CITY OF LONDON

CHAMBERLAIN'S DEPARTMENT

INTERNAL AUDIT SECTION

CITY OF LONDON POLICE

PROGRAMME MANAGEMENT AUDIT

FINAL REPORT

Date Issued: November 2017

Issued to: Ian Dyson, Commissioner of City of London Police
              Alistair Sutherland, Assistant Commissioner
              Jane Gyford, T/Commander Operations
              Pauline Weaver, Project Office Manager
              Alex Orme, Policy Manager

CONTENTS (INDEX)

Audit Fieldwork Completed	August 2017
Draft Report Issued	October 2017
Management Response Received Agreeing Recommendations	8th November 2017
Final Report Issued	16th November 2017

SECTION A: INTRODUCTION, ASSURANCE STATEMENT AND KEY CONCLUSIONS

Introduction

1. This audit was undertaken at the request of the Performance and Resources Sub (Police) Committee in response to a concern that had been raised at the increase in costs for the City Police Accommodation Programme. The initial estimate for the programme was in the region of £44.4 million and the current budget is £118million. This is a complex programme of work with input from the City Surveyor's department, as well as the City Police (CoLP). In addition to budget estimate issues, communication problems between the City Surveyor's and CoLP staff have been cited by management as resulting in a lack of clear governance, management of resources, and reliable outcomes.

2. The City Corporation utilises a system called Project Vision for logging and tracking projects across the City, including the CoLP. The CoLP currently has 21 open projects. The total estimated cost of these projects as recorded on the system is £55.3m. However, there are other projects recorded using the corporate Project Vision system including, for example the Police Accommodation Programme and Information Systems projects, which are managed by other departments and are, therefore, not recorded as CoLP projects. Therefore, the total value of projects related to the CoLP is far greater than the estimated amount recorded as CoLP projects on Project Vision, which is evident given the £118million budget to date of the Accommodation Programme alone.

3. Approval via the City's Project Gateway process may be for a programme of works, such as the Police Accommodation Programme, or for individual projects, for example, the Police ID Crime Project. A programme will comprise a number of projects; and each of these projects will be subject to approval. It is not possible to estimate the cost of overall programmes at the outset. The number and nature of projects to deliver the programme may change as more issues arise, such as, decisions to alter the initial outcome of the programme where more options become available, or costs prohibit realising certain aspects of the intended outcome.

4. This audit examined a sample of CoLP programmes and associated projects. The following programmes and associated projects were selected for the purposes of sample testing for the audit:

   - Police Accommodation Programme (original approved budget £44.4million, current budget £118million);
   - Action Know Fraud (original approved budget £35.6million, current budget £36.7million);
   - Ring of Steel (approved budget £765,000, current cost £3.6million);

- Police ID Crime (approved budget £525,000)

Assurance Statement

Assurance Level	Description
AMBER	There are a number of significant control weaknesses and/or a lack of compliance, which could put the achievement of system objectives at risk and result in error, fraud, loss or reputational damage.

Key Conclusions

Summary of Conclusions

- **The complexity of the CoLP Accommodation Programme was not adequately described when initial funding approval was sought. The application for funding appears to have been considered as a bid for a single project, rather than a number of projects within a programme. The nature of projects or emerging issues necessary to achieve the overall accommodation programme have changed over time, as well as the need to undertake additional projects. The Assistant Commissioner has furthermore stated that there was an assumption that the Accommodation Programme was purely a "building programme" and failed to recognise the operational impact upon CoLP requiring substantial projects that needed to be implemented and funded.**

- **Communication between the CoLP and the City Surveyor's department has been cited by management as an area of concern, leading to possible inefficiencies. This has been particularly evident in relation to establishing the protocols for disclosing sensitive or restricted information. The CoLP have stated that there were concerns about the security of building information held on a shared web-based system BIM (Building Information Management). To date, these issues have not been fully resolved in respect of the treatment of sensitive information, for example, police division locations.**

- **The City's Project Gateway process has proved to be an obstacle to timely approval of funds. This is particularly pertinent to approval for the draw down from funds, which has already been approved, or granted by third parties, for example, the Home Office.**

Governance

- **As part of the initial research and development process a detailed programme execution plan should be produced in order to identify projects streams, resources required and estimated costs. For the sample of projects examined in this audit, two of the four sampled schemes: Action Know Fraud and Police ID Crime, a Programme Initiation Document (PID) "Blueprint" had been prepared. A detailed programme execution plan, (which would define the scope/aims of the project and how this would be achieved) was not produced for the Police Accommodation Programme. The Assistant Commissioner has stated that the development of a PID was requested from the original business case and was a key role within the appointment of the programme team. It has been concluded that this contributed to the significant disparity between the initial estimates for the programme of £44.4 million to the current budget of £118million. At the time of bringing the projects together to form the Ring of Steel Programme, a programme plan was not produced. The current iMS-DRS project, which is the only aspect of the programme currently being delivered has increased its expected costs from £764,798 to £2,461million. The programme is currently going through a 'pause and review' process to establish where the programme is at and where it needs to get to. As part of this 'pause and review', a programme plan will be developed to document what the programme will look like including scope/aims, resources, project streams, governance and milestones. The Ring of Steel programme will not be progressing as a separate programme. The iMS-DRS is one project within the new Secure City Programme. A recommendation has been raised, whereby the CoLP will take steps to ensure that a PID is prepared for all programmes going forward (Recommendation 1).**

- **A roles and responsibilities document was produced in 2013 to define who had involvement in the Police Accommodation Programme and what their roles/responsibilities in regard to the programme are. However, since its creation this document has not been reviewed and the programme has now moved on. As a result of this, some of the roles/responsibilities are no longer relevant. In addition to this, a third party WYG Ltd. now have responsibilities in regard to the programme and are not included in the document. The roles/responsibilities should be reviewed on a regular basis to confirm that they are appropriate and accurate in line with the stage that the programme is at. The roles and responsibilities of officers and organisations involved in the iMS-DRS project for the Ring of Steel programme are defined within the project's PID. However, the Programme Manager confirmed that for the other projects in the programme (which are currently on hold), the roles and responsibilities have not been as clearly defined as they do not include the remit of officers with roles in the projects (Recommendation 2).**

- **A new governance structure has been proposed for the Police Accommodation Programme which would amalgamate the steering group and project board into**

one programme board and the three sub groups will be revised to oversee specific projects. However, this newly proposed structure has not been agreed and terms of reference for the new forums have not been produced which would outline the purpose of each of the groups. A decision is required to be made on the governance delivery model and terms of reference documents for the forums, in order for it to be clear what each group is responsible for. A recommendation has therefore been raised to ensure that this is decided upon (Recommendation 3).

