INTERNAL AUDIT DIRECTORATE ANNUAL REPORT 2006/07

Director of Internal Audit's Opinion on Internal Control within the MPS

Internal Audit Performance

METROPOLITAN POLICE

Working together for a safer London

MPA Internal Audit - Annual Report 2006/7 - DRAFT

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Introduction

This Annual Report gives my opinion as Director of Internal Audit for the Metropolitan Police Authority (MPA) on the adequacy and effectiveness of the control environment[1] within the Metropolitan Police Service (MPS) and the MPA. It also summarises the activities of Internal Audit for the period from April 2006 to March 2007.

It is my duty to give, at least annually, an opinion on the adequacy and effectiveness of the control environment. This is based on the adequacy of control noted from a selection of risk-based systems audits carried out during the year and other advice work on control systems. The results of our investigation inquiries, relevant HMIC reports, Audit Commission reports and the work of internal review agencies within the MPS also inform my opinion.

My opinion on the adequacy and effectiveness of the control environment in the MPS is used to inform and should be read alongside the wider Statement of Internal Control incorporated into the Authority's Statement of Accounts for 2006/7.

Background

For the second year in succession we fell 5% short of our target for completion of 90% of the final approved plan for systems audits. We were unable to fill a vacant auditor post during the year and took on additional work in support of the MPA's internal business, as well as providing an auditor on six months secondment to cover maternity leave in the Treasury team. This inevitably had a knock-on effect on our ability to complete the approved plan.

Staff numbers employed in Internal Audit remained relatively stable, with 36 staff in post at the beginning of the year and 35 staff at the end.[2] However, it is

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[1] The control environment comprises the system of governance, risk management and internal control. (CIPFA Code of Practice for Internal Audit 2006)
[2] Two individuals left during the year and one new member of staff joined.

worth noting that since the formation of the Police Authority the number of staff posts in Internal Audit has declined by 10% while at the same time the body under audit, the MPS, has had significant growth in numbers and spend. In itself this has created further pressure on our ability to undertake a sufficient amount of work to support my opinion on the adequacy and effectiveness of the control environment.[3] We are at the same time under increased pressure from the Audit Commission to undertake additional cyclical testing and documentation of material financial systems in order to enable the external auditors to place more reliance on our work.

The Forensic Audit Branch is the investigative arm of Internal Audit. It has continued to have a valuable impact on the MPS, both in identifying fraud and helping to prevent future losses, as well as identification of wasteful or nugatory expenditure. ***In 2006/7 Forensic Audit had a particularly successful year, making a significant contribution to financial savings and losses stemmed of £7.5 million and recoveries made of £4.1 million.***

Assurance on the Control Environment

For systems reviewed by Internal Audit in 2006/7 average assurance scores were 3.4 (3.3 in 2005/6) on a scale of 1 to 5 (where a score of 2 reflects a system with adequate controls and 3 to 5 reflects increasing degrees of the need to improve). Follow-Up audits showed a marked improvement with an average assurance score of 2.5. Taking systems reviews, follow-up audits and including the results of investigations where the underlying system has had a significant impact on control and including developing systems advisory work by Internal Audit gives an assurance score from all audit review activity of 2.8.

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[3] There is also some indication from comparisons within the GLA family and elsewhere that the ratio of our internal audit staff to spend and staff in the MPS is appreciably lower than other similar public bodies.

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When all relevant scored review work is taken into account the overall assurance score for 2006/7 is 2.9, outside an acceptable score of 2 or less. My overall score includes review work by HMIC, Audit Commission, MPS Inspectorate and MPS Health and Safety.

In my opinion, taking into account all available evidence, the adequacy and effectiveness of the control environment in the Metropolitan Police Service continues to fall below an acceptable standard. In reaching this opinion, I acknowledge that we have generally found adequate and effective operating procedures within the MPS but in practice key controls have either not been applied, applied inappropriately or not applied in time to provide an adequate and effective control environment.

Senior management in the MPS have made progress in setting up mechanisms to enable better and more effective control of major projects, including strategic oversight and review bodies such as the Investment Board, coupled with more rigorous scrutiny of business cases and efficiency and value-for-money review committees. However, it has been apparent during the 2006/7 year that despite the increasing effectiveness of these oversight controls a number of projects and infrastructure developments have either significantly exceeded their budgets or have failed to deliver the intended product for the price that has been paid to date. Additionally, I remain concerned about the adequacy and effectiveness of the governance arrangements put in place by the MPS, particularly around propriety, regularity, risk management, delegated authority and reducing the risk of fraud.

Good progress has been made with risk management although in my opinion significant improvement is needed before risk management is fully embedded across the organisation. The MPS may benefit from considering an enterprise-wide Risk Management approach rather than the current segregation of operational, contingency and business risks. However, I welcome the MPS initiative in setting up a corporate risk review committee and await signs of further progress in 2007/8.

Areas of concern in the control environment have included:

Delegated Authorities (a significant concern that I raised previously in my 2005/6 report). The MPS has yet to put in place proper arrangements to delegate authority from the MPA through the Commissioner to those responsible for managing budgets, incurring expenditure, safeguarding assets or generating income.

Procurement of services During the course of the year we have continued to find areas of concern around the Public Contracts Regulations, Authority regulations and around lack of control of expenditure and contract monitoring on some larger projects, leading in some instances to waste or financial losses.

BOCU/OCU financial control framework Common themes that need to be addressed are failures to conduct adequate independent reconciliations of financial accounts, inadequate supervision, insufficient segregation of duties and inappropriate or ineffective authorization arrangements.

Crime Property stewardship and control This aspect continues to cause concern. During the course of the year we have been involved in a number of investigations where it is clear that there are still significant weaknesses in the way in which the MPS processes and holds valuable items of Crime Property.

Information and data quality in major operational systems While DoI's information assurance teams have overseen significant improvements in data quality in some systems, their reviews have identified major data quality shortcomings in some key MPS systems.

Areas of Improvement in the control environment:

Corporate Oversight structures have been set up or are operating more effectively to enable better control over the affairs of the MPS, including

Investment Board and the associated Assessment Panel for business cases, Value For Money Programme Board, Intelligence, Covert Policing and Tasking Steering Group, Corporate Risk Review Group and, more recently, Productivity Strategy Group, which includes representatives of the Treasury and Home Office and is tackling, inter alia, efficiency savings. In addition steps have been taken to improve accountability and ensure that senior officers recognise their budgetary control responsibilities.

MPA Member Oversight   Aside from the Corporate Governance Committee's oversight of the control environment and the oversight role of Finance Committee and full Authority committees, newer activities through the IS/IT, HR and Estates Oversight Groups have improved the effectiveness of the scrutiny and monitoring role of the Authority in the key business support areas of the MPS.

Covert Accounts Environment   the MPS has made considerable strides in the last financial year towards the implementation of audit recommendations to help improve areas of significant weakness identified in a number of Internal Audit reports.

Equality and Diversity

We have contributed to the MPA's objectives in this area both by the way we recruit, manage and train our staff and by the processes put in place to ensure that our staff behave appropriately in our dealings with the MPS.

Internal Audit continues to reflect the diverse community that it serves through employing staff from a wide variety of cultural backgrounds and experience.

In reviewing equalities within Internal Audit we are aware of an imbalance of numbers between male and female staff, with predominantly more male employees, although female staff are represented at a range of management levels. We have paid particular attention to the need to ensure that there are no

internal reasons that are leading to this outcome and have implemented a plan to ensure that we have every opportunity to correct the imbalance while recognising that turnover of staff within Internal Audit is low. Recruitment processes have been closely examined and found to be fair and appropriate.

Summary of Key Internal Audit Achievements during the Year

Preventative Advice

We have built in time to our reviews of B/OCUs to ensure that we have been able to offer advice and assistance locally at the time of our reviews. From this work we have identified a number of thematic weaknesses and in discussion with TPHQ and MPS Finance have evolved an approach to help improve local B/OCU controls.

We have continued to provide training and advice on internal control to middle management for both police officers and police staff and we are actively exploring how best to contribute to the future financial management training of middle ranking MPS officers.

Systems Audits

(Details of all audits completed in 2006/7 are at Annex A)

Among other programmed work we carried out major reviews of the controls in high-risk systems for dealing with:

IS Strategy and Planning
Business Continuity/Disaster Recovery
Budget Preparation, Approval and Monitoring
Imaging Services
Partnerships Funding and Control
Common Police Services Support in the UK

We have also carried out a significant programme of review in Borough Command Units (BOCUs) and also some OCUs. We have a dedicated team that has built up expertise in these areas, the rewards of which can be seen from some of the positive feedback that we have received from BOCU commanders and senior staff in TP.

Control Advice for Developing Systems

We have provided proactive advice to a number of sensitive areas of the MPS during the year, including Security Clearances for Management Vetting and financial controls in parts of Specialist Operations and arrangements to deal with the control and distribution of Home Office monies for National Counter-Terrorism activities.

We also provided advisory work on Consultation funding and control.

A number of major projects in the MPS have been supported and provided with audit advice, including:

Infrastructure Programme Board
METAFOR
Transforming HR
MetDuties and MetTime
MetHR
MPS IT Security Policy and METSEC Board
Use of AMEX Cards
Vehicle Recovery

Forensic Audit Work

Background

In total in the last five years we have been able to cause savings and stem losses of around £19.7 million. We have also contributed to recovering funds of £5.1 million. We have also managed to stem further losses from fraudulent activity by individuals employed or used by the MPS and have taken steps through civil court actions to recover monies fraudulently obtained by these individuals from the MPA.

Using the methodology agreed last year by the Corporate Governance Committee, investigations capable of being assessed and completed within the year have been assessed to establish the level of control operating within the system at the time the case commenced.

Seventy-seven new cases were dealt with during the year (fifty six in 2005/6) ranging from concerns about major contracts for services through to NFI data matches regarding individual employees. The size and complexity of the cases being dealt continues to increase significantly. Five calls were received on the 'Right Line' (five also in 2005/6); one was referred to the MPS Directorate of Professional Standards for investigation, one was referred to the line-manager for action, two were resolved at the time of the call and one was investigated by Forensic Audit in support of an investigation by the MPS Directorate of Professional Standards. The case led to a sanction detection against a property officer.

