

Committee:	Date:
Performance and Resource Management sub (Police) Committee	30 June 2015
Subject: Internal Audit Update Report	Public
Report of: Head of Internal Audit	For Information

Summary

The purpose of this report is to provide the Committee with an update on the work of Internal Audit that has been undertaken for the City of London Police since the last committee meeting in March 2015.

All internal audit work scheduled for the financial years 2013-14 and 2014-15 has now been fully completed, with the exception of one additional unplanned review remaining at draft report stage. Twelve full assurance reviews were undertaken during the year, as well as four mini-assurance and five spot check reviews.

Internal audit work undertaken during 2014-15 concluded that controls were generally adequate, with the majority of reviews receiving a Green assurance opinion. Two reviews in respect of PBX Resilience and ICT Disaster Recovery received Red assurance opinions. These have been previously reported to the committee and control frameworks improved. A further review which was requested by the Director of Corporate Resources has been completed to draft stage and identified some weaknesses in respect of procuring temporary staff and processing invoices on hold. These will be reported in the next update committee report when the review has been finalised.

Work has now commenced on the 2015-16 planned internal audit work.

Recommendation

- That this report is noted.

Internal Audit work 2014-15

1. There were a total of 203 audit days performed for the City Police during the financial year 2014-15, compared to 90 planned days. This included work that had been carried forward from 2013-14 (Appendix 1), as well as 2014-15 planned work (Appendix 2), additional work resulting from a management request and additional assurance work for the audit of PBX.

2. Twelve full assurance reviews were undertaken during the year, as well as four mini-assurance and five spot check reviews. Internal audit work generally resulted in a Green assurance opinion rating, although there two Red assurance opinions in respect of the reviews on PBX Resilience and Disaster Recovery, and three Amber assurance opinions in respect of Fees and Charges, Police Overtime, and Police Bank Accounts.
3. There were a total of 55 recommendations made in the audits finalised in 2014-15 which have been analysed as follows:

Table 1: Recommendations made during 2014-15

	Assurance Opinion	Recommendations			
Full Assurance Reviews		Red	Amber	Green	Total
Police Project Office	Green	-	-	1	1
Police Compensation Claims	Green	-	-	3	3
Police Third Party Payments	Green	-	-	4	4
Police Fees and Charges	Amber	-	2	-	2
Police Fleet Management	Green	-	-	3	3
Police Overtime	Amber	1	1	-	2
PBX Fraud	Green	-	2	5	7
PBX Resilience	Red	3	1	-	4
ICT – Disaster Recovery	Red	1	-	-	1
Business Continuity	Green	-	1	5	6
Mini Assurance Reviews					
Police Bank Accounts	Amber	-	6	1	7
Spot Check Reviews					
Police Cash Income	Green	-	-	4	4
Performance Measures	Green	-	1	5	6
Police Procurement Cards	Green	-	1	1	2
Police Seized Goods	Green	-	1	2	3
Total		5	16	34	55

All recommendations were agreed with management.

4. The following reviews have been finalised since the last update report to your committee in March 2015.

Police Overtime (20 days) (Green assurance opinion)

5. The controls over the processing of police officers' overtime claims are satisfactory. From a sample of 20 claims examined on a random sample basis, no errors were identified. However, the introduction of a "self-service" electronic system of inputting, checking and processing claims would be advantageous from both control and efficiency perspectives. Spreadsheets, which include details of overtime payments, are not password protected and could be forwarded to other

members of City staff as well as outside of the organisation. It was also found that saved details of overtime claims are stored on the Force's shared drive, with no restriction of access.

6. Two recommendations were made and both have been agreed by management. The Red rated recommendation concerning encryption of information transfers has been implemented. The Amber rated recommendation for self-service input of claims is subject to an upgrade of the current Human Resources system, which is a CoLP project, although not yet started.

Business Continuity (BCMS) (15 days) (Green assurance opinion)

7. A Green assurance opinion has been provided on the basis of the current status and the impetus of various Force initiatives. In respect of 'core functions' the Force has identified and approved core functions with the BCMS and as such they are referred to (e.g. Control Room and Custody) on a regular basis within the various BC groups.
8. Documentation of the BCMS was found to be of a mixed quality. There has been extensive work regarding Risk (e.g. Performance Dashboard) and other BCMS issues. One Amber recommendation has been made regarding the lack of a single depository for access to business continuity plans and information. This issue is known to the Force and it is in the process of being addressed. One Green rated recommendation was made regarding the need for key documents to be produced (e.g. Business Impact Analysis and a Business Continuity Plan).
9. A number of processes and procedures exist within the Force's BCMS but there is a lack of a comprehensive documented 'invoking and managing an incident' plan, e.g. in the event of a station suffering a major flood, fire or terrorist attack. One Green rated recommendation was made in this respect.
10. A fact finding questionnaire was issued to thirteen members of senior management and resulted in a 100% return. . While there was a generally positive consensus of opinion, there were also variations on both individual issues and the overall confidence level. The views generally endorsed a reasonable level of confidence. Issues were identified regarding documentation, training, testing and awareness and all these issues are in the process of being addressed by the Force. A Green rated recommendation was made regarding consideration of the feedback and to address issues raised.

Mini assurance and spot check reviews.

11. The one remaining mini assurance review of Informants' Funds was completed since the last update report. This revealed satisfactory controls and no recommendations were made.

Internal Audit Work 2015-16

12. The internal audit plan for the financial year 2015-16 was presented at the last committee. The scheduling of the 2015-16 reviews has been discussed with the Director of Corporate Services and details of these reviews and the proposed timetable for their delivery are included in Appendix 3. The Director of Corporate Services has, however, requested that Internal Audit discuss the work that the Professional Standards Division undertakes in respect of checking and agreeing police officers' expenses and travel claims. This is to establish the potential added value of any internal audit work in these areas. On the basis of this discussion, any changes to the 2015-16 internal audit plan will be presented to the next committee meeting.
13. There are 102 audit days for the 2015-16 schedule of work.
14. In response to a Member's request at the last committee meeting, a schedule of the proposed draft Internal Audit Plan for the five year period 2015-16 to 2020 has been included within Appendix 4

Conclusion

15. The internal audit plans for both 2013-14 and 2014-15 have been completed with one draft review awaiting finalisation. Controls were generally found to be satisfactory and Green level assurance was achieved for most reviews. Work has now commenced on the 2015-16 audit plan.

Appendices

Appendix 1 – Audit plan progress report for 2013-14
Appendix 2 – Audit plan progress report for 2014-15
Appendix 3 – Audit plan schedule for 2015-16
Appendix 4 – Draft five year audit plan 2015-16 to 2020

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