Project Management

- With reference to the Ring of Steel Programme, the expected outcomes and benefits for the iMS-DRS projects were defined within the PID for the project and also the benefits matrix, which was produced by Business Analysts. Although the benefits and expected outcomes have been defined for the iMS-DRS project, there currently is no ongoing monitoring of these to ensure that the project is on track to deliver these (Recommendation 4).

- A template has been agreed with CoLP Finance in order to report budget spend for the iMS-DRS project for the Ring of Steel Programme to the Force Change Board on a monthly basis. However, there has not been regular budget monitoring for the iMS-DRS project by the project board, where actual costs are currently £3.6million compared to the original approved budget of £765,000 (Recommendation 5).

Risk Management

- It was confirmed that each project within the Police Accommodation Programme has its own risk register. This includes the 'enabling projects' which are managed by the Police. However, it was identified that risk owners have not been assigned to the individual risks in all of the project risk registers which can lead to a lack of ownership of the risks (Recommendation 6).

Change Control

- An examination of the change control processes across the sample of programmes/projects reviewed identified that different processes and change control forms are used for CoLP managed projects. There is no standardised approach to change control for CoLP projects and no standard templates which should be used. Additionally, it was identified that although the change control request forms used require stakeholder input (as outlined in the proceeding sub sections for each programme/project), evidence obtained during the audit highlighted that comments from stakeholders are not always

recorded and the forms have not been signed by all relevant parties (Recommendation 7).

Project Closure

- A report of CoLP Projects was obtained from the Corporate Project Vision system. It was confirmed that a number of these projects remain open on the system, although the projects have been completed. The following projects have been completed but gateway 7 (closure) reports have not been produced and reported to Project Sub Committee and, therefore, have not been closed on the Project Vision system:
  - Business Continuity Critical Systems;
  - EROS 2;
  - HR OS Upgrade;
  - GYE Furniture;
  - Mobile Working Services;
  - Remote Access Deployment;
  - Technology Infrastructure Refresh;
  - Digital Interview Recorders; and,
  - Impact Programme 2010/11.

- A draft report has been produced to be reported to Project Sub Committee in order to formally close the above projects with the City. However, at the time of the audit this had not been completed and, therefore, these projects remain open on the system (Recommendation 8).

Relationship Management

- Issues have been identified, with information sharing between the parties. In particular, in respect of the Accommodation Programme. These issues include lack of transparency between parties, perceived issues with the effectiveness of sharing information (on the basis, for example, of sensitivity and confidentiality), and the security vetting status of staff involved in the project/programme. Currently, there is no information sharing agreement between the City and CoLP, which could help to address these issues (Recommendation 9).

- All projects meeting the criteria of the project procedure have to follow the City's gateway process. A review of a sample of programmes/projects has identified instances where the gateway process could be streamlined for City of London Police projects. These include projects which are externally funded

for example by Home Office grants. These projects present no initial financial risk to the City, unless approved funding is overspent. The possibility of streamlining the gateway process should be raised with the Town Clerk, by allowing the CoLP to conduct gateway 1-3 through their internal governance structures, and either providing informal updates of these stages followed by formal sign off of a gateway 5 report, or by including sufficient detail in a gateway 5 report regarding the information normally included in gateway 1-3 reports.

- In the case of the Police Accommodation Programme, gateway reports are currently produced for individual projects within the programme to draw down on budgets that have previously been approved through the gateway reports for the programme. Project Sub Committee meetings are held every six weeks and this can, therefore, prevent a project from proceeding where a decision is required to be taken at the committee meetings. Consideration could be given to potentially streamlining the gateway process by allowing the City of London Police to conduct gateway 1-3 through their internal governance structure and reporting formally to committee at gateway 5, as long as the scope and budget of the project is in line with that originally approved in the programme gateway reports. The gateway 5 report should then include sufficient detail on the steps taken from gateway 1 to 3 to allow for an effective decision to be taken by Project Sub Committee (Recommendation 10).

Recommendations	Red	Amber	Green	Total
Number Made:	2	8	0	10
Number Accepted:	2	8	0	10

SECTION B: KEY FINDINGS AND RECOMMENDATIONS

Governance Arrangements

5. CoLP Projects can be identified in a number of ways. Some projects are mandatory projects that have to be completed as determined by the Home Office. For example, this may be due to a change in legislation. Projects can also be identified due to operational need to keep the Force fit for purpose (i.e. the Police Accommodation Programme). Other projects can be identified through ideas from members of staff/officers in order to improve service delivery.

6. There is a Force Change Board (FCB) in operation which reviews proposed projects. The FCB will review the viability of the projects and identify whether they are in line with the Policing Plan and whether the budget will be available in order to fund the projects. If the FCB believes a project should be taken forward, this must be completed in line with the City's project procedure.

7. The FCB receives highlight reports for each of the CoLP managed projects to ensure that there is appropriate top-level oversight of the projects and to monitor the progress of these.

8. During discussion with the Project Office Manager, it was stated that previously there has been an issue with resourcing projects, with Project Managers within CoLP being given too many projects to manage these effectively. This led to insufficient capacity in the past for effective project management within CoLP. However, arrangements are now in place in order to prevent this from reoccurring.
   Going forwards the Force will recruit contractors to manage projects (funded by the project budget) where the 3 project managers in the CPO establishment do not have the capacity to do so.

9. All decisions on police projects internally are made by the FCB, and it is this forum which will decide on whether there is the capacity to manage new projects. The FCB includes membership from the Change Portfolio Office.

