

Appendix 1

AWARD OF CONTRACTS TO IMPACT PLUS - SIR RONNIE FLANAGAN'S RECOMMENDATIONS

Recommendation	Response
1. The MPA conducts an immediate examination of whether the Commissioner has in place adequate systems, procedures, personnel and experience to allow him to discharge his financial regulatory responsibility. This should be subject to periodic review.	<p>The MPA Scheme of delegation sets out those functions and decisions for which the Authority has given delegated authority to act. The Commissioner (and Treasurer) arrange for the financial management of the police service in accordance with the delegations set out in the MPS financial regulations. In exercising delegated authority officers must abide by Standing Orders, Contract Regulations and Financial Regulations.</p> <p>The Authority oversees the enactment of this delegation through the work of its committees, in particular, the Finance and Resources Committee and the Corporate Governance Committee and officers.</p> <p>The Director of Audit Risk and Assurance provides an annual opinion on the adequacy of the internal control environment and this is supported by a robust and effective audit work programme. The Audit Commission report annually on the statement of accounts and the police use of resources.</p> <p>The Authority ensures appropriate action is taken to address any areas for improvement identified and continues to place reliance on the Commissioner in discharging his delegated authority effectively.</p>
2. Senior police officers and staff should be reminded of the need for constant awareness of the power of their office and the potential effect of this upon others. Particularly those colleagues in more junior organisational positions who may find it difficult to be critical or to offer advice they feel may be unwelcome.	Senior officers and staff are aware of the power of their office and apply the highest standards of integrity in meeting the responsibilities placed upon them. It is a healthy feature of policing that candid, constructive advice is offered to senior officers and staff on a daily basis.
3. When invoices are raised they should be supported by contemporaneous documentation justifying the payment made and allowing for proper audit.	Under the Developing Resource Management programme, the MPS has put in place a purchase order compliance process that ensures both appropriate technical approval and justification for the spend is gained in accordance with MPS Scheme of Delegation, via a formal Purchase Order before the commitment is made to the supplier. Invoices are

Recommendation	Response
	only paid if there is a match between the Purchase Order, the goods receipt and the invoice.
4. It is recommended that members of senior management in MPS and MPA be reminded of the need for great care to lead by personal example in any procurement processes in which they are personally involved.	Senior management of the MPA and MPS are aware of their responsibilities in leading by example on procurement issues. MPS senior management has fully supported the Developing Resource Management programme, including the procurement workstreams and action taken to ensure contract compliance across the Service. Regular compliance reports are now provided to Business Groups and the MPA, and procurement compliance issues are covered in Senior Management Courses (e.g. Borough Commanders) to both staff and officers.
5. Press officers and Staff Officers should be encouraged to gain an even greater understanding of each others' roles. There should be a debrief about the specific media handling issues which arose in this case.	The MPS are confident that there is a clear understanding of respective roles and responsibilities in dealing with the media. The media issues raised by this case were discussed at the time and no further action is required.
6. There should be a review of working practices to cater for 'out of hours' or 'late in the day' freedom of information requests to avoid rushed responses.	FoI requests are not categorised as 'out of hours' or 'late in the day' and are dealt with in accordance with the agreed timescales laid down for processing requests. In this case the enquiry made was not a FOI request but a request for information from a journalist. The MPS provided a speedy response as they determined appropriate to deal with the issue at the time.
7. MPA Internal Audit should seek an immediate update from 'Capgemini' in relation to the review of MPS contracts.	This recommendation relates to the comprehensive piece of work recently completed in compiling a database of all MPA contracts (Capgemini were the original consultants supporting DRM). The outcome of this review has been reported to the Authority's Finance Committee, Resource and Productivity Sub Committee and Corporate Governance Committee.
8. It is recommended that the improvement work in the area of the 'Developing Resources Management' programme should continue and receive the full support of senior MPS and MPA management.	The Developing Resource Management (DRM) has concluded phase 1 and moved on to phase 2. MPS senior management and MPA members and senior management continue to give this programme for change their full support. Progress on the DRM programme is reported on a monthly basis to the MPS Governance Board and MPA Resources and Productivity sub committee and quarterly to the MPA Corporate Governance Committee.
9. It is recommended that through training and other means the MPS raise the status and importance of procurement regulations and	Procurement Services have developed and delivered a training and awareness programme around compliance with procurement and MPA contract regulations. Delivery of the training is part of the

