

audit 2001/2002

Corporate Governance
Report
Metropolitan Police
Authority

ACTION PLAN



DISTRICT AUDIT

Reference:	appendix to 6 darep2.doc – Draft Version
Date:	March 2003

Page	Recommendation	Priority 3 = Low 2 = Med 1 = High	Responsibility	Agreed	Comments	Date
Follow up review of internal audit						
R1	<p>Internal audit should continue to strive towards a full staff complement and ensure slippage in the audit plan is minimised.</p> <p>Although internal audit has taken steps to address staffing issues, coverage of the annual audit plan remains at about two thirds of planned systems work.</p>	2	Peter Tickner	Agreed	Every effort is being made to meet our audit plan and the indications are that this should be achieved this year. At the end of this year we should have 36 staff in post which is in line with our budget for 2003/04.	April 2003
R2	<p>The Authority should consider compiling an organisation wide risk register, incorporating risks identified by internal audit and other areas of the organisation.</p> <p>Although there has been an increased sharing and dissemination of risk across the organisation, there is still no central database of risks facing the Authority.</p>	1	Peter Martin	Agreed	A Director of Risk Management has now been appointed and the compilation of a Corporate Risk Register, building on the work already done by Willis, will be one of his priorities.	Ongoing
R3	<p>Internal audit should ensure all peer reviews are carried out within the prescribed timescale in accordance with its quality review programme.</p> <p>Internal audit have drawn up a programme of quality and peer reviews to ensure quality standards</p>	1	Peter Tickner	Agreed	We are on target for completion of our 2002/03 peer review programme.	April 2003

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	are promoted and maintained. Momentum must be maintained to ensure such quality and peer reviews become an integrated part of the internal audit process.					
R4	<p>Internal audit should continue to work at:</p> <ul style="list-style-type: none"> ▪ reducing the time between the start and end of audits; ▪ reducing the number of days spent in undertaking the audits; and ▪ improving the timeliness of reporting after the completion of field work. <p>Internal audit should continue to improve the robustness of the monitoring and control of its inputs to ensure audits are undertaken with maximum efficiency and that overspends are caused by genuine reasons.</p> <p>We recognise the steps made in this area. However, the time taken to undertake audits still remains high compared to our experiences elsewhere and internal audit should satisfy itself that overruns and increased audit times are caused by genuine reasons.</p>	1	Peter Tickner	Agreed	We are actively monitoring the time spent on audits and target dates for completion. We are also planning to automate our audit process which will improve our efficiency and the level of management information.	Action immediate

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R5	<p>Internal audit should ensure its programme of follow up reviews is adhered to and completed within the planned timescale.</p> <p>Internal audit has drawn up a programme of follow up reviews and intends to have undertaken follow up work on all 2000/2001 and 2001/2002 work by the end of March 2003.</p>	1	Peter Tickner	Agreed	We have already completed more follow ups this year than last and are currently on course to complete our programme.	Planned for completion by April 2003
R6	<p>Internal audit should expand its benchmarking exercise to include comparisons of inputs, e.g. cost of audits, number of days taken to complete an audit, etc, to provide an indication of the efficiency of internal audit practices compared to other authorities.</p> <p>Currently, internal audit benchmarking exercises are output focussed only, providing comparisons of effectiveness but little indication of the economy and efficiency with which internal operates.</p>	1	Peter Tickner	Agreed	We are planning to compare input details such as time taken to complete audits and reporting timescales. However, we will continue to place emphasis on outputs as we see this as the true measure of success.	Action Immediate
R7	<p>Internal audit should ensure results from benchmarking exercises are proactively used to inform and improve future</p>	1	Peter Tickner	Agreed		Ongoing

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	<p>working practices where practical.</p> <p>Benchmarking of internal audit with other police authorities is still in its infancy and the department must ensure that momentum is maintained and that identified opportunities for improvement are implemented.</p>					
R8	<p>Internal audit should consider improving the clarity and transparency of its reporting of performance to the Audit Panel.</p> <p>Reporting that internal audit has “achieved a coverage of 67% of planned systems work” arguably implies that this represents the total percentage of audits in the original audit plan which have been taken to completion. In fact, ‘coverage’ includes audits which have not yet been completed or taken to an agreed final report stage. Further analysis should be provided of the extent to which slippage in the plan is due to additional unforeseen work, as opposed to audit overruns and delays. Expanding on the analysis of performance within the annual report would enhance the robustness of internal audit’s reporting of its</p>	1	Peter Tickner	Agreed	We will clarify any additional reporting requirements with the Treasurer and Audit Panel and provide any additional data required.	March 2003 Audit Panel

