

Summary of DARA Activity 2<sup>nd</sup> Quarter 2010/11**Risk Based Audits**

Audit Title	Overall Opinion	Areas of Effective Control	Controls for Improvement	Recommendations and Progress
<b>Fixed Asset Register</b>  Draft: April 2009 Final: July 2010	Control framework is adequate and controls are generally operating effectively.	<ul style="list-style-type: none"> <li>• Policies and procedures comply with UK Generally Accepted Accounting Practices (UKGAAP) and relevant codes of practice.</li> <li>• Good progress towards implementation of IFRS.</li> <li>• Identification and accurate recording of assets.</li> <li>• Reporting and monitoring arrangement.</li> </ul>	<ul style="list-style-type: none"> <li>• Timeliness of property valuations.</li> </ul>	Two recommendations were made and accepted.  The low risk recommendation has been implemented and the remaining medium risk is due to be completed by July 2010.
<b>Accounts Control Professional Standards</b>  Draft: June 2010 Final: August 2010	Control framework remains adequate and controls are generally operating effectively.	Restricted report.	Restricted report.	All seven recommendations made were accepted and three have been implemented.
<b>Resourcing and Management of Specials</b>  Draft: March 2010 Final: June 2010	Although there are effective controls in some areas adequate controls are not in place to meet all of the system objectives.	<ul style="list-style-type: none"> <li>• Clearly defined, properly evaluated policies and procedures for the MSC.</li> <li>• Approved recruitment and vetting criteria.</li> <li>• Payment of allowances and expenses.</li> <li>• Monitoring service delivery.</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and allocation of MSC resources.</li> <li>• Ability and capacity to deliver the MSC recruitment target of 2 million policing hours per annum for 2012.</li> <li>• Review of individual special's performance and monitoring job satisfaction.</li> <li>• Effective review of the reasons for specials leaving the service, particularly in the light of the current rate of voluntary resignation.</li> </ul>	All 14 recommendations were accepted, including two in the high risk category.  One of the high risk recommendations and three of the medium risk have been implemented.  The remaining high risk recommendation is due to be completed by August 2010, and all other recommendations by January 2011.

Summary of DARA Activity 2<sup>nd</sup> Quarter 2010/11

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<b>Interview Media – Retention Storage and Disposal</b>  Draft: May 2010 Final: July 2010	Effective controls in some areas but adequate controls are not in place to meet all the system objectives.	<ul style="list-style-type: none"> <li>Clearly documented and approved guidelines for the retention, storage and disposal of interview media.</li> <li>Authorisation of the generation of interview media.</li> </ul>	<ul style="list-style-type: none"> <li>Regular review of guidelines for the retention, storage and disposal of interview media.</li> <li>Interview media details not always recorded on the custody record.</li> <li>Maintaining records of all tape copies made and their location.</li> <li>Consistent secure storage of interview tapes.</li> <li>Consistent proper authorisation of the disposal of interview tapes.</li> </ul>	Twelve of the 14 medium risk recommendations were accepted. Four have been implemented and the remainder are due for completion by August 2010.
<b>Business Continuity and Disaster Recovery</b>  Draft: April 2010 Final: July 2010	Control framework adequate but a number of controls are not operating effectively.	<ul style="list-style-type: none"> <li>Strategic arrangements for business continuity and disaster recovery.</li> <li>Clear policy with supporting documents established and easily accessible.</li> <li>Planning for business continuity.</li> <li>Roles and responsibilities agreed, approved and assigned.</li> <li>Recording details of business continuity and disaster recovery plans.</li> </ul>	<ul style="list-style-type: none"> <li>Risk assessments embedded in the front end of local planning.</li> <li>High level oversight and coordination of plans.</li> <li>Testing of plans.</li> <li>Raising awareness across the MPS of the importance of business continuity planning and testing.</li> </ul>	All 15 medium risk recommendations were accepted and are due for completion by December 2010.
<b>Procurement and Contract Management – Uniform Services</b>  Draft: July 2010 Final: August 2010	Control framework requires improvement before all the business objectives can be met.	<ul style="list-style-type: none"> <li>Approval and specification of new stock items.</li> <li>Measures taken to improve the control framework for managing uniform services contracts.</li> <li>Monitoring the quality of purchases.</li> </ul>	<ul style="list-style-type: none"> <li>Definition of roles and responsibilities within the procurement process.</li> <li>Setting timescales for procurement action.</li> <li>Control management framework.</li> <li>Monitoring of contractors' performance.</li> </ul>	Eight of the nine recommendations made have been accepted.  Four have been implemented and the remaining four are due for completion by June 2011.
<b>Economic and Specialist Crime</b>	Control framework is adequate but a	<ul style="list-style-type: none"> <li>Records supporting budgetary submissions.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated business systems for managing and recording exhibits</li> </ul>	Of the 20 recommendations made and accepted, ten have