Police Accommodation Programme

10. DTZ plc completed an exercise in 2012 to identify the options available to CoLP in regard to accommodation. The report produced as a result of this exercise outlined a number of options, but also recommended to the Force the most appropriate option in terms of value for money. These options were presented to Project Sub Committee for review in the form of a gateway 3 report, with the recommended option approved.

11. However, after approval from Project Sub Committee, a detailed programme execution plan (which would define the scope/aims of the programme and how this would be achieved) was not produced. An external Programme Manager was contracted (from WYG Ltd.) in 2015 who produced a timeline of events for completion of the programme. The Programme Manager has also started to produce a more detailed execution plan for the programme, although at the time of the audit this had not been finalised. This plan should have been produced at the outset of the programme and, therefore, a recommendation has been raised (see recommendation 1).

12. A roles and responsibilities document was produced in 2013 to define who had involvement in the Police Accommodation Programme and what their roles/responsibilities in regards to the programme were. However, since its creation this document has not been reviewed and the programme has now moved on; therefore, some of the roles/responsibilities are no longer relevant. In addition, WYG Ltd. now has responsibilities in regard to the programme and is not included in the document. The roles/responsibilities should be reviewed on a regular basis to confirm that they are appropriate and accurate in line with the stage that the programme is at. A recommendation has been raised to address this (see recommendation 2).

13. The following governance structure is in place for the oversight of the Police Accommodation Programme:
    - Strategy Steering Group;
    - Project Board;
    - Core Group;
    - Three sub groups (Programme Support, Operational Projects Lead, Buildings & Infrastructure Lead); and,
    - CoLP Accommodation Board (internal Police governance forum).

14. The terms of reference documents for the Strategy Steering Group and the Project Board were requested, but Audit were unable to obtain copies of these and, therefore, could not confirm that these are in place and up to date.

15. A new governance structure has been proposed by the Project Manager, which would group the steering group and project board into one programme board and the three sub groups will be revised to oversee specific projects. However, this newly proposed structure has not been agreed and terms of reference for the new forums have not been produced which would outline the purpose of each of the groups. A decision is required to be made on the agreed governance delivery model and terms of reference documents for the agreed forums need to be produced in order for it to be clear what each group is responsible for. A recommendation has, therefore, been raised to ensure that this

is decided upon by *the Assistant Town Clerk* (see recommendation 3).

16. There has been engagement with stakeholders for the Police Accommodation Programme from initial planning to current project delivery. The stakeholders consulted with have been both internal and external to the organisation.

Action Know Fraud

17. A Project Initiation Document (PID) was produced to define what the project was going to achieve, who would be involved in the project and what their roles/responsibilities are. The PID also defined the governance arrangements and methodology that would be followed for the project. The PID was reviewed and approved by the Senior Responsible Officer for the project and by the Board members for the Action Know Fraud Board.

18. In addition to the PID, an 'Integrated Delivery Plan' was produced, which sets out a timeline of events from the start of the project to completion. This allows the project to be tracked against key time points in the project delivery.

19. A Project Manager has been assigned for the Action Know Fraud Project who has the responsibility of co-ordinating the project team and managing the project as well as the relationship with the contractor for the project, IBM. The roles/responsibilities of the key officers involved in the project have been defined within the PID.

20. The following governance structure is in place for the oversight of the Action Know Fraud project:
    - Implementation Programme Board;
    - Comms & Marketing Sub Group;
    - Implementation Sub Group; and,
    - Business Change Group.

21. There are also a number of smaller forums below the above groups/boards. Each of the boards/groups has an up to date terms of reference document, which details its membership, purpose and frequency of meetings.

22. There has been engagement with the key stakeholders for this project, including the City, the supplier (IBM) and the Metropolitan Police.

Ring of Steel

23. This programme was introduced after identifying that a number of ongoing projects at the Police were actually linked to each other and, therefore, could be delivered as a programme rather than standalone projects. Each of the projects had their own project plans and project management arrangements prior to being brought together as a programme. This programme was approved by Project Sub Committee through the gateway process.

24. At the time of bringing the projects together to form the Ring of Steel Programme, a programme plan was not produced. The programme is currently going through a 'pause and review' process to establish where the programme is at and where it needs to get to. As part of this 'pause and review', a programme plan will be developed for to document what the programme will look like including scope/aims, resources, governance etc. However, as this was not produced at the outset of the programme, a recommendation has been raised (see recommendation 1).

25. Currently only the iMS-DRS project within the Ring of Steel Programme is being delivered with the other projects on hold. A PID for this project was produced to outline the scope and aims of this project. This project was approved to start by the Project Sub Committee through a gateway report.

26. A project manager has been assigned to the iMS-DRS project and conducting the 'pause and review' process was led by T/Commander Ops.

27. The roles and responsibilities of officers and organisations involved in the iMS-DRS project are defined within the PID. However, the Programme Manager confirmed that for the other projects in the programme (which are currently on hold), the roles and responsibilities have not been as clearly defined, as they do not include the remit of officers with roles in the projects. It was agreed that this is an area of improvement and a recommendation has been raised (see recommendation 2).

28. A Programme Board was operational whose membership was made up of the Programme Manager and other executives/officers with involvement in the programme. However, as only the iMS-DRS project is being delivered, the Programme Board is not meeting, but there is a Project Board for the iMS-DRS project which meets regularly to discuss and review the project. The iMS-DRS Project Board has a terms of reference document, which defines its membership, purpose and frequency of meetings.

29. There has been engagement with various key stakeholders throughout delivery. It was, however, identified that the current iMS-DRS project has increased its costs from £764,798 to £3,635,500. The reasons for this, outlined in the issue report to Project Sub Committee, include:

   - Initial scoping of the new project failed to identify the need for a number of items that will support the delivery of the project and de-risk its implementation; and,
   - Prior to the ITT, the requirements for iMS-DRS were fluid and the CoLP have stated that, in their view, the support provided by IT was understandably inconsistent.

It was, therefore, identified that there was ineffective engagement between stakeholders in the planning of the iMS-DRS project. This has been addressed with Recommendation 1.

