



Internal Audit Progress Report - 2020/21

[Joint Independent Audit Committee](#)

January 2021

Presented to the Audit Committee: 26th January 2021

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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.

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 2020 and subsequently progress in respect of the Operational Plan for the year ending 31st March 2021, which was considered and approved by the JIAC at its meeting on 10th June 2020.

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 in accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Current progress

Since the last meeting of the JIAC in November 2020, we have issued two final reports in regard to Archive Management and Victims Code of Practice Follow up. In addition to this we have issued three draft reports in respect of Fleet Management, Recruitment Follow Up and Procurement. Further details are provided in Appendix A3.

The impact of the Covid-19 lockdown(s) has posed several challenges to the internal audit process and the move to remote auditing has caused some initial delays in setting dates when the audits will be carried out. Both parties have worked hard to ensure the audits could be completed and Mazars have held regular catch up meetings with the Force and OPCC Chief Finance Officers to discuss this. This has enabled us to have made good progress to date and includes an additional piece of work (Procurement) that was requested in addition to the agreed 2020/21 plan. Moreover, the Core Financials audit work is underway and dates for the remaining audits in the plan are scheduled during quarter four.

Whilst good progress has been made in relation to the completion of the 2020/21 plan, given the time remaining during the year and the number of audits to be completed it would be prudent to highlight to the committee that there remains a possibility that all the agreed internal audits within the plan may not be completed by 31st March 2021. This has been raised with the Chief Officers and based on the current schedule of work one of the audits within the plan will commence at the start of April 2021.

In relation to the 2019/20 Collaboration reports the Business Continuity report this remains in draft format and is awaiting full management response; the lead CFO is chasing this.

We have attended the regional Chief Finance Officers meeting to discuss the Collaboration Audits for 2020/21. Aligned with the approach to the Force's plan the likelihood of completing all three of the collaboration audits before 31st March 2021 has been discussed and the group are currently reviewing a priority based approach.

The Plan in Appendix A1 has been updated to include changes to fieldwork dates as agreed with Lincolnshire Police and the Office of the Police and Crime Commissioner for Lincolnshire and target reporting dates to JIAC.

Summary table of work to date:

Lincolnshire 2020/21 Audits	Report Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Archive Management	Final	Limited	1	2	1	4
VCOP Follow Up	Final	Satisfactory	-	1	1	2
Fleet Management	Draft					
Recruitment Follow Up	Draft					
Procurement	Draft					
Total			1	3	2	6

03 Performance 20/21

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.	100% (5/5)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (2/2)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	Achieved
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.	88% (8/9)*
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (1/1)

*Fleet Management was arranged at short notice due to an opportunity arising with the availability of an auditor and was arranged in conjunction with the OPCC and Force management team

A1 2020/21 Plan Overview

Audit area	Planned Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Core Financial Systems	Q3 & Q4			Apr 2021	Fieldwork dates agreed to commence December 2020 & Jan 2021
Code of Governance	Q4			Apr 2021	Fieldwork planned for Feb 21
Workforce Planning	Q4			Sept 2021	Fieldwork Planned for Apr 21
Fleet Management	Q4	Dec 20		April 2021	Draft Report Issued
Archive Management	Q2	Nov 20	Dec 20	Sept 2020	Final Report Issued
Benefits Realisation (IT)	Q4			April 2021	IT Auditor planning meetings have taken place.
Partnerships	Q4			April 2021	Fieldwork planned for Feb 21
IT Governance	Q3			April 2021	IT Auditor planning meetings have taken place.
Commissioning Follow Up	Q4			April 2021	Fieldwork planned for Mar 21
Recruitment Follow Up	Q2	Nov 20		Jan 2021	Draft Report Issued
Victims Code Follow Up	Q3	Oct 20	Nov 2020	Jan 2021	Final Report Issued
Procurement (G4S)	Additional	Nov 20	TBC	Jan 2021	Draft Report Issued
Collaboration	Q4			April 2021	Themes agreed and dates in Jan/Feb 21 agreed

A2 Reporting Definitions

Assurance Level	Control Environment
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. The level of non-compliance with some of the control processes may put some of the College'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 College's objectives at risk.
No Assurance:	Controls are generally weak leaving the system open to significant abuse and/or we have been inhibited or obstructed from carrying out or work.

