3

JOINT INDEPENDENT AUDIT COMMITTEE
5 December 2022
2.00pm to 5.04pm

PRESENT:

Members: Mr D Matthew (Chair), Mr W Leschenko, Mr A Middleton, Ms Judit Seymour.

OPCC Officers: Mr P Clark (Deputy Police & Crime Commissioner), Ms J Flint (Chief Finance Officer), Mrs C Horton (Support Services Officer), Mr A Williams (Research & Performance 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 M Hodgson (External Audit – Ernst & Young), Mr U Lakhotia (External Audit – Ernst & Young)

ANNOUNCEMENTS

The Chair welcomed both Mr M Hodgson and Mr U Lakhotia (Ernst & Young) to their first Committee meeting and welcomed Ms J Debenham to her second meeting.

28/22 DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

None.

29/22 APOLOGIES

Apologies were received from Mr J King (Corporate Administration Officer).

30/22 MINUTES OF THE 25TH OF APRIL 2022

Resolved:	**Responsible Officer:**
That:	
1. the Minutes of the meeting held on 25th of April 2022 be taken as read and signed by the Chairman as a correct record subject to the wording of the resolution for Minute 07/22 of the minutes of the JIAC meeting held on 25 April 2022 be amended to read: 'That the draft Internal Audit Strategy and Plan 2022/23 be approved.'	CAO
2. a copy of the Value for Money & Efficiency Plan referred to under Minute 13/22 of the minutes of the JIAC meeting held on 25 April 2022 be made available to Members.	CFO/CAO

31/22 MINUTES OF THE 7TH OF SEPTEMBER 2022

Resolved:	**Responsible Officer:**
That the Minutes of the meeting held on 7th of September 2022 be taken as read and signed by the Chairman as a correct record	-

32/22 SUMMARY ACTION LOG

Resolved:	**Responsible Officer:**
That the Summary Action Log be noted.	-

33/22 INTERNAL AUDIT PROGRESS REPORT 2022/23

The Internal Auditor confirmed that the 2021/22 internal audit programme had been completed. It was noted that the audit of Procurement had received a limited assurance opinion as Contract regulations had been breached in relation to Exceptional Purchase Actions (EPAs). The Director of Finance & Corporate Services (DFCS) reported that a new Commercial and Contract Management Department had been created and that the head of that department would be revisiting 'life cycles' and procedures associated with EPAs. She stated that out of

the 24 EPAs highlighted in the report, there were a number that shouldn't have been dealt with as EPAs. However, it was accepted that there had been seven separate breaches of contract regulations.

It was noted that there had been no audits in relation to ICT during 2021/22. The Auditor confirmed that a planned audit of cyber security had commenced and three further audits around governance and benefits realisation were scheduled to take place during 2022/23.

In relation to Risk and Assurance, the Deputy Chief Constable (DCC) advised that the approach to Assurance Mapping had changed, moving from a joint Police and Crime Commissioner (PCC) / Chief Constable Assurance Map to a Force independent Assurance Map mechanism. She confirmed that a copy of the new Assurance Map would be presented at the next meeting of the Committee. The document was described as providing 'outward based' assurance rather than departmental.

With regards to ICT governance, benefits realisation, cyber security and digital service management, it was highlighted that as the Force was highly dependent on these critical systems, it might be beneficial to review the service model for ICT in its entirety (i.e. transition/handling data/incident management/capacity, etc). The Chief Finance Officer (CFO) suggested that the proposed review could be included as part of the workshop session scheduled for Spring 2023. The DCC reported that the Chief Digital and Information Officer (CDIO), who was relatively new in post, had supervised the transition of ICT services from G4S to the Force. The CDIO had been tasked with undertaking an in-depth review of the architecture and infrastructure of the department, so it would take such time before the Force could move to a new service model. Members suggested that consideration be given to reviewing ICT systems on an annual basis. The Auditor commented that the forthcoming ICT audits could form the basic blocks for reviews undertaken in future years.

The Committee noted the limited assurance on the collaboration audit relating to East Midlands Special Operations Unit (EMSOU) Wellbeing. This was due in part to inconsistencies with different management structures across forces.

The Auditor reported that the Archives Management Follow-up audit opinion had been changed from limited to satisfactory. The Estates Management audit opinion had also been satisfactory, whilst the audit opinion for Risk Management and Assurance Framework was significant.