Police ID Crime

30. The Police ID Crime Project is currently dormant due to CoLP awaiting the result of a funding bid to the Home Office. The project was originally to be funded through the Home Office Innovation fund; however, this was required to be used during the 2016/17 financial year. Due to delays in the procurement process, this was not possible and the project could not be delivered, and a new bid was entered for funding from the Home Office Transformation Fund.

31. It was, however, confirmed that a PID and project plan timeline were produced for the Police ID Crime project, where this was going to be delivered using the Home Office Innovation funding. A new project plan is to be produced if the funding bid for the Home Office Transformation Fund is successful.

32. Two officers have been assigned responsibility for the delivery of this project within CoLP. The roles associated with the project have also been outlined within the PID. The roles and responsibilities are to be reviewed upon a successful bid.

33. Engagement occurred with the following stakeholders in the planning and initial delivery of the project for when this was to be delivered in the 2016/17 financial year.
   - City of London;
   - Home Office (for funding);
   - Barclays Bank PLC;
   - Metropolitan Police (previous users).

34. Discussion with the responsible officers for the project confirmed that if the bid to the Home Office is successful the project will deliver what was original envisaged

and more, due to the level of funding that will be available. Further engagement with stakeholders will be required to discuss what the project will deliver and what the roles and responsibilities of various parties will be.

Priority	Issue	Risk
Amber	After approval from Project Sub Committee, a detailed programme execution plan was not produced for the Police Accommodation Programme. It was also identified that the current iMS-DRS project within the Ring of Steel Programme did not have a programme plan and has increased its costs from £764,798 to £3,635,500. It was identified that there was ineffective engagement between stakeholders in the planning of the project.	Where a programme execution plan is not produced at the outset in effective consultation with stakeholders, there is a risk that the programme may not be appropriately guided, which could result in poor decision making and ineffective delivery of the programme.

Recommendation 1: For all future programmes/projects, a comprehensive plan should be produced, in consultation with all relevant stakeholders, which reflects the vision and full scope of the programme/project as well as the underlying objectives, which will confirm how that vision will be achieved. The plan should also outline how the programme will be delivered including governance arrangements, roles and responsibilities, resource implications and risk management arrangements.

Management Response and Action Plan Responsibility: This recommendation is accepted and is now being implemented for all new projects. Projects already in train are also being reviewed and where there are gaps in the documentation these are being addressed.

Target Implementation Date: Implemented.

Priority	Issue	Risk
Amber	A roles and responsibilities document was produced in 2013 for the Police Accommodation Programme. However, since its creation this document has not been reviewed and the programme has now moved on and, therefore, some of the roles/responsibilities are no longer relevant and additional responsibilities now relevant to the programme are not included. The iMS-DRS project within the Ring of Steel Programme has a PID, which clearly defines the roles and responsibilities of officers and organisations involved in this project. However, the Programme Manager confirmed that for the other projects in the programme (which are currently on hold) the roles and responsibilities have not been as clearly defined as they do not include the remit of officers with roles in the projects.	Where roles and responsibilities are not clearly defined and up to date, there is a risk that the organisation and officers are unaware of their remit in the delivery of the programme/project, which could result in ineffective management.

Recommendation 2: The roles and responsibilities of organisations and key individuals in the delivery of the programme/project should be clearly defined and communicated. These should be reviewed on a regular basis to confirm that the roles and responsibilities remain relevant and up to date.

Management Response and Action Plan Responsibility:
The Ring of Steel is now the new Secure City Programme and all roles within this programme will be clearly defined.

Target Implementation Date:

Priority	Issue	Risk
Red	A new governance structure has been proposed for the Police Accommodation Programme. However, this newly proposed structure has not been agreed and terms of reference for the new forums have not been produced, which would outline the purpose of each of the groups. Audit requested the terms of reference for the Strategy Steering Group and the Project Board for the Police Accommodation Programme but have been unable to obtain copies of these and, therefore, could not confirm that these are in place and up to date.	Where there is not a clearly defined governance structure, there is a risk that officers are unaware of the roles/responsibilities and level of authority of the Boards/Groups, which could result in poor decision making. There is also a risk of duplication of effort resulting in a waste of resources.

Recommendation 3: A decision should be made on the proposed governance structure for the Police Accommodation Programme and the newly agreed structure should be clearly defined. All boards/groups within the governance structure should have a terms of reference document in place, which clearly defines its purpose, roles/responsibilities, membership and meeting frequency.

Management Response and Action Plan Responsibility:

A 'TOR' is available for the CoLP Accommodation Board.

Target Implementation Date: Implemented.

Project Monitoring

35. The Project Vision system is in place to allow regular project monitoring/tracking to take place. A monthly update on the system for projects is required to be completed and a RAG rating assigned to outline whether the project is on track to be delivered on time, within budget and delivering the expected benefits.

36. The Project Sub Committee receives a report on police managed projects with a red or amber rating on the Project Vision system, which highlights projects that are not on track to be delivered as expected.

37. The Corporate Projects Board will receive an update on issue reports for projects, which are to also be reported to the Project Sub Committee.

Police Accommodation Programme

38. The original budget for the Police Accommodation Programme was set within the initial gateway reports to Project Sub Committee. The budget required was to be met by the City as a result of the funding gap between expenditure and capital receipts from the sale of property no longer required.

39. A Finance Tracker for the Police Accommodation Programme is maintained, which tracks the approved budgets for each project within the programme and spend against these budgets. The finances are reported to the Strategy Steering Group and Project Board on a regular basis.

40. The expected outcomes of the programme were defined within the original gateway report to Project Sub Committee. This report detailed the following success criteria:
    - Fit for purpose, modern estate to be delivered to enable the determination of the leasehold interest of 21 New Street in October 2016.
    - Accommodates the reduced manpower (1,100 down from 1,341) with sensible flexibility for future manpower growth.
    - Delivered within estimated range of £30 -£44.4 million.
    - Disposals achieved above estimated range of £16 and £27 million.
    - Funding gap, therefore, reduced from £54 million to between £3 and £28.5 million, excluding the courtyard infill option.
    - Annual running cost saving of £1.25 million or more.