As a result of Forensic Audit Branch activity savings or losses stemmed during the year were approximately £7.5 million and a contribution made to recoveries of approximately £4.1 million. Although the primary purpose is to identify whether fraudulent or wasteful activity has occurred, the financial benefits to the Authority continue to compare very favourably with the cost of providing an investigative service in Internal Audit (£597,000 for 2006/7). For the last five

years accumulated recoveries total £5.1million, losses stemmed £11.9million and savings made £7.9 million.

<u>Investigations</u>

(A summary of the year's investigations can be found at Annex B)

Investigations have been necessary where either Internal Audit has found evidence of a potential fraud or abuse by police staff or contractors that has required immediate investigation, or a discovered fraud has thrown up question marks about the system and employees/contractors.

A significant part of the year has been spent in dealing with procurement related investigations, particularly in the Property Services Department. A major item of work related to Safer Neighbourhoods. Two significant procurement investigations have also taken place in the Directorate of Information, which have highlighted financial waste or inappropriate procurement.

In the year we satisfactorily concluded our final civil recovery cases commenced in earlier years against linguists. We have also conducted a number of cases involving the loss of cash from property stores. The lack of supervision in the stores remains a concern.

We supplied data sets securely to the Audit Commission for the mandatory 2006 National Fraud Initiative data matching exercise. The data provided included for the first time creditor information. In February 2007 we received the data matches back from the Audit Commission – these amounted to 27,000 matches. A good start has been made in examining these matches and working in conjunction with the MPS Directorate of Finance over 24,000 matches have been cleared as false positives. Work has started on examining the remaining matches to identify any potential fraud.

Our support to the Directorate of Professional Standards and others has continued for those cases where the forensic or analytical skills of internal audit forensic staff can be of assistance.

Lessons Learned from Investigations

During the course of each investigation we have continually kept the senior line management concerned informed of our emerging findings, particularly where they have indicated management failures or poor controls or practices. Where appropriate, I have issued reports to senior management in confidence, which have made recommendations for actions to improve the controls to prevent or minimise the risk of further problems arising in these areas. We have also given specific advice to individual line managers who have sought our help to improve their controls where frauds or irregularities have occurred. We have specifically highlighted concerns about the way in which procurement regulations were being circumvented.

Follow-up Work

During the year, we issued 33 final follow-up reports. In the previous year we had built up a backlog of draft reports awaiting final clearance and response from the MPS. I am pleased to report that we have now cleared this backlog. Follow-up audits continue to be a valuable means to ensure that line management are making progress and that our originally accepted recommendations are still valid. They also enable me to measure the degree to which systems of control are improving in the MPS.

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Measuring the Effectiveness of Internal Audit

With effect from 1 April 2006 the Accounts and Audit Regulations 2003 were amended to include a requirement upon public authorities, including the MPA, to carry out an annual review of the effectiveness of Internal Audit. At the time of writing this report CIPFA has yet to produce its promised guidance as to how this should be achieved. CIPFA has however published in 2006 a new version of the Code of Practice for Internal Audit in local government, including a checklist for establishing whether the Code is being met. Meeting the Code demonstrates that the systems and processes in place for Internal Audit are adequate and effective. This is the main building block for measuring Internal Audit effectiveness.

At the Corporate Governance Committee in September 2006 I presented a paper on how best to measure the effectiveness of Internal Audit until such time as CIPFA produce guidance to the contrary. The approved paper suggested a combination of the performance measures that I already use and summarise in my annual reports, coupled with any relevant opinion from the Commissioner and the Audit Commission and supplemented with the Chief Executive's opinion.

In addition to these measures I commissioned an independent academic on short-term secondment to the MPA to carry out a review of the adequacy and effectiveness of the systems and process by which MPA Internal Audit strives to meet CIPFA's Code of Practice. The initial conclusions of this review comparing the Code of Practice checklist with our practices and processes are that MPA Internal Audit meets and is compliant with CIPFA's current Code of Practice.

The following paragraphs of this report summarise the outcomes from the planning and performance measures in place within MPA Internal Audit.

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Internal Audit Planning

The planned and actual splits of time this and last year were:

Internal Audit Planning				2005/2006
Audit Activity	Planned Days	% of Total	Actual Days	% of Total
Systems Audits	1,940	40%	1,860	40%
Investigations	1,707	35%	1,494	33%
System Advice	602	12%	510	11%
BOCUs	620	13%	755	16%
Total	4,869	100%	4,619	100%

Internal Audit Planning				2006/2007
Audit Activity	Planned Days	% of Total	Actual Days	% of Total
Systems Audits	1,841	38%	1,681	38%
Investigations	1,628	34%	1,507	34%
System Advice	580	12%	445	10%
BOCUs	776	16%	810	18%
Total	4,825	100%	4,443	100%

Our planned use of time has, in proportion, closely accorded with our actual use of time, showing that where work has been substituted or postponed we have ensured that we have carried out equivalent work to that identified by our risk analysis for the year. Actual available audit staff days fell short of planned days by 382 days (8%), due to staffing shortages and other non-audit work during the year.

Internal Audit Performance

Customer Satisfaction

At the end of each systems audit I send out a customer satisfaction questionnaire to the senior line management of the area recently audited. Five

key areas of audit work are tested: consultation with the auditee, conduct of the audit, the audit report, the value of recommendations we have made and, an overall assessment of the value of the audit.

This year the results indicate a 71% customer satisfaction rate with the performance of Internal Audit. This is slightly down on the previous year although we only had a limited number of returns and the significance of any variation from 2005/6 has to be seen in that context. In most instances we met or exceeded the 80% satisfaction target, although three auditees scored lower on the overall rating of the audit than their assessment for the five areas.

In line with the MPA commitment to promoting equality and diversity, we test whether there was a perception of any discrimination in the conduct of the audit. Against a target of 80%, we achieved an 88% customer satisfaction rate.

In the other areas tested our highest satisfaction scores have been achieved in the way the audit was conducted (91% satisfaction) and the fact that undue disturbance was avoided (89% satisfaction). The lowest satisfaction scores have been on the level of consultation during the review (74%) and the timing of the audit (75%).

Input Performance

Use of Internal Audit Resources
Staff resources were used in proportion to the intended plan. We had a slight financial underspend of £18.3k on our staff and resources budget of £2,028k. this included the generation of additional cash income of £26,935 from recovery activities during the year to return to the MPA budget.

Efficiency of Work
Staff are set targets for completion of audits, including time allocations for each audit, time taken to produce a working draft from completion of the fieldwork and the time taken to produce a final report once line management responses

are received to the draft audit report. Throughout the year we have improved our performance on each of these aspects to the point where we are meeting or only just missing the challenging targets set. We are still seeing some audit time over-runs but these have reduced considerably. On average formal draft reports are produced within three weeks of the completion of the audit and final reports are produced within a week of receipt of MPS line management's formal response.

The one area we have been unable to improve is the time that it takes the MPS to respond to our formal draft reports. Excluding one or two extreme examples the norm for a written MPS response is fifteen weeks and this remains the primary reason for delays in issuing final audit reports and in conducting follow-up audits.

Output Measurement
(see tables 1 - 3 below)

Recommendations Made and Accepted

For the first time in a number of years the number of audit recommendations made went up, increasing from 462 to 764, despite this there was an improved acceptance rate by line management (up from 94% to 97%). The main reason for the increase is the volume of BOCU reviews where we found similar problems but needed to make our recommendations separately to each BOCU.

Recommendations Implemented

The successful implementation of Internal Audit recommendations is key not only to ensuring adequate and effective systems in the MPS but also in measuring the effectiveness of Internal Audit in its pivotal role as an agent of change for the better in the business and financial systems of the MPS. This is particularly so for the small proportion of recommendations deemed high-risk and these are tracked throughout the year.

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Of the 23 high-risk recommendations made during the calendar year 2006, 20 (91%) had been implemented at the time of writing this report. In all, out of 741 audit recommendations made during this period, 431 (66%) have now been implemented. This is a welcome improvement from 2005 although there is still some way to go to achieve higher levels of implementation of accepted recommendations.

Recommendations – Made, Accepted and Implemented

Year on Year Comparison

Table 1

Recommendations	*2004/5*	*2005/6*	*2006/7*
Made	779	462	764
Accepted	753	435	740
Percentage Accepted	**97**	**94**	**97**

2006/7 By Significance of Recommendations

Table 2

Recommendations	*High*	*Medium*	*Low*
Made	19	729	16
Accepted	18	707	15
Percentage Accepted	**95**	**97**	**94**

Source – Final Reports issued 2006/7

Recommendations Implemented – Last two years

Table 3

Recommendations	Jan – Dec 2005			Jan – Dec 2006		
	High	Medium	Low	High	Medium	Low
Accepted	65	601	18	23	688	30
Implemented	36	313	13	20	431	16
Percentage Implemented	**55**	**52**	**72**	**91**	**66**	**57**

Use of Internal Audit Staff Time

Our use of staff time has remained consistent year on year, although there has been a slight fall in training days in the current year.

