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| Committee(s): Performance and Resource Management Committee of the Police Authority Board | Date(s): 02/02/2021 |
| Subject: Internal Audit Update Report | Public |
| Report of: Head of Audit and Risk Management | For Information |
| Report author: Jeremy Mullins | |

Summary

This report provides the Committee with an update on the progress of Internal Audit work undertaken for the City of London Police and the Police Authority during the current financial year 2020/21.

Delivery against the 2020/21 Internal Audit Plan has been impacted by the COVID-19 outbreak. Work on the plan did not commence until July 2020, having agreed with the Assistant Commissioner that the impact of the pandemic on the Force had been mitigated sufficiently to enable Audit work to progress. Nonetheless, a significant amount of work is in progress, in addition to three audits completed to Final Report Stage.

Recommendation

Members are asked to 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 in 2020-21 to date. Internal Audit Service is provided by a combination of an in-house team and via Mazars, an external partner, although all work is currently being delivered by the in-house team.

Internal Audit Work Undertaken in 2020/21 to date

2. Below is a summary of the progress in delivering the Internal Audit work in 2020/21 to date. Three CoLP Internal Audits have been completed to final report stage; two CoLP Internal Audits are at draft report stage; fieldwork for a further CoLP Audits is progressing; one CoLP Audit is currently at planning stage One Internal Audit for the Police Authority (PA) is currently at fieldwork stage. At this stage it is considered likely that it will be necessary to carry forward the remaining audit (CoLP IT Digital Policing) because of the impact of Covid – 19, specifically the delayed start to planned work and capacity in the remainder of the year.

3. The draft report for the CoLP Transform Programme Audit Phase 2 has been issued and will be finalised with agreement on the dates for implementing audit recommendations as soon as possible. A verbal update on progress will be given at your Committee Meeting.

| Audit | Progress | Estimated Completion Date |
|---|-----------------|----------------------------------|
| CoLP Financial Forecasting – Appendix 1 | Final Report | Completed |
| CoLP Workforce Planning- Appendix 2 | Final Report | Completed |
| CoLP Transform Programme Audit Phase 2 | Draft Report | 31 st January 2021 |
| CoLP Grant Funding – Appendix 3 | Final Report | Completed |
| CoLP Key Financial Controls | Fieldwork | 31 st March 2021 |
| CoLP Transform Programme Audit Phase 3 | Not started | 31 st March 2021 |
| CoLP Use of Procurement Cards | Draft Report | 31 st January 2021 |
| CoLP Digital Policing | Carried forward | 30 th June 2021 |
| PA – Police Funding | Fieldwork | 31 st March 2021 |

4. This Committee has requested that copies of the Final Audit Reports are supplied to them, and these are supplied as non-public appendices to this report. A brief summary of the outcome of these Final Reports is provided here.

CoLP Financial Forecasting – Green Assurance

Financial information is regularly, completely, accurately, and promptly produced to allow for effective monitoring. Discussions with the former Director of Finance identified that no budget holder training has occurred as of yet, however, training is expected to be provided in 2020/21. It would, in addition, be beneficial to have detailed budget holder written procedures drafted and these should be included within CoLP Standard Operating Procedures in order to ensure that compliance to them is enforceable. Forecasts are based on meaningful supporting data and this can be demonstrated. The Chief Operating and Finance Officer should liaise with the Head of Finance for the Police Authority and establish whether there is still a need for virements to be subject to approval from the Chamberlain's Financial Services Division.

CoLP Workforce Planning – Green Assurance

There are general Policies and Procedures in place that define the day to day responsibilities in achieving the strategic objectives of the Workforce Plan. There is, however, no specific risk identified for workforce planning, but the risk register does include the Transform Programme which has risks and actions related to force staffing requirements. Whilst there are criteria for police officers, there are no recruitment criteria for police staff. Evidence is required to support the statement that the results of the 2019 Staff Survey are posted to the CoLP Intranet. The plan would be enhanced by including details of the staffing costs, that is, the total cost of staff per number and grade, the difference between current staffing costs and the staffing costs of the Target Operating Model

Whilst there is a documented learning and development strategy for warrant officers, there is no similar strategy for police staff.

CoLP Grant Funding – Green Assurance

Details of specific grants for 2020/21 were received 23rd January 2020 from the Home Office. Total Core Grant for 2020-21 is £66,754,546. Specific grants for 2020-21 are £52,550,400 in total. Grant funding was reconciled to the CBIS General Ledger. Additional core grant has been received in response to Covid - 19. By examination of documented grant requirements and transactions posted to Oracle GL it was determined that grants had been correctly applied. The CoLP can demonstrate that they are aware of all grants that can be obtained.

Internal Audit Follow-up Work

5. The table below shows the outcome from Internal Audit Follow-up reviews undertaken and the timetable for completing follow-up in respect of recently completed work. Members should note that for the two follow-ups completed, all recommendations were found to be implemented.

| Audit | Assurance Rating | Recommendations Made | | | Follow-up Date | Total Outstanding Recs | Revised Assurance Rating |
|-----------------------------|------------------|----------------------|-------|-------|----------------|------------------------|--------------------------|
| | | Red | Amber | Green | | | |
| Fleet Street | Amber | 0 | 2 | 0 | Completed | 0 | Green |
| Interpreters Fees | Amber | 0 | 2 | 2 | Completed | 0 | Green |
| Front Desks | Amber | 1 | 4 | 0 | Jan-21 | | |
| Transform Programme Phase 1 | Green | 0 | 0 | 0 | Not required | 0 | Green |
| Financial Forecasting | Green | 0 | 3 | 0 | April-21 | 0 | Green |
| Workforce Planning | Green | 0 | 0 | 5 | Not required | 0 | Green |
| Grant Funding | Green | 0 | 0 | 0 | Not required | 0 | Green |

Conclusion

6. Members should note that, despite the disruption in the early part of the year, very good progress is being made in delivering the 2020-21 Internal Police Audit Plan and that the team is currently on target to complete all but one planned audit by 31 March 2021.

Appendices (non-public)

- Appendix 1 – Internal Audit Final Report: Financial Forecasting
- Appendix 2 - Internal Audit Final Report: Workforce Planning
- Appendix 3 – Internal Audit Final Report: Grant Funding

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