Joint Audit Committee
11 December 2024

Item x
Appendix A

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

Internal Audit Service - Monitoring report for the period ended 27 November 2024

Lancashire Constabulary and the Office of the Police and Crime Commissioner for Lancashire - Internal Audit Service: Monitoring report for the period ended 27 November 2024

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 of delivering the 2024/25 audit plan.

1.2. We are grateful for the assistance provided to us during the course of our work.

2. Summary of progress against the 2024/25 audit plan

2.1. Work carried out during the period 1 April 2024 to 27 November 2024 was in accordance with the agreed audit plan. To date, 51.5 days have been spent this financial year on completing the 2024/25 plan, equating to 28% of the total planned audit activity of 200 days. The table below shows the current status of all audit work.

2.2. The pension processing audit has been paused and will be completed later in the 2024/25 financial year or early in 2025/26. The Lancashire Pension Partnership Administration currently lack the resources to support the audit because they are focused on implementing the McCloud Pension Remedy.

2.3. No areas of concern have come to our attention in conducting our assurance work to date that require bringing to the attention of committee members.

Audit Review	Audit Days			Status	Assurance Opinion
	Planned	Actual	Variation		
Key financial systems and business processes					
Accounts Payable	10	0.5	9.5	Not started	N/A
Accounts Receivable	10	0	10	Not started	N/A
Banking	6	0	6	Not started	N/A
Treasury Management	10	3.5	6.5	Testing commenced	N/A
VAT	8	3.5	4.5	Testing commenced	N/A
Operational reviews and support services					
Grant Governance Arrangements (PCC)	20	2	18	Scoping started	N/A
Assurance Mapping (PCC)	8	0	8	Not started	N/A
Vehicle Converter Supplier	8	7	1	Complete	● Substantial

Governance and Decision Making	10	1	9	Scoped - Agreed to start in January 2025	N/A
Cyber Security-Governance Arrangements	15	0	15	Scoping started	N/A
Cyber Security (This will be provided by an external provider)	0	0	0	Scoping started	N/A
Pensions Processing	20	3	17	Deferred to 2025/26	N/A
Body Worn Video	20	5	15	Testing commenced	N/A
Outstanding Suspects and Police National Computer (PNC) Circulations	20	15.5	4.5	Complete	● Moderate
Other aspects of the audit plan					
Follow up work	19	2.5	16.5		
Audit programme management activity	14	6	8		
National Fraud Initiative	2	2	0		
Total	**200**	**51.5**	**148.50**		

Follow up work

2.4. 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. Therefore, the plan for the year includes an allocation of time for this work, as detailed in the table below.

<u>2023/24 Audit Work</u>

Audit review	Date of original audit	Assurance opinion	Actions agreed			Audit progress
			High risk	Medium risk	Low risk	
Payroll Processing and Bureau	August 2023	Substantial	0	2	0	Not started
Catering	April 2024	Limited	2	3	0	Not started

Data Sharing	April 2024	Moderate	0	5	1	Not started
Civil Orders	January 2024	Limited	1	5	0	Not started
Data Protection GDPR	August 2024	Moderate	0	4	0	Not started
Processing of Retirements	January 2024	Moderate	0	2	2	Not started
Armoury Management	January 2024	Moderate	1	1	0	November 2024 Both actions implemented
Firearms Licensing	August 2023	Substantial	0	1	4	Not started
Key Financial Systems	May 2024	Substantial	0	1	6	Follow up as part of work
Vehicle Convertor	July 2024	Substantial	0	0	2	Actions already implemented
Total actions			**4**	**24**	**15**	

2.5. After the Internal Audit Service completes the follow up audits, any actions that have not been implemented or are still in progress are followed up by the Constabulary Corporate Development Team. Progress on these actions is shared with the monthly Constabulary His Majesty's Inspectorate of Constabulary and Fire & Rescue Services Board.

2.6. We are unable to confirm the current status of some actions, as this is still being established by the Corporate Development Team. It is positive to note that the Corporate Development Team is working proactively to address these actions.

2.7. The tables below show the outstanding actions as of 27 November and are based on the management assurances provided regarding the progress of each action.