Analysis of Total Staff Days 2005/6

- Audit Days
- Training & Support
- Admin & Management
- Other Non-Audit time

Analysis of Total Staff Days 2006/2007

- Audit Days
- Training & Support
- Admin & Management
- Other Non-Audit time
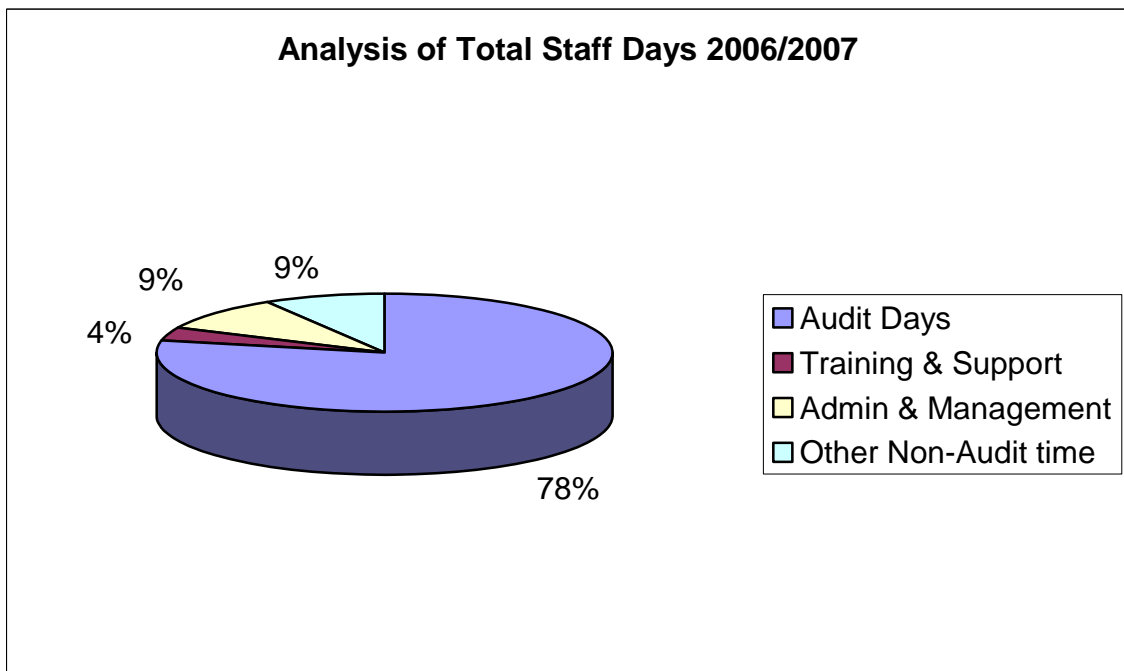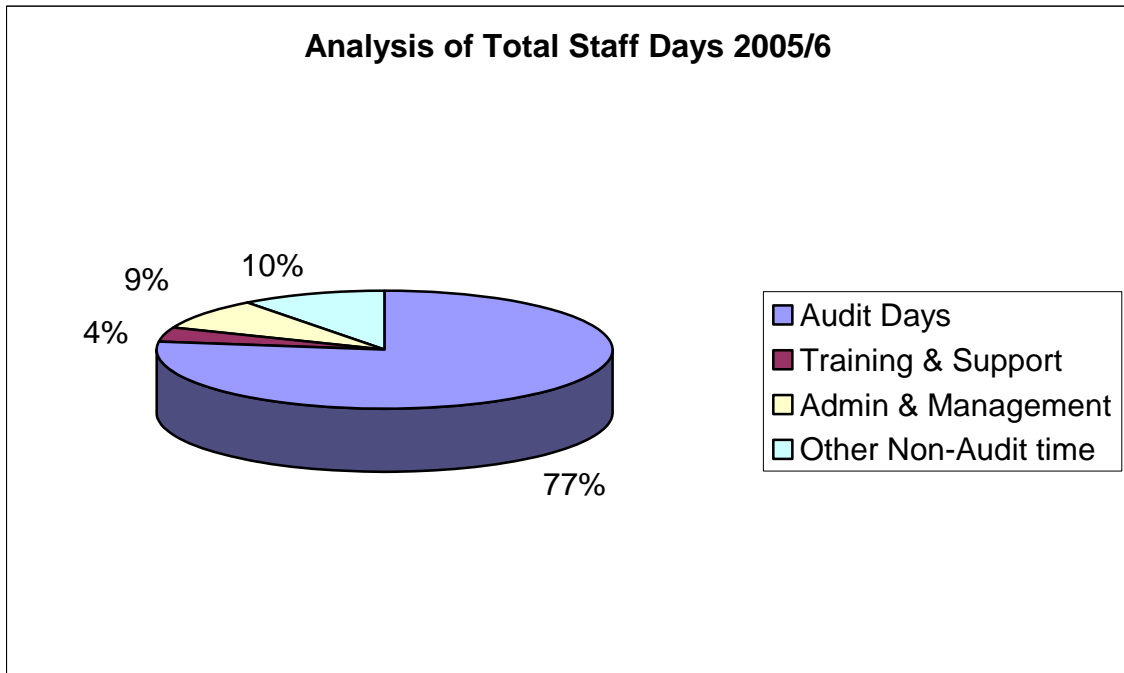
Relations with other Review Agencies and Auditors

Internal MPS Review Bodies

MPS Inspectorate

We have continued to provide regular input to the Inspection and Audit Liaison Unit to enhance coordination with internal Inspectorate activity and to help with the progression of accepted audit recommendations.

Risk Management

It is a fundamental part of the role of Internal Audit to evaluate the adequacy and effectiveness of risk management as well as to contribute towards the management of risk in the organisation. As a result we maintain links with the MPS Risk Manager and advise and work with the Risk Management function where appropriate.

External Review Agencies

Audit Commission

We have continued our necessarily close working relationship with the Audit Commission. As well as a number of joint projects, we have contributed to their opinion through testing and work on material financial systems. Internal and External audit have a permanent presence at Empress State Building within the same, shared work area.

Her Majesty's Inspectorate of Constabulary (HMIC)

We have maintained an ongoing working relationship with HMIC, both from liaison with their officers on the ground reviewing the MPS and their financial

advisers.   We now hold regular joint meetings with HMIC and the Audit Commission to discuss progress and plans for review activity within the MPS.

Home Office Internal Audit

We keep a dialogue with Home Office Internal Audit around oversight of nationally and directly Home Office funded activities in the MPS.

External Relations

GLA

Within the GLA there is a regular meeting of internal audit heads across the family at which we examine benchmarking and performance issues as well as potential areas for convergence or partnership working.

Police Audit Groups

Throughout the year we were in regular contact with other police internal auditors, my Deputy Director is a member of one group and I am chair of the wider Police Auditors Group.

London Audit Group

We maintain our contacts and involvement with this group, which involves the internal auditors from all key local authorities in London.

Conclusions

The Performance of Internal Audit

Generally we have had an effective year, albeit we were unable to complete our full programme of planned work, falling 5% short of the 90% completion target.

The work that we did complete and other activities of Internal Audit made a significant contribution to better governance and control within the MPS, as well as a contribution to the improved efficiency and effectiveness of systems within the MPA itself. Although the adequacy and effectiveness of control in the MPS has not improved overall, those areas directly impacted upon by Internal Audit have improved. In addition, we were able to provide a significant amount of advice for future developing systems, as well as preventing losses and identifying savings. We have had to conduct a number of challenging investigations during the year and have also provided audit advice in some equally challenging environments, whether to specific working groups dealing with sensitive areas or to address significant control problems where it has been necessary to tread a line between operational need and MPS business capacity.

Opinion on the Control Environment in the MPS

In my opinion, taking into account all available evidence, the adequacy and effectiveness of the control environment in the Metropolitan Police Service continues to fall below an acceptable standard.

The control environment is defined as three main elements, the overarching governance framework, the system of internal control and risk management. While the governance framework is generally sound there are some areas where weaknesses are apparent, particularly around the links between strategic aims and medium term planning and the development of major projects. Again, most aspects of the system of internal control are generally sound but there are some weak areas, particularly around regulation, procurement, delegated authorities and the application of basic financial controls. The MPS has put considerable effort into devising an effective system of risk management but at the time of writing this report risk management across the MPA and MPS remains fragmented.

Looking Forward

The MPA and MPS are working together to resolve the underlying problems that caused the areas of concern to me in the control environment. The regulations of the Authority are undergoing a major overhaul, MPA oversight groups are improving governance arrangements and we are working closely with the business support functions and operational leads to ensure that the key internal controls are able to operate effectively.

There are also challenges for Internal Audit in the year ahead and we are continually striving to improve our performance by use of the Excellence Model and our own internal review processes. Internal Audit is looking forward to be able to play its proper part in helping the MPS to use the MPA's funds wisely, prudently and for their intended purpose.

PETER TICKNER
Director of Internal Audit

REPORT ON INTERNAL AUDIT ACTIVITIES APRIL 2006 TO MARCH 2007

REPORTING FRAMEWORK

Audit reports are issued to management at various stages of the audit. These are summarised as follows:

Draft issued for Discussion - at the end of our fieldwork we issue a draft report to management for discussion. We then hold a meeting to clarify any points that are raised before issuing the formal draft.

Formal Draft Report - once the report has been discussed with the auditee the formal draft is issued together with a request for a formal response within three weeks.

Final Report - when a response is received from the auditee it is incorporated in the report and the final report is issued.

Each audit also has a summary of the main findings and an analysis of the recommendations made. Recommendations are classified as **'high'**, **'medium'** or **'low' risk**. Any high risk recommendations rejected by line management are raised with the Management Board member responsible and if necessary the Corporate Governance Committee.

Systems Audits

Final Reports

Road Accident Reports and Intelligence

Draft Report issued January 2006
Final Report issued June 2006

Summary of Key Findings

Significant improvement is needed before the business objectives for Road Accident Reports and Intelligence can be met.

Management information is comprehensive and effective procedures are in place to ensure the production of accurate and timely intelligence reports. However, controls over the recording, banking and accounting of income are inadequate. The processes for the receipt and recording of collision reports and maintaining evidence to support the decisions made also need to be improved.

Analysis of Recommendations

Management accepted 14 of the 16 recommendations made:

14 Medium Risk (12 accepted and 9 implemented)
 2 Low Risk (2 accepted and 1 implemented)

Senior Line Management Comment (AC Central Operations)

We welcomed the advice and recommendations. TRIS has now gone live and will be the core delivery vehicle.

IS Strategy and Planning

Draft Report issued April 2006
Final Report issued June 2006

Summary of Key Findings

The framework of control in place for IS Strategy and Planning is adequate although a number of controls are not operating effectively.

Effective controls ensure that the variety of IS Strategies are appropriately linked and that local strategies and plans are monitored in line with corporate priorities. However, the Information (high level) Strategy needs to be updated to reflect current priorities and the costs of delivering the strategy need to be properly identified.

Analysis of Recommendations

Management accepted all 7 recommendations:

3 High Risk (1 implemented)
4 Medium Risk (4 implemented)

Senior Line Management Comment (Director of Information)

The findings were a fair reflection of the framework of controls in place for the IS Strategy and Planning. The overarching IS Strategy has now been updated so that it reflects current corporate priorities. Work is ongoing under the new Deputy Director of Information to continue to progress Strategic and planning initiatives within the DoI and the Audit recommendations form part of this work

Imaging, Identification and Fingerprint Services

Draft Report issued July 2004
Final Report issued June 2006

Summary of Key Findings

The control framework in place for imaging, identification and fingerprint services is adequate although a number of controls are not operating effectively.

