

# **Police Use of Resources: Audit Feedback Report**

**Metropolitan Police Authority**

**Audit 2006/07**

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# Contents

<b>Introduction</b>	<b>4</b>
<b>Approach and scoring</b>	<b>5</b>
<b>Summary of scores for the Metropolitan Police Authority</b>	<b>6</b>
<b>Key messages and actions for the Metropolitan Police Authority</b>	<b>7</b>
Overall messages	7
Role of the police authority	9
Actions for police authority members	9
<b>Theme summaries</b>	<b>10</b>
Financial reporting	10
Financial management	12
Financial standing	14
Internal control	15
Value for money	17
<b>Status of the report and next steps</b>	<b>19</b>
<b>Appendix 1 – Action plan</b>	<b>20</b>

## Introduction

- 1 This report presents the results of the 2006/07 police use of resources assessment (PURE) at the Metropolitan Police Authority. As the Audit Commission's appointed auditor to the Police Authority, we undertook our review during the period March 2007 to October 2007, as part of our responsibility to examine the economy, efficiency and effectiveness of its use of resources under section 5(1)(e) of the Audit Commission Act 1998.
- 2 We have completed our review in accordance with the methodology and guidance issued by the Audit Commission (the Commission). The results have been subject to internal and national quality control arrangements, designed to ensure compliance with the methodology and guidance, and to promote consistency.
- 3 This report summarises the approach taken and the results of the assessment. It also highlights areas for improvement based on the criteria issued by the Commission.

## Approach and scoring

- 4 The PURE assessment enables auditors to form judgements on police authority and force arrangements to secure effective use of resources across the five themes of financial reporting, financial management, financial standing, internal control and value for money.
- 5 Each theme consists of a number of key lines of enquiry (KLOEs) and areas of audit focus and evidence. There are also descriptions of performance against each key line of enquiry showing performance at levels 2, 3 and 4. These translate into the following judgements.

Score/level	Description
1	Below minimum requirements – inadequate performance.
2	Only at minimum requirements – adequate performance.
3	Consistently above minimum requirements – performing well.
4	Well above minimum requirements – performing strongly.

- 6 The Commission will determine the overall use of resources score by combining the auditor's separate scores for each of the themes covered.
- 7 In forming our assessment, we need to take into account requirements of the methodology that is set out in the PURE guidance to auditors and briefings to police authority treasurers and force finance directors issued in February 2007. This is the second year in which auditors have undertaken PURE and the key principle for 2006/07 is one of a risk based and proportionate refresh from 2005/06. Auditor judgements and assessments are based on the following.
  - Key changes to the KLOE criteria referred to in police authority guidance.
  - Actions by police authorities and forces to address improvement opportunities identified in the 2005/06 PURE assessment, and where relevant additional HMIC recommendations linked to the 2005/06 baseline assessment on finance and resources.
  - The need for relevant arrangements to be embedded to support scores of 3 (performing well) and above. That is, they have been operating consistently with clear outputs and are having an impact, and demonstrably so as at 31 March 2007. This represents a tougher test than 2006, which should be borne in mind when interpreting the assessments.
  - The requirement that for scores of 4 (performing strongly), in addition to meeting the descriptors/criteria, police authorities can demonstrate innovation or notable practice that can be shared with others.

## Summary of scores for the Metropolitan Police Authority

- 8 Overall, the Metropolitan Police Authority (MPA) and Metropolitan Police Service (MPS) have sustained and consolidated their position in 2006/07 and have at least adequate arrangements in place overall across each of the five themes. Two of these themes, financial reporting and financial standing, have been assessed to be performing well, with particular improvements noted this year in the arrangements for financial reporting.
- 9 Improvements have also been made in the use of resources within financial management and value for money, although this has not resulted in a change in the overall score for these themes. The arrangements to maintain a sound system of internal control continue to require improvement, although the overall score for internal control remains 2 (adequate) because of the compensating assessments of the arrangements for risk management and preventing fraud and corruption.
- 10 The score for each theme is summarised in Table 1 below, which includes comparative judgements for 2005/06. The next section of this report provides key messages, strengths and areas for improvement across the MPA and MPS and by theme.

