



**Lancashire
Constabulary**
police and communities together

**MONDAY, 16 JUNE 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	Chief Finance Officer, Lancashire Constabulary
Mrs L Kitto	Chief Finance Officer, Office of the Police and Crime Commissioner
Mrs R Tanner	Audit Manager, Internal Audit
Mr M Thomas	Engagement Lead, External Audit

SECRETARIAT

Mr I Dickinson	Standards and Governance Officer, Office of the Police and Crime Commissioner
Miss S Hull	Apprentice, Office of the Police and Crime Commissioner

APPOINTMENT OF CHAIR

14/01 RESOLVED: - That it be noted that following the recent recruitment process for the permanent Chair of the Joint Committee, Mr Clive Portman was formally appointed to the position from 1 January 2014 to the 31 December 2018.

APPOINTMENT OF VICE CHAIR

14/02 RESOLVED: - That Ms Karol Sanderson be appointed as Vice Chair of the Joint Committee for the ensuing year.

CONSTITUTIONAL MATTERS

Ms K Sanderson queried as to why there was no specific reference to risk in the terms of reference. In response, officers highlighted that this matter was covered in 4.1, under Internal Control. This also covered issues relating to ethics and standards.

14/03 RESOLVED: - That,

1. the Membership and Terms of Reference of the Joint Committee be noted
2. the Police and Crime Commissioner and Chief Constable be recommended to approve the Terms of Reference,
3. the forward plan be noted

DISCLOSURE OF MEMBERS INTEREST

No declarations of interest were made.

MINUTES OF THE MEETING HELD ON 24 FEBRUARY 2014

In considering the Minutes, the Committee asked that the press/public be advised of the membership and work of the new Joint Audit Committee; with details also to be published on the Police and Crime Commissioner's / Constabulary's Website.

14/04 RESOLVED: - That the Minutes of the meeting held on 24 February 2014 be confirmed and signed by the Chair. That the OPCC and Lancashire Constabulary websites be updated to provide details of the new Joint Audit Committee including members, minutes and agendas.

STAGE II TRANSFER – GOVERNANCE FRAMEWORK DOCUMENTS

The Committee was advised that under the Police Reform & Social Responsibility Act 2011, Police and crime Commissioners were required to submit a transfer scheme to the Home secretary that set out which staff, assets, rights and liabilities would transfer from the Commissioner to the Chief Constable on 1 April 2014. The Committee was advised that this is known as 'Stage 2 Transfer'.

Following discussions between the Commissioner and Chief Constable, the shape of the transfer was agreed and the Home Secretary had indicated that she was content to approve Lancashire's transfer proposals in principle.

As a consequence of the proposed changes, a review of the governing framework documentation had been carried out. The committee was advised that there is no agreed set of documentation nationally however best practice guidance and the Financial Management Code of Practice had been followed in developing these.

A working group led by the PCC Chief Executive and comprising key individuals from both organisations and external legal advice from Preston City council had drawn up a revised set of Governance documents which comprised:-

1. Memorandum of Understanding
2. Code of Corporate Governance
3. Scheme of Consent/Delegation
4. Financial Regulations
5. Contractual Standing Orders.

The Committee endorsed the Governance arrangements and acknowledged the work done jointly by the officers of the Chief Constable and Police and Crime Commissioner

14/05 RESOLVED: - The Committee noted and endorsed the changes made to the Governance arrangements.

REPORTING FRAUD PROTOCOL

The Committee received an oral report on the Reporting Fraud Protocol.

The Chief Constable's Chief Finance Officer advised the Committee that regular meetings have been scheduled between the Audit Manager and the Professional Standards Department to discuss any fraud issues. In line with current practice any fraudulent activity would then be brought to the immediate attention of both Chief Finance Officers.

Further, the Committee agreed that the CFOs should, in the first instance, inform the Chair of the Joint Audit Committee of any significant cases and that it would be at the

discretion of the Chair as to whether other members of the Committee should be advised.

14/06 RESOLVED: - That a future report on Fraud Protocol be presented at the next meeting for consideration.

HER MAJESTY'S INSPECTORATE OF CONSTABULARY – ACTIVITY UPDATE

Members were presented with a report which provided an overview of Her Majesty's Inspectorate of Constabulary's activity as at May 2014 including inspections relating to:

- Child Protection
- Crime Data Integrity
- Making Best Use of Police Time
- Building the Picture – Information Management
- Police Integrity and Corruption
- Strategic Policing Requirement (SPR)
- Valuing the Police 4
- Domestic Abuse (Home Secretary Commission)
- Undercover Policing
- Girls and Young Women in the CJS
- Road Traffic Offences Involving Fatalities

It was noted that the final report in respect of Valuing the Police 4 was due for publication mid-July.

The Chief Constable's Chief Finance Officer advised the Committee that Lancashire Constabulary had received some early feedback which was very positive indicating that HMIC were impressed with the way Lancashire Constabulary managed demand and the way they had allocated resource to reduce risk and threat.

In relation to the Police Integrity review, again Members were informed that overall the Constabulary received positive feedback, especially around staff engagement and awareness. It was noted that the review also looked at Chief Officer Integrity and how the Constabulary was embedding the Code of Ethics into the organisation.