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	performance.					
R9	Internal audit should continue to improve its documentation of thought processes and referencing of evidence and supporting documentation across all files relevant to each audit, and ensure supporting working papers are of the same standard as the high level permanent audit files.	1	Peter Tickner	Agreed	This will be given priority and reviewed further as part of the peer review process.	Action Immediate
Standards of financial conduct and the prevention and detection of fraud and corruption						
R10	The Authority should ensure that it adheres to its planned timescale for drafting and implementing a comprehensive and organisation wide Fraud and Corruption strategy by April 2003.	1	Peter Tickner	Agreed	The Audit Panel on 9 December considered and approved an Anti-Fraud and Corruption Policy and Fraud Response Plan. This will now be recommended to the full Authority on 30 January for adoption and implementation.	Action Immediate
The Ethical Framework						
R11	Members and senior officers should be reminded on a regular basis of the need to declare any interests, gifts and hospitality in the Register of Interest and the Register of Gifts and Hospitalities. Members with nothing to disclose should make positive	1	Catherine Crawford	Agreed	All members completed their declarations of any interests under the new code of conduct in May. This included declarations of nothing to disclose. The intention is to copy these declarations to members every six months for them to confirm in writing that nothing has changed or to declare any changes (also reminding them of their duty to disclose any changes within 28 days). This reminder process is currently under way.	Action Immediate

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	<p>declarations to that effect.</p> <p>Offers of gifts and hospitality which have been declined should also be disclosed.</p> <p>Members, by signing up to the Code of Conduct, have undertaken to notify the Monitoring Officer of offers of gifts and hospitalities and of potential conflicts of interest. Regular reminders of this requirement will assist in preventing Members from failing to adhere to the requirements of the ethical framework. The requirement to positively disclose where there is nothing to declare is an example of good practice in the demonstration of openness, integrity and accountability by the Authority.</p>				<p>All members have been given advice on declaring gifts and hospitality and a form to use for this purpose. Although the authority has some reservations about the need to declare hospitality declined, this has now been included on the form and all Members will be encouraged to declare significant invitations which they have declined. Members will be reminded of their responsibilities on a six monthly basis, as above.</p> <p>In future, senior MPA staff will be reminded of their responsibilities with regard to gifts and hospitality on an annual basis.</p>	
R12	<p>The Register of Interest and Register of Gifts and Hospitality should be regularly reviewed by a senior officer and evidenced as such. Reviews to identify omissions should also be undertaken.</p> <p>Such review should include a comparative analysis between the number and type of entries made by different Members and senior officers.</p>	1	Catherine Crawford (Monitoring Officer)	Agreed	<p>In future, the Monitoring Officer (currently the Clerk but probably the Deputy Clerk when appointed) will sign off the six monthly returns made by members. At the same time she or he will review the number of declarations of gifts and hospitality made over the preceding six months. Part of this review will be consideration of any possible omissions.</p> <p>The Monitoring Officer will review the staff Gifts and Hospitality register at the same time, on a six monthly basis.</p>	Action Immediate

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Legality						
R13	<p>The Monitoring Officer should have access to independent advice, where necessary, as part of her role in holding the Service to account.</p> <p>A large part of the Monitoring Officer's role involves holding the MPS to account where there is actual or perceived illegality.</p> <p>It is therefore important that the Monitoring officer has access to legal advice that is independent of the Service in such situations. This will prevent a perception of impropriety from arising in cases where the Service provides legal advice to and in respect of matters which could be perceived to compromise the independence of the advice provided.</p> <p>This will help ensure that the Authority is perceived to have the necessary independent legal expertise to challenge any potential illegalities on the part of the Service.</p>	1	Catherine Crawford (Monitoring Officer)	Agreed	Currently the Authority does have access to independent legal advice on a consultancy basis and this arrangement will continue. The Authority is currently recruiting to the post of Deputy Clerk. A legal qualification is required for this post, so that the post holder can both give legal advice and act as an intelligent client when commissioning work from commercial solicitors.	Action Immediate
R14	<p>The Authority should ensure that all legal implications are properly considered at Committee meetings. If there are no legal</p>	2	Catherine Crawford (Monitoring Officer)	Partially	The Authority accepts in principle that it would be good practice to include a paragraph referring to any legal implications in those reports where the Authority or a committee is being asked to make an executive	

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	<p>implications, this should be positively evidenced as such in Committee minutes.</p> <p>Currently Committee minutes do not show whether Members have considered legal implications. Whilst this may be because there are no legal implications, it could also be indicative of the fact that legal implications have not been considered.</p> <p>Minuting that potential legality implications have been considered, even if the result is that there are none which impact on the decision, demonstrate that Members have taken account of all relevant factors in arriving at that decision.</p>				<p>decision. We will discuss further both within the MPA and with the MPS how this can be achieved in practice.</p>	
R15	<p>The Authority should continue to raise its profile as a body which can hold the Service accountable.</p> <p>The low level of response from the consultation process with the local community and other partners, is evident of the fact that the MPA has further steps to take to establish the necessary profile that it requires in the wider community.</p>	1	Catherine Crawford (Monitoring Officer)	Agreed	<p>The Authority is in the process of developing a new communications strategy.</p> <p>The Authority was already well aware of the need to raise its profile and to create a clear identity. It continues to make every effort to raise its profile, from taking media opportunities to, for instance, the Chair's programme of visits to every London borough to discuss policing issues with CDRP partners.</p> <p>However, this recommendation comes as no surprise – this is a problem shared by all police authorities. The</p>	Ongoing

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					problem may be greater in London where quite possibly most residents assume that the Mayor is responsible for policing.	