**Table 1 Metropolitan Police Authority - summary of use of resources scores by theme**

Use of resources theme	2006/07 score	2005/06 score
Financial reporting	3	2
Financial management	2	2
Financial standing	3	3
Internal control	2	2
Value for money	2	2
<b>Overall</b>	2	2

Source: Audit Commission

## Key messages and actions for the Metropolitan Police Authority

- 11 This summary sets out key findings; both overall for the MPA and MPS and in relation to each theme, summarising strengths and areas for improvement.

### Overall messages

- 12 The overall messages from our work at theme level are summarised in Table 2 below.

**Table 2 Metropolitan Police Authority - summary overall messages by theme**

Use of resources theme	2006/07 score
Financial reporting	<p>The Authority has good arrangements for financial reporting. The accounts were well prepared and evidenced by officers, contained relatively few errors and represented a clear improvement on previous years. An unqualified opinion was issued on 28 September 2007.</p> <p>The Authority's website is well organised and the Annual Report and other key documents are readily available. Summary information is clear and informative.</p>
Financial management	<p>There are links between the medium term financial plan and corporate objectives and the integration of financial and business planning is improving. Key areas of overspend (such as overtime) are being monitored and reported and risk assessments are being used in budgeting and financial planning to reduce these.</p> <p>Whilst the links between financial plans and strategies and the achievement of policing objectives are being considered, further work is necessary to embed this process and demonstrate clearly the link between budgets and operational activity indicators. The MPA and MPS also need to expand and make use of performance measures, benchmarking and user surveys to evaluate how their assets are contributing to policing objectives.</p>

**8 Police Use of Resources: Audit Feedback Report | Key messages and actions for the Metropolitan Police Authority**

<b>Use of resources theme</b>	<b>2006/07 score</b>
Financial standing	The Authority's reserves are now in line with the Treasurer's assessment of the minimum necessary to withstand unexpected financial pressures and are the subject of regular review.
Internal control	<p>Risk management arrangements have continued to develop, but further work is still needed to embed them into strategic and performance management.</p> <p>Arrangements to prevent fraud and corruption are well established. Improvements should be made to the visibility of whistleblowing arrangements to ensure that these are accessible to everyone and used effectively.</p> <p>Weaknesses were apparent in arrangements to ensure a sound system of internal control. These included instances of non-compliance with standing orders, established procedures and EC procurement legislation. Difficulties were experienced in achieving regular reconciliations of cash to bank and some other key accounting reconciliations. Priority action is needed to deliver ongoing, sustainable improvement.</p>
Value for money	Adequate value for money is achieved and there has been improvement in the way VFM is managed, although systems and processes need to embed further so that improved outcomes and benefits are delivered.

*Source: Audit Commission*



## Role of the police authority

- 13 Members approve, scrutinise and monitor revenue and capital budgets, savings targets and the Corporate Business Plan, including the medium term financial strategy (MTFS).
- 14 The MPA monitors financial reserves and approve the increases required to be able to meet unexpected pressures. Whilst it is clear that members monitor key financial health indicators, there is no evidence of target setting.
- 15 A committee that fulfils the functions of an audit committee is long established and considers reports from both Internal Audit and the Audit Commission. The MPA has considered continuity arrangements and is beginning to incorporate risk management, but we were not provided with evidence that all appropriate members had received relevant risk or audit training.
- 16 The MPA challenges VFM at the Finance Committee and the Planning Performance and Review Committee. The MPA and MPS are starting to bring together cost and performance information through, for example, the business planning process and holding joint finance and performance committees, but this is an area that needs to be developed further.

## Actions for police authority members

- 17 The key actions for members in ensuring a continued focus on effective use of resources are outlined within the improvement opportunities and the action plan at Appendix 1.

