

Final Internal Audit Report

CCTV Procurement (Pre-tender)

September 2021

Distribution: Interim Executive Director of Place
Resilience Manager

Assurance Level	Issues Identified	
Full Assurance	Priority 1	0
	Priority 2	0
	Priority 3	0

Confidentiality and Disclosure Clause

This report ("Report") was prepared by Mazars LLP at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of London Borough of Croydon and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, re-interpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, re-interpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

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1. Introduction

- 1.1. In June 2017 Cabinet adopted the 2017-2020 Safer Croydon Strategy for Croydon. The strategy specified five key priorities that the Safer Croydon Partnership intends to achieve:
 - A better criminal justice service for London;
 - A better police service for London;
 - Standing together against hatred and intolerance;
 - Keeping children and young people safe, and
 - Tackling violence against women and girls.
- 1.2. To assist in delivering these priorities, the Council wants to upgrade the Public Safety CCTV network.
- 1.3. On 21st October 2019, the Leader of the Council delegated authority to the Cabinet to approve Growth Zone funding of £1M in 2020-21 for this CCTV Upgrade Project.

Source: Cabinet 21 October 2019 – Croydon Public Safety CCTV Upgrade; Public Notice of Key Decisions Made at the Cabinet Meeting on Monday, 21 October 2019

- 1.4. The fieldwork for this review was completed during the government measures put in place in response to COVID-19. While our review and testing was performed remotely, we have been able to obtain all relevant documents required to complete the review.
- 1.5. The audit was undertaken as part of the agreed Internal Audit Plan for 2020/21. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

- 2.1. There were no key issues identified.
- 2.2. We confirmed that the procurement was given a mandate by the 2018-2022 Council Corporate Plan that included a specific action to, 'Upgrade our CCTV infrastructure and ensure the control room is operating effectively to reduce crime and protect the public' under the priority 'Everyone feels safe in their street, their neighbourhood, and their home.'
- 2.3. We confirmed that a key decision recorded amongst other items that, 'The Leader of the Council has delegated to the Cabinet the power, 'To approve Growth Zone funding of £1M in 2020-21 for this CCTV Upgrade'. The key decision was recorded as 2319CAB and approved thereby authorising the scheme to proceed.
- 2.4. The rationale for the scheme was developed further at paragraph 3.5 of the cabinet report of 21 October 2019 as, '3.5 The upgrade of the infrastructure supports these strategic aims by delivering

- Replacement of the existing obsolete analogue CCTV Cameras, with digital CCTV cameras and provision of additional CCTV cameras to cover emerging Anti-Social Behaviour and Crime Hotspots.
 - Reduction in maintenance costs of the complete Public Space CCTV system.
 - Where possible construction of a fixed wireless network to replace the existing data transmission infrastructure taking advantage of the potential cost savings compared to conventional leased data circuits from BT.
 - Introduction of greater future innovation and sustainability as Smart CCTV systems can be used for much more than the traditional security and surveillance use cases that CCTV is traditionally associated with. High spec IP network cameras, open smart city platforms and data formats, as well as image processing algorithms combined with other machine learning techniques all allow the council to take full advantage of its Public Space CCTV network. These could include new smart city services in the future such as smart waste, graffiti detection as well as perimeter security services and staff less libraries that could deliver increased revenue generation, cost savings and other benefits to the Public. These will be explored through the development of the Croydon Smart city strategy.'
- 2.5. We confirmed an outline business case (a draft RP2 document) was produced.
- 2.6. We confirmed that the Council complied with the S149 Public sector equality duty of the Equality Act 2010 and that an Equalities Impact Assessment had been made and considered in the draft RP2 document.
- 2.7. We confirmed that the draft RP2 included contract and procurement strategies.
- 2.8. We undertook no further work in areas 3, 4, 5 & 6, our being informed that the procurement had paused and had not yet restarted.

AUDIT TERMS OF REFERENCE

CCTV Procurement

1. INTRODUCTION

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Source: Cabinet 21 October 2019 – Croydon Public Safety CCTV Upgrade; Public Notice of Key Decisions
Made at the Cabinet Meeting on Monday, 21 October 2019

1.4 This audit is being undertaken as part of the agreed Internal Audit Plan for 2020/21.

2. OBJECTIVES AND METHOD

2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.

2.2 The audit will for each controls / process being considered:

- Walkthrough the processes to consider the key controls;
- Conduct sample testing of the identified key controls, and
- Report on these accordingly.

3. SCOPE

3.1 This audit included the following areas (and issues raised):

Control Areas/Risks	Issues Raised		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Gateways 1 and 2 - Pre-project Strategic Assessment and Business Justification (Strategic Outline Case)	0	0	0
Contract Strategy	0	0	0
Gateway 3 – Single Option and Approach Approval;	0	0	0





CCTV Procurement 2020-21

Procurement (Advertising and/or Selection of Economic Operators)	0	0	0
Procurement (Assessing Value for Money) and Authorisation to Proceed to Award of Contract (Full Business Case/Investment Decision)	0	0	0
Form of Contract and Contract Conditions	0	0	0
Total	0	0	0

Definitions for Audit Opinions and Identified Issues

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are constantly applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance of the controls which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and non-compliance that puts achieving the system objectives at risk,
	No Assurance	Controls are non-existent or extremely weak, leaving the system open to the high risk of error, abuse and reputational damage.

Priorities assigned to identified issues are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, still provides an opportunity for improvement. May also apply to areas considered to be of best practice that can improve for example the value for money of the review area.

Statement of Responsibility

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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