Summary of DARA Activity 2<sup>nd</sup> Quarter 2010/11

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<b>Unit (SCD6)</b>  Draft: December 2009 Final: August 2010	number of controls are not operating effectively.	<ul style="list-style-type: none"> <li>• SMT monitoring of expenditure, including police overtime and charge cards.</li> <li>• Risk registers introduced and regularly reviewed in key areas.</li> </ul>	and or cash. <ul style="list-style-type: none"> <li>• Improved monitoring of exhibits transfer, storage and restorations.</li> <li>• Compliance with appropriate MPS procedures e.g. the diversion of seized items for police use.</li> <li>• Recording, scheduling and managing external funding particularly around contract sign off and exit strategies.</li> </ul>	been implemented.  The remaining ten are due for completion by April 2011.
<b>Security of Information</b>  Draft: March 2009 Final: August 2010	Adequate Controls are not in place to meet the systems objectives and a number of controls are not operating effectively.	<ul style="list-style-type: none"> <li>• Defined policies, procedures and information governance framework.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring implementation of Information Governance Framework.</li> <li>• Increasing awareness of MPS security code and process.</li> <li>• Definition of roles and responsibilities.</li> <li>• Governance on information sharing.</li> <li>• Provision and review of management information.</li> </ul>	All 25 recommendations were accepted, including one in the high risk category, and have been implemented.
<b>Allowances and Expenses (SPP, CRTP and bonus payments)</b>  Draft: March 2010 Final: August 2010	Corporate control framework is inadequate. Controls are not sufficient to mitigate the risks in this area and those that are in place are not consistently applied.	<ul style="list-style-type: none"> <li>• Standard Operating Procedures are documented and available on the corporate intranet.</li> <li>• CRTP claims are recorded, maintained and processed securely.</li> </ul>	<ul style="list-style-type: none"> <li>• Development, interpretation and implementation of policy.</li> <li>• Clear approved and documented policy formulation to support the application of the SPP and bonus payment policy.</li> <li>• Validity, appropriateness and timeliness of payments checks.</li> <li>• Electronic system for completing, authorising and processing SPPs.</li> <li>• Evidence to support lump sum</li> </ul>	Nine of the ten recommendations made have been accepted including one in the high risk category.  The high risk recommendation is due for completion May 2011 (if not superseded by a Home Office directive around SPPs).

Summary of DARA Activity 2<sup>nd</sup> Quarter 2010/11

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			bonus payments to police staff. • Local reconciliation processes and authorised signatory to validate claims for SPP and CRTP. • Production of accurate, relevant and timely management information to inform decision making and ensure consistency.	

**Interim Follow Up Audits**

Audit Title	Overall Opinion	Areas of Improved Control	Continuing Improvement Areas for	Recommendations and Progress
<b>Receipt and Banking of Income</b>  Draft: July 2010 Final: July 2010	Control framework has significantly improved and controls are generally operating effectively.	<ul style="list-style-type: none"> <li>• Comprehensive grants schedule to facilitate the identification of receipted grants.</li> <li>• Monitoring and following up POCA cash payments.</li> <li>• Refund of seized money authorised by line managers.</li> </ul>		All the nine agreed medium risk recommendations have been fully implemented.
<b>Safer Neighbourhoods</b>  Draft: February 2010 Final: June 2010	Control framework has significantly improved and controls are generally operating effectively.	<ul style="list-style-type: none"> <li>• Safer Neighbourhood programme fully rolled out. Day to day responsibilities for managing Safer Neighbourhoods now lies with boroughs.</li> <li>• Risk register updated and SMT review periodically.</li> <li>• Policy notes and guidelines include the appropriate job profiles/descriptions and core competencies.</li> <li>• Safer Neighbourhood ward panels are</li> </ul>		Of the 18 recommendations accepted, 17 have been fully implemented and one is no longer applicable.