## Theme summaries

### Financial reporting

<b>Theme score - 3 (performing well)</b>	
<b>Purpose</b>	
To assess the strength of the MPA's and MPS's financial accounting and reporting arrangements.	
<b>Key findings and conclusions</b>	
<p>The Authority's arrangements for financial reporting are sound.</p> <p>The Authority's accounts were approved in accordance with the required timetable and, following an expeditious audit, received an unqualified opinion by the deadline of 30 September. The accounts were supported by thorough working papers and officers responded to audit queries promptly. Only one material amendment was made to the accounts, re-classifying deferred government grants as liabilities rather than as reserves, as required by the 2006 SORP. A small number of non-trivial errors were also identified, considering the size of the organisation, none of which had a revenue impact. The new police pension regulations were applied correctly in advance of guidance from the Home Office. Although fixed assets were better evidenced than in 2005/06, further improvements are possible, and further work is needed next year to ensure disclosures are accurate and well evidenced.</p> <p>The Authority's website is very well organised and the Annual Report and other key reports are readily available. Whilst summary financial information is included within the Annual Report and Policing Plan, there is scope for this to be improved, for example, by improving the linkage to the annual accounts and by providing explanations of key financial terms.</p> <p>The Authority did not provide sufficient evidence to demonstrate that feedback from consultation is being incorporated into the presentation of the accounts and the annual report.</p>	
<p><b>KLOE 1.1</b></p> <p>The authority produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers</p>	<ul style="list-style-type: none"> <li>• Ensure that all changes in the format of the accounts required by the SORP are reviewed and acted upon. (R1)</li> <li>• Further improve the disclosures and supporting papers for fixed assets. (R2)</li> </ul>

<b>Theme score - 3 (performing well)</b>	
<p>KLOE 1.2 The authority promotes external accountability</p>	<ul style="list-style-type: none"> <li>• Review the options available for consulting stakeholders on the presentation of the accounts and the annual report and provide evidence to demonstrate that feedback from consultation has been acted on. (R3)</li> <li>• Make the most recent HMIC report available via the Authority's website. (R4)</li> <li>• Ensure summary financial information is reported and users are provided with explanations for key financial terms.</li> </ul>

## Financial management

<b>Theme score – 2 (adequate)</b>	
<b>Purpose</b>	
To assess how well the MPA and MPS plan and manage its finances.	
<b>Key findings and conclusions</b>	
<p>Financial management arrangements are assessed as adequate but improvements are being implemented, and now need to be embedded.</p> <p>A medium term financial plan is in place and is linked to corporate objectives. Key resource requirements are modelled and work is carried out to identify future developments and proactively manage them. Integration between financial and business planning is improving.</p> <p>The budget as well as savings and efficiency targets were agreed by the MPA and accrued financial monitoring reports are reviewed on a regular basis. Key areas of overspend (such as overtime) are being monitored and reported and risk assessments are being used in budgeting and financial planning to reduce these. A Finance Process Improvement Group consults with users to develop financial information systems.</p> <p>While the links between financial plans and strategies and the achievement of policing objectives are being developed, further work is necessary to embed this process and demonstrate clearly the link between budgets and operational activity indicators. The MPA and MPS also need to expand and make use of performance measures, benchmarking and user surveys to evaluate how their assets are contributing to policing objectives.</p> <p>A corporate capital strategy is established and there is clearly defined responsibility within senior management for key aspects of asset management such as estates. Further work is necessary to develop performance measures that can be used to analyse how the asset base is contributing to the achievement of policing and operational objectives.</p>	
<b>Improvement opportunities</b>	
<p><i>KLOE 2.1</i></p> <p>The authority's medium term financial strategy (MTFS), budgets and capital programme are soundly based and designed to deliver its strategic priorities.</p>	<ul style="list-style-type: none"> <li>• Embed fully the business planning process to help drive the MTFS and internal resource allocation (R6).</li> <li>• Outline joint plans with partners or stakeholders within the MTFS in financial terms (R7).</li> <li>• Demonstrate how financial plans and strategies have contributed to the achievement of policing objectives (R8).</li> </ul>