Recommendation	Response
legislation.	<p>implementation plan supporting the MPA/MPS Procurement Strategy scrutinised and reviewed by the MPA Resources and Productivity Committee.</p> <p>The DRM programme has helped to raise awareness particularly around contract compliance and the procurement regulations and legislation.</p> <p>Procurement Services also now have a Procurement Governance Manager and a Change Manager post to develop and embed new procurement policy and procedures.</p> <p>Training has been conducted within Procurement Services on EU Regulations and the Remedies Directive.</p> <p>Procurement is now included in the Leadership Academy Command Leaders course, which by its very nature gets the message about the importance of compliant procurement to senior officers and staff.</p> <p>Monthly sessions also now take place with MPS business managers who are key to driving procurement compliance in their business areas.</p>
10. It is recommended that the MPA internal audit framework governing each stage of the procurement process is circulated within the MPS Senior Management Team, and compliance strictly monitored.	<p>The MPA Internal Audit guidance on the framework governing each stage of the procurement process has been incorporated in the policy and procedures developed by MPS Procurement Services.</p> <p>Procurement law and practice has, however, moved on and continues to do so. The MPS has worked with the Authority to review, renew and communicate revised Standing Orders. Contract Regulations clearly outline the stages of the procurement process and the approvals necessary. All procurements over £50,000 are closely screened by Procurement Services and those above the OJEU threshold are led by Procurement Services Department , given the complexity of procurement law as it has developed.</p>
<p>11. It is recommended that the following be adopted or re-emphasised as guiding principles in procurement processes:</p> <ul style="list-style-type: none"> • Open competition must be the fundamental guiding principle in all procurement processes • There must be a fair system of selecting companies to be invited 	<p>This recommendation substantially re-states some elements of procurement legal requirements, which are fully accepted and are an integral part of the MPA and MPS regulations, policies and procedures. The steps taken as described above have had the effect of re-emphasising the requirements.</p> <p>Monitoring of contractors' performance is a routine and necessary function in all contracts (taking into account the size, importance and the period of the</p>

Recommendation	Response
<p>to bid</p> <ul style="list-style-type: none"> • Where an individual 'declares an interest' in a procurement process they should take no part in it • Police officers and staff should declare any contact with a potential contractor, outside the work environment • Professional advice should be actively sought from 'Procurement services' at the outset of any process, and acted upon • Professionals in 'Procurement Services' need to have clearly understood avenues of reporting any concerns which may arise and must have confidence in dealing with senior officers and staff • Clear specification and accurate estimates for goods or services is required • Estimates or specifications should not be exceeded. If extra need arises, there must be a proper process around any revision and authority given at an appropriate level for any changes • There should be clearly documented and agreed Performance Indicators (PIs) for contractors • There should be independent monitoring of contractors' performance against PI's • Clearly defined rules around recommending contractors to others should be introduced • There must be clearly defined accountabilities in relation to procurement action, and enforcement of sanction in respect of any breach 	<p>contract).</p>
<p>12. Any case of non-compliance with procurement rules must be reported and appropriately acted upon.</p>	<p>All cases of non-compliance and action taken to address the non-compliance are reported to and monitored by the MPS Management Board the MPA Resources and Productivity sub committee and the</p>

Recommendation	Response
	<p>MPA Corporate Governance Committee as appropriate.</p> <p>Systems changes have also been introduced by the MPS to flag up non-compliance to ensure remedial action can be taken as early as possible. MPS Management Board also agreed a general framework for dealing with non-compliance, which covered procurement issues, and in March 2009, the Commissioner sent a letter to Management Board, copied to Business Group Business Managers, stating “We have undertaken the commitment, as a business, to become compliant in our purchasing activity. . . .“</p>