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 2020/21

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 2020/21 Internal Audit Plan:

Archive Management

Overall Assurance Opinion	Limited
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Recommendation Priorities	
Priority 1 (Fundamental)	1
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	1

Our audit considered the following area objectives:

- There is an appropriate governance structure in place that has responsibility and oversight for how the Archives are managed at the Force.
- Policies and procedures are in place to ensure that archived items are dealt with in accordance with relevant legislation and the Force's policies and procedures.
- Suitable training is provided to officers and staff to ensure they are aware of requirements when dealing with the retention of items.
- Items to be archived are accurately recorded on the property system in line with relevant procedures.
- Appropriate mechanisms are in place to accurately record the movement of any archived items.
- Archived items are stored securely, with restricted and controlled access to nominated officers and staff.
- Archived items are transported securely by the appropriate number of authorised officers or staff in line with procedural and insurance requirements
- Archived items are only retained by the Force for the necessary period of time.
- Archived items are disposed of in an appropriate manner and evidence of the reasons for and method of disposal is retained for confirmation.
- Authorised officers or staff provide approval for the disposal of archived items in line with relevant procedures.
- An appropriate audit regime is in place to identify breaches of agreed procedure and items have been archived correctly.
- Mechanisms for monitoring the level of archives at the Force are in place and these are regularly reported and reviewed to ensure compliance with procedures, level of archives in use/required is monitored.

We raised one priority 1 (Fundamental) recommendations where a fundamental control weakness was identified. The finding, recommendation and response from the report is detailed below:

<p>Recommendation 1 (Fundamental)</p>	<p><u>Completeness of Archived Items</u></p> <p>The Force should ensure that the contents of archived items received by the Archives team from the CJU are accurately recorded on Transearch.</p> <p>To ensure this, the Force should put in place an agreed process between the Archives team and the CJU for how this will be done.</p> <p>Furthermore, the Archives team should verify the contents of each archived item upon arrival at the Archives store, through reconciling the contents of the item with the record as per Transearch. This will enable Lincolnshire to monitor the contents of each archived item and effectively track the movements of records from each item.</p>
<p>Finding</p>	<p>Audit reviewed a sample of ten archived items from the Transearch system to confirm the items existed in the Archives store and the details recorded on the Transearch system reconciled to the physical items. This included reviewing the barcode, the crime number, the location of the item and the contents contained within each item.</p> <p>From a review of the ten items, audit found that in all ten instances the barcode, crime number and location of the item reconciled to the details held on Transearch. However, audit found that in only seven instances the contents of each item had been recorded on Transearch, which reconciled to the physical item. Whereas in three instances, audit found that no record of the contents of the archived item has been recorded that could verify the completeness of the archived item(s) held in the Archives store.</p> <p>Audit selected a further sample of ten items, this time from the Archives store, to reconcile the barcode, crime number and location of the item to the record on Transearch. In all ten instances, audit found that the barcode, crime number and location of the physical copy of the archived item reconciled to the record on Transearch. However, in eight out of ten instances audit found that the content(s) of the archived item has not been recorded on the Transearch system.</p> <p><i>Risk:</i> Evidence is either misappropriated or lost that cannot be recovered, as there is no record of the contents of the archived item(s).</p> <p>The Force is unaware of the evidence it holds in relation to each crime.</p> <p>A potential data breach risks the reputation of the Force and large fines levied by the Information Commissioner's Office (ICO).</p>
<p>Response</p>	<p>It is accepted that there is a mixed process for CJU recording the details of the crime file contents on Transearch at the moment. This will be discussed with CJU to determine a consistent process moving forward.</p> <p>We do not believe it is necessary to open all files once they are received at the Archive. All additional media is secured within the crime file, with the file then being sealed in an envelope and barcoded. The sealed envelopes are placed in a secure crate, which is locked and tagged and only carried by 1 driver, directly from CJU to the Archive. There is very little chance for any of the enclosed material to go astray during this process. We actually think there would be more risk by opening the envelopes and pulling out the files and media at the other end.</p>
<p>Timescale</p>	<p>30th December 2020</p>

We raised two priority 2 (Significant) recommendations where improvements in the existing controls are needed. The finding, recommendation and response from the report is detailed below:

<p>Recommendation 2 (Significant)</p>	<p><u>Movement of Archived Items</u></p> <p>The Force should extend the current monitoring process for removed paper items to include the removed media items as well.</p> <p>Furthermore, the Force should not delete the barcodes of archived media items that are removed to ensure they can carry out effective monitoring.</p>
<p>Finding</p>	<p>Observation: Audit found that all items removed from the Archives store will be requested via the Cyclops system, for both the original paper item and media items. This will require the individual requesting the archived item to complete an original file request form. Following this, the archived item will either be collected by the individual requesting the item or by a driver who will deliver the item to the individual requesting the item.</p> <p>Through a discussion with the Central Records Archive Supervisor, audit was advised that for paper items that have been removed from the Archives store, a report is produced which enables the Archives team to actively monitor the whereabouts of the item and the individual who has possession of the file. The Archives Team will contact individuals to remind them to return the removed paper item.</p> <p>However, for media items that have been removed from the Archives store there is currently no mechanism in place to monitor the whereabouts of the item or to chase the individual who has possession of the item.</p> <p>Therefore, the Force has no way to ensure that all media items that have been taken out have been returned.</p> <p>Audit was advised that once the media item has been requested and removed from the store the items identifying barcode is deleted. The deletion of the barcode prevents the archive store from actively tracking the movement of the item.</p> <p>Considering the above recommendation, we have raised, this further exposes Lincolnshire to the risk of evidence being either misappropriated or lost, without the Force having appropriate mechanisms in place to monitor the movement of archived media items</p> <p>Risk: Evidence is either lost or misappropriated.</p>
<p>Response</p>	<p>The Archives did previously retain and scan out media items to the person requesting and chased for return the same as the current process for paper files. The reason the process was changed to instead delete the barcodes relating to media was because the item is usually returned via CJS, where a new barcode would automatically be allocated to the item. When the item is received back at the archive the new barcode will be scanned to an archive location and the original barcode would still show as being booked out to the person who requested it, meaning that when they are chased for return, the archive is advised the item has been returned, but there is no indication of what barcode the item is now stored under, investigation is then needed in order to ascertain if the correct item has been received back at the archive store and to locate it within the store. There is a large volume of media items requested from the archive resulting in the follow up of these items and subsequent investigation to check if the item was indeed back in the archive store became an arduous task. That being said, we do acknowledge the risk described in the recommendation and will develop a new process with the CJU whereby they do not remove the previous barcode. Hopefully this will allow the Archive staff to monitor the whereabouts of the media, without</p>

	the previous confusion. We will implement this from January – March 2021 on a trial basis to ensure that the task doesn't become too onerous for the small Archives team.
Timescale	January 2021
Recommendation 3 (Significant)	<p><u>Audit Regime</u></p> <p>The Force should extend the audit regime it currently has in place to encompass the management of archived items within its scope. This audit may include performing the following tests, although this is not a comprehensive list:</p> <ul style="list-style-type: none"> • Sample test new items to confirm these have processed correctly, so that the barcode and crime number reconciles to the Transearch record, the location is accurate, and the contents of the item have been correctly recorded; • Test a sample of items that have either been moved or taken out the Archives store to confirm their location is accurate and the Archives team are aware of where they are and; <p>Confirm for a sample of items on the destruction list that these can be traced to the disposal schedule and both the record of the item and the physical copy of the item has been disposed.</p>
Finding	<p>Observation: Audit found that every 12 months, an RRD audit will be undertaken on a sample of information records to ensure these are compliant with GDPR and are being reviewed in accordance with the MoPI guidance. It is the responsibility of the Information Manager to oversee this process and ensure any highlighted weaknesses are addressed and good practices reinforced.</p> <p>Audit reviewed the last RRD audit, which was completed by the Audit Officer (as per the RRD Policy) and noted this review tested a sample of 100 records between the period of 01/01/2019 to 30/06/2019. Audit found that for all 100 records tested, the Force reported that all GENIE records were correct, all MOPI grades were correct and all deletions were correct. As a result, no recommendations were raised following the audit. Furthermore, a report was produced for the management team of the IMU, that detailed the findings of the audit, where the Force reported 100% compliance against major and minor errors.</p> <p>However, audit noted that the next audit was due to take place in June 2020, but this review has not yet taken place. Audit queried the above issue with the Security and Vetting Manager and were advised that due to staff cuts, the Force had to amend the audit schedule and so this is now due to be completed by the end of the year.</p> <p>Audit discussed with the Security and Vetting Manager whether an audit regime is in place to oversee the management of Archives, which would cover the various functions performed by the Archives staff, including the recording of archived information, the movement of information and the disposal of physical copies. However, audit was advised that the RRD audit does not extend to the Archives team.</p>
Response	The Force is limited to 2 part time Auditors and currently has an extensive audit schedule. It will not be possible to implement this further audit at this time.
Timescale	n/a

In addition to the above we raised one priority 3 recommendation of a more housekeeping nature relating to: Records Management Policy – it was noted that the Records Management Policy needs to be updated to reflect the requirements of the Data Protection Act 2018. Management confirmed it was a clerical error and would be corrected.

