



**Lancashire
Constabulary**
police and communities together

**Lancashire Constabulary and the Office of the Police
and Crime Commissioner for Lancashire**

**Internal Audit Service - Monitoring report for the
period ended 28 February 2024**

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1. Introduction

- 1.1. This report supports the Joint Audit Committee's responsibilities under its terms of reference to consider performance reports from internal audit on progress with delivery of the 2023/24 audit plan.
- 1.2. We are grateful for the assistance that has been provided to us in the course of our work.

2. Summary of progress against the 2023/24 audit plan

- 2.1. Work carried out during the period 1 April 2023 to 28 February 2024 was in accordance with the agreed audit plan. To date, 160.5 days have been spent this financial year on completion of the 2023/24 plan, equating to 81% of the total planned audit activity of 198 days. The table below shows the current status of all audit work.
- 2.2. It is important that the Plan is a flexible plan therefore the audit on the redaction of information resented to Court has been removed. The Home Office is reviewing policing's obligations and it is anticipated that there will be changes to existing regulations.

Audit Review	Audit days			Status	Assurance Opinion/Conclusion
	Planned	Actual	Variation		
Key Financial Systems and business processes					
Accounts payable	12	14	-2	Report being prepared	N/A
Accounts receivable	12	9	3	Report being prepared	N/A
General ledger	8	8	0	Report being prepared	N/A
Payroll	15	17	-2	Completed August 2023	● Substantial
Banking	8	4	4	Report being prepared	N/A
Treasury management	4	0	4	Testing commenced	N/A
Operational reviews and support services					
Catering contract	12	11	1	Draft Report	N/A
Data sharing	15	13	2	Draft Report	N/A
Civil orders	12	14	-2	Completed January 2024	● Limited

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Audit Review	Audit days			Status	Assurance Opinion/Conclusion
	Planned	Actual	Variation		
Financial management Constabulary & PCC This audit will just focus on benefits realised	15	7	8	Testing commenced	N/A
Firearms licensing	15	11	4	Completed September 2023	● Substantial
GDPR - OPCC	10	3	7	Testing commenced	N/A
Pensions: processing of retirements	20	19	1	Completed November 2023	● Moderate
Redaction of information presented to Court	0	0	0	Out	N/A
Governance and decision making	0	0	0	This audit has been moved to the 2024/25 Plan	
Armoury Management <i>This is an additional piece of work.</i>	10	8	2	Completed January 2024	● Moderate
Other aspects of the audit plan					
Follow up work	17	8.5	8.5		
Audit programme management activity	11	13	-2		
National Fraud Initiative	2	1	1		
Total	198	160.50	37.50		

Follow up Work

2.3. The Internal Audit Service aims to follow up the action plans agreed by managers to address the risks identified through the audit process, to confirm that action has been taken. The plan for the year therefore includes an allocation of time for this work. The table below details the status of the agreed management actions.

Audit review	Date of original audit	Assurance opinion	Actions agreed			Audit progress
			High risk	Medium risk	Low risk	
Information assurance	August 2022	Moderate	1	3	1	Completed January 2024

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Audit review	Date of original audit	Assurance opinion	Actions agreed			Audit progress
			High risk	Medium risk	Low risk	
						3 actions implemented and 2 actions progressing
Contract monitoring	September 2022	Substantial	0	0	1	Completed November 2023 Action implemented.
Violence Reduction Network	December 2022	Substantial	0	1	1	Completed December 2023 One action implemented and one action superseded
Health and safety	February 2023	Moderate	0	3	4	Completed February 2024 One action implemented; two actions superseded. three actions progressing and one not implemented
Payroll	November 2021	Substantial	0	0	1	Completed June 2023 One action superseded
Audit and Assurance Framework	May 2023	Moderate	0	3	3	Completed February 2024 Three actions implemented, one action superseded, one action progressing, and one action not implemented

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Audit review	Date of original audit	Assurance opinion	Actions agreed			Audit progress
			High risk	Medium risk	Low risk	
Fleet maintenance and fleet stores	August 2023	Limited	1	2	1	Not Started
Public partnership engagement	January 2023	Substantial	0	0	1	Completed November 2023 Action implemented.
Risk management	May 2023	Substantial	0	1	2	Completed February 2024 One action implemented and two actions progressing
Total actions			2	13	15	

3. National Fraud Initiative


- 3.1. The NFI is a statutory data matching process for health, local government and other public sector providers managed by the Cabinet Office. It flags inconsistencies in data within payroll, pensions, creditors, and procurement which may indicate fraud or highlight emerging fraud risks.
- 3.2. Following the submission of data in October and November 2022, the resulting matches were released by the Cabinet Office in January and February 2023. The table below details the total number of matches identified. Limited action has been taken on processing the matches due to Constabulary operational pressures such as the introduction of Oracle V12.2 as well as resources issues. They are currently in the process of developing a plan together to address this.

