

DRAFT

Strategy

2011-14



Met Forward: the MPA mission statement for London's police

STRATEGIC AIM

Introduction

The Directorate of Audit, Risk and Assurance provides the internal audit service for the MPS and MPA. We have a statutory responsibility to give an annual opinion on the effectiveness of the risk management, internal control and governance framework supporting the policing of London.

We are an independent assurance function and have a crucial role in helping the MPS and MPA to demonstrate the highest standards of corporate governance, public accountability and transparency in the conduct of their business. Our strategic approach is based on supporting the delivery the London Policing Business Plan, the Commissioner's Five P's and Met Forward, which is focused on three key outcomes:

- Fighting crime and reducing criminality;
- Increasing confidence in policing; and
- Giving better value for money

An appropriately constituted MPA Corporate Governance Committee is responsible for enhancing public trust and confidence in the governance of the MPA and the MPS. The Director of Audit, Risk and Assurance reports to the MPA Chief Executive and has direct access to the Commissioner and the Chair of Corporate Governance Committee.

Our Vision

To be recognised as a leading edge internal audit service respected for our professionalism and expertise with a proven record of influencing change leading to real improvements in the policing of London.

Aim

To be a positive influence in driving improvements to the internal control framework helping the MPA and MPS to make the best use of resources and deliver on the agreed policing priorities for the people of London.

Objectives

In support of our vision and aim our key objectives are to:

- ✚ Provide independent assurance on the effectiveness of the MPS/MPA control environment
- ✚ Drive improvements to the management of key MPS and MPA strategic risks
- ✚ Influence and support the effective management of change within the MPS
- ✚ Be an agent for change and promulgate best practice across the MPS
- ✚ Identify opportunities for increasing value for money and productivity
- ✚ Supporting the Treasurer in the discharge of his statutory responsibilities
- ✚ Conduct expert reviews of high risk/cost and specialist areas of the business
- ✚ Support the MPS in delivering on its national responsibilities
- ✚ Review and advise on the framework supporting policing at a local level
- ✚ Minimise the opportunities for individuals to commit fraud and provide an effective response when fraud occurs

Underlying Principles Supporting our Work

- ✚ Conducting all our work in line with professional standards, recognised best practice and to meet equality and diversity requirements
- ✚ Influencing and promoting the role and standard of internal audit in policing
- ✚ Championing accountability, transparency, probity and integrity

STRATEGIC APPROACH

Audit Planning and Work Programme

We deliver risk based work plans focused on reviewing areas key to achieving policing priorities and objectives. Our review activity is planned on a three year cycle and is supported by a risk assessment informed by management's evaluation of current risk. We produce a dynamic annual plan approved by MPS Management Board and the Corporate Governance Committee. Completion of the plan enables the Director of Audit, Risk and Assurance to provide an annual opinion on the effectiveness of the control environment which in turn informs the Annual Governance Statement published with the Annual Accounts.

We work in consultation with MPS business groups and management, striking the appropriate balance between providing assurance, challenge and advice. We also look for and report on opportunities for improving efficiency and value for money in all aspects of our work. Key strands to our approach include:

Risk based audits. These reviews provide much of the evidence to support the annual opinion. We report on the effectiveness of controls to manage key risks to achieving MPS/MPA objectives, provide assurance and agree actions for improvement.

Review of risk management. We conduct an annual review of the risk management process and work in liaison with the MPS strategic lead for risk management to facilitate improvement. We also review and advise on the effectiveness of the MPA's risk management process.

Advising change programmes and projects. Our expertise in risk and control is used to advise on new or developing systems at an early stage in the development process. We provide assurance to MPS management on the effectiveness of programme and project management. We also provide adhoc control advice through our helpline.

Specialist reviews. These reviews focus on specialist areas of the business such as procurement, ICT and systems supporting covert activity. We utilise specialist skills to evaluate key risks and identify areas for improvement in these key areas.

B/OCU reviews. We evaluate and report on the effectiveness of the management of business and finance risks at a local level both on borough and within MPS specialist command units.

Met Standards. We give independent assurance on the framework supporting the achievement of Met Standards, a programme of work under Met Forward that recognises good performance at a local level. This is informed by our B/OCU review activity. We also assess and report on the effectiveness of the MPS internal review functions.

Counter fraud activity. The joint MPA and MPS Anti Fraud Strategy provides the basis for our pro-active fraud prevention and awareness programme. We also investigate potential fraud and abuse and analyse the risk and compliance issues that lead to internal fraud to inform preventative action.

Analytical analysis. Our analytical team interrogate and analyse key MPS financial systems identifying potential areas of concern and this work provides assurance on the management of high risk/cost and sensitive areas.

STRATEGIC APPROACH

Material systems. We review MPS financial systems and test key controls on an annual basis to a standard that enables external audit to place reliance on our work. This work should result in a reduced need for external audit coverage in these areas.

Professional standards. The MPS is driving forward the professional standards agenda promoting accountability, integrity, compliance and ethical standards. We identify areas of concern, advise on risk and control issues, contribute to organisational learning and provide assurance on governance arrangements.

Integrated Assurance. We co-ordinate our review activity with external audit and HMIC, exchanging risk assessments and work plans. We place reliance on internal review activity within the MPS where appropriate. In liaison with the MPS we are developing an integrated assurance framework to define and map areas of assurance. We also work with other internal auditors e.g. Home Office and draw on any relevant audit reviews to support our annual opinion.

Promoting the Audit Profession. The Director of Audit, Risk and Assurance chairs the national Police Audit Group influencing the development of audit in the policing environment. Through our involvement in national forums we are also a key influence in promoting and developing counter fraud activity and audit as a profession.

Audit Performance

Audit work is carried out in line with professional standards supported by a robust performance management framework. The MPA Corporate Governance Committee provides annual assurance on the effectiveness of DARA, which is supported by external audit assessments and regular reports on audit performance by the Director of Audit, Risk and Assurance.

Regulatory Framework

The following form the regulatory framework for internal audit in the public sector:

Local Government Act 1972

Accounts and Audit Regulations 2003

Accounts and Audit Regulations (Amendments) 2006

MPA Financial Regulations (section 17)

CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006

CIPFA Red Book '*Managing the Risk of Fraud*'

Framework Supporting our Strategy

Key policies and procedures that support the implementation of our strategy include:

MPA Internal Audit Manual

MPA/MPS Anti Fraud Strategy and Implementation Plan

MPA/MPS Audit and Inspection Protocol

Memorandum of Understanding MPA and MPS Professional Standards

Protocol with Home Office Internal Audit

Protocol with Audit Commission

EVALUATING SUCCESS

The Director of Audit, Risk and Assurance regularly reports progress against the strategy to the MPA Corporate Governance Committee. The Director of Resources facilitates the role of DARA within the MPS and meets regularly with the Director to discuss progress against the annual plan and any emerging risk issues. The Director of Audit, Risk and Assurance also issues an annual report to MPS Management Board and members of the Authority, which gives the overall opinion on the control environment and summarises audit performance for the year.

Our success in delivering our strategic aim will be judged against our ability to demonstrate that we are:

- Valued by our key stakeholders e.g. Members, MPS Management Board, MPA/MPS senior and middle managers
- Recognised in the audit profession as leading edge
- Independently assessed as effective
- Meeting our performance targets efficiently and effectively
- Making a measurable impact on change for the better

Contributing to:

- An adequate and effective MPA/MPS internal control environment
- Improved performance in delivering frontline services
- Increased productivity and value for money in the use of police resources
- A noticeable change in culture
- Increased public confidence