

Committee(s)	Dated:
Performance and Resources Sub (Police) Committee	26 th April 2018
Subject: Internal Audit Update Report	Public
Report of: The Chamberlain	For Information
Report author: Pat Stothard, Head of Audit and Risk Management Jeremy Mullins, Audit Manager	

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 (CoLP) since the last report in February 2018.

Work is completed to a minimum of draft report stage on the 2016-17 planned internal audit programme. There were seven full assurance audits included in the original plan. Six audits were fully completed by April 2018: CoLP Community Consultation; CoLP Policies and Procedures; the Economic Crime Academy; SKYNet Grants Audit Verification; Governance Framework and Performance Measures; and Police Budget Monitoring. The remaining planned audit, Income Streams and Income Generation, has been completed to draft report stage. In addition, an unplanned audit requested by the Commissioner to determine how two former civilian staff members were paid after they had resigned has also been fully completed.

Work is completed to a minimum of draft report stage on the Internal Audit Plan for 2017-18. There were eight full assurance audits planned for the financial year 2017-18. Two 2017-18 audits have been completed to Final report stage: Police Project Management and Police Seized Goods. Five audits have been completed to draft report stage: Police Bank Accounts (Defendants Funds), Demand and Events Policing; and Business Continuity audit; and CoLP Freedom of Information requests.

It has been necessary to defer two of the 2017-18 audits: IT Technology Refresh Project and Action Fraud. A further 2017-18 audit of IT Network Security has been deleted. Audit resources totalling 20 days has been carried forward to the 2018-19 internal audit plan.

As previously agreed with your Committee, where findings and recommendations from corporate-wide audit reviews impact on the City Police details will be reported at the next committee meeting. There were ten planned corporate audits for 2017-18, and nine of these have been fully completed to date. A corporate wide audit of Income Collection and Banking identified that all departments, including the City Police need to undertake work on identifying opportunities to reduce the amount of cash income collected and banked. Fieldwork for the remaining corporate wide audit is ongoing: Corporate Wide Contract Management (City Police Accommodation Programme).

1. At the November 2017 meeting Members requested a schedule of recommendations be included within the regular update reports. There are currently 26 “live” recommendations: there are 23 Implemented, but not yet evidenced by Internal Audit; two not yet due for implementation; and one where update on progress in implementation is required. The following table provides an analysis of recommendations by audit project. The evidence for the 23 implemented recommendations will be examined as part of a corporate wide recommendation follow-up exercise and will be reported to your committee at the next meeting.

Recommendation

Members are asked to:

- Note the report.
- Approve the draft Internal Audit Plan 2018-19.

Main Report

Internal Audit Plan 2016-17

2. There were seven full assurance audits included in the original plan. Six audits were fully completed by November 2017: CoLP Community Consultation; CoLP Policies and Procedures; the Economic Crime Academy; SKYNet Grants Audit Verification; Governance Framework and Performance Measures; and Police Budget Monitoring. The remaining planned audit: Income Streams and Income Generation, has been completed to draft report stage. In addition, an unplanned audit requested by the Commissioner to determine how two former civilian staff members were paid after they had resigned has also been completed. Details of these audits and progress against the 2016-17 Internal Audit Plan are contained in Appendix 1.

Internal Audit Planned Work 2017-18

Corporate Wide Internal Audit Reviews 2017-18

3. Work is progressing on the Internal Audit Plan for 2017-18. There were eight full assurance audits planned for the financial year 2017-18. Two 2017-18 audits have been completed to Final report stage: Police Project Management and Police Seized Goods. Five audits have been completed to draft report stage: Police Bank Accounts (Defendants Funds), Demand and Events Policing; and Business Continuity audit; and CoLP Freedom of Information requests.

4. It has been necessary to defer two of the 2017-18 audits: IT Technology Refresh Project and Action Fraud. A further 2017-18 audit of IT Network Security has been deleted. Audit resources totalling 20 days has been carried forward to the 2018-19 internal audit plan. Details of these audits and progress against the 2017-18 Internal Audit Plan are contained in Appendix 2.

