

## Appendix 2

### Audit Commission Recommendations 03/04 Audit - Action Plan

Issue/Recommendations raised by the Audit Commission	MPS Response/Comment
<b>1. Review of issues arising from the June 2003 ABC action plan reviews</b>	
Establish a formal project board to oversee the delivery of the AA programme for 2004-05.	Completed: ABC Strategic Group established, chaired by Cdr Simon Foy (Performance) with MPA membership.
<b>2. Accuracy of force costing models</b>	
Ensure rebuilding of the B-Plan Model is concluded swiftly and robust financial information generated and submitted to the Home Office as a matter of urgency.	This was completed for December 2004. For 2005-06, Finance Services undertook a major re-write of the ABC model in line with the ABC Manual of Guidance and to allow those non-Borough OCUs who have undertaken AA studies to also be provided with their own costing model.
<b>3. Review of force internal controls for managing activity sampling</b>	
Establish systems for quality control of activity sampling which are clear and produce audit trails.	Supervisors responsibilities during Activity Sampling studies have always included the requirement to check the quality of returns from their unit, and this is reinforced during briefing sessions. However, for the 2003/4 round of studies there had been no requirement to record details of the checks made, nor the frequency. This is linked to item 4 below.
<b>4. Sample testing of activity information sources</b>	
Put in place systems to record the detailed sample testing of activity information sources.	The audit report was received too late to put a system of recording into place for the 2004/5 Activity Analysis Programme. However, a system was introduced for the 2005/6 round of studies, and this will also address the point raised in item 3 above.
<b>5. High-level review of ABC results for reasonableness</b>	
Include high level review as part of the activity analysis programme for 2004/05.	Reviews undertaken by the ABC team to compare both ABC to AA and between BOCUs.
<b>6. Utilisation of Activity Based Costing data</b>	
Establish formal processes to ensure information sharing and analysis takes place consistently at both corporate and OCU level.	An ABC Report pack was developed and distributed to all BOCUs. High level data was presented to Management Board and the MPA. Ad hoc requests for AA and ABC data have been met from a number of projects and programmes. More work is required in this area (see 04-05 Audit recommendations).

## Audit Commission Recommendations 04/05 Audit – MPS Comments & Action Plan

*Note that these recommendations are based upon the draft audit report, as the final has yet to be received. Recommendations are also captured in the ABC Strategic Plan (appendix C)*

Issue/Recommendations raised by the Audit Commission	MPS Response/Comment
<b>Follow-up of 2004 ABC review findings</b>	
1. The MPS should develop links from the corporate centre to BOCUs so that a greater understanding and use of ABC data is fostered across the service.	<p>The ABC Strategic Group brings together key stakeholders in delivering and using the ABC model.</p> <p>The strategic plan for ABC includes development of a training and communication plan for ABC to promote awareness and to foster use of the ABC and related data.</p>
<b>Compliance with the costing manual of guidance</b>	
2. The finance unit should review the ABC return and improve the collection of information for role codes.	In progress for the 2005/6 model.
<b>Compliance with sampling guidance confirmed by sample testing of activity information sources</b>	
3. The MPS should put in place and effective system of checking the accuracy of activity analysis data against another independent system.	Instructions to supervisors for the 2005/6 round of Activity Sampling studies were amended in view of the issues raised in the 2003/4 audit. A proforma and instructions have been provided to supervisors allowing them to record information about quality checks of activity cards, including the date of the check, the activity card serial number, the system against which the check was made and the discrepancies identified. This will also address the issue in item 4 below.
<b>Effectiveness of the MPS's internal controls for managing activity sampling</b>	
4. The MPS should develop controls to monitor and review the accuracy of the activity sampling cards.	See item 3 above.
<b>Effectiveness of the MPS's high level assessment of the reasonableness of their ABC results</b>	
5. The MPS should assess the results of next year's ABC against the results of this year's model to inform reasonableness of the figures and in order to benchmark performance.	In progress for the 2005/6 model and will be completed once the model has been built.

Issue/Recommendations raised by the Audit Commission	MPS Response/Comment
6. The MPS should put arrangement in place to allow comparison of results between BOCUs once all 33 boroughs have undertaken activity analysis data.	Summary reports will be developed and means of supporting BOCUs/OCUs in their use of data will be developed, in line with recommendation 1.
<b>Effectiveness of management arrangements to embed ABC</b>	
7. A framework of accountability for ABC needs to be established across the whole MPS	See recommendation 1. This will include setting out clearly our expectations of what we expect BOCUs, OCUs and others to do in relation to delivery and use of ABC.
8. Arrangements need to be in place to effectively promote ABC within BOCUs.	An ABC pack has been produced and distributed, work is now taking place develop use of ABC and AA data at a local level. This is an area which will require significant input.
<b>Effectiveness of the MPA in holding the MPS accountable for quality ABC data</b>	
9. The MPA should ensure that it has the necessary skills and receives appropriate information to hold the MPS to account on ABC data and outcomes.	A lead member has been appointed. The lead member and MPA Treasurer actively participate in the ABC Strategic Group and will help determine what data and updates will be presented to the MPA Finance and PPR Committees.