Clearly defined policies and standards are in place for the majority of imaging and identification services. Controls are adequate to ensure the security, integrity, accuracy and completeness of data and systems. Adequate arrangements also exist for the back up of key data, although there are some significant weaknesses regarding business continuity and the Livescan system.

Effective controls are in place over imaging, identification and fingerprinting project management and the development of identified systems, however, there is a need to ensure that they are consistently applied. Significant weaknesses in some areas of training may also limit the ability of the MPS to ensure that defined standards are achieved.

Analysis of Recommendations

Management accepted all 14 recommendations:

2 High Risk (2 implemented)
8 Medium Risk (8 implemented)
5 Low Risk (5 implemented)

Senior Line Management Comment (Head of Quality & Performance, Directorate of Forensic Services)

The Directorate have in place a Quality Management System, operating to the requirements of ISO 9001-2000. We have employed experienced quality managers, one of which recently worked as an assessor with the British Standards Institute. In March 2007, the Fingerprint Bureau was externally audited by BSI and awarded certification to the ISO 9001 international standard. Requirements of this system includes customer focused objectives, process documentation and control and regular internal and external audit. These audits ensure staff are compliant with laid down work instructions, which are maintained and kept up to date.

A Service Agreement linking crime scene examination and fingerprint bureau processes was initiated and is monitored monthly. There is also a MPS fingerprint bureau manager presence attending national IDENT 1 meetings.

Project management within the directorate has a senior management lead. All projects come under a programme of development and all senior managers within the Directorate are updated on progress on a regular basis, no more than two months apart. Business continuity is covered in the Directorate continuity plan.

Systems Supporting National Police Performance Indicators

Draft Report issued June 2006
Final Report issued July 2006

Summary of Key Findings

The control framework in place for the systems supporting the National Police Performance Indicators is adequate.

Controls applied by PIB to ensure the quality and accuracy of data captured for the production of National Police Performance Indicators are sound. All PIB teams involved in the capture and production of data, SPI data being one product of many, have developed adequate quality assurance checks. Effective processes are also in place to ensure that the Home Office timetable for submission of data is met.

Analysis of Recommendations

Management accepted all 4 recommendations:

1 Medium Risk (1 implemented)
3 Low Risk (1 implemented)

Senior Line Management Comment (Cmdr Performance Directorate)

I agree the attached summary reflects the position as reported.   Two of the recommendations have been fully implemented, and work is ongoing to implement the remaining recommendations.

Business Continuity/Disaster Recovery

Draft Report issued May 2006
Final Report issued July 2006

Summary of Key Findings

The control framework in place for Business Continuity/Disaster Recovery is adequate although a number of controls are not operating effectively.

Roles and responsibilities are clearly defined and policies and guidelines are in place. However, a significant number of units have not submitted appropriate business continuity plans and the level of testing of plans is inadequate.

Management accepted 12 of the 13 recommendations made:

5 High Risk (4 accepted, 1 implemented)
8 Medium Risk (8 accepted)

Senior Line Management Comment (AC Central Operations)

A new methodology for Business Continuity planning has been developed and issued to al MPS Heads of Operational Command and Business Units. This clearly defines the procedures to be followed in undertaking 'Unit' Business impact analysis, developing a Business Continuity plan, exercising and testing the plan with subsequent modification. This will be reinforced at a series of workshops and seminars being held during June and July with all 'Units' required to submit their plans (including an exercising and testing programme) to CO3, by the end of October 2007. Thereafter CO3 will proactively monitor the testing and exercising programmes with random participation to ensure consistency of approach across all 'Units' of the MPS.

Senior Line Management Comment (Director of Information)

Only one recommendation relates to DoI and this was accepted and implemented within the agreed timeframe. Business Continuity and disaster Recovery planning is now a mandatory part of the process for signing off a project into service.

Systems Supporting Service-Wide Priorities - Trident

Draft Report issued December 2005
Final Report issued July 2006

Summary of Key Findings

Our overall opinion is that significant improvement is needed before the business objectives of Trident can be met.

There are adequate controls over the setting, approving and reviewing of objectives and the supply of management information within SCD 8. However, control over the co-ordination and supply of support services and expenditure is inadequate. There are also risks to proactive operations due to the lack of analytical capacity and the inconsistency in the availability of services from key support units.

Analysis of Recommendations

Management accepted all 13 recommendations:

13 Medium Risk (10 implemented)

Senior Line Management Comment (OCU Commander)

There were problems at the time of the Audit (draft report December 2005) with co-ordination and supply of support services and expenditure, and with lack of analytical capacity and the availability of services from key support units.

Since then, full business support personnel and processes have been brought in; analytical capacity has been improved, and further reviewed recently; and the performance of key support units is monitored, with an 'alert' system in place for those occasions where services are not available or are removed

Ealing BOCU

Draft Report issued March 2006
Final Report issued July 2006

Summary of Key Findings

There were effective controls in some areas, however, adequate controls were not in place to meet all the business and financial objectives of the BOCU.

Regular reviews of the overall budgetary position were performed and budget managers were held to account for expenditure through monthly performance meetings. However, the level of evidence, regular supervision and review within other systems could be improved. Authorisation processes were generally effective although control was weakened by the lack of authorised signatory lists. Staff numbers to payroll data were reconciled although the systems for reconciling police overtime, crime property and partnership transactions were in need of improvement. Overall, the standard of record keeping in respect of cash, crime property and police overtime was adequate and the physical security of cash and crime property was effective. Duties were not segregated adequately although recent staff changes had affected adversely this area of control

However, the BOCU Commander took prompt action during our review to address many of the control issues identified and the control framework improved as a result. Concerted management action during 2005/06 to reduce police staff numbers to within affordable targets also reduced significantly the ongoing overspend on police staff pay and highlighted a positive approach to budget management.

Management accepted all 32 recommendations:

 1 High Risk (1 implemented)
31 Medium Risk (23 implemented)

Senior Line Management Comment (BOCU Commander)

(Awaits)

CO18 Heathrow OCU

Draft Report issued June 2006
Final Report issued July 2006

Summary of Key Findings

Adequate controls are not in place to meet all the business and financial objectives of the OCU.

CO18 does not have adequate documented guidelines and procedures to support its business and financial systems. The level of regular, evidenced supervision and review within most of the business and financial processes is also inadequate. Segregation of duties within the budget process, crime property and local accounts needs to be improved and ineffective controls are in place for the authorisation of budgets, imprest expenditure and police overtime. Complete, independent reconciliations of local bank accounts are not performed and there are no reconciliations of individual lines of expenditure such as police staff overtime, vehicle hire and housing allowance. There is adequate control over the physical security of cash and crime property. However, controls over assets/inventory registers and crime property records need to be improved.

Analysis of Recommendations

Management accepted all 41 recommendations:

  2 high Risk (2 implemented)
39 Medium Risk (23 implemented)

Senior Line Management Comment (Commander Aviation Security)

The MPS acknowledge the findings of the MPA Internal Audit of CO18 Aviation Security. This report identified the need for significant improvements in the management of business and financial systems. Since the inspection CO18 has undertaken considerable work to address the issues identified. In particular both high-risk areas have now been resolved with auditable processes in place for both the collection of costing information in support of cost recovery and the management of police overtime. Of the 39 medium risk areas 23 have been addressed and the remainder, which principally relate to crime property, are being actively progressed with a completion date of 30 June 2007.

An internal inspection conducted by the Specialist Operation's Continuous Improvement Unit in February 2007 highlighted improvements to the management of critical financial processes and identified a number of specific strengths. To ensure a continuing review of these processes an internal CO18 inspection regime is being introduced that will monitor compliance with management and financial systems, identify areas of weakness and promote good practice.

As a result of the work undertaken the MPS is now confident that significant progress has been made in addressing the principal shortcomings identified by the Internal Audit.

Haringey BOCU

Draft Report issued May 2006
Final Report issued August 2006

Summary of Key Findings

Significant improvement is required before all the business and financial objectives of the BOCU can be met.

There is a lack of adequate documented guidelines within the Finance and Resource function and the roles and responsibilities of staff are not defined in some cases. The level of regular, evidenced supervision and review within most of the business and financial processes is inadequate. Segregation of duties for crime property, police overtime, asset and inventories, and local accounts is not operating effectively. Authorisation processes for budgetary control, imprest expenditure and police overtime also need to be improved.

Complete, independent reconciliations of local bank accounts are not performed and there are no reconciliations of individual lines of expenditure such as police staff overtime, vehicle hire, assets/inventory items, crime property and housing allowance to source records. Ineffective controls over assets/inventory registers and crime property records are also in place.

Analysis of Recommendations

Management accepted all 42 recommendations:

42 Medium Risk (20 implemented)

Senior Line Management Comment (Borough BusinessManager)

The summary of Key Findings is generally accepted. However, it is not accepted that there are no reconciliations of individual lines of expenditure. There are monthly independent reconciliation of local bank accounts and reconciliation of some individual lines of expenditure.

Work is currently in progress to address the action plan and review action taken.

Southwark BOCU

Draft Report issued June 2006
Final Report issued August 2006

Summary of Key Findings

Our overall opinion is that although there are effective controls in some areas adequate controls are not in place to meet all the business and financial objectives of the BOCU.

There is a lack of adequate documented guidelines within the Finance and Resource function and the roles and responsibilities of staff are not defined in some cases. Although regular monthly reviews of the overall budgetary position are performed, the level of regular, evidenced supervision and review within most of the business and financial processes is inadequate.

Segregation of duties for crime property, police overtime, asset and inventories and local accounts is not operating effectively. Authorisation processes for budgetary control, imprest expenditure and police overtime are ineffective. Complete, independent reconciliations of local bank accounts are not performed and there are no reconciliations of individual lines of expenditure such as police staff overtime, vehicle hire, assets/inventory items, crime property and housing allowance to source records. Controls over assets/inventory registers and crime property records also need to be improved.

Analysis of Recommendations

Management accepted all 37 recommendations:

37 Medium Risk (36 implemented)

Senior Line Management Comment (BOCU Commander)

I am pleased to report that of the 37 recommendations contained in the Audit report that 36 have been implemented. Recommendation 6.12, which highlighted the need for a list of all authorised Signatories for overtime purposes has been partly implemented. On a Borough as large as Southwark with approximately 200 Managers, based over 6 sites it was felt that it would not be practical to keep up to date signatures for each team. The decision was taken to keep a signature list of all Budget Holders (inspector and above) as a more workable option.