Corporate Wide Audits 2017-18

5. As previously agreed with your Committee, where findings and recommendations from corporate-wide audit reviews impact on the City Police details will be reported at the next committee meeting. There are ten planned corporate audits for 2017-18, nine of these have been completed to date and no recommendations that directly impact on the City Police, that is, requiring CoLP action, were made. The audits completed to date are:
 - Emergency Planning
 - Use of Waivers
 - IR 35 - Use of Consultants and Specialists Regulations
 - Evaluation of sub £100K tenders
 - Procurement Consultation with Stakeholders
 - Corporate Wide Income Collection and Banking
 - Corporate Wide Expenditure – Expenses – Procurement Cards – Petty Cash
 - Corporate Wide Business Travel
 - Information Governance/GDPR.
6. The Corporate Wide Income Collection and Banking audit included a recommendation that all City departments, including the City Police should seek ways to reduce the amount of cash income collected. A corporate initiative has been recommended, but it will be up to each service area collecting income, in consultation with the Chamberlain's City Procurement Team, to determine whether cashless solutions, for example, payments by software applications, are feasible.
7. The remaining corporate wide audit of contract management is dedicated to the City Police Accommodation Programme. An audit of the City Police Projects Management, the outcome of which was reported to your committee in November 2017, identified that due to the cross-department nature of the Police Accommodation Programme, it was beneficial to undertake a corporate review of the management of this specific programme. Fieldwork is currently ongoing for this audit and it is anticipated that a full report will be made to your committee in Autumn 2018.

Internal Audit Plan 2018-19

8. Eight full audits have been included within the plan with a total of 95 audit man days. This includes 20 days carried forward from the 2017-18 Internal Audit Plan. There eight audits included within the plan. Two audits are currently at planning stage: Police Performance Indicators; and Interpreters Fees. Details of these audits and progress to date are contained in Appendix 2.

Schedule of Internal Audit Recommendations

9. At the November 2017 meeting Members requested that the sub-committee are given a schedule of all internal audit recommendations raised and agreed with the City Police. This schedule is included within Appendix 4. There are currently 26 “live” recommendations: There are 23 Implemented, but not yet evidenced by Internal Audit; two not yet due for implementation; and one where update on progress in implementation is required. The following table provides an analysis of recommendations by audit project. The evidence for the 23 implemented recommendations will be examined as part of a corporate wide recommendation follow-up exercise and will be reported to your committee at the next meeting.

Audit Recommendations Analysed by Audit Project

Audit	Status	Recommendations			
		Red	Amber	Green	Total
CoLP Budget Management 2016-17	Implementation – evidence required		3		3
	Not yet due for implementation		1	1	2
	Closed			1	1
Overpayment of Leavers 2016-17	Implementation – evidence required		1		1
	Not yet due for implementation				
	Closed		1		1
CoLP Programme Management 2017-18	Implementation – evidence required	1	6		7
	Not yet due for implementation				
	Closed	1	1		2
Police Seized Goods 2017-18	Implementation – evidence required	3	9		12
	Not yet due for implementation				
	Update Required		1		1
	Closed				
Total		5	23	2	30

Conclusions

10. The 2016-17 Internal Audit plan is completed to a minimum of draft report stage.
11. The 2017-18 Internal Audit plan is completed to a minimum of draft report stage.
12. Work has begun on the 2018-19 Internal Audit plan.
13. There are currently 26 “live” recommendations: There are 23 Implemented, but not yet evidenced by Internal Audit; two not yet due for implementation; and one where update on progress in implementation is required.

Appendices

- Appendix 1 - Schedule of Internal Audit Planned Work 2016-17
- Appendix 2 - Schedule of Internal Audit Planned Work 2017-18
- Appendix 3 – Internal Audit Planned Work
- Appendix 4 – Schedule of “live” audit recommendations as at 31st March 2018

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