

Appendix A



**Lancashire
Constabulary**
police and communities together

Lancashire Constabulary and the Police and Crime Commissioner for Lancashire

**Internal Audit Service - Monitoring report for the
period ended 31 August 2018**

1 Introduction

Purpose of this report

- 1.1 The Joint Audit and Ethics Committee approved the Combined Internal Audit Plan for 2018-19 in March 2018. This report details the progress to date in undertaking the agreed coverage and highlights any significant issues from the audit work performed in this period.
- 1.2 This report covers the period 1 April 2018 to 31 August 2018.

Acknowledgements

- 1.3 We are grateful for the assistance that has been provided to us by officers and staff contacted in the course of our work.

2 Key issues and themes arising

- 2.1 No assurance work has been completed to date in relation to the 2018 -19 audit programme.

3 Internal audit work undertaken

- 3.1 To date, 21 days have been spent delivering items within the 2018-19 audit plan, equating to 10.5% of the total planned audit activity of 200 days. The table at page 3 provides an analysis of which assignments have commenced and where applicable scheduled audit start dates are noted.
- 3.2 The Annual Report of the Head of Internal Audit presented to the committee in June reported that all work from the 2017-18 audit programme had been completed except for our audit on the *Detention of Vulnerable Persons*. This assignment is now finished and our draft report has recently been issued to the Constabulary for their consideration. The results will be reported once the report is finalised.
- 3.3 Additionally, since the start of the financial year, we have been asked to undertake a review of the robustness of the Child Protection case audit arrangements introduced by the Constabulary following the March 2018 HMICFRS National Child Protection inspection. Similar support is also being provided in relation to the Crime Data Integrity case audit arrangements.

Overall summary and assurance provided

- 3.4 We have set out in the table on the attached pages a brief summary of each review undertaken during the period. This sets out the planned and actual days we have spent on each review, and a summary of the assurance we have been able to provide in relation to each system or operational area of your business, where work has been finalised.
- 3.5 On the completion of individual reviews we distil the assurance we are able to provide into an assessment of the adequacy of each system, and its effectiveness in operation.

System adequacy: We have defined a system as adequate if its design enables it to achieve its core control objectives which, if operating as intended, serve to manage its inherent risks.

System effectiveness: We have defined a system as operating effectively if, after testing or other supporting evidence has been found, it is operating as intended.

- 3.6 The assurance we can provide over any area of control falls into one of four categories and these are defined at Appendix 1. The revised assurance classifications notified to the committee in March 2018, are to be used for all completed assignments during 2018-19.

Use of this report

- 3.7 This report has been prepared solely for the use of Lancashire Constabulary and the Police and Crime Commissioner for Lancashire, and it would therefore not be appropriate for it or extracts from it to be made available to third parties other than the external auditors. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it and, in particular, we expect the external auditors to determine for themselves the extent to which they choose to utilise our work.

Summary of our findings and assurance

Review area	Audit days			Assurance		Key issues/ comments
	Planned	Actual	Variation	Adequacy	Effectiveness	
Governance						
Performance management arrangements	20	1	19	-	-	An initial scoping meeting was held in June 2018. Whilst detailed scoping considerations still need to be developed, we are hoping to conduct this work during November.
Business effectiveness						
Constabulary contract monitoring	15	4	11	-	-	Following an initial client meeting in early August, the scope of the assignment has been agreed and we have commenced audit fieldwork.
Victims Service – contract monitoring (OPCC)	10	1	9	-	-	We have commenced initial scoping.
Budgetary control - overtime	10	3	7	-	-	Following an initial client meeting in early August, the scope of the assignment has been agreed and we have commenced audit fieldwork.
Service delivery						
Lancashire Road Safety Partnership	10	0	10	-	-	<i>No work conducted to date.</i>

Lancashire Constabulary and the Police and Crime Commissioner for Lancashire
Internal Audit Service - Monitoring report for the period ended 31 August 2018

