Police & Crime Commissioner for Lincolnshire & Lincolnshire Police

Internal Audit Progress Report

Presented to JIAC – 25th April 2022

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Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of the Lincolnshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Lincolnshire and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit the Lincolnshire Police and the Officer of the Police and Crime Commissioner (OPCC) for Lincolnshire and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in Appendix A1 of this report for further information about responsibilities, limitations and confidentiality.

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01 Summary

The purpose of this report is to update the Joint Independent Audit Committee (JIAC) as to the progress in respect of the Operational Plan for the year ended 31st March 2021 and subsequently progress in respect of the Operational Plan for the year ending 31st March 2022, which was considered and approved by the JIAC at its meeting on 28th April 2021.

The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.

Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisations' agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Forces' overall assurance framework and assists in preparing an informed statement on internal control.

Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.

Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.

Our work is delivered is accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Current progress

2021/2022

Since the last meeting of the JIAC in March 2022 we have issued one final report in regard to Future Services Programme, please refer to Appendix 3 for full details. we have also issued Collaboration - EMSOU Wellbeing, Procurement, Contract Management and Seized Property in draft report as well. In respect of the remaining audit of Medium Term Financial Planning the fieldwork was completed at the end of March and the draft report will be issued shortly, please see Appendix A1 for full details of dates for delivery.

A further amendment to the Collaboration 21/22 Audit Plan has been made since the last update to JIAC with the audits scheduled to take place at EMCJS (Asset Management & Performance Management) were cancelled due to the changes occurring within EMCJS. This was agreed by the regional CFO's. Please see Appendix A4 for full details.

Summary of 2021/22 word to date:

Lincolnshire 2021/22 Audits	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Wellbeing	Final	Limited	1	2	1	4
Partnerships	Final	Satisfactory	-	2	1	3
Complaints Management	Final	Satisfactory	-	1	-	1
Core Financials	Final	Significant	-	1	2	3
Future Services Programme	Final	Significant	-	-	-	-
Seized Property	Draft					
Procurement	Draft					
Contract Management	Draft					
		Total	**1**	**6**	**4**	**11**

03 Performance

The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

Number	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JIAC	As agreed with the Client Officer	Achieved
3	Progress report to the JIAC	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	71% (5/7)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (5/5)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	N/A
7	Follow-up of other recommendations	100% within 12 months of date of final report.	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (8/8)
9	Customer satisfaction (measured by survey) “Overall evaluation of the delivery, quality and usefulness of the audit” – Very Poor, Poor, Satisfactory, Good, Very Good.	85% average satisfactory or above	100% (3/5) 2x Good 1x Satisfactory

Performance 21/22

To provide the Committee with further clarity on the status of each audit within the plan below us a suggested further performance information for consideration:

Audit	Date of ToR	Start of Fieldwork	Days' Notice	Exit meeting	Draft Report	Time from Close to Draft Report (10)	Final Management Comments Received	Time to Receive Management Comments	Final Report Issued	Time Taken to issue Final (5)
Wellbeing	18-May-21	16-Aug-21	63	03-Sep-21	10-Sep-21	5	04-Oct-21	16	04-Oct-21	0
Partnerships	02-Aug-21	13-Sep-21	30	13-Oct-21	22-Oct-21	7	17-Dec-21	40	17-Dec-21	0
Complaints Management	19-Aug-21	11-Oct-21	37	02-Dec-21	20-Dec-21	18	19-Jan-22	19**	19-Jan-22	0
Core Financials	06-Oct-21	06-Dec-21	43	13-Jan-22	25-Jan-22	12**	16-Feb-22	16**	16-Feb-22	0
Procurement	14-Dec-22	19-Jan-22	36	18-Mar-22	21-Mar-22	2				
Contract Management	14-Dec-22	19-Jan-22	36	18-Mar-22	21-Mar-22	2				
Futures Services Programme	08-Nov-21	07-Feb-22	91	21-Feb-22	2-Mar-22	15	31-Mar-22	21	4-Apr-22	2
Seized Property	31-Jan-22	16-Feb-22	16	28-Feb-22	14-Mar-22	10**				