Summary of DARA Activity 2<sup>nd</sup> Quarter 2010/11

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		<p>chaired by a community member.</p> <ul style="list-style-type: none"> <li>• Systems established to analyse benefits of the Programme.</li> </ul>		
<p><b>Vehicle Removal and Statutory Charges</b></p> <p>Draft: April 2010 Final: June 2010</p>	<p>Control framework has significantly improved and controls are generally operating effectively.</p>	<ul style="list-style-type: none"> <li>• All sites are now fully operational.</li> <li>• Number of contractors reduced and daily account of movement of vehicles completed.</li> <li>• Dedicated Progress and Review Officers appointed to ensure efficient use of garage space and facilities.</li> <li>• Process for managing decoy vehicles formalised and transferred to TP.</li> </ul>		<p>All 18 medium risk recommendations have been implemented.</p>
<p><b>Equalities and Diversity Application and Monitoring</b></p> <p>Draft: February 2010 Final: July 2010</p>	<p>Significant improvement in the control framework and controls are generally operating effectively.</p>	<ul style="list-style-type: none"> <li>• Monitoring of grades/ranks of police staff/officers across the six equalities strands.</li> <li>• Roles and responsibilities of Diversity Champion clearly defined.</li> <li>• Integrated equality and diversity module launched to support the race and diversity learning and development programme.</li> <li>• Local action plans produced and submitted to the Diversity and Citizen Focus Advisors for review.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of local action plans.</li> <li>• Submit Annual Duty in Employment report to the MPA.</li> </ul>	<p>Of the 11 agreed medium risk recommendations eight have been implemented fully, two partly and one remains outstanding which will be implemented by December 2010.</p> <p>Two additional medium risk recommendations were made and have been implemented.</p>
<p><b>Accident, Riot and Collision Claims and Payment Insurance</b></p> <p>Draft: November</p>	<p>Control framework has improved and controls are generally operating effectively.</p>	<ul style="list-style-type: none"> <li>• Authorisation of payments and vendor creation requests.</li> <li>• Checking of claim forms.</li> <li>• Completion and authorisation of event planning.</li> </ul>	<ul style="list-style-type: none"> <li>• Procuring car hire, care repair and rehabilitation services.</li> <li>• Reconciliation of payments on accounting system to source records.</li> <li>• Reducing number and value of claims.</li> </ul>	<p>Of the 14 recommendations made, one is no longer applicable, eight have been implemented, two partly and three remain outstanding.</p>

Summary of DARA Activity 2<sup>nd</sup> Quarter 2010/11

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2009 Final: August 2010				
<b>SCD5 Child Protection OCU</b>  Draft: May 2010 Final: June 2010	Control framework for the business and finance support functions has significantly improved.	<ul style="list-style-type: none"> <li>• Budgetary control framework.</li> <li>• Checking and monitoring police and police staff overtime payments.</li> <li>• Use and monitoring of Government Procurement Cards.</li> <li>• Policies, procedures and monitoring of crime exhibits.</li> </ul>	<ul style="list-style-type: none"> <li>• Authorised signatory lists to validate payments.</li> <li>• Time recording and management system for police overtime.</li> <li>• Appropriate IT application for managing crime property requires a corporate solution.</li> </ul>	Of the 40 recommendations made, thirty-one have been fully implemented, eight partly implemented and one is no longer applicable.
<b>Crime Related Property</b>  Draft: April 2010 Final: July 2010	Control framework has improved but further improvement is needed before risks are managed effectively and the system objectives are achieved.	<ul style="list-style-type: none"> <li>• Extensive work undertaken by Territorial Policing (TP) and Criminal Exhibit Stores to improve performance management, awareness and accountability within the exhibit management area.</li> <li>• Improved cash handling arrangements introduced and over £1.6m cleared from BOCU property stores.</li> <li>• TP Exhibits Management Team oversees the new processes and nominated SMT leads established.</li> <li>• Draft MPS exhibits retention policy produced and revised cash handling procedures support the MPS Exhibit Manual.</li> <li>• Risk management within Criminal Exhibit Services formalised and a risk register developed.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of supporting detail around areas of the cash handling procedures.</li> <li>• Storage issues for exhibits at the new Borough Based Custody Centres remain.</li> <li>• Failure to implement the Crime Exhibit requirements under METAFOR will significantly weaken the control framework.</li> </ul> <p><b>New Issues/Recommendations:</b></p> <ul style="list-style-type: none"> <li>• Further recommendations made for an appropriate business solution for tracking crime property and the appointment of an ACPO lead.</li> </ul>	<p>Of the 16 recommendations made, six have been fully implemented, eight partly and two remain outstanding. Two of the partly implemented recommendations are in the high risk category.</p> <p>Two additional medium risk recommendations were made and accepted.</p> <p>All of the outstanding recommendations are to be completed by December 2010.</p>

