Office of the Police & Crime Commissioner for Lincolnshire and Lincolnshire Police

Internal Audit Progress Report 2023/24

Audit Committee – 13th September 2023

Prepared by: Mazars LLP

Date: August 2023

mazars

Contents

1 Introduction

2 Progress to Date

3 Appendices 1 to 4

4 Statement of Responsibility

Status of our Reports

Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of the Lincolnshire Police and the Officer of the Police & 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 & 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 on the final page of this report for further information about responsibilities, limitations and confidentiality.

mazars

01

Section 01:

Introduction

Introduction

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 ending 31st March 2024, which was considered and agreed with management on 16 May 2023, and presented to JIAC on 2 August 2023.

Responsibility for a sound system of internal control rests with the Police & 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).

Background

The purpose of the internal audit plan is to identify the work required to achieve a reasonable level of assurance to be provided by Mazars LLP in compliance with the Public Sector Internal Audit Standards (PSIAS).

The Police & 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 & Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's 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 Force's overall assurance framework and assists in preparing an informed statement on internal control.

02

Section 02:

Progress to Date

Progress to Date

We have issued the following 2022/23 Final Reports since the last meeting of the Audit Committee:

- Environmental Sustainability (**Limited**)
- Procurement Follow Up (**Limited**)

Due to staffing issues within the Force's Learning and Development department, there is still some fieldwork to complete for the Learning and Development audit for 2022/23 and this has been deferred into the 2023/24 plan. This work is still ongoing at the time of producing this report.

The status of audit work for 2022/23 is shown in **Appendix 1**.

We have issued the following 2023/24 Draft Reports since the last meeting of the Audit Committee:

- Firearms Licensing

We have also begun delivery of other audits within the 2023/24 audit plan, with the fieldwork for Business Continuity underway.

Progress against the 2023/24 Internal Audit Plan is shown in **Appendix 2**.

Progress to Date (Continued)

The dates for several of the other audits in the plan have been agreed including Workforce Planning in September and Core Financials in December. Whilst we are still working to agree the dates for the rest of the audits in the plan, we have provided an indicative month for each audit in the IA plan and will continue to update the committee at each meeting as to the status. The current schedule has been designed for an even spread of audits across the year to prevent a back loaded plan as occurred during 2022/23, with reasons for this previously discussed with the committee.

As in previous years, the collaboration audit plan for 2023/24 has been agreed by the regional CFOs and a copy of the plan is included at **Appendix 3**. The committee should note the plan is smaller than in previous years to reflect the reduced amount of regional collaboration.

Performance 2022/23

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	Achieved (Sep 23)
2	Annual Operational and Strategic Plans to the JIAC	As agreed with the Client Officer	Achieved (Aug 23)
3	Progress report to the JIAC	7 working days prior to the meeting	Achieved
4	Issue of draft report	Within 10 working days of completion of the final exit meeting	27% (3 / 11)
5	Issue of final report	Within 5 working days of agreement of responses	78% (7 / 9)
6	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	82% (9 / 11)
7	Customer satisfaction (measured by survey) Very Good / Good / Satisfactory / Poor / Very Poor	85% average satisfactory or above	100% (3 / 3) Very Good

Performance 2023/24

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 (August 23)
3	Progress report to the JIAC	7 working days prior to the meeting	Achieved
4	Issue of draft report	Within 10 working days of completion of the final exit meeting	100% (1 / 1)
5	Issue of final report	Within 5 working days of agreement of responses	n/a
6	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (5 / 5)
7	Customer satisfaction (measured by survey) Very Good / Good / Satisfactory / Poor / Very Poor	85% average satisfactory or above	n/a

Definition of Assurance & Priorities 2023/24

Audit Assessment 2023/24

In order to align with the Government Internal Audit Agency and allow for wider sector comparison the assurance levels used have been updated. The following definitions are used.

Definitions of Assurance Levels		
Assurance Level	**Adequacy of system design**	**Effectiveness of operating controls**
Substantial Assurance:	The framework of governance, risk management and control is adequate.	The control processes tested are being consistently applied.
Moderate Assurance:	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.	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:	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective	The level of non-compliance puts the Organisation's objectives at risk.
Unsatisfactory Assurance:	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Grading of recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

Definitions of Recommendations		
Priority	**Description**	**Action Required**
High (Fundamental)	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium (Significant)	Weakness in governance, risk management and control that if unresolved exposes the organisation to a high level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low (Housekeeping)	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.