Finally, in relation to Crime Data Integrity review, Members were advised that this had finished today (Monday 16th June) and that initial feedback was that Lancashire Constabulary had a high conversion rate (logs to actual crimes) which was very encouraging.

14/07 RESOLVED: That the report be noted.

ANNUAL GOVERNANCE STATEMENT 2013/14 – CONSTABULARY

The Committee received a report on the Constabulary's Annual Governance Statement for 2013/14. This was the Constabulary's second individual Annual Governance Statement under the new governance structure, although a similar process had been adopted as per the previous Police Authority structure. The statement provided a level of assurance underpinned by good governance principles.

One of the significant issues identified for the forthcoming year was the IT Strategy, which Mr Dobson expressed an interest in. The Chief Constable's Chief finance officer agreed to share the IT Strategy with Mr Dobson and provide him with regular updates in relation to progress.

14/08 RESOLVED: The Committee considered the Constabulary's Annual Governance Statement and agreed that this provided evidence of a sound governance regime.

ANNUAL GOVERNANCE STATEMENT 2013/14 – OFFICE OF THE POLICE AND CRIME COMMISSIONER

The Police and Crime Commissioner's Chief Finance Officer presented a report on the Police and Crime Commissioner's Annual Governance Statement for 2013/14 to the Committee. This was the Police and Crime Commissioner's second individual Annual Governance Statement under the new regime. The PCC's CFO identified the financial pressures facing the PCC and the Constabulary as the main focus for the forthcoming year.

14/09 RESOLVED: The Committee considered the Constabulary's Annual Governance Statement and agreed that this provided evidence of a sound governance regime.

RISK MANAGEMENT ARRANGEMENTS – CONSTABULARY

Members were presented with an update on the Constabulary's review of risk management arrangements and relevant documentation.

The Committee noted that the Strategic Management Board is updated every month, identifying the key risks for both the short term and long term. By way of an example there was an identified risk in achieving the target for answering 999 calls within 10 seconds following the amalgamation of the controls rooms and this will be monitored over the summer.

The CC's CFO also informed committee members that the reductions in resources presents significant risk for Lancashire Constabulary given the continuing reductions in government funding and that effective performance management arrangements are in place to monitor any changes in performance.

The committee asked for some information to be provided around the process within the constabulary to manage and monitor risk and the direction of travel and the CC's CFO agreed to provide this to Members.

14/10 RESOLVED: The Committee welcomed the update and confirmed that the systems of control for risk management processes were in good order and fit for purpose.

RISK MANAGEMENT ARRANGMENTS – OFFICE OF THE POLICE AND CRIME COMMISSIONER

Members were presented with an update on the Police and Crime Commissioner's review of risk management arrangements and relevant documentation. Members were advised that the key risks for the OPCC related to the reduction in funding and managing the impact of this and also ensuring that effective commissioning arrangements and partnership working is in place to deliver the victims commissioning.

14/11 RESOLVED:- That the Committee welcomed the update and confirmed that the systems of control for risk management processes were in good order and fit for purpose..

INTERNAL AUDIT ANNUAL REPORT 2013/14

The Audit Manager provided the committee with an update on the Annual Internal Audit Report for the period 1 April 2013 to 31 March 2014. Mrs Tanner informed the Committee that the overall opinion on the level of assurance is positive. The Audit Manager stated there was nothing of real significance to highlight and the Committee were advised that the update report shows a positive position for both the Office of the Police and Crime Commissioner and Lancashire Constabulary.

14/12 RESOLVED: - the committee noted the annual report.

INTERNAL AUDIT PLAN 2014/15

The Committee received a report setting out the plan of work to be undertaken by the joint internal audit service for the Police and Crime Commissioner and the Chief Constable for the 2014/15 financial year.

The plan amounted to a total resource of 200 audit days and is the same number of planned days for 2013/14.

The Audit Manager informed the Committee that the plan was intended to provide assurance to the Police and Crime Commissioner and the Chief Constable who were required to sign an Annual Governance Statement published with the financial statements.

As well as reviewing the financial systems the Committee noted that the proposed audit plan also allowed sufficient days for a number of operational reviews and for follow up work relating to previous reviews.

14/13 RESOLVED:- That the report be noted.

EXTERNAL AUDIT – AUDIT PLAN

The External Audit Manager presented the Audit Plan for the Police and Crime Commissioner and the Chief Constable for the period 1 April 2013 to 31 March 2014.

It was reported that the significant risks identified in the report were generic risks relevant to any local government body and related to significant non-routine transactions and judgmental matters. The report also referred to "other risks" which had been identified by the external auditors. The Committee were also advised of the audit fee for the 2014/15 financial year.

14/14 RESOLVED:- That the plan and associated fees be agreed.

INTEGRITY AND STANDARDS

The Committee received a presentation on the Future's Programme and the approach to embedding strong ethics, integrity and standards in the Organisations along with the role of the Professional Standards Department in relation to Integrity and Standards issues.

14/15 RESOLVED:- That the presentation 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.

14/16 RESOLVED:- The committee agreed that no further action was necessary.

DATE OF NEXT MEETING

14/17 RESOLVED:- That it be noted that scheduled meetings of the Committee for the remainder of the year were due to be held at 1.30pm on Monday 15 September 2014 and 1 December 2014.