Review area	Audit days			Assurance		Key issues/ comments
	Planned	Actual	Variation	Adequacy	Effectiveness	
Firearms management	20	3.5	16.5	-	-	We have agreed the audit scope following an initial client meeting held in early August and we anticipate commencing on site fieldwork in October.
Early Action	20	0	20	-	-	<i>No work conducted to date.</i>
Service support						
CCTV compliance	20	0	20	-	-	<i>No work conducted to date.</i>
Provision of health services	15	0	15	-	-	<i>No work conducted to date.</i>
Business processes						
Accounts payable	7	1	19	-	-	Our initial client scoping meeting was held in August and we have arranged for audit fieldwork to take place during October.
Accounts receivable	8					
General ledger	5					
HR/ Payroll	8	1	7	-	-	Audit scoping is complete and fieldwork is scheduled for early November.
Pensions administration	5	0	5	-	-	<i>No work conducted to date.</i>
Treasury management (OPCC)	5	2	3	-	-	The scope of the audit has been agreed and fieldwork is ongoing.

Lancashire Constabulary and the Police and Crime Commissioner for Lancashire
Internal Audit Service - Monitoring report for the period ended 31 August 2018

Review area	Audit days			Assurance		Key issues/ comments
	Planned	Actual	Variation	Adequacy	Effectiveness	
<i>Follow up audit activity</i>						
OPCC risk management	0.5	0	0.5	N/A	N/A	<i>No work conducted to date.</i>
Constabulary risk management	1	0	1	N/A	N/A	<i>No work conducted to date.</i>
OPCC decision making	0.5	0	0.5	N/A	N/A	<i>No work conducted to date.</i>
Constabulary decision making	0.5	0	0.5	N/A	N/A	<i>No work conducted to date.</i>
Detention of vulnerable persons	2	0	2	N/A	N/A	<i>No work conducted to date.</i>
Data quality	0.5	0	0.5	N/A	N/A	This audit did not progress as planned during 2017-18 and therefore no follow up is required.
<i>Other components of the audit plan</i>						
Management activity	13	3	10	N/A	N/A	Time spent to date includes preparation of the 2017-18 Annual Report and the quarterly monitoring reports as well as attendance at meetings of the JAEC.
National Fraud Initiative	4	1.5	2.5	N/A	N/A	Preparation of data for submission to the Cabinet Office re the 2018-19 matching exercise.
Total days	200	21	179			

Audit assurance levels

Appendix 1

For 2018-19 we have revised the way in which we categorise our assurance levels. The previous and revised definitions (of equivalent value) are shown below:

Previous definitions and categories	Revised definitions and categories
<p>Full assurance: There is a sound system of internal control which is adequately designed to meet the service's objectives and is effective in that controls are being consistently applied.</p>	<p>Substantial assurance: the framework of control is adequately designed and/ or effectively operated.</p>
<p>Substantial assurance: There is a generally sound system of internal control, adequately designed to meet the service's objectives, and controls are generally being applied consistently. However some weakness in the design and/ or inconsistent application of controls put the achievement of particular objectives at risk.</p>	<p>Moderate assurance: the framework of control is adequately designed and/ or effectively operated overall, but some action is required to enhance aspects of it and/ or ensure that it is effectively operated throughout the service, system or process.</p>
<p>Limited assurance: Weaknesses in the design and/ or inconsistent application of controls put the achievement of the service's objectives at risk.</p>	<p>Limited assurance: there are some significant weaknesses in the design and/ or operation of the framework of control that put the achievement of the service, system or process' objectives at risk.</p>
<p>No assurance: Weaknesses in control and/ or consistent non-compliance with controls could result/ has resulted in failure to achieve the service's objectives.</p>	<p>No assurance: there are some fundamental weaknesses in the design and/ or operation of the framework of control that could result in failure to achieve the service, system or process' objectives.</p>