

MPA Action plan response to the Audit Commission's 2005 Annual Audit Letter

It should be noted that individual action plans should have been agreed in respect of most of the pieces of work identified in the annual audit letter. The key role of the MPA will be to ensure sufficient scrutiny to reassure ourselves that appropriate action is being taken.

Recommendations	MPA Action	MPS Action	Update
<p>Members should continue to prioritise improvement action in response to the Initial Performance Assessment</p>	<p>Senior MPA officers have been working with the Improvement and Development Agency to develop a programme of improvement for the organisation. The resulting programme has been discussed with Members at the awayday and formal governance structures have been established to ensure momentum is maintained.</p>	<p>N/A</p>	<p>The MPA improvement programme board has been meeting regularly since February 06 to oversee the progress of the task groups that were established to take the programme forward. Task groups have delivered:</p> <ul style="list-style-type: none"> • revised corporate priorities to reflect the changing national and local agendas • blueprints for restructuring the MPA • a leadership model for MPA officers • recommendations to resolve identified challenges within the MPA HR function. <p>Work is on-going to revise the MPA's performance management framework, to review corporate services and to ensure that member development is appropriate. The Programme Board will be reaching decisions about the organisational restructure during the Summer 2006 and making arrangements to ensure effective implementation of all the proposals outlined above.</p>

Recommendations	MPA Action	MPS Action	Update
<p>The MPS need to address issues in relation to Statutory Performance Indicator 11a – The amount of police officer time available for frontline policing</p>	<p>MPA will monitor progress of activity based costing and activity analysis data collection via the Finance Committee</p>	<p>SPI11a uses activity analysis data. A reservation on this SPI was given because the Audit Commission had made recommendations regarding quality checking of activity analysis data during their activity based costing audit for 2003-04. Unfortunately those recommendations were produced too late to be acted on for the activity analysis data collection for 2004-05. However, those recommendations have been acted on for the 2005-06 activity analysis data collection. We will ensure that sufficient quality checks for activity analysis data remain in place in subsequent years.</p>	<p>MPA: Karim Murji has now been appointed as lead member for ABC. He has received briefings on the subject area and now attends the ABC Strategic Board. An update report on ABC is due to be considered by Finance Committee on July 20th. A further report in October will scrutinise the front line policing database from the Activity Analysis returns.</p> <p>MPS: 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 when all AA studies are run. A system has been introduced for the latest round of AA studies (2005/6) to record details of the checks made and the frequency of these. This will hopefully be reflected in the 2005/6 audits.</p>

Recommendations	MPA Action	MPS Action	Update
<p>The accounting arrangements for fixed assets and capital financing remain in need of improvement</p>	<p>The Deputy Treasurer will closely monitor progress to ensure all timescales are met and accounts are closed within the statutory deadline via the joint MPA/MPS year end accounts working group</p>	<p>A fixed asset project has been established to identify how fixed asset accounting arrangements can be improved. In addition bi monthly meetings are now held with all business groups to ensure that their fixed asset records are kept up to date.</p> <p>The new Capital Accountant within MPS Finance is due to start mid February and will be tasked with identifying how current capital financing arrangements can be improved</p>	<p>MPA: The Deputy Treasurer has attended regular meetings with both the MPS and external auditors with regard closing of accounts, and will continue to do so until the accounts are closed and the audit of them complete.</p> <p>MPS: The Fixed Asset project has identified the key issues that have to be addressed. Investigative work is now underway to identify the optimum methodology to resolve these issues and improve the workings of the Fixed Asset system.</p> <p>The new Capital Accountant is performing his role and holding monthly meetings with Business Support to ensure their fixed asset records are kept up to date.</p>
<p>Deadlines for completion of the accounts are again to be advanced next year and will require early planning and thoughtful scheduling of key meetings</p>	<p>The Deputy Treasurer will closely monitor progress to ensure all timescales are met and accounts are closed within the statutory deadline via the joint MPA/MPS year end accounts working group</p>	<p>Following consultation with key personnel, detailed timetables have now been produced that include dates of all key meetings. The timetable will be closely monitored by the joint MPA/MPS year end accounts working group</p>	<p>MPA: The Deputy Treasurer has attended regular meetings with both the MPS and external auditors with regard closing of accounts, and will continue to do so until the accounts are closed and the audit of them complete.</p> <p>MPS: The draft annual accounts were produced and approved by the MPA in the specified timescale and the process was monitored by the joint MPA/MPS year end working group</p>

