

<b>Committee(s)</b>	<b>Dated:</b>
Resource Risk and Estates (Police) Committee	05/09/2022
<b>Subject: Internal Audit Update</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: Head of Internal Audit</b>	<b>For Information</b>
<b>Report author: Ryan Wakefield</b>	

### Summary

This report provides an update on Internal Audit activity since the last report provided to the May 2022 meeting of this Committee. One Audit review was completed during this period, resulting in a Moderate Assurance opinion. Overall, satisfactory progress is being made in implementing Audit recommendations, although not always within anticipated and originally agreed timescales.

### Recommendation(s)

Members are asked to:

- Note the outcome of completed Internal Audit work and the forward programme of Internal Audit work.

### Main Report

#### Background

1. This report provides an update on the work of Internal Audit since the last update to this Committee in May 2022, and an overview of intended future coverage.

#### Work Completed to 31 August 2022

2. One Audit review has been completed since the May Committee, resulting in an Amber (Moderate) Assurance rating. The outcome of this Audit review is summarised below:

#### City of London Police – Transform 'Golden Thread' Audit – Moderate Assurance

3. The Audit examined the framework for cascading the strategic priorities of the Transform Programme and the supporting elements of workforce, accommodation, and finance, and for ensuring alignment between these areas.

4. The Audit found that the Force framework for maintaining the 'Golden Thread' is focused on ensuring that strategic priorities, ambitions, and vision are aligned, understood, and woven throughout Force operations; it comprises documentation (programme mandates, plans, designs / business cases), governance arrangements (programme and project boards, working groups, challenge panels) and ensuring that there is appropriate cross-cutting representation and input to these forums.
5. Audit testing was, in some respects, more challenging as a result of the volume of information related to the framework and attempts to cross-reference documentation and triangulate between thematic areas (workforce, finance, accommodation) and forums.
6. Internal Audit noted that the Force has already identified opportunities to strengthen governance of change, projects, and programmes. The opportunities relate to:
  - identifying a single point of information in respect of organisational change;
  - strengthening arrangements for demonstrating how strategy delivery contributes directly to achievement of the overall aims of the Force;
  - instigating a post implementation review to evaluate the contribution to Corporate Plan delivery, as per the programme critical success factors, and the efficacy of the 'Golden Thread' framework;
  - prioritisation of resources and activities to inform decision-making;
  - strengthening alignment between workforce planning and finance;
  - supporting the 'Golden Thread' through rationalisation of Force arrangements for decision-making and oversight, whilst ensuring greater alignment to strategic priorities and performance monitoring and delivery.
7. It is intended that Internal Audit will revisit these areas in due course to evaluate the internal control impact of the revised arrangements.

### **Internal Audit Follow-up Reviews**

8. The following Follow-up reviews have also been completed since the May 2022 Committee meeting:

<b>Audit</b>	<b>Original Assurance Rating</b>	<b>Revised Assurance Rating</b>	<b>Number of Outstanding Recommendations</b>	<b>Further Action Required</b>
Funding	Limited	Moderate	1 red recommendation and 1 amber recommendation.	A further follow up review is required, the timing of which is to be confirmed.
Premises Related Expenditure	Limited	Moderate	4 amber recommendations.	A further follow up review is required, the timing of which is to be confirmed.
CIPFA Financial Management Capability Review	Moderate	Green	None.	No further action required.
Front Desks	Moderate	Green	None.	No further action required.
Payroll Compliance Testing Audit	Moderate	Moderate	2 amber recommendations.	Internal Audit plan to follow the outstanding issues up, as part of the planned programme of payroll compliance testing.
Transformation Programme Phase Two	Moderate	Moderate	2 amber recommendations.	A further follow up review is required, the timing of which is to be confirmed.
Workforce Planning	Moderate	Moderate	2 green recommendations.	A further follow up review is required, the timing of which is to be confirmed.

Cyber Security	Substantial	Substantial	1 amber recommendation and 2 green recommendations.	A further follow up review is planned for September 2022.
Financial Forecasting	Substantial	Substantial	3 amber recommendations	A further follow up review is required, the timing of which is to be confirmed.
Key Financial Controls (Procurement Cards)	Substantial	Substantial	2 green recommendations	A further follow up review is planned for December 2022.

### Forward Programme of Work

9. While timescales for delivery of further work have yet to be determined, the forward programme of Internal Audit work for the City of London Police includes the following:
- Employees (Including Overtime)
  - Key Financial Controls
  - Premises Related Expenditure
  - Income Generation and Income Collection (Including Demand Policing)
  - FOI Request Management
10. The views of the Committee raised at the last meeting regarding the scope and coverage have been noted and will be incorporated. It should be noted that it is not expected that all listed above will be completed during the course of 2022/23. The subsequent Internal Audit update to this Committee will provide further information in relation to work completed, in progress and proposed.

### Corporate & Strategic Implications

11. The Internal Audit Plan is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance arrangements.

### Conclusion

12. Members should note the findings of recently completed Internal Audit work.

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