The Internal Auditor advised that three collaboration audits out of six had been finalised whilst the three remaining collaboration audits for 2022/23 had been issued as draft reports.

Resolved:	**Responsible Officer:**
That the Internal Audit Progress Report be noted.	-

34/22 INTERNAL AUDIT ANNUAL REPORT 2021/22

The Internal Auditor introduced the Annual Report to the Committee. Despite the impact of Covid 19, a full internal audit plan had been carried out during 2021/22. However, there had been a few changes made to the plan throughout the year with some ICT audits not taking place and collaboration audits deferred due to changing landscapes.

It was noted that no ICT audits had been carried out for some time, but the overall opinion given was significant. This had been based on the framework of governance, risk management, and control being both adequate and effective.

Resolved:	**Responsible Officer:**
That the Internal Audit Annual Report 2021/22 be noted.	-

35/22 INTERNAL AUDIT REPORTS – IMPLEMENTATION PROGRESS

Resolved:	**Responsible Officer:**
That progress with the Internal Audit Reports Implementation Progress Report be noted.	-

36/22 REVIEW OF COMPLIANCE WITH GOVERNANCE ARRANGEMENTS

Resolved:	**Responsible Officer:**
That the Review of Compliance with Governance Arrangements Report be noted.	-

37/22 REVIEW PCC AND FORCE'S APPROACH TO ANTI-FRAUD, CORRUPTION AND WHISTLEBLOWING

Members noted reference made in the report to a request for an uplift of staff within the Professional Standards Department (PSD) to address the control strategy priorities and investigate misconduct. The DCC stated that whilst the intention was to commit to the strategy, there were other Force priorities that also needed investment.

Whilst the DCC acknowledged that cost of living crisis had increased the risk of fraud, this was not an emerging trend.

Resolved:	Responsible Officer:
That the Review of PCC and Force's Approach to Anti-Fraud, Corruption and Whistleblowing Report be noted.	-

38/22 EXTERNAL AUDIT – ANNUAL AUDIT LETTERS AND SCALE FEE VARIATIONS 2018/19 AND 2019/20

The External Auditor introduced himself and his colleague to the Committee and advised that he was the Audit Partner for Cambridgeshire, Norfolk, Suffolk and Lincolnshire. His colleague would be the Audit Manager for Lincolnshire.

In response to a question, the Auditor clarified that the £20k threshold for reporting matters had been agreed by his predecessor. The Committee was also advised that additional fees were being sought by E&Y for preparing the annual audit letter and opinion. The CFO and DFCS had been notified and a submission made to the Public Sector Audit Appointments (PSAA) for a determination. Members expressed their dissatisfaction with the proposed increase in fees.

Resolved:	Responsible Officer:
That the Annual Audit Letter and Scale Fee Variation proposals in respect of both the 2018/19 and 2019/20 financial years be noted.	-

39/22 EXTERNAL AUDIT - PROVISIONAL AUDIT PLAN 2020/21

The External Auditor presented the Audit Plan for 2020/21 and drew the Committee's attention to the significant risks, materiality and value for money statements set-out within the document. It was hoped that the timetable for the audit plan would be made available for consideration at the next meeting of the Committee. Members expressed their dissatisfaction with delays in completing audits.

Resolved:	Responsible Officer:
That the Provisional Audit Plan for 2020/21 be noted.	-

40/22 APPOINTMENT OF EXTERNAL AUDITORS FROM 2023/24 AUDIT

Confirmation was awaited from the PSAA as to who would be the External Auditors from 2023/24.

Resolved:	Responsible Officer:
That the update on the Appointment of External Auditors from 2023/24 Audit be noted.	-

41/22 FINANCE REVIEW UPDATE

The DFCS presented the report, which provided a progress update on recommendations made following the finance review and the restructuring of the financial and commercial departments. Whilst the Force was still in the process of recruitment/transfer of staff, the advertisement for Head of Finance had recently closed, and the recruitment of Assistant Accountants was progressing. The plan in the longer term was to introduce succession planning as a strategy for identifying and developing staff members for senior positions. In the meantime, Bluelight Commercial would continue to provide support and the Force would buy-in any specialist requirements.

Resolved:	Responsible Officer:
That the Finance Review Update be noted.	-

[The DFCS left the meeting at 3.30pm].