Category of data	Number of matches identified	Number of matches processed	Number of matches investigating
Pensions	99	41	0
Payroll	56	21	11
Creditors	601	4	0
Procurement	4	0	0
Total	760	66	11

4. Extracts from Audit Reports

- 4.1. Extracts of assurance summaries are shown below.

Civil Orders

Overall assurance rating	Audit findings requiring action			
	Extreme	High	Medium	Low
Limited	0	1	5	0

See Appendix A for Rating Definitions

Based on the review findings we can provide a limited assurance opinion on the adequacy and effectiveness of controls surrounding the governance of civil orders within the Constabulary. Our review has concluded that there is a lack of consistency of approach, governance and oversight that may put the achievement of objectives at risk.

Governance arrangements require strengthening in terms of defining the strategy on how civil orders are used to seek opportunities for enforcement and disruption, and administration processes and methodology are not comprehensive and consistent across all teams with civil order management responsibilities.

The organisational structure provides the necessary capacity and capability to manage civil orders consisting of five distinct teams. The teams operate remotely from each other, and as such lack cohesion, consistency of approach and overarching governance and oversight.

There is currently no central register of civil orders maintained. Each team use different manual and IT systems to record data, and when asked, managers confirmed they lack confidence that all data is accurately captured. At the time of this review, the feasibility of using the Connect data management system to record all orders is being explored to address this issue.

Performance management controls are lacking, and no evidence is collated to substantiate that civil orders have a direct impact on the reduction of crime.

Multi-agency working exists to allow regular information sharing and action planning to tackle complex issues, using appropriate measures, including opportunities to collaborate with Community Safety Partnerships (CSPs), although these are not fully developed across all Business Command Units (BCUs).

Civil order training is provided to certain cohorts within the Force and awareness campaigns have taken place. However, training is not delivered to all applicable officers, and no refresher training is delivered.

Armoury Management

Overall assurance rating



Moderate

See Appendix A for Rating Definitions

Audit findings requiring action


Extreme	High	Medium	Low
0	1	1	0

We can provide moderate assurance over the adequacy and effectiveness of the arrangements for the storage, issue and return of firearms and ammunition to appropriately trained, accredited and authorised officers, and that systems are auditable and compliant with guidance issued by the College of Policing (CoP). The framework of control is adequately designed and effectively operated overall, but some action is required to enhance aspects of it and to ensure that it is effectively operated throughout.

As can be expected, the Headquarters (HQ) Armoury at Hutton is a highly secure environment, with weapons and ammunition being safely stored to facilitate both a visual check on presence, as well as allowing assets to be expeditiously deployed when required for operational and training purposes. Our testing has however highlighted some count discrepancies and some potential non-compliance with documented procedures in relation to the storage of weapons and ammunitions. In our opinion, the introduction of a more robust recording process for the specific stock counts that are conducted will provide more formal assurance for senior management and provide a stronger basis for the resolution of count errors. Further clarity in the HQ Armoury Standard Operating Procedure (SOP), will confirm when and if documented procedures can be flexed in exceptional circumstances.

Information Assurance- Follow Up

Original audit assurance rating



Moderate

See Appendix A for Rating Definitions

Status of agreed actions

	Extreme	High	Medium	Low
Number of actions		1	3	1
Implemented		1	2	
Superseded				
Progressing			1	1

A follow-up audit to determine the progress made by Lancashire Constabulary in implementing the actions agreed following the internal audit review of information assurance, issued in August 2022 concluded that:


- Information assurance within the Constabulary is appropriately structured.
- Roles and responsibilities assigned are consistent with College of Policing principles of management of police information.
- Governance arrangements are in the main well managed.
- Data Protection Office staff strive to implement appropriate processes to protect the integrity of Constabulary information, in adherence with legislation.

Five actions (to be implemented by March 2023), resulted from the review, and based on the information and evidence provided to us, we are satisfied that good progress has been made, with three actions fully implemented, and two partially implemented/ progressing.

The outstanding actions relate to the following areas:

- **Updating of the Information Assurance Audit methodology processes and procedures to facilitate an effective, efficient, and consistent audit process** - a review of the methodology and process commenced in September 2023, following the publication of new College of Policing authorised professional practice guidance on information management compliance audit, and is ongoing at the time of this follow up.
- **Development of internal key performance indicators for the Data Protection Office to establish performance targets, assess the efficiency of the service in executing IA processes, and provide a focus for strategic and operational improvement** – this low risk/ priority action has yet to be addressed, although the Head of Data Protection and Data Protection Office advises that key performance indicators to facilitate monitoring of performance against departmental priorities aligned to corporate strategy will be considered.