<b>Theme score – 2 (adequate)</b>	
<p><i>KLOE 2.2</i> The authority and force manage performance against budgets.</p>	<ul style="list-style-type: none"> <li>• Make monitoring reports available to all budget holders within ten days of period end and ensure that this timetable is met (R9).</li> <li>• Continue to develop and embed the links between budget monitoring and operational activity indicators (R10).</li> </ul>
<p><i>KLOE 2.3</i> The authority and force manage their asset base (including their estate and vehicle fleet) and their IM&amp;T service.</p>	<ul style="list-style-type: none"> <li>• Base investment and disposal decisions on whole life costing (R11).</li> <li>• Link local performance measures to asset use and the changes made to the asset base to policing objectives (R12).</li> </ul>

## Financial standing

<b>Theme score – 3 (performing well)</b>	
<b>Purpose</b>	
To assess how well the MPA safeguards its financial standing.	
<b>Key findings and conclusions</b>	
<p>The MPA is performing well. The Authority's budgets are agreed before the start of the financial year and regular monitoring occurs to ensure that overall expenditure does not exceed limits. Monitoring information on financial performance to members is functional but unsophisticated.</p> <p>Substantial earmarked reserves exist for projects that are linked to the MPA's corporate objectives and service priorities. Improvements have been made in analysing reserves and ensuring that they are robust to meet unexpected pressures. The position will need to be reviewed regularly to maintain reserves at an appropriate level.</p>	
<b>Improvement opportunities</b>	
<p><i>KLOE 3.1</i> The authority manages its spending within the available resources.</p>	<ul style="list-style-type: none"> <li>• Demonstrate that members take an active role in setting challenging financial targets (R13).</li> </ul>

## Internal control

<b>Theme score – 2 (adequate)</b>	
<b>Purpose</b>	
To assess how well the MPA's and MPS's internal control environment enables them to manage their significant business risks.	
<b>Key findings and conclusions</b>	
<p>Overall, arrangements are adequate.</p> <p>Risk management arrangements continue to evolve, and much work is being undertaken to fully embed this into strategic and performance management. Clear records of training need to be kept to demonstrate that all members are receiving relevant and appropriate training for their roles.</p> <p>Arrangements to prevent fraud and corruption are well established but improvements should be made to whistleblowing arrangements to ensure that these are accessible to everyone and used effectively.</p> <p>Weaknesses in arrangements to ensure a sound system of internal control were apparent in 2006/07. These are exemplified by compliance failures reported to members with regard to the Safer Neighbourhoods' estates procurement project. The MPS experienced difficulties in maintaining prompt and regular controls over key financial accounting processes including the bank reconciliation and the agreement of some feeder systems to the main ledger. Other control weaknesses were evidenced in the Director of Internal Audit's annual report. Priority action is needed to deliver ongoing, sustainable improvement.</p>	
<b>Improvement opportunities</b>	
<p><i>KLOE 4.1</i> The authority and force manage their significant business risks.</p>	<ul style="list-style-type: none"> <li>• Disseminate and embed the approach to risk management in partnerships (R14).</li> <li>• Evidence the training received by members, particularly in risk management and audit (R15).</li> <li>• Continue to embed risk management within corporate business processes including strategic and financial planning, policy making and review and performance management (R16).</li> </ul>

<b>Theme score – 2 (adequate)</b>	
<p><i>KLOE 4.2</i> The authority and force have arrangements in place to maintain a sound system of internal control.</p>	<ul style="list-style-type: none"> <li>• Ensure that arrangements are in place and operating consistently to ensure that all relevant rules and regulations and internal policies and procedures are followed and that all expenditure is lawful (R17).</li> <li>• Implement all systems of internal control such that, in particular, regular and timely bank and system reconciliations are carried out (R18) and that all systems documentation is up to date and accessible to users (R19).</li> </ul>
<p><i>KLOE 4.3</i> The authority and force have arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.</p>	<ul style="list-style-type: none"> <li>• Ensure that all registers of interests, gifts and hospitality are regularly updated, reviewed and signed off and that there are clear lines of responsibility for registers both locally and centrally (R20).</li> <li>• Ensure that all staff members have access to whistleblowing arrangements and that these are clearly advertised throughout all buildings (R21).</li> </ul>



