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JOINT INDEPENDENT AUDIT COMMITTEE
7 September 2022
9.00am to 10.08am

PRESENT:

Members: Mr D Matthew (Chair), Mr W Leschenko, Mr A Middleton

OPCC Officers: Ms J Flint (Chief Finance Officer), Mr J King (Corporate Administration Officer), Ms K Nicholls (Intern)

Force Officers: Ms J Debenham (Deputy Chief Constable), Ms S Clark (Director of Finance & Corporate Services)

Also in Attendance: Mr M Lunn (Internal Audit – Mazars), Mr N Harris (External Audit – Ernst & Young)

23/22 DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

None.

24/22 APOLOGIES

Ms Judit Seymour.

25/22 EXTERNAL AUDIT RESULTS REPORT (ISA 260) INCLUDING VALUE FOR MONEY CONCLUSIONS

2018/19

The External Auditor presented the finalised External Audit Results reports for 2018/19. The report summarised the key findings arising from audit work on the Police and Crime Commissioner's (PCC's) and the Chief Constable's 2018/19 financial statements and to support the 2018/19 Audit conclusion. Members were reminded that the audit had been close to being concluded a couple of years ago but had been delayed due to a procurement matter that had been the subject of

extensive investigations conducted by both the Lincolnshire Police Professional Standards department and Internal Audit. The outcome of those investigations had been carefully considered by External Audit to determine whether the procurement matter had been more than inconsequential to the financial statements that they would be giving their opinion on. Following extensive work, including the involvement of Ernst & Young's (E&Y's) forensics team, the audit results report had concluded that there was sufficient evidence to show that it had been an isolated incident and did not have more than an inconsequential impact on the financial statements. On that basis, External Audit were proposing to issue an unqualified opinion on both PCC and Chief Constable accounts and also an unqualified Value for Money conclusion. It was confirmed that the finalised audit results report for 2018/19 would be issued once External Audit received a signed set of the financial statements and signed letter of representation from management. It was expected that this would be completed either later that day or the following day.

The Chief Finance Officer (CFO) confirmed that she was content with the outcome of the audit and with the accounts being signed-off.

Members queried remarks made within the audit results report concerning potential unresolved fee invoices due to the need for E&Y to undertake extra work. The External Auditor explained that the fees for audit work were set by Public Sector Audit Appointments (PSAA). Whilst E&Y had secured the contract for the 2018/19 financial year, the scale of fees that had been set by the PSAA were not reflective of the professional and regulatory standards that E&Y were expected to adhere to. As the level of work that they were expected to undertake had increased year on year, fee variations had been applied across all of E&Y's engagements. Members accepted the explanation and suggested that it raised questions around how the PSAA set their fees.

2019/20

The External Auditor stated that it was the first time the Committee had received the full audit results report for 2019/20 and highlighted a couple of key points made within his report. He explained that as the procurement matter that had arisen in 2018/19 had led across into 2019/20, the resolution of that matter had also been applicable to the final opinion on 2019/20 accounts. However, he had concluded that it was inconsequential to the financial statements. The restitution adjustment made for the McCloud judgement was also highlighted as per his commentary within the report. The revaluation of the South Park police station and uncorrected differences with valuations were also highlighted.

The Chair thanked the External Auditor for his report and asked for a summary of what the next steps were for 2019/20. It was confirmed that they would mirror the actions now required for 2018/19, in that the audit results report would be issued once E&Y received a signed set of the financial statements and signed letter of representation from management. Both audits for 2018/19 and 2019/20 would be closed once E&Y had issued Annual Audit Letters to formally report back the conclusion of both those audits.

Resolved:	Responsible Officer:
That the External Audit Results Reports for 2018/19 and for 2019/20 be noted.	-

26/22 ANNUAL GOVERNANCE STATEMENTS 2018/19

Resolved:	Responsible Officer:
That the respective Annual Governance Statements for 2018/19 of the Police & Crime Commissioner and the Chief Constable be noted.	-

27/22 FINANCIAL STATEMENT OF ACCOUNTS INCLUDING ANNUAL GOVERNANCE STATEMENTS 2019/20

Resolved:	Responsible Officer:
That:	
1. the responses to the Report to those charged with Governance (ISA260) on the 2019/20 Accounts be noted;	-
2. the Accounts and Annual Governance Statement for publication (Appendices A1 and A2) be noted;	-
3. the Letters of Representation (Appendices B1 and B2) be noted.	-

CHAIRMAN