Violence Reduction Network- Follow Up

Original audit assurance rating	Status of agreed actions				
	Extreme	High	Medium	Low	
 <p>Substantial See Appendix A for Rating Definitions</p>	Number of actions	-	-	1	1
	Implemented	-	-	-	1
	Superseded	-	-	1	-
	Progressing	-	-	-	-
	Not implemented	-	-	-	-

Our previous review of the Violence Reduction Network (VRN) was completed in December 2022 and reported one medium priority action associated with review and update of key governance documentation and network resources; and one low priority action regarding monitoring and progression of actions and attendance associated with the VRN Partnership Board.

In January 2023, statutory guidance for Serious Violence Duty was introduced leading to changes in the VRN Partnership Board approach and the formation of the Lancashire Serious Violence and Community Safety Board (LSVCSB). This has resulted in the original medium priority action being superseded, pending development of the new board, although we are pleased to confirm that administrative functions in support of board meetings and monitoring / progression of actions had been addressed and implemented.

Health and Safety- Follow Up

Original audit assurance rating	Status of agreed actions			
	Extreme	High	Medium	Low
 <p>Moderate See Appendix A for Rating Definitions</p>			3	4
Implemented				1
Superseded			1	1
Progressing			2	1
Not implemented				1

A follow-up audit has been conducted to determine the progress made by Lancashire Constabulary in implementing the actions agreed in the internal audit report on Health & Safety issued in February 2023. Our original review examined the adequacy and effectiveness of the control arrangements put in place to ensure the health and safety of police officers, police staff, specials and volunteers.

During the past year, the Health and Safety team has continued to experience both staff changes and a reorganisation, which has inevitably impacted on its ability to implement the above actions within the original timescales. With effect from the start of this calendar year, however, the newly formed Health, Safety and Wellbeing service is fully established with key posts filled. It is therefore anticipated that the outstanding actions can be completed within the next 3-6 months.

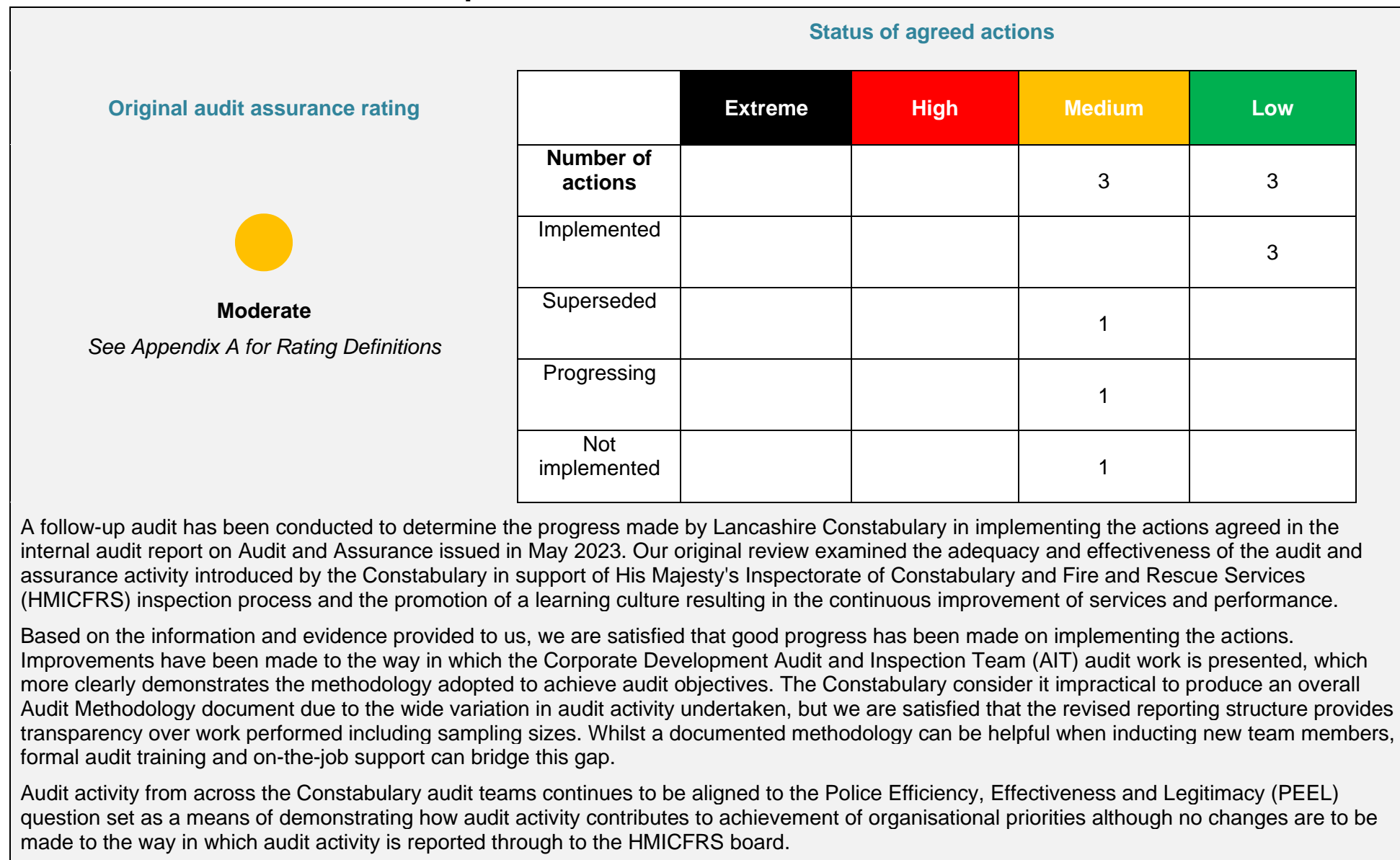
In terms of progress made to date, the enhanced reporting arrangements, which were being introduced as we were finalising our initial audit are now firmly embedded resulting in more effective accountability and greater transparency over accidents and workplace compliance. More can still be done however to ensure the departmental and divisional reports are of a consistent quality and to improve the quality of data input into the force computerised accident reporting system.