42/22 BALANCE SHEET REPORT

Resolved:	Responsible Officer:
That the Balance Sheet Report be noted.	-

43/22 TREASURY MANAGEMENT MID-YEAR REVIEW REPORT

Resolved:	Responsible Officer:
That the Treasury Management Mid-Year Review Report be noted.	-

44/22 PROCUREMENT MID-YEAR REVIEW REPORT

The CFO confirmed that the Commercial and Contract Management Department supported the procurement of large contracts, and would ensure specifications were realistic, met organisational need and delivered value for money. If quotes proved unaffordable then the organisation would consider reprioritisation.

It was reported that a new e-procurement system was in the process of being delivered. The contract management module would go live in October 2022 with the e-tendering module following in early 2023. Members requested a further update be provided at the next meeting.

The CFO confirmed that procurement staff undertook e-learning packages on the Finance, Contract & Procurement regulations.

Resolved: That: 1. the Procurement Mid-Year Review Report be noted; 2. the Committee receive an update on progress with implementing the new e-procurement system.	**Responsible Officer:** - CFO/DFCS

[The Chair adjourned the meeting at 3.45pm and reconvened at 3.52pm]

45/22 PCC'S RISK REGISTER

The CFO advised that technical support for the use of the current ERP system was due to come to an end following the cessation of the G4S contract. Arrangements had been made for extended cover to be put in place until December 2023.

Resolved: That the PCC's Risk Register be noted.	**Responsible Officer:** -

46/22 TERMS OF REFERENCE, CODE OF CONDUCT AND PROCEDURE DOCUMENT

The Chair confirmed that the Committee was due to undertake a self-assessment exercise during the first quarter of 2023. It was agreed that the Committee's terms of reference would be updated to reflect the need for an annual self-assessment.

It was confirmed that meetings between the PCC, Chief Constable and Committee Chair were usually held after each Committee meeting. New members would be invited to join these meetings as part of their induction.

Resolved:	Responsible Officer:
That:	
1. the Terms of Reference, Code of Conduct and Procedure Document be noted;	-
2. an additional point be added under the heading 'Internal Audit' within the JIAC Terms of Reference as follows: 'The Committee will undertake an annual self-assessment.'	CFO/CAO
3. a meeting between the PCC, Chief Constable and Chair of JIAC be arranged for early in the New Year.	CAO

47/22 FORWARD PLAN AND ACTION PLAN

Resolved:	Responsible Officer:
That the Forward Plan and Action Plan be noted.	-

EXCLUSION OF PRESS AND PUBLIC

48/22 HMICFRS AREAS FOR IMPROVEMENT

The DCC outlined progress with the various recommendations contained within the report. It was noted that some recommendations were local to Lincolnshire whilst others were national. Members stated that it would be helpful if future reports had separate tables containing Force and National recommendations, with the Force specific recommendations including timelines for implementation.

Resolved:	Responsible Officer:
That:	
1. the HMICFRS Areas for Improvement Report be noted;	-
2. recommendations published within the HMICFRS Areas for Improvement reports be separated into 'Force specific' and 'National' recommendations, with each Force specific recommendation including a timeline for implementation.	DCC

49/22 LINCOLNSHIRE POLICE RISK REGISTER

The DCC confirmed that the Force Risk Management Board was responsible for the adding and removing risks within the Risk Register. She explained that some risks were specific to departments, whilst others had Force-wide implications. In noting the report, the Committee requested future reports include a one-page 'snapshot' summary of risks.

Resolved: That: - 1. the Lincolnshire Police Risk Register be noted; 2. the Lincolnshire Police Risk Register report include a one page 'snapshot' summary of current risks.	**Responsible Officer:** - DCC

50/22 PCC AND CHIEF CONSTABLE'S JOINT ASSURANCE MAP – UPDATE

The DCC confirmed that the Joint PCC and Chief Constable Assurance Map had been discontinued. She advised that a new Chief Constable Assurance Map and reporting process were currently in development. These would be shared with Members at the next meeting of the Committee.

Resolved: That: 1. the PCC and Chief Constable Joint Assurance Map Update report be noted; 2. the new Chief Constable's Assurance Map be presented at the next meeting of the JIAC.	**Responsible Officer:** - DCC

51/22 ARRANGEMENTS FOR TRANSITION FROM G4S CONTRACT

Resolved: That: 1. the oral update be noted. 2. a high-level summary report be prepared for the next JIAC meeting evaluating the successful transition from the G4S contract, including any lessons learned.	**Responsible Officer:** - DCC/DFCS/CFO

CHAIRMAN