the scale of cyber related crime both within the public and private sectors was not fully understood and represented a significant challenge nationally. Locally, the PCC through his Deputy was leading a county-wide campaign to raise awareness and prevent people from becoming victims of scams.

| **Resolved:** | **Responsible Officer:** |
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| That the report be noted. | - |

## 67/19 LINCOLNSHIRE POLICE RISK REGISTER

The DCC briefed the Committee on a number of new risks detailed within the report and in relation to the Force's preparedness for Brexit.

Members queried whether opportunities were being explored for working more collaboratively with the Fire and Rescue Service, such as sharing estate. The DCC confirmed that such opportunities were being explored not only with Fire and Rescue but with local authorities through a countywide Bluelight Collaboration Board.

The Committee highlighted the Coronavirus pandemic and queried whether the Force was linked into public health forums and whether the potential impact was being reflected in business continuity planning. The DCC informed Members that he chaired a local resilience forum, which was co-ordinating the response to the virus.

Members suggested that Apps used to provide secure portals for the transfer of data might be open to cyberattacks/security breaches, particularly if users were not automatically removed from the portal following a period of inactivity.

| **Resolved:** | **Responsible Officer:** |
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| That:<br><br>1. the Lincolnshire Police Force Risk Register be noted;<br>2. consideration be given to the potential vulnerability of Apps used by the Force/OPCC to securely transfer data. | -<br>DCC |

**CHAIRMAN**