41. The project timeline also includes key milestones to be reached in order to deliver the programme.

42. A monthly highlight report is reported to the Programme Strategy Steering Group and this report includes sections for updating sections on 'key milestones', 'benefits realisation' and 'benefits commentary'. However, a review of the latest report identified that the benefits were not in line with those originally outlined in the gateway report.

43. In addition, it was confirmed with the Programme Manager that there are no targets to be met in line with the original benefits to determine whether the Force is on track to deliver them. For example, the benefit of reducing man power down to 1,100 by the end of the programme is not measured continuously and there are not in year targets to be met for this. It is, therefore, not entirely clear whether the originally envisaged benefits are on track to be delivered. A recommendation has been raised to address this (see recommendation 4).

Action Know Fraud

44. The budget for the Action Know Fraud project was defined within the gateway reports to Project Sub Committee and in the initial PID for the project. This project is to be funded by the City and through matched funding from the Home Office. The funding from the City was for the costs of the Project Team and for the contract with the supplier IBM.

45. The budget for the Action Know Fraud project is monitored on a monthly basis. Monthly budget reports are produced and these are reported to the Implementation Programme Board for review and scrutiny. The IPB has overall oversight of the project.

46. The expected deliverables for the Action Know Fraud project are outlined within the PID and Business Case. A benefits realisation exercise is currently being completed with PWC for the Action Know Fraud project. This will identify the expected benefits as a result of the delivery of the project and how these will be monitored against.

47. However, at the time of the audit this exercise had not been completed and was not conducted at the beginning of the project. A highlight report is produced on a monthly basis for the Action Know Fraud project. This provides an update against the status of the project, the delivery of the project against milestones and the key risks. However, as the benefits of the delivery of the project have not been finalised the report currently does not update against the expected benefits. A recommendation has, therefore, been raised (see recommendation 4).

Ring of Steel

48. The original budget for the Ring of Steel programme was defined within the original gateway reports to Project Sub Committee. The gateway 5 report for the only ongoing project in this programme (iMS-DRS) to Project Sub Committee details the funding sources in order to meet the approved budget. This included funding from the City Trust Fund, on street parking reserve and police cash limited resources.

49. A quarterly return is submitted to the Capital Team with the finances for the programme/project. However, it was confirmed with the Programme Manager that there has not been regular monthly monitoring of the budget for the iMS-DRS project as there has not been the demand from the Project Board for reports of finances.

50. In November 2016, the Project Office Manager was given responsibility of monitoring the budget through exception; however, this monitored the budget

from a high level and the Project Board did not monitor in more detail.

51. A template has been agreed with Finance in order to report budget spend for the iMS-DRS project to the Force Change Board on a monthly basis; however, as there has not been regular budget monitoring for the iMS-DRS project by the project board on a regular basis, a recommendation has been raised (see recommendation 5).

52. A programme execution plan for the Ring of Steel programme was not produced at the outset of the programme. Therefore, the expected benefits of the entire programme had not been defined.

53. The expected outcomes and benefits for the iMS-DRS projects were defined within the PID for the project and also the benefits matrix, which was produced by Business Analysts. Although the benefits and expected outcomes have been defined for the iMS-DRS project, there is currently no ongoing monitoring of these to ensure that the project is on track to deliver these. A recommendation has, therefore, been raised (see recommendation 4).

Police ID Crime

54. This project is currently on hold and, therefore, no budget is being spent. This was originally to be funded through the Home Office Innovation Fund, in which CoLP had a bid successfully granted. However, due to a delay in the procurement process this could not be delivered in the required timeframe.

55. It was, however, confirmed that during the 2016/17 financial year, financial outturn reports were required to be submitted to the Home Office to confirm what had been spent. Audit confirmed that these outturn reports were produced by CoLP and reported as appropriate.

56. The expected outcomes and benefits for the Police ID Crime project were defined with the PID, and the Funding Bid to the Home Office. However, as this project is currently on hold and is not being delivered, these outcomes and benefits are not currently being monitored.

Priority	Issue	Risk
Amber	A review of the latest police accommodation highlight report identified that the benefits were not in line with those originally outlined in the gateway report. In addition, it was confirmed with the Programme Manager that there are no targets to be met in line with the original benefits to determine whether the Force is on track to deliver them. As the benefits of the delivery of the Know Fraud project have not been finalised, the report currently does not update against the expected benefits. Although the benefits and expected outcomes of the Ring of Steel Programme have been defined, there currently is no ongoing monitoring of these to ensure that the project is on track to deliver these.	Where benefits and key measures of success are not defined from the outset, there is a risk that relevant stakeholders may not be fully aware of the success of the programme/project.

Recommendation 4: The full expected outcomes and benefits as a result of the successful delivery of programme/project should be defined for on-going projects and key measures of success against these benefits should be determined and measured on a regular basis. All new programmes/projects should have to prepare a paper on the outcomes and benefits of programmes/projects.

Management Response and Action Plan Responsibility:

1. The Force cannot report on benefits in the Highlight report until the Programme Board and Members have approved the detailed Monetisation Project through the relevant Gateway reports starting in December 2017 other than in high level process terms. Members have provided £500k to start this work which is also included in the Issues report.

2. The Programme has a functional benefits lists addressing known required service improvements i.e. service allows victims to "Track My Crime", already built into the service at Go Live. In fact as part of requirements building included all NFIB/AF staff, all forces, victims groups, banking and commerce and others to address their concerns and to be deliverable from Go Live. This has been reported to the Programme Board on a number of occasions (see: an example of likely functional benefits communicated includes KF Functionality Outline above).

Priority	Issue	Risk
Amber	It was confirmed with the Programme Manager for the Ring of Steel that there has not been regular monthly monitoring of the budget for the iMS-DRS project as there has not been the demand from the Project Board for reports of finances. A quarterly return is submitted to the Capital Team and a template has now been agreed with Finance in order to report budget spend for the project to the Force Change Board on a monthly basis. However, prior to this there has not been regular budget monitoring for the iMS-DRS project by the Project Board.	Where project budgets are not monitored on a regular basis by the project board, there is a risk that potential variances are not identified and investigated at the earliest opportunity, which could result in significant overspend and a subsequent financial loss.