Summary of DARA Activity 2<sup>nd</sup> Quarter 2010/11

Counter Fraud Work	DARA Activity
<b>Fraud Prevention</b>	<p>We are continuing to work with colleagues in the MPS to develop a comprehensive counter fraud strategy. It has taken longer to develop than we would have wished but the comprehensive nature of the strategy requires wide-spread consultation across the MPS.</p> <p>We have recently signed the letter of engagement with the Audit Commission for a series of ten Raising Fraud Awareness events to be conducted this year. The survey element will be conducted in the Autumn with the workshops being held in January and February 2011.</p> <p>In liaison with the MPS we have drafted the Standard Operating Procedures (SOP) for the prevention and detection of fraud in the MPA/MPS which is due to be published.</p> <p>We are participating in the CIPFA fraud benchmarking pilot for counter fraud activity, working with partners to identify comparators and performance measures for fraud investigation and prevention. Work is continuing to develop appropriate performance indicators.</p>
<b>Investigations</b>  37 Live investigations.  17 new cases to date this year.	<p>Key investigations include:</p> <ul style="list-style-type: none"> <li>• We have received only one call on the Right Line this year – the call was relevant to the work of the Unit and is currently under investigation.</li> <li>• E-mails are regularly received via the MPA website fraud reporting link, invariably they relate to the work of the MPS rather than the Counter Fraud Unit and we pass them on to the MPS. However we have recently received one relating to our work and it is currently under investigation.</li> <li>• Two cases are potential misuse of MPS resources, two are based on information received relating to the award of contracts. The remaining new cases relate to allegations of dishonesty by individuals, theft at property stores or potential MPS wide issues such as claiming allowances.</li> <li>• We have also completed the on-line fraud survey on the instances of fraud in the MPS as required by the Audit Commission.</li> </ul>
<b>National Fraud Initiative (NFI)</b>  10,482 matches in total	<p>All activity on the NFI 2008 data matches has ended (other than for two cases by local authorities awaiting trial). Work is underway to supply in October 2010 the basic data for the 2010 exercise. The data matches resulting from the exercise will be returned to the Authority by the Audit Commission in January 2011. The MPA has a legal obligation to supply the data requested under Schedule 7 of the Serious Crime Act 2007.</p>
<b>Analysis of Key Financial Systems</b>	<p>We continue to develop our analytical analysis of key financial systems. We have completed proactive research on the use of fuel cards, shift disturbance allowance, miscellaneous expenses and are near completing police overtime. The</p>

Summary of DARA Activity 2<sup>nd</sup> Quarter 2010/11

Counter Fraud Work	DARA Activity
	work is used to inform audits, investigations and provide assurance on the transactions.
<b>External Relations</b>	We continue to work with partners in London Boroughs and NHS Trusts as a member of the Steering Group of the London Public Sector Counter Fraud Partnership and chair the Partnership's Fraud Prevention Group. We are networking with other public bodies in London to keep abreast of changes and develop opportunities for sharing good practice and trend intelligence.