



**Lancashire  
Constabulary**  
police and communities together

## **JOINT AUDIT COMMITTEE**

**MONDAY, 1 DECEMBER 2014 AT 1.30 PM  
IN THE DUKE OF LANCASTER ROOM (FORMER CABINET ROOM  
C), COUNTY HALL, PRESTON**

### **MINUTES**

### **PRESENT**

Mr Clive Portman – Chair

Mr Stephen Dobson,  
Mr David Jones,  
Ms Karol Sanderson,  
Mr Russell Weaver,

### **IN ATTENDANCE**

Mr I Cosh	Director of Resources, Lancashire Constabulary
Mrs L Kitto	Chief Finance Officer, Office of Police and Crime Commissioner
Mr S Freeman	Deputy Chief Finance Officer, Office of Police and Crime Commissioner
Mrs R Lowry	Chief Internal Auditor
Mr M Thomas	Engagement Lead, External Audit
Mrs N Bickerstaff	Senior Auditor

### **SECRETARIAT**

Mr I Dickinson	Standards & Governance Officer, Office of Police and Crime Commissioner
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### **DISCLOSURE OF MEMBERS INTERESTS**

No declarations of interest were made at the meeting.

## **MINUTES OF THE MEETING HELD ON 16 SEPTEMBER 2013**

With regard to – Receipt of Audited Statement of Accounts 2012/2013 – Mr Thomas advised that the reference to 'District Auditor' should, more accurately, read as 'Engagement Lead, External Audit'.

Subject to that minor amendment, the minutes were approved.

**14/26 RESOLVED:** That the minutes of the meeting held on 16 September 2013 be confirmed and signed by the Chair.

### **MATTERS ARISING**

As agreed at the last meeting Mr Dobson met with the Head of ICT, Superintendent Robertshaw to discuss the ICT Strategy. Mr Dobson informed the Committee that he welcomed the Constabulary's approach to replace the existing in-house systems and noted the good relationship with BT Lancashire Services.

### **ANNUAL AUDIT LETTER 2013/2014**

The External Auditor's Annual Audit Letter for 2013/14 was presented for the Committee's consideration.

The Letter summarised for Members the key findings arising from the audit of the 2013/14 accounts; and an assessment of the Police and Crime Commissioner's and Chief Constable's arrangements for securing economy, efficiency and effectiveness in the use of resources.

The audit conclusions were:-

- unqualified opinions on the PCC's 2013/14 financial statements on the 30 September 2014 and on the Chief Constable's 2013/14 financial statements.
- unqualified VfM conclusions for the PCC for 2013/14 on 30 September 2014 and for the Chief Constable for 2013/14.

**14/27 RESOLVED:** That the External Auditor's Annual Audit Letter for 2013/14 be noted.

### **EXTERNAL AUDIT – POSITION STATEMENT**

The Engagement Lead, External Audit, advised the Committee that whilst it was early days in relation to the programme for 2014/15, the timescale for next year's audit would be similar to that in previous years.

The Engagement Lead, External Audit, also advised the Committee that the Audit team would remain unchanged.

**14/28 RESOLVED:** That the report be noted.

## **POLICE AUDIT COMMITTEE WORKSHOP**

The Chair and Vice Chair provided feedback to the Committee in relation to the recent regional autumn Police Audit Committee Workshop hosted by Grant Thornton on the 14 November 2014 to provide guidance to Audit Committee members.

In providing the feedback the Vice-Chair found the event useful to network with Audit Members from other force areas.

A discussion ensued in relation to the different approaches taken by other Audit Committees, such as agenda content, to which the Chair suggested that it might be timely to undertake a self-assessment exercise to measure the effectiveness of the Audit Committee in March 2015 and to produce an annual report. To assist the Chief Internal Audit Manager agreed to provide the Chair with a copy of the County Council's self-assessment framework.

Further, the External Audit lead agreed to provide the Audit members with a copy of the background papers for the Audit Committee Workshop produced by Grant Thornton – Police Reform – A developing picture.

**14/29 RESOLVED:-** That

- (i) arrangements be made by the Director of the OPCC to hold a self-assessment exercise based around CIPFA guidance prior to the next scheduled meeting on the 2 March 2015.
- (ii) The Chair to present a draft annual report following the self-assessment exercise for consideration by the Audit Committee.

## **INTERNAL AUDIT MONITORING REPORT UP TO 14 NOVEMBER 2014**

The Committee considered the internal audit monitoring report for the period 1 April 2014 to 14 November 2014, which provided a brief summary of internal audit activity during the first seven months of the 2014/15 financial year.

