

Committee(s)	Dated:
Performance and Resource Management (Police) Committee	7 th February 2020
Subject: Internal Audit Update Report	Public
Report of: Matt Lock, Head of Audit and Risk Management	For Decision
Report author: 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) and the Police Authority since the last report in November 2019.

Since the November 2019 Committee meeting three draft reports have been issued: Police Premises Expenditure; Police Payroll and Overtime; and Transform Change Programme Phase 1. The fieldwork for two of the three remaining audits in the 2019/20 plan has been initiated; Workforce Planning; and Financial Forecasting, with Transform Change Programme Phase 2 to follow. The final audit report has been issued in respect of Police Front Desks.

The draft operational Internal Audit Plan for the financial year 2020/21 is included within this report for your observations and approval. There are 86 audit days included within the Audit Plan for the City of London Police and a further 35 days for the Police Authority.

There were six “live” recommendations at 30th November 2019 There are currently three “live” recommendations. The following table provides summary details of the current status of the 16 “live” recommendations as at 30th June.

	Red	Amber	Total
Number Implementation Evidenced		4	4
Number Revised Implementation Date Provided	1	1	2
Total	1	5	6

Recommendation

Members are asked to:

- Provide observations on and endorse the Internal Audit Plan 2020/21
- Note the report.

Main Report

Background

1. This report has been prepared to provide Members with an update in relation to Internal Audit work undertaken since the last update, provided to the November meeting of this Sub-Committee and the current position with regard to open Audit recommendations. The report also introduces the proposed Internal Audit plan for 2020/21.

Summary of Audit Work Completed Since the November Update

2. One final audit report has been issued (Police Front Desks). There is one further review which, while only at draft report stage, resulted in no open recommendations and so is substantially complete. A summary of the status of planned audit work for 2019/20 is included as Appendix 1, the details of the recently completed work is summarised below:

Police Front Desks – Amber Assurance

3. The objectives of this review were to verify that adequate arrangements are in place to support the functions of the Police front desks, specifically:
 - Policies and procedures for key activities
 - Physical cash handling and banking
 - Receipt, recording and security of goods and property
 - Logging crime Incidents
4. Weaknesses were identified and recommendations made in the following areas:
 - Completeness of records relating to cash taken and held
 - Infrequent transfer of cash from front desks to Finance for banking
 - Accuracy and completeness of records relating to goods and property taken
 - Adequacy and completeness of documentation to evidence the return of goods and property to owners.
 - Limited reporting and Management information is available from the IT system used to record front desk operations

Transform Change Programme – Phase 1 – Green Assurance

5. While audit activity would ordinarily be reported following the issue of the final audit report, it is not anticipated that there will be any material amendments to the Transform Programme – Phase 1 draft report. The objective of this review was to provide some initial assurance through a desktop review of documentation available as to the adequacy of arrangements in place to support the delivery of the Transform Programme, specifically that:
 - A strategy has been developed, discussed and approved
 - The strategy is appropriately communicated to staff

- All those involved in the Transform Programme are actively engaged
6. Audit testing identified three key weaknesses and recommendations were raised in relation to:
 - The need to obtain formal approval of the project mandate and ensure that this is captured in minutes
 - Documenting timeframes in relation to the medium and long-term projects and initiatives within Transform
 - Recording details of expected benefits and savings of projects and scrutiny and tracking of these
 7. This resulted in an Amber assurance opinion although, following a delay in issuing the draft audit report, some further testing was undertaken to establish whether these findings remained valid. Sufficient evidence was seen to demonstrate that the issues identified had been addressed to a level of adequacy commensurate with the maturity of the programme and so they were closed and removed from the report prior to issue.
 8. Members should note that this review was undertaken to a very limited scope and, as a desktop exercise, involved limited testing. Furthermore, this work represents a point in time and so cannot be taken as an assurance opinion of the current programme status. A second and more in-depth Internal Audit review is planned.

Corporate Wide Audits 2019-20

9. The following corporate wide audits have been included within the Internal Audit Plan 2019-20. Where findings and agreed recommendations impact on the City Police, the Sub-Committee will be advised of the details. Corporate Wide audit work has not resulted in any recommendations that directly impact on the City Police to date.
 - Corporate Wide Project Management
 - GDPR Compliance
 - Fire Safety Management
 - Asset Management

Implementation of Audit Recommendations

10. In addition to the 5 recommendations made by the Front Desks audit, there are 4 “live” recommendations at 23 January 2020: one Red Rated and 3 Amber Rated. Full details of these recommendations are included in Appendix 2, two Amber recommendations have not been implemented and revised implementation dates have been set for the remaining two.
11. The live Red recommendation relates to the adequacy of the budget setting process, this was originally due for implementation as part of the 2019/20 budget setting, although not implemented. A revised target date has been set in-line with the budget setting process for the forthcoming year.

Draft Internal Audit Plan 2020/21

12. Following consultation with the Assistant Commissioner and Senior Leadership (including the Police Authority) a draft internal audit plan has been prepared and is set out in Appendix 3. The audit plan is aligned to the City of London Police Corporate Plan. The Internal Audit Section does not examine operational policing activities which are subject to various external assurance regimes, including Her Majesty's Inspector of Constabularies.

Conclusions

13. Work is progressing on the 2019-20 Internal Audit Plan, Members are asked to note the key findings of audit work undertaken since the last update and the status of outstanding recommendations made.

14. The 2020/21 draft Internal Audit Plan has been prepared in consultation with Senior Leadership and having given to consideration of the Corporate Plan.

Appendices

- Appendix 1 - Schedule of Internal Audit Planned Work
- Appendix 2 – City Police and Police Authority Internal Audit Plan 2020/21
- Appendix 3 - Schedule of Audit Recommendation Follow-up Activity as at 23 January 2020

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