Victims Code of Practice – Follow Up

Previous Assurance Opinion	Limited
Updated Assurance Opinion	Satisfactory

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

Following a limited assurance opinion in 2019/20 a follow up audit has been carried out to determine if the recommendations raised have been implemented.

Our audit considered the following area objectives:

- The roles and responsibilities to ensure compliance with the Victims Code are clearly defined and communicated to the relevant individuals.
- Policies and procedures have been put in place to support officers in complying with the Code. Such guidance should include, but not be limited to, guidance in respect of:
 - Needs assessments
 - Crime reporting work sheets
 - Referral mechanisms
 - Communications with the victim
 - Personal statements
 - Complaints procedures
- The requirements as set out in the Code of Practice for Victims of Crime are being complied with by Lincolnshire Police.
- Relevant performance information is available, and provided to the appropriate forum, in respect of compliance with the Code and action plans put in place to address areas of improvement.
- Service User Feedback
- Service user feedback is effectively utilised to inform and improve both police and wider partnership services on an ongoing basis.
- The Force has implemented and embedded the recommendations raised in the 19/20 Internal Audit report.

Our audit concluded that three of the recommendations were satisfactorily implemented, one recommendation had been partly implemented to a state where the priority level could be reduced (from 2 to 3) and one recommendation remained with a priority two.

A summary of the outstanding recommendations is provided below:

Recommendation 1 (Significant)	<u>Service User Feedback</u>
	Lincolnshire should decide upon the desired methodology for victim surveys
Finding	Following determination of survey methodology, feedback from victims should be reported to the appropriate forum/group
	At the previous audit, a recommendation was raised for the Force to review the manner in which feedback is sought, reviewed and communicated following

	<p>observations made in relation to the surveys performed by Lincolnshire.</p> <p>Audit have noted that as part of terms of reference for the “Putting Victims First” group, an action to review the victim surveys is recorded. Audit confirmed that this was ongoing through review of the action plan for the most recent meeting held in October 2020.</p> <p>Therefore, at the time of the Audit, the review of the victim survey methodology is still in progress.</p> <p>Risk: Insufficient feedback is obtained from victims.</p>
Response	<p>A significant number of meetings has taken place these have reviewed how automated processes have worked for surveying and also established the mechanisms available to ensure effective surveying for Lincolnshire and how these will best be presented to victims and also the formative feedback reviewed for learning and potential service recovery.</p> <p>This is to be managed through the Force “Putting Victims First” Delivery Group, with the survey review sitting as part of an ongoing action and update within this group. An options paper is currently in the process of being produced and an options paper for how we can complete the surveying of victims in the future,</p> <p>A decision is anticipated by December 2020, to then be fully implemented by March 2021 at the latest.</p>
Timescale	March 2021

Recommendation 2 (Housekeeping)	<p><u>Monitoring and Reporting – Indicators</u></p> <p>The performance framework should be utilised by the OPCC to highlight performance of the Force’s adherence to the VCOP.</p> <p>Data from the indicators within the framework should be used to identify trends in compliance over time.</p>
Finding	<p>At the previous audit, a recommendation was raised for the Force to consider how to monitor performance against the Victims Code of Practice (VCOP) and to determine where reporting of this data will be made.</p> <p>Audit have reviewed the draft template to be used as the performance framework by the OPCC, where it was confirmed that the indicators are aligned to the entitlements within the Code.</p> <p>At the time of the Audit, no reporting has been made in this format as it was recently presented for review to the Victims and Survivors Strategy group in October 2020.</p> <p>Risk: Non-compliance with the VCOP is not promptly highlighted or addressed.</p> <p>Compliance to different entitlements of the VCOP is not known.</p>
Response	Agreed. The populated performance framework will be presented to the next meeting of the Victims Survivors Strategy Group and will be a standing agenda item at subsequent meetings.
Timescale	February 2021 (Next SSG Meeting)

A4 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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