*Working Days

**Ongoing Comms during this period with extra information provided

A1 2021/22 Plan Overview

Audit area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Wellbeing	Aug 21	Sep 21	Oct 21	Nov 21	Final Report Issued
Partnerships	Sep 21	Oct 21	Dec 21	Mar 22	Final Report Issued
Complaints Management	Oct 21	Dec 21	Jan 22	Mar 22	Final Report Issued
Core Financials	Dec 21	Jan 22	Feb 22	Mar 22	Final Report Issued
Procurement	Jan 22	Mar 22		Sept 22	Draft Report Issued
Contract Management	Jan 22	Mar 22		Sept 22	Draft Report Issued
Future Services Programme	Feb 22	Mar 22	Apr 22	Apr 22	Final Report Issued
Seized Property	Feb 22	Mar 22		Sept 22	Draft Report Issued
Medium Term Financial Planning	Mar 22			Sept 22	Draft Report to be issued shortly
IT Governance	TBC			TBC	Deferred to 22/23
IT Benefits Realisation	TBC			TBC	Deferred to 22/23
Information Management	TBC			TBC	Not required

A2 Reporting Definitions

Definitions of Assurance Levels		
Assurance Level	**Adequacy of system design**	**Effectiveness of operating controls**
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	While there is a basically sound system of internal control, there are weaknesses which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
Limited Assurance:	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
No Assurance:	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Recommendation Priority	Description
1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the Organisation to a high degree of unnecessary risk.
2 (Significant)	Recommendations represent significant control weaknesses which expose the Organisation to a moderate degree of unnecessary risk.
3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

A3 Summary of Reports 2021/22

Below we provide brief outlines of the work carried out, a summary of our key findings raised, and the assurance opinions given in respect of the final reports issued since the last progress report in respect of the 2021/22 plan.

Future Services Programme

Overall Assurance Opinion	Significant

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	-
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

- Governance processes were set up strategically at the programme level and subsequent project governance processes follow the strategy set.
- Terms of Reference were produced for all governance bodies and are being complied with consistently.
- Progress, inclusive of risks, issues, milestones and costs, and early warning indicators were reported to governance bodies to allow for successful decision making and resolution where necessary.
- Evidence that the end products meet the requirements previously signed off before any investment funding was considered.
- Evidence that any contractual arrangements with suppliers needed to deliver the scope of the projects have been met successfully with any outstanding issues having plans in place to resolve.
- Training and transition plans for operational staff have been produced to allow for a smooth transition from project to business as usual.
- Evidence that post-project costs have been identified with an action plan in place to fund these.
- Ongoing performance measures for project deliverables are being fed back into the programme for benefits monitoring and outgoing dependency and risk management purposes.

The objectives of our audit were to evaluate the adequacy and effectiveness of the Future Services Programme with a view to providing an opinion on the extent to which risks in this area are managed. In giving this assessment it should be noted that assurance cannot be absolute. The most an Internal Audit Service can provide is reasonable assurance that there are no major weaknesses in the framework of internal control.

We are only able to provide an overall assessment on those aspects of the Future Services Programme that we have tested or reviewed. Testing has been performed on a sample basis, and as a result our work does not provide absolute assurance that material error, loss or fraud does not exist.

We identified no areas for improvement from the work that we completed and therefore raised no recommendations.

A4 Collaboration Internal Audit Plan 21/22

Audit area	Forces	Status
EMSOT Risk Management	Leics, Lincs, Northants	As noted in section 02 EMSOT audits to be adapted and deferred into 22/23
ESMOT Business Plan	Leics, Lincs, Northants	As noted in section 02 EMSOT audits to be adapted and deferred into 22/23
EMCHRS L&D Governance	Derby, Leics, Northants, Notts	As noted in section 02 to be deferred into 22/23
EMCJS Performance Management	Leics, Lincs, Northants, Notts	Cancelled, as noted in section 02
EMSOU - Business Continuity	Five Force	As noted in section 02 to be deferred into 22/23
EMSOU - Wellbeing	Five Forces	Draft Report Issued
EMSOU Risk Management	Five Forces	As noted in section 02 to be deferred into 22/23
Asset Management (EMCJS)	Leics, Lincs, Northants, Notts	Cancelled, as noted in section 02

A5 Statement of Responsibility

We take responsibility to Lincolnshire Police and the Office of the Police and Crime Commissioner for Lincolnshire for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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