Recommendation 5: Expenditure against the approved budget should be monitored on a regular basis by the project board to identify any potential variances at the earliest opportunity.

Management Response and Action Plan Responsibility:
    This is agreed and the Force has implemented for all projects.

Target Implementation Date: Implemented.

<u>Risk Management</u>

Police Accommodation Programme

57. The key risks to the implementation and delivery of the programme have been identified and recorded by the Project Manager. These have been recorded in a register to be maintained and include the following details:
   - Risk description;
   - Risk type;
   - Risk owner;

Target Implementation Date: Partially implemented.

- Mitigating actions;
- Target resolution date; and,
- Risk rating (H/M/L).

58. It was also confirmed that each project within the Police Accommodation Programme has its own risk register. This includes the 'enabling projects' which are managed by the Police. However, it was identified that risk owners have not been assigned to the individual risks in all of the project risk registers. This can lead to a lack of ownership of the risks. Additionally, the risks within these project risk registers have not been appropriately scored. Therefore, a recommendation has been raised (see recommendation 6).

59. The risks are regularly monitored and updated as necessary. Updates to the programme risks following the previous update are highlighted in bold within the key risk log for ease of reference.

60. The programme risks are formally reported on a monthly basis to the Strategy Steering Group and Project Board with updates provided to members of these forums. The project board is provided with a detailed descriptive report on a monthly basis, which includes a 'risk update' and has the entire programme risks attached as an appendix. The steering group is provided with a monthly highlight report, which details the risks scored as High (H) in the risk register.

Action Know Fraud

61. The Action Know Fraud Project has a comprehensive RAID log (risks, assumptions, issues and dependencies). The key risks to the delivery of the project have been identified and these have been assigned mitigating actions and risk owners.

62. The RAID log for the Action Know Fraud project is updated on a regular basis and reported to the appropriate forums.

63. There are weekly 'RAID review' meetings held, whereby, key officers involved in the project will review the RAID log and make updates as necessary. The updated RAID log is then reported to the Action Know Fraud Implementation Board at each of their meetings as part of a standing agenda item.

Ring of Steel

64. The Ring of Steel programme has a comprehensive RAID log. The key risks have been identified and these have been assigned risk owners, with actions taken to mitigate risks also documented.

65. The Programme Manager confirmed that the individual projects within the

programme also have risks identified; however, as currently only the iMS-DRS project is being delivered, the current RAID log is heavily weighted towards this project.

66. The RAID log for the Ring of Steel Programme is updated on a regular basis to ensure that risks are monitored and updated as necessary. The updates are included within the RAID log and are clearly dated.

67. The RAID log is reported to the Project Board for review at each of its meetings and the Board makes any further updates as necessary.

Police ID Crime

68. A RAID log was in operation for the Police ID Crime project, which defined the key risks of the project and these had been assigned mitigating actions and risk owners.

69. Discussion with the responsible officers for the project confirmed that the RAID log would be reproduced in line with any new funding approved by the Home Office. This would not be the same RAID log as before, since the project will have additional features, due to the level of funding that would be available, should the funding bid be successful.

70. The Police ID Crime project is currently on hold and, therefore, risks are currently not required to be monitored and updated. However, it was confirmed that the RAID log includes review dates and updates against the risks.

Priority	Issue	Risk
Amber	Each project within the Police Accommodation Programme has its own risk register, which sits beneath the programme risk register. However, Audit obtained the project risk registers for the Police Accommodation Programme (e.g. London Wall Car Park) and it was identified that risk owners have not been assigned to the individual risks in the registers. Additionally, the risks within these project risk registers have not been appropriately scored.	Where risks are not appropriately scored or assigned owners, there is a risk that the risks to the delivery of the projects are not effectively managed, which could result in these materialising.

Recommendation 6: Each individual project within a programme should have its own risk register with individual risks being appropriately scored and assigned an appropriate 'Risk Owner' who has the responsibility of managing and monitoring that risk.
Management Response and Action Plan Responsibility: This is agreed and is in place for all projects overseen by CPO.   **Target Implementation Date:** Implemented.

Change Control

71. An examination of the change control processes across the sample of programmes/projects reviewed identified that different processes and change control forms are used for CoLP managed projects. There is not a standardised approach to change control for CoLP projects and no standard templates, which should be used.

72. Additionally, it was identified that although the change control request forms used require stakeholder input (as outlined in the proceeding sub sections for each programme/project), evidence obtained during the audit highlighted that comments from stakeholders are not always recorded and the forms have not been signed by all relevant parties.

73. As a result of the findings outlined in points 87 and 88, a recommendation has been raised to address the issues (see recommendation 7).

Police Accommodation Programme

74. There is a clear process for changes to the Police Accommodation Programme. A change control form must be completed, which describes the potential change to be processed and the reason for this change. This is then reviewed and discussed by the Board with the change control form being signed off it is agreed. Changes cannot be implemented without the sign off of a change control form.

75. There is a central record of changes processed for the Police Accommodation Programme. The record is maintained within the highlight report, which is reported to the Strategy Steering Group. This details the change control reference number, a description of the change, the status of the change and the impact the change has had on the programme.

76. Any potential changes to the Police Accommodation Programme are required to be discussed and approved by both parties (CoLC and CoLP). The change control request form is required to be signed off by both parties to confirm both agree to the change. The changes to the programme are discussed at the

Board whose membership is made up of various stakeholders involved in the delivery of the programme.

77. Although there is a clear change control process, which is followed for the Programme, due to there not being an original programme plan there is not a baseline start point in order to change against. In order for change control to be a clearly effective process, the programme plan is required to provide a starting point. A recommendation has been raised in the 'Governance Arrangements' scope area to ensure that a programme plan is produced from the outset.

78. Since the original budget for the Programme was approved, the cost of the programme has significantly increased due to changes in the projects to be delivered and the inclusion of risk funding. Increases in the budget have been reported to Project Sub Committee through additional gateway reports.