I would like to pass my thanks on to the Audit team for highlighting these areas for improvement. The Command Team welcome the feedback received during the audit and I am certain that the improvements made as a result of the recent audit were a contributing factor in the excellent financial results achieved by the Borough during the financial year 2006/7.

Newham BOCU

Draft Report issued May 2006
Final Report issued August 2006

Summary of Key Findings

Significant improvement is required before all the business and financial objectives of the BOCU can be met.

The BOCU has an inconsistent approach to the use of local and corporate documented guidelines and procedures supporting its business and financial systems. Although regular monthly reviews of the overall budgetary position are performed, the level of regular, evidenced supervision and review within most of the business and financial processes is inadequate. Segregation of duties is not operating effectively and there is no reconciliation of individual lines of expenditure such as housing allowance, police overtime, vehicle hire and partnership expenditure to source records. Local bank accounts and inventory items are not fully reconciled. In general, there is adequate control over the physical security of cash and crime property.

Analysis of Recommendations

Management accepted all 33 recommendations:

33 Medium Risk (17 implemented)

Senior Line Management Comment (BOCU Commander)

The recommendations of the Audit Report in 2006 were fully accepted by the Borough and action has been taken to address the issues made. The summary provided above creates a much more negative overview of the report than was set out in the context of the full report.

It should be noted that at the time of the audit there was a significant shortage of staff at the time of the audit which impacted on issues such as the division of duties

Review of SCD7 OCU

Draft Report issued February 2006
Final Report issued August 2006

Summary of Key Findings

Adequate controls are not in place to meet the system objectives and controls are not being applied consistently within the OCU.

There is a lack of adequate documented guidelines and procedures to support business and financial systems within SCD7. The level of supervision and review within the business and financial processes needs to be improved. Segregation of duties is not always operating effectively, particularly within local accounts, crime property and budgetary control systems. Authorisation processes across the OCU are not effective and controls to validate expenditure and verify transactions through reconciliations are not operating effectively. Controls over crime property cash also need to be improved.

Analysis of Recommendations

Management accepted all 40 recommendations:

40 Medium Risk (23 implemented)

Senior Line Management Comment (OCU Business Manager)

The Command agreed with the findings of the Audit, with the exception of that elating to a Divisional Account.

The Audit Team recommended the introduction of a Divisional Account, however Finance Directorate advised against this recommendation as Divisional Accounts are specific for Boroughs, as opposed to specialist OCUs. However, we are still dealing with this issue and are reviewing monies held to be placed in the Detained Person's Account.

A number of the recommendations have already been implemented. However, some remain outstanding due to the 40% vacancy factor within the F & R Unit. These are being addressed and will be resolved in the near future.

Tower Hamlets BOCU

Draft Report issued December 2005
Final Report issued August 2006

Summary of Key Findings

Significant improvement is required before all the business and financial objectives of the BOCU can be met.

There is a lack of adequate documented guidelines within the Finance and Resource function and the roles and responsibilities of staff are not defined in some cases. Although regular monthly reviews of the overall budgetary position are performed the level of regular, evidenced supervision and review within most of the business and financial processes is inadequate. Segregation of duties for crime property, police overtime, asset and inventories and local accounts is not operating effectively. Authorisation processes for budgetary control, imprest expenditure and police overtime are ineffective. Complete, independent reconciliations of local bank accounts are also not performed and there are no reconciliations of individual lines of expenditure such as police staff overtime, vehicle hire, assets/inventory items, crime property and housing allowance to source records.

Analysis of Recommendations

Management accepted all 40 recommendations:

40 Medium Risk (36 implemented)

Senior Line Management Comment (BOCU Commander)

(Awaits)

Budget Preparation, Approval and Monitoring

Draft Report issued September 2005
Final Report issued September 2006

Summary of Key Findings

The control framework in place for budget preparation, approval and monitoring is adequate but a number of controls are not operating effectively.

Timely budget reports are produced for budget monitoring and a monthly budget monitoring report is provided to the MPA Finance Committee with detailed commentaries.

Budget responsibility has been delegated to frontline officers in some cases, but operational costs are not always monitored and effectively managed. Budgets are presented with supporting details to the MPS/MPA for scrutiny and approval. The controls in place for managing and monitoring budgets are not operating effectively. Budget holders do not evidence any review of their budget forecasts, budget managers have not been nominated for all budget lines and adequate budget monitoring information is not always given to budget managers where they are in place.

Analysis of Recommendations

Management accepted 21 of the 25 recommendations made:

25 Medium Risk (15 accepted, 6 partly accepted, 20 implemented)

Senior Line Management Comment (Interim Director of Resources)

The MPS strongly challenges the audit assertion that operational costs are not monitored and effectively managed. In particular, an increasing emphasis in recent years has been placed on the monitoring and control of police overtime and detailed reports are produced on a monthly basis for a number of stakeholders; internally at cost centre, Business Group and Investment Board level and externally to the MPA Finance Committee and Budget & Overtime Group, where Members closely scrutinise financial performance.

Given the wide ranging and detailed level of scrutiny by stakeholders, in terms of evidencing forecasts, the MPS believes that a system of formal sign-off of each monthly forecast by individual budget holders would be overly bureaucratic and would not enhance the overall forecasting process.

In terms of having designated budget holders for all MPS budgets, a complete list of budget holders, is available. Budget managers throughout the MPS are provided with detailed financial monitoring information as part of the monthly reporting cycle and reports are devised to suit the individual needs of the various Business Groups"

The MPS is not complacent, however, and is continuously looking at ways of further improving the quality and timeliness of financial information provided for management decision-making purposes.

Management of PFI

Draft Report issued February 2006
Final Report issued September 2006

Summary of Key Findings

Significant improvement is needed before business objectives of the PFI can be achieved. The control over management of the delivery of PFI services is not adequate as the risks of non-delivery are borne by the MPS. There are also inadequate resources and systems to manage delivery effectively.

Controls over contract variations and the budgetary framework are adequate although some improvement over the authorisation and checking of expenditure, including service credits, is required.

Analysis of Recommendations

Management accepted all 20 recommendations:

20 Medium Risk (19 implemented)

Senior Line Management Comment (Director Of Property Services)

Internal Audit, for another year, infers that the business objectives of PFI cannot be achieved. This is an inaccurate representation of the facts. The PFI contracts are in place as approved by the MPA. The risk factors and their apportionment are as reported and approved by the MPA, and the contractual situation is compliant and in place. The MPA in year declined to amend the risk profile and that is fully available in "audit trail terms". The risk of non delivery is as per the MPA approved contract terms and is not capable of change. As to PSD management resources, on management of the PFI, these matters have to be seen in light of resource constraints/savings set by the MPA budgetary processes. Solutions are not within the gift of the Director of Property Services or indeed solely the MPA.

Hackney BOCU

Draft Report issued November 2005
Final Report issued September 2006

Summary of Key Findings

Some improvement is required to ensure that the business and financial objectives of the BOCU are met.

There is a lack of adequate documented guidelines for processing crime property and police overtime. There is also a general lack of training and guidance to some staff processing police expenses, housing allowances and crime property. Segregation of duties for crime property, budgetary control and local accounts is inadequate.

Complete, independent reconciliations of local bank accounts are not performed and there are no reconciliations of individual lines to source records. The level of regular, evidenced supervision and review within most of the business and financial processes is also inadequate. Documentation retained to support key business and financial processes is generally in need of improvement.

Analysis of Recommendations

Management accepted all 28 recommendations:

28 Medium Risk (11 implemented)

Senior Line Management Comment (BOCU Commander)

(Awaits)

Greenwich BOCU

Draft Report issued November 2005
Final Report issued September 2006

Summary of Key Findings

Our overall opinion is that significant improvement is required before all the business and financial objectives of the BOCU can be met.

The BOCU does not have adequate documented guidelines and procedures to support its business and financial systems. Segregation of duties is not operating effectively and authorisation processes on the BOCU, particularly for police staff and police overtime, are inadequate.

Complete, independent reconciliations of local bank accounts are performed but there are no reconciliations of individual lines of expenditure such as police staff overtime, vehicle hire and housing allowance to source records, although the FRM does verify Human Resource records of staff numbers to payroll expenditure. Work is in progress to improve control over asset/inventory items. There is adequate control over the physical security and reconciliation of cash and crime property, but a lack of independence in this process reduces its effectiveness.

Summary of Key Findings

Management accepted all 27 recommendations:

  1 High Risk
26 Medium Risk (6 implemented)

Senior Line Management Comment (BOCU Commander)

(Awaits)

Wandsworth BOCU

Draft Report issued May 2006
Final Report issued October 2006

Summary of Key Findings

Some improvement is required to ensure that the business and financial objectives of the BOCU are met.

There is guidance to support a number of the business and finance systems on the Borough but guidelines for processing crime property and police overtime need development. Regular monthly reviews of the overall budgetary position are performed and the level of regular, evidenced supervision within most of the business and financial processes is adequate.

Segregation of duties for crime property, budgetary control and purchasing is not effective. Complete, independent reconciliations of local bank accounts are also not performed and there are no reconciliations of individual lines to source records. Police overtime is supervised retrospectively through budget monitoring although there is a need to improve controls to ensure that appropriate authorisation is visible. There is inadequate control over the physical security of crime property at the Wandsworth store, including the storage of drugs and firearms. The systems for ensuring that cash reaches the property safes and is disposed of appropriately are also in need of review.

Analysis of Recommendations

Management accepted all 43 recommendations:

43 Medium Risk (41 implemented)

Senior Line Management Comment (BOCU Commander)

All 43 recommendations have either been fully implemented, or are in the process of being implemented. Tighter controls have been put in place regarding crime property. Budget lines are monitored and details of expenditure and savings are constantly being reviewed. Forecasting is actioned on a

monthly basis. All requests for expenditure are submitted via business cases and there is now clear segregation between those making decisions and those authorising them. The system of reconciliation of local bank accounts is now operated electronically and is transparent to central Finance Services. Other recommendations in this area have been fully implemented. Prior authorisation is now required for police overtime reducing the problem of retrospective budget management. The property store now has a secure entrance and more safes have been provided. Other recommendations in this are being implemented.

Barking and Dagenham BOCU

Draft Report issued April 2006
Final Report issued October 2006

Summary of Key Findings

Significant improvement is required before all the business and financial objectives of the BOCU can be met.