## Value for money

<b>Theme score – 2 (adequate)</b>
<b>Purpose</b>
To assess the achievement of value for money within the MPA and MPS and to conclude on the robustness of arrangements to secure improvements.
<b>Key findings and conclusions</b>
<p>The MPA/MPS's costs are high when compared to its most similar forces (MSFs). Costs are above average in many areas, for example, supplies and services, management on costs, transport and premises-related expenses. Specific external and contextual factors impact on costs. For example, the MPS is the largest and most complex police organisation in the country, dealing with national, international and capital city functions. Some work is underway to ascertain the key factors impacting on costs, and the scale of these issues, in order to identify the element of higher cost attributable to external factors and the potential for efficiency savings. The MPS has exceeded its efficiency targets in 2006/07.</p> <p>Performance measured by HMIC and PPAF in 2005/06 continues to show general improvement across a wide range of assessment criteria. There have been particular successes in targeted areas: the roll out of Safer Neighbourhoods has contributed to improvements in public confidence in local policing, such that the MPS is now ranked first in its MSF group. Citizen focus has improved significantly, with the rise in overall satisfaction rate of over 10 per cent in 2005/06 being the highest in the country.</p> <p>A VFM culture is being established within the MPA/MPS, with a notable change over the last 12 months. This change is led from the top of the organisation and includes the use of performance objectives around VFM for all senior managers. Clear cost and performance information is available, for example, through budget monitoring. Systems and processes to monitor and review VFM are established and the MPA challenges VFM at the Finance Committee and the Planning Performance and Review Committee. MPS systems and processes to manage VFM have evolved and improved, in particular via the recent creation of the Productivity Strategy Board and working group, with a clear remit to ensure the efficient and effective use of resources. This needs to embed fully to deliver benefits and improvements in the future. The Investment Board allocates resources in line with strategic priorities to ensure performance is delivered to agreed and appropriate standards. Some progress has been demonstrated in improving VFM, for example, the Metropolitan Modernisation Programme (MMP) has achieved its first year milestones, such as the establishment of a Metropolitan Intelligence Bureau, although the full impact of some of these projects has yet to be delivered.</p>

<b>Theme score – 2 (adequate)</b>	
<p>The use of comparative cost and performance information is limited, even where it is available at both corporate and borough level, but the value of comparative information is now recognised and identified as an area for development. The MPA and MPS are starting to bring together cost and performance information through, for example, the business planning process and holding joint finance and performance committees, but this is an area that needs to be developed further. Procurement is being used to deliver savings. For example, Project Prospa is established with the aim of achieving £35 million of savings over a three year period. Projected savings for 2006/07 are in the region of £6 million, exceeding the target of £4 million.</p>	
<b>Improvement opportunities</b>	
<p><i>KLOE 5.1</i> The authority and force currently achieves good value for money.</p>	<ul style="list-style-type: none"> <li>• Drive down costs, both overall and specific service costs (R22).</li> <li>• Develop a fuller understanding of cost differences compared to similar forces including their scale and impact (R23).</li> </ul>
<p><i>KLOE 5.2</i> The authority and force manage and improve value for money.</p>	<ul style="list-style-type: none"> <li>• Use comparative information to inform decision making at corporate and borough level (R24).</li> <li>• Integrate cost and performance information (R25).</li> <li>• Monitor delivery of benefits from projects and programmes to ensure improvements are realised (R26).</li> </ul>

## **Status of the report and next steps**

- 18** The results of our work have been discussed with officers. We recommend officers review and adopt the action plan provided at Appendix 1 to this report.

## Appendix 1 – Action plan

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
<b>Financial reporting</b>							
R1	Ensure that all changes in the format of the accounts required by the SORP are reviewed and acted upon.	High	None	Director, Strategic Finance/Deputy Treasurer	Yes	We will ensure that SORP requirements are reviewed and acted upon.	June 2008
R2	Further improve the disclosures and supporting papers for fixed assets.	Medium	Potential saving on external audit fees costs (has been a reason for additional audit support in the past).	Director, Strategic Finance	Yes	We will further develop disclosures and supporting working papers for fixed assets.	June 2008
R3	Review the options available for consulting stakeholders on the presentation of the accounts and the annual report and provide evidence to demonstrate that feedback from consultation has been acted on.	Medium	Minimal	Director, Strategic Finance/Deputy Treasurer	Yes	We will review our processes for seeking feedback and ensure that this is incorporated within future final accounts statements and presentations.	June 2008

