



## **JOINT INDEPENDENT AUDIT COMMITTEE**

**Minutes of the meeting held on the 13th December 2023**

### **PRESENT**

Mr Paul Richardson (Chair)

Ms Claire Hounslea

Ms Margaret Rawding

Mr John Baker

Mr Stephen Dunstan

### **IN ATTENDANCE**

Mr M Green

Grant Thornton

Mr A Dalecki

Head of Audit, LCC

Mrs L Rix

Audit Manager, LCC

Mr S Freeman

Chief Finance Officer, OPCC

Mrs G Routledge

Lancashire Constabulary (Via Teams)

Ms Nikki Evans

Lancashire Constabulary

Ms Sandra Wiseman

Lancashire Constabulary

Mr N Longland

Lancashire Constabulary

Mr I Dickinson

Head of Governance and Accountability, OPCC

Mrs C Benton

Governance and Accountability Officer, OPCC

## **Part 1**

### **Apologies for Absence**

Mrs A Harrison            Chief Executive, OPCC  
Mr D Rogers              Lancashire Constabulary  
Mr G Winstanley         Grant Thornton

The Chair welcomed all attendees to the meeting and, on behalf of the Committee, asked that their condolences be noted and conveyed to the family of ACC Lawson.

### **Disclosure of Members Interests**

There were no Members' interests for disclosure.

### **Minutes of the Meeting Held on 13<sup>th</sup> September 2023**

**17/2023 Resolved:** That the minutes be confirmed as a true record.

### **Matters Arising**

It was noted that the letter to the Financial Reporting Council (FRC) agreed at the last meeting expressing the Committee's concerns in relation to the lateness of the accounts for 2021/22 had been sent and the Committee were updated on the response received.

It was confirmed that the Fraud Strategy had been circulated as requested, and members noted there was no version control or review date attached to it in line with previous external audit recommendations. Members were asked to forward any comments on the Strategy to the OPCC who would seek to review and update it.

Likewise, the Capitalisation Policy had also been circulated to members, who felt that it did not address their original concern of small value items being part of the Capital Programme rather than Revenue. It was confirmed this policy was also being updated and will address the concerns of the Committee.

The Fleet Audit Report had been circulated with the agenda.

Members queried the current position on the Constabulary Risk Register, which had been deferred. The Committee were advised that Q3 had been moderated, risks had been identified to go on the Risk Register, and risk owners were updating the mitigations. It was agreed that the Risk Register would be circulated to members in January 2024, and presented formally to the next Committee meeting.

**18/2023 Resolved:** That the Risk Register be circulated to members in January 2024 and presented formally at the next JIAC meeting.

## **External Audit Findings Report 2021/22**

The Committee received the External Audit Report for the year ended 31<sup>st</sup> March 2022 and were given an update relating to the key headlines.

The Audit Opinion was not yet signed off, due to an issue being identified recently which was currently with the Valuer. Once that was finalised the auditors would issue an unqualified opinion.

Some adjustments had been made to Financial Statements and, regarding VFM an interim report was issued in May 2023 with the final report to come. It was noted that overall it was positive, with no significant weaknesses identified, but some improvement recommendations were made.

Materiality remained unchanged across both sets of accounts and there was a discussion around valuation of assets. It was advised significant changes had been identified in the assumptions underpinning the valuations of the LGPS which affect ongoing audits so the necessary amendments have been processed in the financial statements.

**19/2023 Resolved:** That the Committee noted the External Audit Findings Report 2021/22

## **External Auditor's Annual Report 2021/22**

The Committee received the External Auditor's Annual Report on the Police and Crime Commissioner and the Chief Constable 2021/22. It was noted that there was little change, other than to dates', from the interim report published in May.

There was some concern that the report states the auditors were happy with all risks, however, the Committee were aware that a review of the process undertaken to maintain the Constabulary Risk Register has been undertaken which is not reflected in the report. The auditors were satisfied that processes were in place relating to the management of risk by the organisation, but the Committee felt that, as the report refers back to a past period, it was important that the report reflected the review taking place. The committee would like the report to inform them of areas of risk they need to address.

Members were updated on the Force Management Statement process, which was how risks had been identified and managed internally, to re-assure there were proper internal processes in place.

**20/2023 Resolved:** That the Annual Report be amended to reflect the gap linked to the development of the force Risk Register and the work currently ongoing.

It was confirmed that work was underway on the 22/23 Report and a draft would be presented at the next meeting.

**21/2023 Resolved:** That the draft 22/23 External Auditor's Annual Report be presented at the next JIAC meeting.

A discussion took place on the national position regarding 22/23 accounts, with very few having been completed and FRC having suggested that they not be audited if not completed by the end of March 2024, with their final guidance expected in February 2024. It was confirmed that all the work would still be completed and there would be some assurance provided by internal audit. The Committee confirmed their wish for re-assurance on the 22/23 accounts and were supportive of pushing back on the FRC recommendation as it was an important facet of running a large organisation.

**22/2023 Resolved:** That the Committee requested re-assurance on the 22/23 accounts and noted their support for management to push back on the FRC proposals.

## **Internal Audit Monitoring Report**

The Committee received the Internal Audit Monitoring Report for the period ending 30 November 2023. It was noted that 93 days have been spent on completion of the 2023/24 plan, equating to 44% of the total planned activity of 244 days.

An update was given regarding progress to date on the 23/24 plan and follow ups. The Governance and Decision-Making audit has been rolled forward to the 2024/25 year, as an additional review of the Armoury Management was deemed to be a greater priority. GDPR OPCC and Treasury Management are both due to commence in Q4. A discussion took place regarding LGPS performance.

There will be some audit reports presented at the next meeting along with the plan for the 2024/25 year.

**23/2023: Resolved:** That the Audit Plan for 24/25 be presented to the next meeting, together with any completed Audit Reports.

A query was raised relating to the National Fraud Initiative and it was agreed to provide an update at the next meeting.

**24/2023 Resolved:** That an update on the National Fraud Initiative be given at the next JIAC meeting.

## **Financial Monitoring as at 30 September 2023**

As the report was not yet finalised, Mr Freeman gave a verbal update on the financial monitoring report as at 30th September 2023. He reported no issues of concern and both the Chief Officers' and the PCC had been updated. The report identified some slippage in the Capital Programme and had been re-focussed as a result.

**25/2023 Resolved:** That the position in relation to the monitoring report be noted.

**26/2023 Resolved:** That the Q2 financial report be circulated to members once it is finalised, and that going forward reports be circulated when finalised.

### **Urgent Business**

A discussion took place regarding the inherited audit work plan for 2024/25 and it was suggested that a Teams meeting be convened for members to discuss and agree what they would like to include on it. If members were unable to attend they can submit their views to the Chair.

It was agreed the meeting should take place after the Risk Register was finalised so it could help to inform members thoughts.

**27/2023 Resolved:** That a Teams meeting be convened late January/early February to discuss the Work Plan.

### **Date of Next Meeting**

**28/2023 Resolved:** That the next scheduled meeting of the Committee be held at 10am on Wednesday 13<sup>th</sup> March 2023, at County Hall, Preston

**Mrs A Harrison**  
**Chief Executive**