

USE OF RESOURCES ASSESSMENT 2004/05 – ACTION PLAN

Requirement	Audit finding	Action	Lead	Target Date
Financial Reporting: Level 2				
Accounts presented for audit were free from material errors and misstatements	The accounts contained material misstatements	Exceptional material items will continue to be discussed with the External Auditor to ensure they are properly accounted for	MPS DoF	30 June 2006
Comprehensive working papers supporting the accounts were provided at the start of the audit to the standard specified by the auditor	Working papers were incomplete and required re-presentation during the audit. Agreed timetables for presentation were not met.	Officers are to ensure they receive early notification from the Audit Commission on exactly what the working papers requirements are. The joint MPA/MPS year-end working group will also closely monitor the closing time table to ensure key dates are met.	MPS DoF	31 March 2006
Guidance made available to staff on final accounts closedown procedures, including relevant timetables agreed with the auditor and allocation of tasks to individual members of staff were adhered to	Agreed amendments to the draft accounts were not processed until 28 October, considerably later than agreed with the Auditor	Corrective action to be addressed by the joint MPA/MPS year-end working party. A revised timetable for the 2005/06 process has been developed for agreement by Finance SMT.	MPS DoF	30 June 2006
Financial Reporting: Level 3				
The accounts were subject to robust member scrutiny/discussion either at the formal	While the accounts were subject to scrutiny at a pre-meeting to the	All future pre meetings are to be minuted so that scrutiny can be evidenced. The	MPA Treasury	Ongoing

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approval meeting or at another appropriate forum prior to approval	Corporate Governance Committee, no evidence of this was retained	accounts are of course subject to scrutiny at the Corporate Governance Committee.		
A process of consultation has been carried out with a range of stakeholders to establish their requirements in respect of the publication of summary accounts or an annual report	Evidence of consultation with external stakeholders (such as GLA or members of the public) on what they wish to see in an annual report/summary statements needs to be demonstrated	Questionnaire to be circulated to a number of external stakeholders and also posted on the internet to gauge views on how summary accounts should be presented in future years	MPA Treasury	31 March 2006
The MPA publishes summary accounts that are intelligible and accessible to members of the public.	Copies of summary accounts are given out at open days although review of the MPA and MPS website has not found evidence that the summary accounts are held here. This reduces accessibility for members of the public	Summary accounts to be included in future on the MPA website	MPA Treasury	Completed
<i>Financial management: Level 2</i>				
A comprehensive and balanced revenue budget has been set, based on realistic projections about pay, inflation, and known	A balanced budget is set but projections of material items e.g. police officer pay, police officer	Continued efforts will be made to ensure that Police Officer Pay budgets are based on realistic and	MPS DoF	Ongoing

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service and capital development plans	overtime, are not realistic	achievable deployment plans. Police Officer Overtime budgets are set to meet specific Home Office reduction targets. Expenditure will continue to be monitored closely throughout the year.		
Action plans are developed when a material variance arises or a deficit is forecast	Significant overspends, e.g. on police officer overtime, are not addressed in year	Business Groups will continue to be held to account in this area. Regular reports detailing the level of overspend on Police Officer Overtime will be provided to Members and MPS Management Board and Business Groups will be monitored on their action plans to bring expenditure in line with budget. However, in the devolved budget environment Business Groups have some discretion to vary expenditure on the various budget headings, provided that the overall expenditure does not exceed the overall budget allocation.	MPS DoF	Ongoing

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The financial performance of partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon	Summary financial information is reported to the GLA, but does not provide analysis of partnerships' financial performance, nor of outputs	Quarterly returns are made to GOL, which highlight both financial performance and output. These will in the future be made available to members	MPS DoF	Ongoing
<i>Financial management: Level 3</i>				
The MPA uses agreed processes to adjust and approve budgets in year if major programmes are varied by more than pre-set tolerances	There is a formal process for amending budgets but this needs to be used consistently, e.g. to vary budgets for police officer pay, police officer overtime etc	The MPS will continue to revise, update and improve the Scheme of Devolved Financial Management that currently exists and this will provide further clarity on the rules and regulations that will govern in-year budget movements.	MPS DoF	31 July 2006
The MPA's budget monitoring is related to operational activity indicators that are lead indicators of spend and informed by a risk assessment	A formal risk assessment process is required. Increased use of activity indicators to monitor or predict spending should be used	A formal risk assessment process will be introduced in this area to ensure that management attention is focused on the appropriate areas of the budget	MPS DoF	June 2006
No significant departmental overspends/underspends have occurred	Significant over and under spends have occurred, e.g. police officer pay and police	A number of groups now exist within the MPS reporting to the Police Officer Overtime Steering Group, chaired by	MPS DoF	Ongoing