2020/21 Audit Work				
	Risk Rating			
Audit	**Critical**	**High**	**Medium**	**Low**
Accounts Payable				1
Accounts Receivable				1
Business Continuity			1	
Ill Health Retirement & Injury Benefits *				2
Investigation Management Unit *			1	
On Call and Standby Allowances *				1
Total actions	**0**	**0**	**2**	**5**

2021/22 Audit Work				
	Risk Rating			
Audit	Critical	High	Medium	Low
Neighbourhood Policing			1	
Child Sexual Exploitation			1	
Public Engagement Processes *			1	
Total actions	**0**	**0**	**3**	**0**

2022/23 Audit Work				
	Risk Rating			
Audit	Critical	High	Medium	Low
Audit & Assurance Framework			1	
Fleet Maintenance & Fleet Stores		1	1	1
Health & Safety *			2	2
Information Assurance *			1	1
Risk Management *			1	1
Total actions	**0**	**1**	**6**	**5**

** No current status available*

3. Extracts from Audit Reports

3.1. Extracts of assurance summaries are shown below.

Outstanding Suspects and Police National Computer (PNC) Circulations

Overall assurance rating

Moderate

See Appendix A for Rating Definitions

Audit findings requiring action

Extreme	High	Medium	Low
0	1	3	3

The Force is in the process of embedding a robust overarching governance framework to maintain oversight of the management of outstanding suspects, facilitated by the Corporate Development Department. The process has included:

- Formation of a Suspect Management Working Group to review 13 thematic areas, including Police National Computer (PNC) circulation, and launching the 'Getting a Grip' initiative to review all PNC circulation records, starting with those over 90 days old. Officers and their sergeants have been tasked with updating investigation details on the Connect investigation module, and considerable progress has been made, with 627 PNC records reviewed at the time of this review.
- Development of a Suspect Management Policy.
- Implementing a performance framework in Business Command Units (BCUs) from July 2024, that includes the monitoring of PNC circulations, and the reduction of legacy records. The framework will be embedded via instruction at the Investigation Gold meetings, chaired by the Assistant Chief Constable.
- Producing data to monitor offender management, and implementing a clear, standardised approach for collating, recording, and scrutinising the number of outstanding offenders. This is facilitated by a Power BI dashboard that is distributed to senior management on a regular basis.

Review of the processes surrounding outstanding suspects and PNC circulations has identified areas where the control framework could be strengthened as follows:

- Review of the dashboard dated 23 June 2024, identified data anomalies. Specifically, 95 circulations were not assigned to any BCU, and 62 circulations generated in 2024 lacked a review date, even though they were over 30 days old.
- The time limit before a suspect must be circulated as wanted on the PNC requires clarification.

- Supervisory and Officer in Case reviews of the outstanding suspects recorded on the PNC are not consistently undertaken at 30-day intervals, as per the requirement of the Investigation Management Policy.
- The risk posed by outstanding suspects is not consistently recorded on the PNC, or the Connect investigation module. References to domestic abuse, stalking, and honour-based violence, risk assessments were seen for some cases, and references regarding risks to the victim were documented on the Connect Investigation log. However, there is a lack of consistency and transparency regarding the assessment of risk assigned to suspects and recording of the outcome in the systems.
- The categorisation of offences (summary or non-summary) is inconsistently and inaccurately indicated on the PNC Nominal Circulation Form, which may result in circulations being prematurely deleted, or excessively retained within the system.
- There is a lack of regular, independent dip sampling of PNC records to help maintain the integrity of the data and strengthen the governance framework.

Armoury Management: 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	1	
Implemented		1	1	
Superseded				
Progressing				
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 Armoury Management issued in January 2024. Our original review examined 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. The actions related to the quality of recording within the Chronicle system, the need for the daily visual check to be conducted in the absence of the Force Armourer, and the need for clarity in the Armoury Standard Operating Procedure regarding some exceptions we identified from our original testing.

Overall, we are satisfied that both actions have been appropriately implemented. There are still occasions when completion of the daily visual inspection has not been recorded as completed within Chronicle, but the general quality of recording within Chronicle, relating to the specific items checked and counted as part of the weekly, monthly, bi-annual, annual and regular checks performed, should ensure any discrepancies can be resolved more easily. Additionally, consistent standards are required within the Satellite Armoury and HQ Armoury sites.

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.*