The health and safety policy document is currently under review, and following approval, will result in the committee terms of reference being updated, and revised standing agendas being developed, including a regular item from the Learning and Development team on compliance with mandated health and safety training. The Health and Safety representatives will additionally report quarterly on progress against the health and


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safety plan items, which will be reviewed and updated to ensure it continues to reflect force health and safety priorities. Completion of these outstanding actions will further improve overall governance, risk management and control.

Audit and Assurance- Follow Up



Risk Management- Follow Up

Original audit assurance rating	Status of agreed actions				
	Extreme	High	Medium	Low	
 <p>Substantial See Appendix A for Rating Definitions</p>	Number of actions		1	2	
	Implemented			1	
	Superseded				
	Progressing			1	1
	Not implemented				

A follow-up audit has been conducted to determine the progress made by Lancashire Constabulary in implementing the actions agreed in the internal audit report on Risk Management issued in May 2023. Our original review considered the adequacy and effectiveness of the risk management arrangements, considering the identification and escalation of risks and internal scrutiny processes.

Based on the information and evidence provided to us, we are satisfied that the review of the Corporate Risk and Opportunity Policy document is actively underway, with consideration being given to the changes agreed following our original audit, specifically in relation to the OPCC oversight of the Corporate Risk and Opportunity Register and the need or otherwise to maintain departmental risk registers.

Whilst, the new arrangements, including the establishment of a Risk Management Board have only recently been introduced, it is anticipated that the revised departmental templates, if completed comprehensively should provide effective support to both the risk and opportunity management arrangements and the development and update of the annual Force Management Statements (FMS).

Audit assurance levels and classification of residual risk

Note that our assurance may address the adequacy of the control framework's design, the effectiveness of the controls in operation, or both. The wording below addresses all of these options, and we will refer in our reports to the assurance applicable to the scope of the work we have undertaken.

- **Substantial assurance:** the framework of control is adequately designed and/ or effectively operated overall.
- **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.
- **Limited assurance:** there are some significant weaknesses in the design and/ or operation of the framework of control that put the achievement of its objectives at risk.
- **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 its objectives.

Classification of residual risks requiring management action

All actions agreed with management are stated in terms of the residual risk they are designed to mitigate.

- **Extreme residual risk:** critical and urgent in that failure to address the risk could lead to one or more of the following: catastrophic loss of the Constabulary and/ or the Office of the Police and Crime Commissioner, loss of life, significant environmental damage or significant financial loss, with related national press coverage and substantial damage to the Constabulary and/ or the Office of the Police and Crime Commissioner reputation. *Remedial action must be taken immediately.*
- **High residual risk:** critical in that failure to address the issue or progress the work would lead to one or more of the following: failure to achieve organisational objectives, significant disruption to the Constabulary and/ or the Office of the Police and Crime Commissioner business or to users of its services, significant financial loss, inefficient use of resources, failure to comply with law or regulations, or damage to the Constabulary and/ or the Office of the Police and Crime Commissioner reputation. *Remedial action must be taken urgently.*
- **Medium residual risk:** failure to address the issue or progress the work could impact on operational objectives and should be of concern to senior management. *Prompt specific action should be taken.*
- **Low residual risk** matters that individually have no major impact on achieving the service's objectives, but where combined with others could give cause for concern. *Specific remedial action is desirable.*