It was reported that no key issues had been identified that had implications for the internal control environment as a whole.

A brief summary of each review undertaken was presented which set out the planned and actual days spent on each review, together with a summary of the assurance provided.

In particular, the Internal Audit Manager advised that reviews of three core financial systems had been completed – Accounts Payable; Accounts Receivable; and General Ledger – and the Internal Audit Service had provided substantial assurances over the systems operated.

The Chief Internal Auditor informed the Committee that:-

- the audit of the payroll system had also been recently completed and the draft report would be shared with management shortly.
- The reviews of the treasury management and pension systems were scheduled for January and February 2015 respectively.
- Separate reviews of the expenses systems operated by the Office of the Police and Crime Commissioner (OPCC) and Constabulary had been completed and a draft report had been prepared in September 2014. The findings were being discussed with the Chief Finance Officer of the Police & Crime Commissioner, and had been shared with the Interim Chief Executive and Chair of the Joint Audit Committee.

In response to a question around follow-up reviews, the Chief Internal Auditor explained that this was standard professional practice where recommendations had been made through previous audit reports or were only limited assurance had been given.

**14/30 RESOLVED:** That the Report be noted.

### **ESTABLISHMENT OF AN ETHICS COMMITTEE**

The Committee received a report on the establishment of a Combined Ethics Committee and an internal Tactical Group.

It was noted that the establishment of the Committee had been funded by the Police and Crime Commissioner to provide public legitimacy in relation to decisions taken by police officers.

A copy of the report is set out in the Minute Book.

**14/31 RESOLVED:** That the report be noted.

### **LANCASHIRE POLICE AND CRIME COMMISSIONER – UPDATE**

The Chief Finance Office to the Police and Crime Commissioner gave an oral report on the restructure of the Office of Police and Crime Commissioner and the progress in relation to the appointment of the Director of the OPCC (Chief Executive).

The Chief Finance Officer also highlighted the proposed changes to her role as the Section 151 Officer to the Police and Crime Commissioner.

In response the Committee requested a copy of the interim structure to be presented to the next meeting.

**14/32 RESOLVED:** That the report be noted.

## **INSPECTION REPORTS**

### **a) INTEGRITY AND STANDARDS UPDATE**

The Chief Constable's Chief Finance Officer presented a report to advise the Committee of national and local developments around the 'police integrity' agenda.

A copy of the report is set out in the Minute Book.

**14/33 RESOLVED:** That the report be noted.

### **b) INSPECTION ACTIVITY UPDATE NOVEMBER 2014**

The Constabulary's Chief Finance Officer presented a report to advise of inspection activity as at November 2014 on issues such as (PEEL) Programme, Crime Data Integrity, Police Integrity and Corruption, Disability Hate Crime, Building the Picture – Information Management, 21<sup>st</sup> Century Child Sexual Exploitation.

A discussion ensued in relation to the Crime Data Integrity. Mr Weaver made reference to a recent Sunday Times article which suggested police corruption in the way crime was recorded and suggested that whilst crime recording was not an exact science, officers were more likely to over record than under record to avoid any criticism from Audit.

In response Ms Sanderson appreciated that whilst a target driven approach didn't help there was sufficient evidence and motivation for police officers not to record crime and therefore believed that accusations of police corruption in relation to crime recording was justified.

The Chair welcomed the findings of the HMIC in relation to Lancashire and agreed that this was a difficult issue. However, in listening to the discussion he suggested that this may be a topic which could be debated within the Ethical framework which was considered earlier in the agenda.

**14/34 RESOLVED:** That the updates be noted.

## **URGENT BUSINESS**

No matters of Urgent Business were reported.

## **OUTWARD COMMUNICATION**

The Committee was asked to consider if:-

- a) There were any key messages arising from the meeting which should be sent to:-
  - i) The press / public
  - ii) Local / regional / national bodies

- b) The Police and Crime Commissioner's / Constabulary's press / public relations teams should be asked to consider whether any consultation / research on any particular matters arising from the meeting should be undertaken.

**14/35 RESOLVED:** The Committee agreed that no further action was necessary.

#### **DATE OF NEXT MEETING**

**14/36 RESOLVED:** That it be noted that the next scheduled meeting of the Committee was due to be held at 1.30pm on Monday 2 March, 2015, in Cabinet Room 'C' at County Hall, Preston.

Further meetings of the Committee had also been scheduled to be held at 1.30pm on Monday 15 June, 2015; Monday 21 September, 2015; and Monday 7 December, 2015, also in Cabinet Room 'C' at County Hall, Preston.