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	officer overtime and these need to be addressed	the Director of Finance and there is a Budget and Overtime group, chaired by the Chair of Finance Committee. These are responsible for the continued monitoring of police officer overtime. Efforts will continue to be made to reduce expenditure to a level that is in line with Home Office imposed targets and the approved budget. Consideration will be given as to whether budget realignment should occur in such areas of the budget to avoid the recurrence of budget variations.		
<i>Financial Standing: Level 3</i>				
The MPA consistently maintains its spending within its overall budget and without significant unexpected overspends or underspends	As in previous years, there were significant variances in outturn on budget lines, including police officer pay and police officer overtime	The latest 2005/06 forecast outturn indicates a minor overspend will occur on Police Officer Pay. This area of expenditure will continue to be closely monitored in 2006/07 by the MPS and also the MPA to ensure that	MPS DoF	Ongoing

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		expenditure is in line with budget (which is based on an approved deployment plan and average costs per rank of officer) It might be necessary to realign budgets in these areas to reflect actual patterns of expenditure. This issue will be considered by the MPS and the MPA.		
Monitoring information is available that evaluates the effectiveness of recovery actions, associated costs, and the cost of not recovering debt promptly	Monitoring information is simplistic, based upon identifying and recovering high value debts. The process needs to be developed further to meet these requirements	Exchequer Services have purchased and installed a credit diary system which will ensure that the debt management system becomes more sophisticated	MPS DoF	Completed
Financial Standing: Level 4				
Members monitor key financial health indicators and set challenging targets e.g. income collection, levels of variances from budget, prudential framework indicators, and capital programme management	Members should take a more active scrutiny role; for example setting financial targets	A review of the financial framework is currently underway; this will incorporate an assessment of scrutiny processes, especially around management of the capital programme.	MPA Treasury	Ongoing
Internal Control: Level 2				
There are procedure	Internal audit work	Internal Audit will undertake	MPA Internal Audit	Ongoing

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notes/manuals in place for those systems identified by the MPA as being business-critical	highlighted several examples of inadequate documentation and procedures within financial systems during 2004/05	checks to ensure recommendations, that will ensure that documents and processes within financial systems are adequate, have been implemented.		
Internal Control: Level 3				
The risk management process specifically identifies risks in relation to partnerships and provides assurances to be obtained about the management of those risks	While there may be examples of risk management in partnership situations, the MPS has yet to establish a corporate standard for risk managing partnerships. Consequently, any such activity will be inconsistent across the organisation	A Standard Operating Procedure (SOP) is currently being developed for partnership risk management	MPS Corporate Risk Management Group	June 2006
All staff have been given appropriate training and guidance to enable them to take responsibility for managing risk within their own working environment	A programme and training and support is underway, but this is not yet complete	A structured business risk management training programme commenced in November 2005 and is aimed initially at key staff Be-spoke training programmes are provided to those with specific needs on a yearly basis. In addition, the training and	MPS Corporate Risk Management Group	Annual and on-going

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		awareness strategy is currently being reviewed with the aim of mainstreaming risk management across the MPS.		
The members with specific responsibility for risk management have received risk management awareness training	Members of the Corporate Governance Committee have not received risk management training	A programme is currently being developed, the intention being to have trained all members of Corporate Governance Committee by the Summer	MPA Treasury	
The procedure notes/manuals for those systems identified by the MPA as being business-critical are reviewed and updated at least annually	Procedure notes and manuals should be subject to an annual review	All business units are required to update their business continuity plans on an annual basis. The process for ensuring compliance with this requirement is currently being revised	MPS Business Continuity Group	31 March 2006
The standing orders, standing financial instructions and scheme of delegation are reviewed and updated at least annually	Reviews of standing orders, standing financial instructions and scheme of delegation should be performed annually	Standing orders, financial instructions and the scheme of delegation is currently being reviewed. The revised documents are due to be presented to Finance Committee for approval in July. Review of documents will in future be included on the Committee's workplan to	MPA Treasury/CLAMS (Committee, Liaison and Members Section)	Ongoing