03

Section 03:

Appendices:

1. Status of Audit Work 2022/23
2. Status of Audit Work 2023/24
3. Status of Collaboration Audit Plan
4. Final Reports Issued

Appendix 1 – Status of Audit Work 2022/23

The table below lists the 2022/23 Internal Audit Plan progress and a status summary for all of the reviews to date.

Audit Area	Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Archives Management Follow Up	Aug 22	Sep 22	Sep 22	Dec 22	Final Report Issued
Estates Management	Aug 22	Sep 22	Sep 22	Dec 22	Final Report Issued
Risk Management & Assurance Mapping	Aug 22	Oct 22	Oct 22	Oct 22	Final Report Issued
Core Financials	Jan 23	May 23	Jun 23	Aug 23	Final Report Issued
Stock Control	Jan 23	Mar 23	Jul 23	Aug 23	Final Report Issued
Environmental Sustainability	Feb 23	Mar 23	Aug 23	Sep 23	Final Report Issued
Data Quality	Feb 23	Jun 23	Jul 23	Aug 23	Final Report Issued
Procurement Follow Up	Feb 23	Mar 23	Aug 23	Sep 23	Final Report Issued
Equality, Diversity & Inclusion	Feb 23	May 23	Jun 23	Aug 23	Final Report Issued
Learning & Development	Deferred to 2023/24 Audit Plan				
Business Continuity	Deferred to 2023/24 Audit Plan				
IT Resilience (Originally IT Governance and IT Benefits Realisation)	Nov 22	May 23	Jul 23	Aug 23	Final Report Issued
IT Cyber Security	Jan 23	Jan 23	Feb 23	Feb 23	Final Report Issued

Appendix 2 – Status of Audit Work 2023/24

The table below lists the 2023/24 Internal Audit Plan progress and a status summary for all of the reviews to date.

Audit Area	Fieldwork Date	Draft Report Date	Final Report Date	Assurance Level (when Final)	Target JIAC	Comments
Firearms Licensing	Jul 23	Aug 23	-		Nov 23	Draft Report Issued
Learning & Development	Jul 23	-	-		Nov 23	Fieldwork Ongoing
Business Continuity	Aug 23	-	-		Nov 23	Fieldwork Ongoing
Workforce Planning	Sep 23	-	-		Nov 23	Draft Scope Issued
Procurement	Sep 23	-	-		Nov 23	
OPCC Grants	Oct 23	-	-		Feb 24	Draft Scope Issued
Core Financials	Dec 23	-	-		Feb 24	
Commissioning	Jan 24	-	-		Feb 24	
Health & Safety	Jan 24	-	-		Feb 24	
Wellbeing (OHU)	Jan 24	-	-		Mar 24	
Governance	Feb 24	-	-		Mar 24	
IT Audit (TBC)	TBC	-	-		TBC	

Appendix 3 – Status of Collaboration Audit Work

The table below lists the 2022/23 Collaboration Internal Audit Plan progress and a status summary for all of the reviews to date.

Audit Area	Forces	Status
EMSOT Closedown	Leics, Lincs & Northants	Final Report Issued
EMSLDH Governance	Derby, Leics, Northants & Notts	Final Report Issued
EMSOU Business Continuity	Five Forces	Final Report Issued
EMSOU Risk Management	Five Forces	Final Report Issued
Collaboration Performance Management	Five Forces	Final Report Issued
Digital Currency	Five Forces	Final Report Issued

The table below lists the 2023/24 Collaboration Internal Audit Plan progress and a status summary for all of the reviews to date.

Audit Area	Forces	Status
EMSOU Capital Programme	Five Forces	ToR Agreed
EMSOU Workforce Planning	Five Forces	ToR Agreed
EMSOU HMICFRS Action Plan	Five Forces	ToR Agreed

Appendix 4 – Final Reports Issued

On the following pages, 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 2022/2023 plan and the 2023/2024 plan.

Environmental Sustainability 22/23

Overall Assurance Opinion	Limited

Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	5
Priority 3 (Housekeeping)	1

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

Strategy / Policy / Procedure – Environmental Sustainability not part of the strategic approach

- The Force & OPCC has key strategic and policy documents in place are underpinned by a commitment to environmental sustainability.
- The document framework considers all key departments and how each will contribute to the overall objectives.
- Risks relating to environmental sustainability have been reviewed, with consideration given to placement on strategic and/or operational risk registers.

The governance mechanisms in place are not sufficient or appropriate to help meet environmental objectives

- There is clear leadership from the very top of the organisation, with ownership at the strategic management level to drive initiatives and performance.
- There is a formal governance structure that assigns responsibility to colleagues from across the Force & OPCC to implement environmental sustainability initiatives.
- The governance structure also enables scrutiny of new and existing projects and activities through the lens of environmental sustainability.
- The Force has considered its current and future needs and implemented a strategy to develop a sufficiently large and skilled function to oversee sustainability.

