

Recommendations from Annual Audit Letter 2005-06 and MPA/MPS response

Recommendations	MPA Action	MPS Action	Timescales
R1 Improve fixed asset arrangements.	The statement of internal control identified this as an area of significant weakness. The Treasurer therefore monitors improvements closely and quarterly updates are reported to Corporate Governance Committee as part of the statement of internal control update report.	A working party has been set up to identify areas for improvement and to monitor progress towards maintaining a robust system of reporting and control. The working group will also review the controls and processes for Fixed Assets.	April 2007
R2 Enhance the arrangements for quality assuring the draft accounts.	The Treasurer will closely monitor progress to ensure draft accounts are produced in line with accounting requirements.	<p>The design of the accounts will be reviewed before production with all interested parties. Once the details for 2006-07 have been incorporated, the accounts will be compared to the SORP requirements on a timely basis.</p> <p>The year end accounting procedures and timetable has now be enhanced to include sign off of the accounts at different levels of the organisation. The year end timetable has included the key tasks for areas of weakness identified as part of the last audit. The timetable includes increased joint meeting and working with the DA and the MPA to ensure all parties discuss and resolve issues as part of the ongoing audit.</p>	April 2007
R3 Ensure that the implementation plan for the MPA's organisational development programme is resourced appropriately and	A change manager has been appointed to implement the organisational development plan. Workstreams have been drawn up for the various requirements each of		Ongoing

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includes clear milestones to allow progress to be monitored	which contain clear milestones.		
R4 Address the areas for improvement identified by HMIC.		The MPS will develop a co-ordinated response to this recommendation through the medium of a multi disciplinary working party set up specifically to review such issues.	Ongoing
R5 Address required improvements in systems of internal control	The required improvements have been identified and a procedure has been set up whereby a quarterly update on progress is produced and reported to the Corporate Governance Committee.		Now in place
R6 Regularise the procurement process for the provision of Safer Neighbourhoods' estates, including demonstrating value for money	An Independent Quantity Surveyor is currently being procured to advise on whether value for money has been delivered and a way forward has been agreed with the MPS in regularising the procurement process.	The MPS will continue to work closely with the MPA in regularising the procurement process.	Ongoing
R7 Embed the principles of good governance throughout the MPA and the MPS.	The Treasurer will work closely with the MPS in ensuring that (once available) the new CIPFA/SOLACE corporate governance framework is embedded throughout the MPS	A meeting has been held between the MPA and MPS to discuss MPS Corporate Governance. At the meeting, it was agreed that the next step in the development of an overarching corporate governance framework was the preparation of a policy framework. This will be based on the new CIPFA/SOLACE framework on Corporate Governance, which is yet to be finalised.	Ongoing
R8 Implement action to improve the MPA/ MPS's use of	The Treasurer and Interim Assistant Chief Executive will continue to be	The 2007/08 business and financial planning process has already	Ongoing

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<p>resources, in particular by aligning services and financial planning, embedding risk management and mainstreaming value for money.</p>	<p>closely involved in the alignment of the financial and business planning processes.</p> <p>Joint Finance and PPRC meetings will be held at key points in the year as part of improving the alignment of the financial and business planning processes.</p>	<p>commenced with the development of a multi-disciplinary group tasked with identifying clear milestones for delivery and the production of a new timetable bringing forward the process by about 2/3 months</p> <p>As part of the ongoing review of Strategic Finance, a dedicated senior finance resource has been identified within the Financial Planning team to provide a clear link between developing the financial strategy on one hand and the corporate business plan on the other.</p> <p>The lessons learned from the business planning process of 2006/07 have been considered and key changes are being implemented.</p>	
<p>R9 Continue to protect the MPA's financial position through robust budget setting, monitoring and action to address emerging overspending</p>	<p>The Treasurer will continue to closely monitor budget setting and budget monitoring.</p> <p>The Member scrutiny meetings first established as part of the budget setting process for 2007/08 will continue.</p> <p>Members will continue to receive reports both on budget setting and budget monitoring at regular points in</p>	<p>The MPA/MPS has developed an integrated financial and business planning to deliver a MPA/MPS business plan. This states the organisational priorities and link finance and performance to these.</p> <p>The development of the business plan allows decisions to be made on where to allocate resources (capital and revenue) to deliver the best performance, plus</p>	<p>Ongoing</p>

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	the year.	<p>understand the impact of saving on performance.</p> <p>The work provides a base budget that closely aligns to the deployment of resources.</p> <p>The budgets are then monitored on a monthly basis providing details of the YTD and forecast outturn. These reports are presented internally to Investment Board and Management Board, plus to the MPA Finance Committee.</p> <p>This provides a governance structure that ensures decisions are made transparently.</p> <p>As part of the budget setting process, the financial landscape is reviewed over a 3 year period. This ensures we are aware of any pressures or opportunities. The work on the financial landscape also include a review of inflationary allowance, reserves, provisions and cost of borrowing to ensure the whole financial landscape is considered to give a stable platform from which to operate.</p>	
R10Continue to develop performance management processes so that linkages between corporate priorities	The Interim Assistant Chief Executive will continue to closely monitor progress.	Budget and Performance plans have been developed together to produce a 2007-08 to 2009-10 business plan. This has ensured that decisions about the use	Now in place

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and service plans are embedded throughout the organisation	Members will continue to receive regular updates through PPRC.	of resources, efficiencies and growth have all been considered along side the performance areas on which they could impact. Therefore allowing the MPS to make informed decisions with consideration to budget and performance. MPA Finance and Performance Committees have also had joint meetings to consider the business plan.	
R11 Maintain the momentum on delivering improvements in crime data quality and activity based costing	<p>The Treasurer will continue to monitor progress in delivering Activity Based Costing.</p> <p>A lead member has now been appointed for Activity Based Costing and Finance Committee will continue to receive update reports.</p>	The MPS has introduced a Productivity Group/MMP to lead on the development and implementation of greater productivity. To support this work the group are developing specific initiatives such as single keying to improve efficiency and accuracy. The group is also using ABC data to challenge areas where we could be more efficient. Developments are being made to improve and integrate data in to the process to support decision making.	Ongoing