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<p>The MPA is proactive in its role to raise the standards of ethical behaviour amongst members and staff, including the provision of ethics training</p>	<p>Proactive action has been taken, but this has been confined to members of the Standards Committee</p>	<p>ensure annual review</p> <p>A twice yearly written briefing on ethical matters is to be issued to all Members.</p> <p>An Ethical Standards Protocol is to be developed for all Committee chairs and portfolio holder Members, and requiring them to sign it to acknowledge they have read it.</p> <p>Members will continue to be encouraged to attend meetings of the Standards committee if there is something of general interest on the agenda.</p>	<p>MPA CLAMS</p>	<p>Ongoing</p>
<p>Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and pecuniary interests. There is evidence that members and staff are making appropriate disclosures in the registers and that they are regularly reviewed</p>	<p>The policy on gifts and hospitality is not applied consistently across the MPS. In particular, only half of the OCUs review and challenge the entries in the register, while three OCUs only introduced registers in</p>	<p>A recent review of the implementation of the policy by the HR evaluation team, coupled with both the policy being reissued and a booklet explaining its purpose being distributed has raised awareness of the policy. In addition, a note is to be</p>	<p>MPS HR</p>	<p>30 June 2006</p>

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	2005	forwarded to all Senior Managers to remind them about the policy.		
The whistle blowing policy is publicised within the MPA and demonstrates the MPA's commitment to providing support to whistleblowers	The policy is available on the intranet. There is only limited publicity available, e.g. some printed material is posted on notice boards	A publicity programme is to be undertaken to highlight both whistle blowing (called reporting wrongdoing in the MPS) and the MPA anti-fraud policy.	MPA Internal Audit	30 June 2006
Internal Control: Level 4				
The MPA can demonstrate that it has embedded risk management in its corporate business process	Risk management is not yet embedded within the MPA/MPS	The Business Risk Management Team are visiting all areas of the MPS (the 2006 Engagement Programme) with a view to risk education and linking the risk register process to the local planning and financial processes. The risk-training programme will also have an impact here. The MPS risk maturity model outlines the stages that have to be achieved to achieve embedding risk across the organisation. Risk registers is just part of that process (as is the Partnership work) with the	Corporate Risk Management Group (MPS) Treasury (MPA)	Engagement Programme June 2006

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		full BRMT work programme setting out to deliver the risk strategy.		
The assurance framework is fully embedded in the business processes	The assurance framework is not fully embedded in MPS business processes	An MPS Corporate Governance Framework is under development. This framework will set out the key controls under ten key areas of governance, allocating clear accountability for each key control to a named post holder. The Director of Strategy and Modernisation will own the framework in its totality.	Corporate Risk Management Group (MPS)	
The MPA has taken steps to ensure that the Corporate Governance Chair either has previous knowledge of, or has received appropriate training on, financial and risk management, accounting concepts and standards and the regulatory regime	No specific formal training has been provided for the Chair of the Corporate Governance Committee	A programme of training is currently being developed	MPA Treasury	30 June 2006
Corporate Governance members are provided with specific training relevant to their responsibilities	No specific formal training has been provided to members of the Corporate	A programme of training is currently being developed	MPA Treasury	Sept 2006

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	Governance Committee			
The Corporate Governance Committee has terms of reference which are reviewed on an annual basis, taking into account relevant governance developments and how it integrates with other committees within the MPA	Terms of reference for the Corporate Governance Committee should be reviewed annually	The terms of reference of all Committee are currently being reviewed and are due to be presented to the Full Authority for approval in March. The need for review will in future be included on the Full Authority's workplan to ensure annual review	MPA CLAMS	Ongoing
The standing orders, standing financial instructions and scheme of delegation make specific reference to partnerships	No evidence of this has been provided	Documents currently make limited reference to partnerships. This will be strengthened as part of the review currently being undertaken of standing orders etc	MPA Treasury	2 June 2006
The MPA can demonstrate that its members, officers and agents exhibit high standards of personal conduct	The MPA has not undertaken an assessment of standards of personal conduct amongst it's members, officers and agents	The MPS currently undertake 'mystery shopper' work around officer behaviour on the streets. A set of standards indicators has been set for Members, and is monitored by the Standards Committee.	MPS DPS & MPA	Ongoing
The MPA can demonstrate a strong counter fraud culture across all departments. Staff	The MPA has not undertaken an assessment of the	Internal Audit have recognised the need to undertake pro active work in	MPA Internal Audit	Sept 2006

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have clearly acknowledged and accepted their responsibility to prevent and detect fraud and corruption	counter fraud culture	this area and are currently developing a project that will enable an assessment of the counter fraud culture to be undertaken.		