There is a lack of awareness of how the Force interacts with the environment

- An exercise has been undertaken to identify the main sources of carbon emissions and other environmental impacts from the organisation's activities.
- There is a programme or plan in place to maximise the sustainability of key assets upon renewal or replacement.
- Reporting of environmental impacts or sustainability more broadly has been considered and a plan is in place to begin reporting in the near future.

The culture does not align with ambition and/or prevents the achievement of environmental objectives

- Steps have been taken to improve the overall sustainability of internal activities.
- Colleagues have been engaged in a programme of education to ensure they understand the importance of environmental sustainability and the role they can play in meeting objectives.

The importance and value of environmental sustainability has not been realised

- Environmental sustainability is viewed through the lens of opportunity and investment, rather than compliance and costs, to maximise the value added.

The environmental impact of the supply chain has not been considered and suppliers/service users hold lower environmental standards

- An exercise has been undertaken to implement environmental considerations within the procurement process that are based on meaningful, evidence-based commitments and actions on sustainability.
- At a minimum, those commitments align with the Force's.
- A review of the sustainability of existing suppliers has also taken place.

Stakeholders are not engaged and do not buy in or contribute to the objectives

- Input has been sought from a diverse range of stakeholders to understand their appetite.
- Ongoing engagement and education is planned with stakeholders throughout the sustainability journey.

Environmental Sustainability 22/23 (Continued)

We have raised five Priority 2 recommendation which are significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 2)	The Force should ensure that a deadline for the Sustainability Plan is set and that the Plan is completed within a reasonable timeframe. It should be ensured that all departments are engaged with when producing the Sustainability Plan to understand how they can contribute. The Sustainability Plan should set out the following as a minimum: • Environmental Policy • Governance mechanism(s) • Environmental Goals & Targets • Responsibilities for goals/targets and the areas within the Strategy • Environmental Management System (EMS) • Stakeholder Engagement • Continuous Improvement
Finding	We found that the Head of Assets & Facilities has been assigned responsibility to produce a Sustainability Plan, and that the Asset Management Group has responsibility for the overall oversight of the development of the Plan and its eventual approval and monitoring. The Force plans to engage a specialist consultant to assist in the production of the Sustainability Plan.

Finding	However, we found that the Sustainability Plan has not yet been produced, although it is planned to be completed in 2023. The Force has produced a draft Carbon Reduction Plan for Buildings 2023-2026 which includes targets and strategies specific to the Force's estates, however this is the only Plan the Force has in terms of overall sustainability. Through discussions with the Head of Commercial and Contract Management and Head of Digital Solutions we found that environmental sustainability initiatives have not yet been implemented within the procurement and IT functions. The Force should ensure that all departments are engaged when producing the future Sustainability Plan.
Risk	Environmental sustainability is not part of the overall Force strategic approach leading to objectives not being met.
Response	The 2023/26 Estate Management Plan includes:- • 23/24 – Q2 – Engage Sustainability resource (temp to assist in developing the plan) • 23/24 – Q4 – Confirm requirements of Sustainability Plan • 2024/25 – Develop and commence delivery of Sustainability Plan
Responsibility / Timescale	Head of Assets & Facilities Management 31 March 2024

Environmental Sustainability 22/23 (Continued)

Recommendation 2 (Priority 2)	Governance mechanisms for environmental sustainability as a whole should be established. This could include: • Strategic governance body e.g., sub-committee or steering group. • Clear definitions of roles and responsibilities across all mechanisms. • Operational delivery group. • A sponsor in senior management to provide leadership.
Finding	We noted that the Head of Assets & Facilities Management is responsible for the production of the Sustainability Plan, and that the Asset Management Group (AMG) which is chaired by the Force Director of Finance and Corporate Services is responsible for the oversight of this Plan. Through review of the Terms of Reference for the AMG, we found that it includes representation from across the Force, such as Assets & Facilities, Estates, Fleet, Support Services, Health & Safety, HR and Finance. Although there is representation from various departments, the focus of the AMG is primarily on 'all matters relating to the estate and vehicle fleet within Lincolnshire Police'. As there is not a dedicated group to discuss environmental initiatives and progress across the Force as a whole, environmental topics may not be given sufficient attention and oversight.
Risk	The governance mechanisms in place are insufficient to help meet the Force's environmental objectives.

