



**Lancashire
Constabulary**
police and communities together

JOINT AUDIT COMMITTEE

**MONDAY 2 MARCH 2015 AT 1.30 PM IN 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
Mr S Freeman	Deputy Chief Finance Officer, Office of the Police and Crime Commissioner
Mrs R Lowry	Chief Internal Auditor, Internal Audit Service
Mr M Thomas	Engagement Lead, External Audit
Mr R McGahon	Audit Manager, External Audit
Mrs N Bickerstaff	Senior Auditor, Internal Audit Service

SECRETARIAT

Mr I Dickinson	Standards and Governance Officer, Office of the Police and Crime Commissioner
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APOLOGIES FOR ABSENCE

No apologies for absence were presented at the meeting.

DISCLOSURE OF MEMBERS INTERESTS

No declarations of interest were made at the meeting.

MINUTES OF THE MEETING HELD ON 1 DECEMBER 2014

The Vice-Chair raised a concern that the Minute around the HMIC Inspection Activity didn't accurately reflect the discussion. It was appreciated that the Minutes suggested that the discussion was Lancashire specific rather than general and the Committee agreed some alternative wording.

14/15 RESOLVED:- That subject to the agreed amendment the Minutes of the meeting held on the 1 December be confirmed and signed as a correct record.

INTERNAL AUDIT MONITORING REPORT

The Committee considered the internal audit monitoring report for the period 1 April 2014 to 31 January 2015, which provided a brief summary of internal audit activity during the first ten months of the 2014/15 financial year.

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 relation to each system or operational area of business.

It was reported that there were some weaknesses identified in the process for administering lease car and expense claims and whilst limited assurance was given it was recognised that the matters were being addressed.

The Committee noted that in relation to the review of covert assets, whilst substantial assurances were given due to the business area the investigation was limited.

15/15 RESOLVED:- That the report be noted.

DRAFT INTERNAL AUDIT PLAN 2015/16

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 2015/16 financial year.

The plan amounted to a total resource of 200 audit days and is the same number of planned days for 2014/15. In response to a question, officers appreciated that the number of allocated audit days could be considered to be low, but with the additional inspections undertaken by HMIC, they believed that this was about right.

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.

15/16 RESOLVED:- That the report be agreed and noted.

15/17 EXTERNAL AUDIT PLAN 2014/15

The External Audit Manager presented the Audit Plan for the Police and Crime Commissioner and the Chief Constable for the period 1 April 2014 to 31 March 2015.

It was reported that the significant risks identified in the report are applicable to all audits under auditing standards and related to the revenue cycle includes fraudulent transactions and the management over-ride of controls. 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.

15/18 RESOLVED:- That the plan and associated fees be agreed.

JOINT AUDIT UPDATE REPORT

The Engagement Lead, External Audit, presented the Audit Findings Report for the Police and Crime Commissioner and the Chief Constable for the year ended 31 March 2015.

In response to a query in relation to the HMIC Value for money profiles inspection report assurances were given that the Chief Finance Officers had reviewed the report and the significant variances between forces were understood.

The Engagement Lead wished to place on record his thanks to Finance staff and other officers in both the Commissioner's office and the Constabulary for their assistance over the course of the audits; and the Audit Manager commented that responses to requests for information, and the timeliness of those responses, had been very helpful.

POLICE BUDGET FOR 2015/16

The Committee received a report on the Police and Crime Commissioners Revenue Budget and Council Tax for 2015/16 and Capital Investment Programme for 2015/16 and future years.

In welcoming the report the Committee suggested that in future years an executive summary would be sufficient.

15/19 RESOLVED:- That the report be noted.

ETHICS COMMITTEE – ORAL UPDATE

The Committee was advised that Mrs Phillipa Foster-Back, who was a Director of the Institute of Business Ethics in London, had been approached and agreed to be the Chair of the Ethics Committee.

Further, the closing date for applications for both the Committee and the Internal Ethics Group had now closed and that the shortlisting process had commenced with an anticipated date for interviews in late April 2015.

15/20 RESOLVED:- That the report be noted.

LANCASHIRE POLICE AND CRIME COMMISSIONER RESTRUCTURE - ORAL UPDATE

The Committee received an update in relation to the restructure of the Office of the Police and Crime Commissioner.

The Committee were advised that Angela Harrison had been appointed as the Director of the OPCC and recently attended a Confirmation Hearing of the Police and Crime Panel who unanimously recommended her appointment to the post.

15/21 RESOLVED:- That the report be noted.

INSPECTION REPORTS

Integrity and Standards update

The Committee received an update in relation to national and local developments around the Ethics' Agenda.

The Committee were advised that in January 2015 HMIC released their findings from their 2014 inspection of police forces around integrity and leadership. The report found that police forces nationally had made significant progress in putting in place processes to prevent and tackle corruption and that there was no evidence to suggest that corruption was endemic within the police service.

The report identified 14 recommendations for the police service to consider and implement in order to provide greater clarity and consistency in dealing with misconduct.

HMIC Inspection activity update

The Committee received an update in relation to HMIC Inspection activity and were informed that HMIC were currently consulting on their inspection plans for 2015/16.

URGENT BUSINESS

No matters of Urgent Business were reported.

DATE OF NEXT MEETING

15/22 RESOLVED: That it be noted that the next scheduled meeting of the Committee was due to be held on Monday 15 June 2015 in at County Hall, Preston at 1.30 pm.

Angela Harrison
DIRECTOR