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
R4	Make the most recent HMIC reports available via the Authority's website.	Medium	None	Deputy Treasurer	Yes	A link will be established from the Authority's website to recent HMIC reports.	Dec 2007
R5	Ensure summary financial information is reported and users are provided with explanations for key financial terms.	Medium	None	Director, Strategic Finance/Deputy Treasurer	Yes	We will ensure that the summary accounts information is useful and provides users with appropriate detail and information.	June 2008
<b>Financial management</b>							
R6	Embed fully the business planning process to help drive the MTFs and internal resource allocation.	High	Minimal	Director of Strategic Finance/ Director SMPD	Yes	The MPS is continually improving the financial and business planning process in order to embed a culture of driving down costs, achieve value for money and link performance data with financial outcomes.	March 2008

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
R7	Outline joint plans with partners or stakeholders within the MTFS in financial terms.	High	Minimal	Director of Strategic Finance/ Director SMPD	Yes	The MPS is currently developing a strategy to deal with the emergence of harder joint targets through partnership via Local Area Agreements (LAAs) and other joint working initiatives. A Partnership Protocol will outline the fundamental requirements for managing partnership arrangements.	March 2008
R8	Demonstrate how financial plans and strategies have contributed to the achievement of policing objectives.	High	Minimal	Director of Strategic Finance/ Director SMPD	Yes	There is work currently under way to strengthen the linkages between financial planning via the MTFP and the delivery of key performance targets. The 2008/09 corporate business plan will demonstrate this with each business group showing how their operational performance targets link to the strategic objectives of the organisation.	March 2008

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
R9	Make monitoring reports available to all budget holders within ten days of period end and ensure that this timetable is met.	High	None, unless the financial SAP system will require amendment	Director of Finance Services	No	Monthly Management Reports (MMRs) are provided to Senior Management Teams (SMTs) within the various Business Groups within 10-12 working days of the close of the accounting period. A timetable is produced by Finance Services prior to the start of the financial year and agreed with Business Managers and Finance & Resource Managers from all Business Groups. This timetable sets out in detail the deadlines for production of forecasts, quality assurance of forecasts and production of commentary information relating to all significant variations. It is only when these activities are completed that reports can be prepared for Business Group SMTs.	N/A

24 Police Use of Resources: Audit Feedback Report | Appendix 1 – Action plan

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
						<p>After these activities have taken place, Central Finance produce budget monitoring reports for consideration by MPS Investment Board and subsequently by MPA Finance Committee.</p> <p>The timetable is strictly adhered to throughout the financial year and this ensures that the needs of local budget holders, Business Group SMTs, MPS Management Board and MPA Finance Committee members are met.</p>	



No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
R10	Continue to develop and embed the links between budget monitoring and operational activity indicators.	High	Minimal	Director of Strategic Finance/ Director SMPD	Yes	The MPS will continue to embed the linkages between budget monitoring and operational indicators through quarterly business group reviews, joint working between Finance Services and Performance Teams, and the continuing development work in the financial and business planning arena.	Sept 2008
R11	Base investment and disposal decisions on whole life costing.	High	Minimal, unless SAP systems require amendment	Director of Strategic Finance	Yes	The organisation already bases investment decisions on whole life costing, but there is a requirement to produce a formal policy on this, communicate widely, and embed within the finance and business group communities.	March 2008

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
R12	Link local performance measures to asset use and the changes made to the asset base to policing objectives.	High	Minimal, unless SAP systems require amendment	Director of Strategic Finance/ Director SMPD Director of Information/ Director of Human Resources	Yes	This will be undertaken by researching good practice within other organisations. A project group will be formed to take this recommendation forward.	Sept 2008
<b>Financial standing</b>							
R13	Evidence that members take an active role in setting challenging financial targets.	Medium	None	Treasurer	Yes	This will be taken forward by actively engaging members in target setting via the Budget and Overtime Group currently set up to support the work of the MPA Finance Committee.	March 2008
<b>Internal control</b>							
R14	Disseminate and embed the approach to risk management in partnerships.	High	None	Director of Strategic Finance/ Director SMPD	Yes	A guidance document on managing partnerships within a Partnership Protocol is currently being drafted. Risk management will form part of this document. Once complete the document will be available on the intranet.	March 2008