Response	To be discussed at Force Capability Board to confirm governance. Paper to be submitted for discussion at Capability Board.
Responsibility / Timescale	Head of Assets & Facilities Management September 2023

Recommendation 3 (Priority 2)	When the Sustainability Plan has been completed, the Force should consider implementing a training programme covering areas such as carbon literacy, energy conservation, waste reduction, and information on the Force's environmental policies and procedures. The Force should also consider hiring an Environmental Officer or continuing to engage with external consultants to help with the long-term implementation and monitoring of the Sustainability Plan. If this is not deemed feasible, responsibilities must be incorporated into existing colleagues' roles.
Finding	During our review, we considered whether the Force has implemented any education or training courses for staff to ensure that they understand the importance of environmental sustainability and the role they can play in helping to achieve environmental objectives. However, through discussions with management, we noted that staff have not received any environmental sustainability specific education or training.

Environmental Sustainability 22/23 (Continued)

Finding	We also noted that the Force does not currently have any staff members with environmental specific skills, such as an Environmental Officer, although there are plans to engage a specialist consultant to assist with the production of the Sustainability Plan. Having an Environmental Officer within the Force with responsibility for environmental sustainability overall may be beneficial as they can act as a key point of contact to liaise between internal and external stakeholders and assist in the long-term implementation and monitoring of the Sustainability Plan. They may also be able to assist with decisions relating to environmental initiatives on what to invest in for the greatest benefit due to having more technical knowledge.
Risk	Staff are not aware of the role they play and how they can contribute towards improving sustainability, and do not engage with the Sustainability Plan.
Response	To be discussed at People Board once Plan is agreed. Paper to be submitted for discussion at People Board. Included in Estate Management Plan to engage external specialist support.
Responsibility / Timescale	Head of Assets & Facilities Management March 2024

Recommendation 4 (Priority 2)	Environmental reporting should be undertaken for carbon and wider environmental impacts (e.g., waste produced) for the Force as a whole. If the Force lacks capability to undertake reporting as a whole, this should be developed further internally or through engaging with relevant experts.
Finding	During our review, we found that the Force received a CIPFA National Police Estates & Facilities Benchmarking report for 2021/22 based on self-submitted data. We also found that the draft Carbon Reduction Plan for Buildings 2023-2026 includes figures and forecasts related to emissions from Force buildings, reporting a 67% decrease in CO2 emissions from the 2008/2009 baseline to 2021/22. This demonstrates that the Force has the capability to undertake emissions monitoring and reporting within its estates, and a draft public statement has been produced for this. However, we did not find any evidence of environmental monitoring and reporting taking place for any other departments across the Force or for the Force's overall activities. During discussions with the Fleet Manager, we noted that it may be possible for the telematics system to be used to monitor and report on fleet emissions, although this has not yet been undertaken.
Risk	The Force is unaware of its overall level of carbon emissions leading to an inability to meet the government's Net Zero by 2050 goals.

Environmental Sustainability 22/23 (Continued)

Response	Included in Estate Management Plan to engage external specialist support which can assist in advising how this can be achieved.
Responsibility / Timescale	Head of Assets & Facilities Management September 2023

Recommendation 5 (Priority 2)	The Force should ensure that: • A sustainability assessment of the Force's supply chain is undertaken to identify areas of improvement and set sustainability goals. • Environmental sustainability should be embedded within the supplier selection process e.g., scoring of tenders and KPIs. • Environmental and sustainability risks are considered for inclusion within the Procurement risk register.
Finding	We noted that a Procurement Strategy 2021-2024 is in place, and the scope of this strategy notes that it will highlight the need to purchase renewable sources of materials, and to consider whole life costs and environmental issues. During discussions with the Head of Commercial and Contract Management we were informed that a review of existing supplier sustainability has not yet taken place. However, this is planned to take place in the 2023/24 financial year as well as a review of the commercial lifecycle which will aim to embed sustainability into the Procurement Strategy.

Finding	We were also informed that while a departmental risk register is in place, it does not yet consider environment / sustainability risks.
Risk	The environmental impact of the supply chain has not been considered, and suppliers hold lower environmental standards.
Response	Commercial & Contract Management (CCM) to liaise with Blue Light Commercial on how to undertake a sustainability assessment of the supply chain. CCM to liaise with Estates on the details included within the Force's Sustainability Plan to ensure this is included within the procurement evaluation processes as appropriate. Commercial Risk register will be amended as appropriate with any environmental and sustainability risks
Responsibility / Timescale	Head of Commercial & Contract Management March 2024

We have also raised one priory 3 recommendation of a housekeeping nature:

- The Force should ensure that it engages with the public when producing a Sustainability Plan; and, regularly attends environmental sustainability stakeholder meetings, such as Emergency Services Environment & Sustainability Group (ESESG) and National Association of Police Fleet Managers (NAPFM). The Force should also reimplement environmental sustainability champions who can support delivery of the Sustainability Plan.