The BOCU does not have adequate documented guidelines and procedures to support its business and financial systems. Segregation of duties is not operating effectively and authorisation processes on the BOCU, particularly for police staff and police overtime, are inadequate.

Complete, independent reconciliations of local bank accounts were recently resumed and the FRM verifies Human Resource records of staff numbers to payroll expenditure. However, there are no reconciliations of individual lines of expenditure such as police staff overtime and housing allowance to source records. There is also no reconciliation of crime property recorded to that held and there is a need to improve security over cash and firearms.

Analysis of Recommendations

Management accepted all 32 recommendations:

31 Medium Risk (11 implemented)
 1 Low Risk

Senior Line Management Comment (BOCU Commander)

An internal audit had not been undertaken on the BOCU for several years therefore the inspection was welcomed.

Both auditors were highly professional providing advice and assistance during their inspection as well as listening to concerns raised by those working on the BOCU. They had a distinct appreciation of how a BOCU operates and some of the practical difficulties

Some of the findings are of a corporate nature and it would seem inappropriate that the BOCU should have this identified as a local risk when it is not within their control to alter. It is obviously necessary to identify the risk but a different way of noting this should be established.

Barking and Dagenham BOCU is keen to deliver and implement the recommendations made within the report, although thus far staffing levels within particular units has prevented this being totally realised. I am confident that this will be addressed during the current financial year allowing those areas to be reviewed.

SO13 Anti Terrorist Branch

Draft Report issued June 2006
Final Report issued September 2006

Summary of Key Findings

The control framework within SO13 is adequate but a number of controls are not operating effectively.

Effective arrangements are in place for the review and supervision of the monthly budget position, however, this level of review is not evidenced in many of the other business and finance systems. Record keeping is adequate but local guidelines need to be developed and the level of segregation of duties needs to be improved particularly within budget management, the administration of local accounts and crime property. Reconciliations of expenditure are not being carried out although payroll numbers are checked to pay expenditure. Authorisation processes are being reviewed within SO13.

Analysis of Recommendations

 Management accepted 26 out of 30 recommendations made:

5 High Risk (5 accepted and implemented)

25 Medium Risk (21 accepted, 7 implemented)

Senior Line Management Comment (Commander Counter Terrorism)

Following the SO13 Internal Audit report SO13 anti-Terrorist Branch has amalgamated with SO12 Special Branch to form SO15 Counter Terrorism Command. Such an amalgamation is not an 'instant' creation, but the new command is continuing to develop over the next 12-24 months. Some of the accepted recommendations for SO13 will need to be re-visited within the context of SO15. However, SO15 is progressing the Internal Audit recommendations along with an SO12 internal thematic inspection under the auspices of the Specialist Operations 'Good Housekeeping' scheme. This scheme is progressed by the SO15 Performance Development Unit (PDU).

Partnership Funding and Control

Draft Report issued August 2006
Final Report issued January 2007

Summary of Key Findings

Significant improvement is needed before the business objectives for partnership funding and control can be met.

Corporate Policy and Standard Operating Procedures for governing partnership activities are not in place. There is a lack of clarity around the definition of what constitutes a partnership and where corporate responsibility lies. There is an absence of controls over assets relating to partnership activities, including periodic checks. Objectives of individual funding streams and the roles and responsibilities of individual partners have also not been defined.

Analysis of Recommendations

Management accepted all 18 recommendations:

18 Medium Risk (3 implemented)

Senior Line Management Comment (AC TP)

(Awaits)

Human Resource Planning

Draft Report issued January 2007
Final Report issued February 2007

Summary of Key Findings

The control framework in place for human resource planning is adequate but a number of controls are not operating effectively.

The HR policy and strategic plans are clearly defined, evaluated and properly approved. However, the link between the Workforce Planning Strategy and how it supports the overall HR Strategy needs to be clearer. Measurable targets also need to be developed for the HR headline scorecard and controls over action taken to address areas where targets are not met need to be more effective.

Analysis of Recommendations

Management accepted all 10 recommendations:

10 Medium Risk

Senior Line Management Comment (Director HR)

(Awaits)

Strategic Planning for Training

Draft Report issued November 2006
Final Report issued February 2007

Summary of Key Findings

The control framework for the strategic planning for training is adequate but a number of controls are not operating effectively.

There is adequate control through the provision of a training strategy and having a   management structure in place for the control of strategic planning. However, there is a shortage of adequate accommodation and skilled trainers to complete all the training identified in the Annual Training Plan. Training managers roles and responsibilities also need to be clarified.

Control over strategic planning is adequate but could be further improved by ensuring that plans incorporate agreed national training programmes and that each training board and training unit has a strategy for delivering local training. Strategic planning also needs to ensure that sufficient development training is provided so that in-house skills at management level are adequate to meet future needs.

Management information and the evaluation of training provided needs to be improved. Details required for annual planning and reporting are not always adequate or submitted on time, and the central system holding training records is not up to date. The requirements of the MPS Training Evaluation Strategy are not consistently followed in providing feedback on the adequacy of delivered training.

Analysis of Recommendations

 Management accepted all 19 recommendations:

 19 Medium Risk (11 implemented)

Senior Line Management Comment (Director HR)

(Awaits)

Rent and Housing Allowance

Draft issued January 2007
Final Report issued February 2007

Summary of Key Findings

Adequate controls are not in place to meet the system objectives for the payment of rent and housing allowances and controls are not being consistently applied.

The level of knowledge and experience of those responsible for applying the regulations and rules governing rent and housing allowance when authorising payment is inadequate. Police officers do not always inform the BOCU/OCU and payroll provider of changes in their circumstances and details on police officers personal files, which effect their entitlement to rent and housing allowance, are not always up to date. The level of reporting and review of payment of this allowance could also be improved.

Analysis of Recommendations

Management accepted all 10 recommendations:

10 Medium Risk

Senior Line Management Comment (Director HR)

Senior Line Management Comment (Director of Resources)

The Guide to Rent and Housing Allowance has been updated and placed on the Pay and Pensions Contract Management Team website. An e-mail has been issued to all HR managers referring them to the website and advising them to comply with the recommendations set out in the Audit Report. The Directorate of Public Affairs is being consulted regarding the wording of any references to discipline offences as there are also criminal offence implications in respect of the Fraud Act 2006.

Hammersmith BOCU

Draft Report issued December 2006
Final Report issued February 2007

Summary of Key Findings

The control framework within the BOCU is adequate but the majority of controls are not operating effectively to meet all the business and financial objectives.

The BOCU has limited documented guidelines and procedures to support a number of its business and financial systems. Segregation of duties, particularly for police overtime, is not operating effectively, although for local accounts the risks are minimised by the level of supervisory checks within the system. Authorisation processes, in particular for police overtime and invoice payments, are inadequate. Reconciliations are also not carried out for housing and rent allowances, police/police staff overtime, crime property and inventory items.

Analysis of Recommendations

Management accepted all 37 recommendations:

36 Medium Risk (17 implemented)
 1 Low Risk

Senior Line Management Comment (BOCU Commander)

The Borough is working towards implementing the recommendations set out in the audit report. For example, we recognize that our overtime policy has not been reviewed and updated since 2003 and does not include guidelines for police staff. This is being rectified.

We now have a better understanding of the importance of effective control measures and I am confident that, where recommendations have been made, they will have been reviewed by the SMT and implemented, where applicable, by the end of June 2007. Whilst recognizing the process issues raised within the audit report, I am concerned about the level of staffing I am able to put within the finance team and have discussed this with TP SMT colleagues. There are no additional personnel to be had but would ask that in reviewing the way in which finance auditing procedures are introduced, that account is taken of the fact that there will be very few personnel to implement anything more than straightforward system.

Review of Traffic Criminal Justice OCU

Draft Report issued February 2007
Final Report issued February 2007

Summary of Key Findings

Although staff demonstrated a commitment to ensure that effective checks are carried out, adequate controls are not in place to meet all the business and financial objectives of the OCU.

The level of supervision and review within the financial processes needs to be improved. Complete, evidenced and independent reconciliations are not performed to confirm the accurate accounting of income and expenditure. Authorising officers are not always able to verify the accuracy and validity of payments in respect of police expense and police staff overtime claims as inadequate supporting records are maintained. In general adequate documented guidelines and procedures to support business and financial systems have been established and issued. Plans are in place to address the inadequacy of building security.

Analysis of Recommendations

Management accepted all 19 recommendations:

19 Medium Risk (1 implemented)

Senior Line Management Comment (OCU Commander)

(Awaits)

Common Police Services (Support Inside the UK)

Draft issued February 2007
Final Report issued March 2007

Summary of Key Findings

The control framework in place for the provision of common police services is adequate but a number of controls are not operating effectively.

There are clearly defined objectives and documented agreements for providing personnel and other resources to external police organisations within the UK. An up to date and readily available policy on secondments is in place. All applications for secondments are properly evaluated and approved and controls for the identification, collection and accounting for income due are adequate. However, the controls in place to ensure that the terms and conditions applied to all secondments are legally valid and enforceable need to be improved.

Analysis of Recommendations

Management accepted 10 of the16 recommendations made:

15 Medium Risk (10 accepted, 6 implemented)
  1 Low Risk (Not accepted)

Senior Line Management Comment (Director HR)

(Awaits)

Major Incident Response

Draft Report issued February 2006
Final Report issued March 2007

Summary of Key Findings

Some improvement is required to ensure that the business objectives for Major Incident Response are met.

Effective controls are in place for the provision and review of management information. However, the policies and procedures in place for resolving, monitoring and reviewing major incidents need to be updated and properly documented. A central record of all the time, business and mission critical systems across the MPS needs to be developed to ensure that resources are efficiently and effectively deployed in the event of a major incident. The DoI Service Delivery Teams have developed business continuity plans but not all have been tested.

Analysis of Recommendations

Management accepted all 12 recommendations:

12 Medium Risk

Senior Line Management Comment (AC Central Operations)

(Awaits)

Catering Sales and Trading

Draft Report issued May 2006
Final Report issued March 2007

Summary of Key Findings

The control framework in place for catering sales and trading is adequate but a number of controls are not operating effectively.