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
R15	Evidence the training received by members, particularly in risk management and audit.	Medium	None	Treasurer	Yes	Training of members will in future be evidenced via attendance sheets and copies of presentations	March 2008
R16	Continue to embed risk management within corporate business processes, including strategic and financial planning, policy making and review and performance management.	High	None	Director of Strategic Finance/ Director SMPD	Yes	The MPS is making considerable progress in embedding risk management within the corporate processes defined. Further improvements will be made utilising a new Governance Framework currently being developed with the aim of approval by the start of financial year 2008/09.	March 2008
R17	Ensure that arrangements are in place and operating consistently to ensure that all relevant rules and regulations and internal policies and procedures are followed and that all expenditure is lawful.	High	None	Director of Strategic Finance/ Treasurer	Yes	Financial Regulations and Contract regulations have recently been revised, and the Authority will continue to monitor compliance. The MPS has responded by producing a revised Scheme of Delegation currently being disseminated across the organisation.	March 2008

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
R18	Implement all systems of internal control such that, in particular, regular and timely bank and systems reconciliations are carried out.	High	None	Director of Finance Services	Yes	Internal controls have been strengthened, and in particular due regard has been given to bank and systems reconciliations.	Dec 2007
R19	Ensure all systems documentation is up to date and accessible to users.	High	None	Director of Finance Services	Yes	Systems documentation will be assessed as being up to date and made available to all relevant users.	Mar 2008
R20	Ensure that all registers of interests, gifts and hospitality are regularly updated, reviewed and signed off and that there are clear lines of responsibility for registers both locally and centrally.	High	None	Director of Human Resources	Yes	The MPS will ensure that registers are regularly updated, reviewed and signed off. A piece of work is to be commissioned ensuring that this is communicated across the organisation.	Mar 2008

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
R21	Ensure that all staff members have access to whistle blowing arrangements and that these are clearly advertised through all buildings.	Medium	Some, due to possible training and printing costs	Director of Internal Audit/ Director of Strategic Finance	Yes	The MPS and MPA will work together to ensure that all staff members know about and have access to the whistle blowing arrangements. This will be linked to the joint work currently being scoped to ensure Fraud and Corruption issues are communicated across the organisation.	Sept 2008
<b>Value for money</b>							
R22	Drive down costs, both overall and specific service costs.	High	None	Director of Strategic Finance/ Director SMPD	Yes	The MPS will continue to embed value for money principles across the organisation through proactive work commissioned via the Productivity Strategy Board, robust challenge of business cases and effective corporate governance arrangements securing proper scrutiny of costs.	On-going

No.	Recommendation	Priority Low Medium High	Cost implications	Responsibility	Agreed	Comments	Date
R23	Develop a fuller understanding of cost differences compared to similar forces including their scale and impact.	High	None	Director of Strategic Finance/ Director SMPD	Yes	The MPS will utilise benchmarking activities to ensure a fuller understanding of costs and cost differences, in particular when comparing costs to Most Similar Forces (MSF)	On-going
R24	Use comparative information to inform decision making at corporate and borough level.	High	None	Director of Strategic Finance/ Director SMPD	Yes	The MPS will utilise comparative data where it is available to inform decision making and planning at all levels within the organisation.	On-going
R25	Integrate cost and performance information.	High	None	Director of Strategic Finance/ Director SMPD	Yes	The financial and business planning process has started to integrate cost and performance information, and this will be an ongoing priority for the organisation.	On-going
R26	Monitor delivery of benefits from projects and programmes to ensure improvements are realised.	High	None	Director SMPD	Yes	Through the Met Modernisation Programme Delivery Board, all change programmes will be monitored in terms of delivering robust business benefits. Programme Managers will be challenged to deliver and demonstrate effective benefits realisation.	On-going