Management agreed with the recommendation and timetable for implementation was March 2024.

Procurement Follow Up 22/23

Overall Assurance Opinion	Limited

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

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

- An up to date Financial, Contract and Procurement Regulations document is not in place and /or has not been reviewed prior to its approval.
- Variations from standard practice do not comply with the Contract Regulations.
- Procurement training has not been provided to all relevant staff.

We have raised two Priority 1 recommendation which are significant, the full details of the recommendation and management response are detailed below:

Recommendation 1 (Priority 1)	The Force should ensure procurement training is provided to all relevant staff, particularly on the use of exceptions to the Contract Regulations and the process required to be followed before the service delivery of a contract can begin.
Finding	During our previous audit, an issue was raised with regards to breaches of the Contract Regulations for Exceptional Purchase Action (EPA) awarded contracts. A recommendation to carry out procurement training for all relevant staff, including guidance on the use of exceptions to the Contract Regulations and the stages required to be followed prior to the start of service delivery of a contract was raised. From discussions with the Head of Commercial and Contract Management, we note that, due to a variety of reasons including the lack of resources and additional work created by the transfer from G4S and then the restructure, the Force are yet to implement training for staff outside the Commercial and Contract Management department to ensure that service managers are made aware of the importance of raising requests in a timely manner for prompt approval, prior to the service delivery start date of the contract. Audit reperformed testing on all EPA awarded contracts since April 2022 by reviewing the dates logged for the contract award date and the start date. We noted 15 EPA awarded contracts that breached the Contract Regulations, which do not permit service delivery for a contract to begin unless authorisation to award the contract on the EPA basis is granted. We queried these with management and noted that one was due to a data recording error, however the remaining 14 were due to late receipt of paperwork resulting in the contract being awarded after the commencement of services. This represents 45% of all EPA awarded contracts and 5% of all contracts, since April 2022. However, in monetary terms, these breaching EPA's totals £1.2m or 52% of all EPA awarded contracts and 4% of all contract awards, since April 2022.
Risk	Non-compliance with the Contract and Procurement Regulations.

Procurement Follow Up 22/23 (Continued)

Risk	The Force enters into contracts which do not represent value for money for the organisation. The Force enters into contracts which does not fulfil one of the criterions of the exceptions to the Regulation. The Force enters into contracts with unfavourable terms, which exposes Lincolnshire to an unnecessary amount of organisational, reputational and financial risk.
Response	The Commercial and Contract Managers are working with the respective departments in their category to ensure they are aware that paperwork for EPAs needs to be progressed prior to the contract commencing. They are also working with them to assist in reducing the number of EPAs being sought.
Responsibility / Timescale	Head of Contract & Commercial Management June 2023

Recommendation 2 (Priority 1)	The Force should ensure that non-compliance with EPA contract awards are highlighted in a timely manner. The Force should report the non-compliance to the appropriate governance forum for effective oversight and scrutiny in line with its regular reporting of EPA's
Finding	Additionally, in our previous audit, governance failures were identified with regards to the reporting and monitoring of contracts over £25k. Through discussions with the Head of Commercial and Contract

Finding	Management and review of meeting minutes, we note that JIAC have been provided with a mid-year update report outlining the total number of EPAs on contracts awarded above £25k during Quarters 1 and 2. However, audit notes a lack of internal monitoring and oversight during the year, resulting in instances of non-compliance with the Contract Regulations not being picked up in a timely manner. Therefore these are not presented alongside current reporting. Audit notes that the latest Financial Governance Report is not due until June 2023, where full details of EPAs will be included and reported to JIAC.
Risk	The Force does not have appropriate internal monitoring and oversight of instances of breaches to Contract Regulations
Response	The Financial Governance Report for FY22-23 is being sent to JIAC in November 2023 and details of non-compliance will be added to this. Details will also be reported in the mid-year Commercial Report going forward.
Responsibility / Timescales	Head of Contract & Commercial Management November 2023

Section 04 - Statement of Responsibility

We take responsibility to Lincolnshire Police and the Officer of the Police & Crime Commissioner (OPCC) 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.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. 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 reply for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

Registered office: 30 Old Bailey, London EC4M 7AU, United Kingdom. Registered in England and Wales No 0C308299.