Adequate policies, procedures and guidelines are in place but need to be clearly documented at a local level. Systems for monitoring and assessing the effectiveness of trading and sales within the units are operating efficiently but controls to ensure timely, accurate and complete management information are inadequate, mainly due to the time delay between the receipt of information and its entry into the corporate accounting system. Controls over the recording and accounting of expenditure are also inadequate and budgetary controls are not operating effectively at a local level.

Analysis of Recommendations

Management accepted 23 out of 25 recommendations made:

25 Medium risk (23 accepted and implemented)

Senior Line Management Comment (Director of Logistical Services)

Excellent progress has been made since the Audit report was published in March 2007. All of the 23 recommendations which were accepted have been implemented.

Attendance Management

Draft Report issued July 2006
Final Report issued March 2007

Summary of Key Findings

Some improvement is required to ensure that the business objectives of the Attendance Management system are met.

However, we are pleased to note that following the introduction of revised procedures to manage staff attendance the average sickness absence of police officers and police staff was reduced to 7.2 and 9.9 days respectively in January 2007. (8.4 and 10.6 in 2003/4)

Although an approved strategy, policy and procedures for the management of staff attendance are in place, the degree to which the procedures are being adhered to vary. The system would benefit from improvements to controls over defining the role of line managers the planning and monitoring of return to work programmes.

Analysis of Recommendations

Management accepted 18 of the 19 recommendations made:

19 Medium Risk (18 accepted and implemented)

Senior Line Management Comment (Director HR)

(Awaits)

Catering Special Events

Draft Report issued May 2006
Final Report issued March 2007

Summary of Key Findings

The control framework for the catering of special events is adequate but a number of controls are not operating effectively.

The process for identifying a Public Order event where catering would be provided is adequate, staff involved in the process are clear about their responsibilities and adequate guidelines are in place. However, the systems for the identification, utilisation and accounting of resources and the authorising and accounting for expenditure requires improvement. An effective system for monitoring costs, introducing changes to achieve savings and better value for money also needs to be set up. Increased efficiency and savings can be achieved by improved liaison between Catering Services and CO11. There is

also scope for some improvement in the provision and review of management information. This can be accomplished by CO11 clearly defining and communicating their management information requirements to Catering Services.

Analysis of Recommendations

Management accepted all 7 recommendations:

6 Medium Risk (2 implemented)
1 Low Risk (1 implemented)

Senior Line Management Comment (Director of Logistical Services)

Catering Services has reviewed the original instructions concerning staffing levels to be used when operational feeding is undertaken at a local unit. These instructions stress the importance of local managers complying with the laid down guidelines and the need to seek prior approval from Catering Special Events for any variation.   CO11 has agreed to review the adequacy of the management information provided to Catering Special Events.

Royal Parks Police OCU

Draft Report issued January 2007
Final Report issued February 2007

Summary of Key Findings

The control framework in place within the OCU is not operating effectively and there is a need for controls to be improved in a number of areas.

There is no local documented partnership agreement with the Royal Parks Agency. There are no guidelines in respect of police overtime, police staff overtime/expenses crime/found property, budgetary control and local purchasing systems. Segregation of duties within the OCU is not operating effectively and authorisation processes are inconsistent. The systems in place for monitoring, receiving and reconciling external funding also need to be improved. The Risk Management Framework for the OCU is currently being developed.

Analysis of Recommendations

Management accepted 30 of the 31 recommendations made:

29 Medium Risk (28 accepted, 25 implemented)
  2 Low Risk (2 accepted and implemented)

Senior Line Management Comment (OCU Commander)

(Awaits)

FOLLOW-UPS

Final Reports

Creditors Payment System

Draft Report issued July 2005
Final Report issued May 2006

Summary of Findings

There has been significant improvement in the controls over Creditor Payment System since the original review. Thirty two of the thirty seven recommendations, including five in the high-risk category, have been implemented in full.

Uniform Services – Stores and Stock Control

Draft Report issued March 2006
Final Report issued May 2006

Summary of Findings

There has been improvement in the control framework over Uniform Services – Stores and Stock Control since the original review was carried out in 2002. Of the twenty five recommendations nineteen have been fully implemented, one partially and five remain outstanding. We have made six additional recommendations.

Storage and Display of Police Artefacts

Draft Report issued April 2006
Final Report issued May 2006

Summary of Findings

Management has made significant effort to address the issues raised. Eight of the twenty-eight recommendations have been implemented. Twenty recommendations remain partly implemented, as they are largely dependent on

the outcome of a review, currently underway, by the Head of Business Support, Logistical Services.

Interview Tapes – Retention, Storage and Disposal

Draft Report issued April 2006
Final Report issued June 2006

There has been significant improvement in the controls over interview Tapes – Retention, Storage and Disposal since the original review. Thirteen of the fourteen agreed recommendations have been implemented fully and one partially.

Payroll Starters and Leavers

Draft Report issued March 2006
Final Report issued June 2006

Summary of Findings

Ten of the eleven recommendations had been implemented fully and one partially. The system is now adequate to achieve the business objectives.

Systems Supporting Camera Partnerships

Draft Report issued April 2006
Final Report issued June 2006

Summary of Findings

There has been significant improvement in the control framework. Seven of the eight agreed recommendations have been implemented and one is no longer applicable. The system is now adequate to achieve the business objectives.

Accounts Control SO/SCD (C) (including Accounts Control SO12 (C))

Draft Report issued April 2006
Final Report issued June 2006

Barnet BOCU

Draft Report issued May 2006
Final Report issued July 2006

Summary of Findings

There has been some improvement in the control framework. Ten of the nineteen recommendations have been fully implemented, five partially and four remain outstanding. Eleven additional recommendations have been made.

Hillingdon BOCU

Draft Report issued February 2006
Final Report issued July 2006

Summary of Findings

Although the overall control framework has improved, adequate controls are not in place to meet all the system objectives. Twenty-three of the forty-six recommendations have been implemented fully, twelve partially, four remain outstanding and one no longer applies.

Equipping and de-equipping of vehicles

Draft Report issued March 2006
Final Report issued July 2006

Summary of Findings

There has been significant improvement in the control framework. Eleven of the twelve agreed recommendations have been implemented fully and one partially.

Transport OCU

Draft Report issued August 2006
Final Report issued August 2006

Summary of Findings

There has been significant improvement in the control framework. Twenty-three of the twenty-four agreed recommendations have been implemented fully and one partially.

Inventories and Asset Registers

Draft Report issued March 2006
Final Report issued September 2006

Summary of Findings

There has been insufficient progress to implement the agreed recommendations. Of the twelve recommendations made four have been implemented fully, two partially and six remain outstanding.

Amendments to Pay Standing Data

Draft Report issued September 2006
Final Report issued October 2006

Summary of Findings

There has been significant improvement in the control framework. Of the ten agreed recommendations, eight have been fully implemented and the remaining two partially implemented.

Police Staff Career Management

Draft Report issued August 2006
Final Report issued October 2006

Summary of Findings

There has been some improvement in the control framework. There are, however, a number of areas that require some strengthening. Of the seventeen agreed recommendations ten have been implemented fully, three partially and four remain outstanding.

Police Officers/Staff and Dependents Pensions

Draft Report issued September 2006
Final Report issued October 2006

Summary of Findings

There has been some improvement in the control framework. Of the three agreed recommendations, one has been fully implemented, one partially and one remains outstanding.

MPA Internal Audit - Annual Report 2006/7 - DRAFT

Registration of Overseas Visitors and Immigration Checks

Draft Report issued August 2006
Final Report issued October 2006

Summary of Findings

Whilst there has been some improvement in the control framework, further improvement is required before system objectives can be met. Of the nineteen agreed recommendations eight have been implemented fully, two partially and nine remain outstanding.

MPA Business and Financial Systems

Draft Report issued July 2006
Final Report issued October 2006

Summary of Findings

The control framework has improved since the original review. Thirty-eight of the forty-seven recommendations, including two of the three in the high-risk category, have been implemented.

Linguists

Draft Report issued September 2006
Final Report issued November 2006

Summary of Findings

There has been significant improvement in the control framework. Twelve of the fifteen agreed recommendations have been implemented fully.

Registration Storage, Disposal and Security of Documents

Draft Report issued October 2006
Final Report issued December 2006

Summary of Findings

The control framework is now adequate all our recommendations have been implemented.

Use and Control of Fuel

Draft Report issued September 2006
Final Report issued December 2006

Summary of Findings

There has been significant improvement in the control framework. Twenty-four of the twenty-seven agreed recommendations, including the two in the high-risk category, have been implemented fully, two partially and one remains outstanding.

Caution Administration System

Draft Report issued August 2006
Final Report issued December 2006

Summary of Findings

There has been significant improvement in the control framework. Twelve of the fifteen agreed recommendations have been implemented fully and three partially.

Vehicle Fleet Management (incl. Provision and Disposal)

Draft Report issued September 2006
Final Report issued January 2007

Summary of Findings

There has been significant improvement in the control framework. Of the twenty-two recommendations, twenty have been implemented and management is addressing the remaining two.

Vehicle Hire

Draft Report issued September 2006
Final Report issued January 2007

Summary of Findings

There has been some improvement in the control framework. Of the nineteen agreed recommendations fourteen have been implemented in full, one partially and four remain outstanding.

Sponsorship and Income Generation

Draft Report issued December 2006
Final Report issued February 2007

Summary of Findings

There has been significant improvement in the control framework over sponsorship and income generation since the original audit was carried out. Of the twenty-nine agreed recommendations, nineteen have been implemented fully, eight partially and two remain outstanding.

The achievement of one business objective however, is dependant on the success of the 'New Scotland Yard' Brand of merchandise. We made four additional recommendations.

Vehicle Maintenance and Repair

Draft Report issued September 2006
Final Report issued February 2007

Summary of Findings

There has been some improvement in the control framework. Of the sixteen agreed recommendations, thirteen have been implemented in full. Two have been partially implemented and one remains outstanding.

Enfield BOCU

Draft Report issued March 2006
Final Report issued March 2007

Summary of Findings

Our overall opinion is that at the time of our fieldwork, some improvement in the control framework since the original review had been made. However further strengthening of controls was required in a number of areas. Of the forty-seven agreed recommendations, twelve had been implemented fully and twelve partially. One recommendation was no longer applicable and twenty-two remained outstanding.

There has been significant improvement in the control framework since the conclusion of our fieldwork as action has been taken or is in hand to address all the outstanding and thirteen additional recommendations.