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<p>Members should consider further action to improve control over setting and monitoring volatile budgets</p>	<p>The Finance Committee receive regular detailed budget monitoring reports. The separate member led Budget and Overtime Group considers in detail budget monitoring reports and has actively considered volatile budgets. This issue will continue to be on the active agenda of the Group.</p>	<p>Further updates and improvements are to be made to the Scheme of Devolved Financial Management to improve the overall robustness of the budgetary control process existing within the MPS. Also, additional emphasis will be placed on the monitoring and control of volatile budgets such as Police Officer Overtime. This will occur through developments and improvements in the reporting of overtime information to key members of staff, e.g. MPS Management Board</p>	<p>MPA: Both Finance Committee and the Budget and Overtime Group continue to receive budget monitoring reports on a regular basis. In addition the Budget and Overtime Group regularly considers reports in relation to overtime.</p> <p>MPS: Finance Services will review the current Devolved Scheme of Financial Management in 2006/07 to further increase the robustness of the budgetary control process. The review of Police Officer Overtime will now be undertaken by the MPS Value for Money Steering Group (VfMSG) and will build on the work completed by the MPS Overtime Steering Group. Corporate Overtime reports are now provided to VfMSG and Business Groups where they are reviewed by the Senior Management Teams. In terms of budget setting, the Business Plan for 2007/08 to 2009/10 will review the need for a number of committed increases in relation to volatile budgets</p>

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Controls over the recording of IT assets continue to require improvement	The Treasurer will closely monitor progress.	A fixed asset project has been established and is looking into ways of providing a corporate fixed asset (physical) register that will include IT equipment.	<p>MPA: The Treasurer has been kept informed of progress of the project</p> <p>MPS: The fixed asset project has completed an initial review of the current practice of recording IT and other assets on registers within the MPS. Discussions have started with various departments to consider the best options for standardising the recording and control of fixed assets locally.</p>

Recommendations	MPA Action	MPS Action	Update
<p>Members should monitor the success of action taken to re-establish the ongoing improvement in internal financial control achieved in previous years (p16)</p>	<p>The Director of Internal Audit has widened his assurance scoring from planned audit reviews of systems to include issues highlighted from investigations and other review and scrutiny activity in the MPS. This will be reported quarterly to the Corporate Governance Committee. In addition Members monitor progress against the Financial Management Strategic Improvement Programme through annual reports to Finance Committee.</p>	<p>The MPS is carrying out regular reviews of progress with high-risk audit recommendations and will also be reporting progress quarterly to the Corporate Governance Committee. In addition Continued implementation of the Financial Management Strategic Improvement Programme will ensure ongoing improvement in internal financial control</p>	<p>MPA: At their 19 June 2006 meeting the Corporate Governance Committee received the Annual Report of the Director of Internal Audit for 2005/6, in which he noted that there had been a slight improvement in internal control in the MPS although it still fell short of an acceptable standard. The Director of Internal Audit is currently reviewing proposals from the MPS for improving the corporate governance framework and will be reporting the outcome to the Chair of the Corporate Governance Committee. An internal audit of the effectiveness of the MPS Risk Management process is also planned for this financial year and will be reported to the Corporate Governance Committee.</p> <p>MPS: High risk recommendations are now monitored quarterly, with quarterly update reports being made to Corporate Governance Committee. Implementation of the Financial Management Strategic Improvement Programme continues, progress of which is due to be reported to September's Finance Committee</p>

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<p>The initial risk assessment of the 2004 National fraud Initiatives data matches is nearing completion and investigations of the few high risk matches identified should now be prioritised (p19)</p>	<p>Internal Audit has prioritised all high risk matches from the 2004 NFI and action has been taken to follow them up.</p>	<p>N/A</p>	<p>Action has been taken on all NFI 2004 reports. Outstanding work relates to a small number of cases awaiting completion of the criminal or disciplinary procedures. One employee convicted for housing benefit fraud is awaiting sentence at Crown Court and three MPS employees already convicted are awaiting the outcome of disciplinary action.</p>