Action Know Fraud

79. The process for change control over the Action Know Fraud project follows a similar process to the Police Accommodation Programme. A change control form is required to be completed detailing what the change would be and the reason for the change. The change control is required to be approved by both the supplier, IBM, and the client, CoLP, before it can be implemented.

80. A change control log is maintained for the Action Know Fraud project, which keeps track of any changes made to the project. This log details the change control reference number, a description of the change and the status of the change. Any comments against the changes, which have been discussed at the relevant forum, are recorded on the log.

81. As noted above, any potential changes to the Action Know Fraud project are required to be approved by both the supplier and the client before they can be implemented. This ensures that there is adequate engagement with both stakeholders before the changes are realised. Any changes are proposed at the Implementation Programme Board whose membership is made up of representatives from the stakeholders.

82. Since the original approval of the budget, the costs of the delivery of the project have increased. The increases in costs were reported to Project Sub Committee though an issue report and members approved additional funding for the project.

Ring of Steel

83. There is a clear change control process for the Ring of Steel Programme. A change control form must be completed, which details the requirements of the change and the reason for this change. If this is a requirement change with the supplier then the requirement is drafted and discussed with the supplier. The change control form must be signed off by all relevant parties before the change can be implemented.

84. There is a central record of changes processed in the Ring of Steel Programme in the form of a change control log. This log details the change control reference number, a description of the change and the status of the change. As the only project within the programme currently being delivered is the iMS-DRS project, the change control log is primarily focussed on this project.

85. Any changes to the Ring of Steel Programme are required to be discussed by relevant stakeholders before the change can be implemented. Where there is a change to the requirements needed from the supplier (BT), the change requirements are to be drafted and discussed with the supplier.

86. Since the approval of the original budget for the iMS-DRS project, the costs of the project have significantly changed and an 'issue report' is to be reported to Project Sub Committee to request approval for further budget. At the time of the audit, this had yet to be reported to Project Sub Committee as further clarification has been requested to be included within the issue report.

Police ID Crime

87. This project is currently on hold and awaiting acceptance of a funding bid from the Home Office. Therefore, there have not been any changes to the project.

Priority	Issue	Risk
Amber	The change control processes followed differ across CoLP managed projects and there is not a standardised approach to change control for CoLP projects including standard templates, which should be used. Additionally, it was identified that although the change control request forms used require stakeholder input, evidence obtained during the audit highlighted that comments from	Where there is not a standard change control process for all CoLP projects, there is a risk of inconsistencies across projects, which could result in key stakeholders not being engaged with prior to changes being implemented.

	stakeholders are not always recorded and the forms have not been signed by all relevant parties.	

Recommendation 7: A standard change control process should be introduced for all CoLP projects including the production of a template change control request form. The change control request should be discussed with all relevant stakeholders with their comments noted and the form being signed by all relevant parties prior to the change being implemented.

Management Response and Action Plan Responsibility:
This is agreed and the Force is currently working to implement the content of this recommendation.

Target Implementation Date: 31st March 2018

Project Closure

88. The City uses the 'Project Vision' system in order to monitor and track the progress of projects across City departments. Upon completion of a project, this should be closed on the system so that this can be reported as completed and not be included in the regular update reports for open projects.

89. A report of Police Projects was obtained from the Project Vision system. It was confirmed that a number of these projects remain open on the system although the projects have been completed. The following projects have been completed but gateway 7 (closure) reports have not been produced and reported to Project Sub Committee and , therefore, have not been closed on the Project Vision system:
- Business Continuity Critical Systems;
- EROS 2;
- HR OS Upgrade;
- GYE Furniture;
- Mobile Working Services;
- Remote Access Deployment;
- Technology Infrastructure Refresh;
- Digital Interview Recorders; and,
- Impact Programme 2010/11.

90. A draft report has been produced to be reported to Project Sub Committee in order to formally close the above projects with the City. However at the time of the audit this had not been completed and, therefore, these projects remain open on the system. A recommendation has been raised to address this (see

recommendation 8).

91. A review of the report also identified that other open projects have not been updated on a monthly basis as required.

Priority	Issue	Risk
Amber	A report of Police Projects was obtained from the Project Vision system. It was confirmed with the Policy & Projects Officer that a number of these projects remain open although the projects have been completed and also that other projects have not been updated on a monthly basis as required. A draft report has been produced to be reported to Project Sub Committee in order to formally close these projects with the City. However at the time of the audit, this had not been completed.	Where Project Vision is not updated as required, there is a risk that these projects continue to be reported on, which could result in a view that the projects are delayed resulting in reputational damage to CoLP. Where project completion documents are not produced in a timely manner, there is a risk that lessons learned from the project are repeated in further projects and the success of projects not reported to committee result in potential reputational damage to CoLP.

Recommendation 8: A closure report should be produced and reported to the Project Sub Committee in a timely manner upon completion of the project in order for this to be formally closed with the City and to confirm benefits realised and lesson learned from the project.

Project Managers should be reminded that the Project Vision system should be updated on a monthly basis and completed projects should be closed on the Corporate system in a timely manner.

Management Response and Action Plan Responsibility:
The Force accepts this recommendation and highlights that of the project highlighted the majority have now been formally closed. Only Mobile Working Services remains to be formally signed off and the report for this is within the Committee cycle.

Paragraph 90 supporting bullet points highlights that GYE furniture has not been closed on the Project Vision System. The Force highlights that this is within the CoL surveyors report suite.

Target Implementation Date: 31st March 2018

Relationship Management

92. The City Project Procedure (gateway process) allows for there to be communication between CoLP and the City. In addition to this, all projects across the City Departments, including CoLP projects, are recorded on the Project Vision system for consistency and monitoring purposes. Regular updates are provided to the Corporate Projects Board (CPB) using the information on the Project Vision system.

93. Through a review of the sample of programmes/projects and through discussions with representatives from both the City and CoLP, it has been highlighted that there are currently potential issues causing ineffective and inefficient communications and relationships between the parties. In some instances this is causing delays in the delivery of programmes/projects.