Acquisition and Disposal of Covert Property (C)

Draft Report issued August 2006
Final Report issued May 2007

Summary of Findings

Since the conclusion of our fieldwork action has been to address all but one of the outstanding and additional recommendations and the control framework has significantly improved as a result.

Provision and Disposal of Covert Vehicles (C)

Draft Report issued August 2006
Final Report issued May 2007

Summary of Findings

Since the conclusion of our fieldwork action has been to address all the outstanding and additional recommendations and the control framework has significantly improved as a result.

Accounts Control – TSU SO11 (C)

Draft Report issued September 2006
Final Report issued May 2007

Summary of Findings

Since the conclusion of our fieldwork action has been to address all but four recommendations and the control framework has significantly improved as a result.

Witness and Jury Protection – Funding and Control (C)

Draft Report issued September 2006
Final Report issued May 2007

Summary of Findings

Since the conclusion of our fieldwork action has been to address all but two of the outstanding and additional recommendations and the control framework has significantly improved as a result.

Systems Development and Control Advice

MPA Estates Oversight Group

We attend the group to act as advisor to the lead member with portfolio responsibility for the oversight of matters relating to the MPA Estate.

MPA IS/IT Oversight Group

We attend the group to act as advisor to the lead member with portfolio responsibility for the oversight of IS/IT developments and issues within the MPS.

MPA Human Resources Oversight Group

We attend the group to act as advisor to the lead member with portfolio responsibility for the oversight of issues relating to Human Resources within the MPS.

Met Modernisation Oversight Group

We attend and advise members as part of the MPA oversight of the Met Modernisation programme (a three-year change programme designed to create a more efficient and accessible Police Service).

Transforming HR

We attend and advise the Transforming HR Programme Board which is chaired by the Director of Human Resources. This board manages the project set up to improve service delivery of HR services across the MPS. We also provide advice through the various working groups that feed into the project.

Governance Arrangements for Covert Policing

We advise on the governance arrangements put in place to manage and control the business and finance aspects of covert policing.

Contract Regulations and Procurement

We attend the group that has been set up to review the Authority's Contract Regulations. The revised Contract Regulations are due to be introduced in September 2007. As part of this work we are also advising on the Procurement Strategy and processes that are being developed by the Director of Procurement Services within the MPS.

Outsourcing Action Groups

We continue to attend the Action Groups set up by the Director of Resources and the Director of Information to oversee the outsourcing process. Our

involvement helped to ensure that key lessons learned from previous outsourcing exercises and our audits were addressed in developing and delivering the new service contracts. Our work continues in reviewing and advising on the arrangements put in place to manage transitional arrangements and the management of the new contracts.

National Fraud Initiative

We have the MPA/MPS lead for participation in this nation-wide fraud prevention and detection strategy. We are the liaison point between MPS colleagues, the Audit Commission and other public sector participants. MPS payroll and pensions data was provided to the NFI in October 2002 for data matching with that of other local authorities. We have received back the matched data and expect to identify a small number of pensions related frauds.

Risk and Control Awareness Training

We continue to be involved with the Financial Awareness Training courses run by Finance Services for staff and officers across the MPS. Our input, through presenting sessions on the courses, helps to inform key personnel of their responsibilities, the need for financial and business controls and the consequences of inadequate controls.

Crime Related Property

Advice continues to be given to BOCU property stores and to Central Property Services to assist in improving control in the recording, storage and disposal of crime related property.

MPS IT Security Policy and the METSEC Project Board

We attend the quarterly METSEC Project Board meetings to advise and participate in discussions on matters of physical security (personal, asset and building security) and logical controls for information systems. We comment on drafts of METSEC policies and proposed METSEC Standards at the request of the Service Security Branch. We share the results of audit investigations and system reviews and provide advice and support to the Service Security Branch on security issues.

MPS Corporate Personnel System – the MetHR project

The MetHR project provides a single corporate personnel system to replace a number of MPS legacy and local systems. We attend the MetHR Project Board as designated advisors to the project focussing on control aspects of software modules under development, in particular controls over the core database product and the MetHR to Payroll interface. We have been consulted on project management, logical and physical security and process and system testing. There continues to be a significant commitment by internal audit to this and associated projects.

IMSG Audit and Benefits Realisation sub-group.

We attend and advise this group which is chaired by the Director of Information and reports to the Information Management Steering Group. The group meets quarterly to track the progress of audits and monitor the implementation of internal audit recommendations pertinent to the Department of Information and Service Security Branch. This is a permanent committee.

MPS Infrastructure Workstream Board

This Board is managing the projects to deliver the MPS technology upgrade for the corporate IT infrastructure. The Board meets monthly and we attend as advisors on control issues and respond to discussion papers when appropriate.

AWARE Senior User Assurance Group

The MPS continues to upgrade and standardise its corporate IT system. This group represents users of the MPS corporate Intranet and we attend monthly meetings as users and also to advise on controls. Significant internal audit resource is devoted to this developing corporate system. As part of a small working group we have agreed with Directorate of Professional Standards a common requirement to facilitate forensic investigations of the Aware platform and systems hosted on Aware. This requirement is now in the course of implementation.

Duty Management and Overtime Records Project (MetDuties and MetTime)

We continue to review the development of the new systems for automated duties management, originally as a CARM replacement (MetDuties) and more recently the new over-arching system for duties, overtime and associated expenses/allowances (MetTime). We aim to ensure that the organisation benefits from the lessons learned from recent internal audits that the project is properly controlled, particularly in view of issues involving the initial development of MetTime.

The Suppliers and Tenderers Risk Assessment Group (STRAG)

We participate in the work of STRAG. STRAG was established to monitor on behalf of the Director of Resources the risk of failure of major contracts, particularly outsourced service contracts. The group has categorised the contracts and contractors into risk groups and monitors those assessed as high risk. The conclusions of the group are circulated to MPS Directors.

MetaFor

We have provided advice on control issues on the initial development of the Metafor project, which aims to improve Forensic Case Management throughout

the MPS. We continue to be involved in the renewed development of the project.

Review of Finance and Resource Functions

We have been involved in providing advice and input to the Finance Services review aimed at creating new Finance and Resource structures and role profiles. This has been at both strategic and workshop levels.

Use of AMEX Cards

A new system for processing AMEX claims and payments has been developed and is currently being piloted in SCD and SO. The changes will lead to the greater involvement of local operational and finance managers, improved management information to assist with monitoring and review and, revisions to the accounting processes to allow for more timely reporting of expenditure. We have provided advice throughout the development of the system.

Vehicle Recovery

We have supported and advised the Vehicle Recovery and Examination Service on a number of issues related to vehicle recovery, particularly on the tender submitted to continue providing a service to Transport for London and on seeking tenders for recovery agents to work as contractors for the MPA/MPS.

Internal Audit Investigations 2006/2007

1.   **Split of Investigations by MPS Business Area**

Business Area	Number of Cases			
	2006/2007		**(2005/2006)**	
	Internal	*External*		*Internal*
External				
Human Resources	0	0	(1)	(0)
Directorate of Information	4	1	(3)	(3)
Property Services Directorate	3	0	(1)	(2)
Directorate of Transport	2	0	(1)	(1)
Directorate of Procurement	2	0	(1)	(0)
Directorate of Commercial Services	8	0	(1)	(0)
Directorate of Finance	1	0	(1)	(0)
Specialist Operations/Crime	3	0	(1)	(0)
Territorial Policing	18	0	(26)	(1)
Deputy Commissioner's Command	0	0	(0)	(0)
Others	8	27[4]	(2)	(11)
Total	49	28	(38	(18)

2.   **Split by Type of Allegation**

	2006/2007	(2005/2006)
False claim for fees, expenses or overtime	7	(7)
Theft of cash	10	(12)
Missing Assets/Waste	12	(6)
Corruption or misconduct in public office	0	(3)
Forgery of documents	0	(2)
Theft of property	0	(1)
Computer misuse	1	(2)
NFI -Failure to notify death of pensioner	25	(1)
NFI - Failure to notify secondary employment	0	(0)
NFI – Benefit investigations	7	(19)
NFI – Visa cases	7	(0)
Other	8	(3)
Total	77	(56)

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[4] Includes 26 cases relating to pensioners resulting from the NFI.

		Number of Cases	
		2006/2007	**(2005/2006)**
3.	**Outcome of cases**		
Staff Suspended		**2**	**(2)**
Staff arrested		**1**	**(2)**
Others arrested		**0**	**(1)**
Staff charged		**4**	**(2)**
Others charged		**0**	**(1)**
Staff resigned/dismissed		**6**	**(4)**
Staff cleared by investigation		**13**	**(1)**
Cases still under investigation		**52[5]**	**(24)**
4.	**Recovery of funds**	**£4,159,266**	**(£353,000)**
	Losses stemmed/prevented	**£7,155,000**	**(£690,173)**
	Savings	**£374,517**	**(£1,359,349)**
	Total	**£11,688,820**	**(£2,402,522)**
5.	**Current Live Cases**		
From 2000/2001		**1[6]**	**(1)**
From 2001/2002		**0**	**(0)**
From 2002/2003		**0**	**(3)**
From 2003/2004		**0**	**(0)**
From 2004/2005		**0**	**(7)**
From 2005/2006		**8**	**(24)**
From 2006/2007		**52**	
	Total	**61**	**(35)**
6.	**Total number of cases**		
	Financial Year 2006/2007	**77**	
	1997 to 31.3.2007	**689**	

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[5] Includes 29 NFI cases started in February 2007.
[6] Bells Whittrad

Internal Audit Assurance Criteria

SCORE*	ASSURANCE RATING	ASSURANCE CRITERIA
1	The system is performing particularly well to achieve business objectives.	There is a sound framework of control operating effectively to achieve business objectives.
2	The system is adequate to achieve business objectives.	The framework of control is adequate and controls are generally operating effectively.
3	Some improvement is required to ensure that business objectives are met.	The control framework is adequate but a number of controls are not operating effectively.
4	Significant improvement is needed before business objectives can be met.	Adequate controls are not in place to meet all the system objectives and controls are not being consistently applied.
5	Unacceptable level of control.	The control framework is inadequate and controls in place are not operating effectively. The system is open to abuse, significant error or loss and/or misappropriation.

* The score is used for internal purposes only (i.e. to feed into the ANA and help form the DIA's overall opinion on control in the MPS). The score column is not published to auditees.