94. Issues have been identified, in particular with the Accommodation Programme, with information sharing between the parties. The issues include lack of transparency between parties, perceived issues with the effectiveness of sharing information (on the basis for example on sensitivity and confidentiality), and the security vetting status of staff involved in the project/programme. There currently is not an information sharing agreement between the City and CoLP, which could help to address these issues. A recommendation has been raised to address this (see recommendation 9).

95. All projects meeting the criteria of the project procedure have to follow the City's gateway process. A review of a sample of programmes/projects has identified instances where the gateway process could be streamlined for City of London Police projects. These include:
    - Projects, which are externally funded for example by Home Office grants. These projects present no initial financial risk to the City unless there is an overspend against the approved funding. There is a potential opportunity that the gateway process could be streamlined here by allowing the City of London Police to conduct gateway 1-3 through their internal governance structures and either providing informal updates of these stages followed by formal sign off of a gateway 5 report or by including sufficient detail in a gateway 5 report regarding the information normally included in gateway 1-3 reports; and,

- In the case of the Police Accommodation Programme, gateway reports are currently produced for individual projects within the programme to draw down on budgets that have previously been approved through the gateway reports for the programme. Project Sub Committee meetings are held every six weeks and this can, therefore, prevent a project from proceeding where a decision is required to be taken at the committee meetings. The gateway process could be streamlined by allowing the City of London Police to conduct gateway 1-3 through their internal governance structure and reporting formally to committee at gateway 5 as long as the scope and budget of the project is in line with that originally approved in the programme gateway reports. The gateway 5 report should then include sufficient detail on the steps taken from gateway 1 to 3 to allow for an effective decision to be taken by Project Sub Committee.

96. A recommendation has, therefore, been raised to consider reviewing the gateway process to identify if there can be a more effective and efficient way of conducting this for specific CoLP projects (see recommendation 10).

97. It was confirmed that for meetings held within the sample of programmes/projects selected, there are meeting minutes and/or actions plans maintained. Additionally, Project Sub Committee meeting minutes are maintained and available to review. For some of the police led projects within the Police Accommodation Programme where there is sensitive information, redacted information is provided to the City.

Priority	Issue	Risk
Amber	There currently is not an information sharing agreement between the City of London City and City of London Police. Issues have been identified, in particular with the Police Accommodation Programme, with information sharing between the parties.	Where there is not an agreement for sharing information between the two parties, there is a risk of delays and disputes in obtaining required information, which could result in ineffective and inefficient project management.

Recommendation 9: An 'information sharing agreement' should be produced and formally agreed between the City of London City and City of London Police. The agreement should include details on, but not be limited to:
- The sensitivity levels of information;
- The ability and need to share sensitive information between parties;
- The processes for sharing information e.g. through GSCX email; and,
- The security vetting required by Officers to receive information.

Management Response and Action Plan Responsibility:

This recommendation is accepted.

Target Implementation Date:

Priority	Issue	Risk
Amber	Project Sub Committee meetings are held every six weeks and this can, therefore, prevent a project from proceeding where a decision is required to be taken at the committee meetings. A review of a sample of programmes/projects has identified instances where the gateway process could be streamlined for City of London Police projects including for projects, which are externally funded or where project budgets have already been approved as part of a programme.	Where a review of the process is not conducted and an approach agreed, there is a risk of ineffective and inefficient use of resources, which could result in a financial loss.

Recommendation 10: Consideration should be given to the City of London City and City of London Police discussing and reviewing the effectiveness and efficiency of the gateway process for all police projects. An approach should be agreed between the parties on the most effective and efficient process to be followed by the Police for all types of projects in the City gateway process and this approach should be formally documented.

Management Response and Action Plan Responsibility:

This recommendation is accepted. The CoLP will discuss the matter further with the Town Clerk.

Target Implementation Date: 31st March 2018

APPENDIX 1: AUDIT DEFINITIONS AND RESPONSIBILITIES

Assurance levels

Category	Definition
Nil Assurance 'Dark Red'	There are fundamental weaknesses in the control environment, which jeopardise the achievement of system objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.
Limited Assurance 'Red'	There are a number of significant control weaknesses and/or a lack of compliance, which could put the achievement of system objectives at risk and result in error, fraud, loss or reputational damage.
Moderate Assurance 'Amber'	An adequate control framework is in place but there are weaknesses and/or a lack of compliance, which may put some system objectives at risk.
Substantial Assurance 'Green'	There is a sound control environment with risks to system objectives being reasonably managed. Any deficiencies identified are not cause for major concern.

Recommendation Categorisations

Priority	Definition	Timescale for taking action
Red - 1	A serious issue for the attention of senior management and reporting to the appropriate Committee Chairman. Action should be initiated immediately to manage risk to an acceptable level.	Less than 1 month or more urgently as appropriate
Amber - 2	A key issue where management action is required to manage exposure to significant risks, action should be initiated quickly to mitigate the risk.	Less than 3 months
Green - 3	An issue where action is desirable and should help to strengthen the overall control environment and mitigate risk.	Less than 6 months

Note:- These 'overall assurance level' and 'recommendation risk ratings' will be based upon auditor judgement at the conclusion of auditor fieldwork. They can be adjusted downwards where clear additional audit evidence is provided by management of controls operating up until the point of issuing the draft report.

What Happens Now?

The final report is distributed to the relevant Head of Department, relevant Heads of Service, and those involved with discharging the recommended action.

A synopsis of the audit report is provided to the Chamberlain, relevant Members, and the Audit & Risk Management Committee. Internal audit will carry out a follow-up exercise approximately six months after the issue of the final audit report. The on-going progress in implementing each recommendation is reported by Internal Audit to each meeting of the Audit & Risk Management Committee.

Any Questions?

If you have any questions about the audit report or any aspect of the audit process please contact the auditor responsible for the review, Peter Bampton, Senior Internal Auditor, on extension 1041 or via email to peter.bampton@cityoflondon.gov.uk. Alternatively, please contact Pat Stothard, Head of Audit & Risk Management via email to pat.stothard@cityoflondon.gov.uk.