

## Anti-Fraud Strategy – Implementation Plan Appendix to Agenda item 8

2011- 2014

Strands	Activity/ Documents	MP A/M PS	Owner	Current Activity	Planned Activity	Delivery Date
<b>STRATEGIES AND POLICY</b>	MPA Standing Orders	MPA	MPA Chief Executive	Sets the regulation framework for the MPA and the MPS	To be reviewed following development of new governance structure.	Jan – March 2011
	Good Conduct and Anti-Fraud Policy	MPA	Director DARA	Policy in place and approved on 28 July 2007. It sets out the expectations of the MPA in relation to conduct and behaviour in the MPA and MPS. It is currently available on the MPA website and can be accessed via the MPS Aware system.	The principles in this policy will be communicated at fraud awareness events planned for Jan/Feb/Mar 2011. This policy will be part of the publicity launch alongside the anti-fraud strategy to reach wider audience.	Jan –March 2011
	5Ps Presence Performance Productivity Professionalism Pride	MPS	MPS Management Board	This is owned by MPS Management Board and progress is regularly reported through to Full Authority and other committees.	Ongoing internal publicity reinforcing importance of the 5Ps message.	On-going
	Anti-Fraud Strategy	MPA/ MPS	Director DoR/Director DARA	The strategy linked with this implementation plan has been drafted and will be tabled at MPS Governance Board on 8 November and MPA Corporate Governance Committee on 2 December.	Publicity launch planned, communication across the MPA/MPS including articles in the Job magazine/bulletins on the Aware system.	Jan – March 2011
	Directorate of Professional Standards (DPS) Anti Corruption Strategy	MPS	Commander DPS	The strategy is in place for how DPS will deal with anti-corruption in the MPS. This incorporates a performance framework and success measures with lead officers allocated to strategic objectives.	As part of the publicity launch, the anti-corruption strategy will form part of the holistic approach being led with the anti-fraud strategy.	Jan-March 2011

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	Fraud Response Plan	MPA	Director DARA	Current response plan is incorporated in the Prevention and Detection of Internal Fraud Standard Operating Procedure (SOP). This outlines fraud reporting responsibilities and the investigation activities to be carried out in the event of fraud.	Revised and updated Prevention and Detection of Fraud SOP due to be published and will form part of the publicity launch.	Nov 2010 – Mar 2011
	Reporting Wrongdoing Policy	MPS	Commander DPS	This policy approved in 2007. It details the policy for people to report any wrong-doing including fraud in the MPS/MPA. It remains relevant and up-to-date.	Publicity of the Right-line will be communicated at fraud awareness events and details are provided at the quarterly financial awareness training events	On-going
	Gifts and Hospitality	MPS	Director HR	Gifts & Hospitality Standard Operating Procedure published in 2009 in direct support of corporate policy. Individual Business Group register details published on intranet.	SOP due to be reviewed in January 2012. Policy is monitored annually, i.e. to ensure all Business Groups have registers in place and local systems for monitoring.	On-going
	Business Interests Policy	MPS	Director HR	<p>Policy Review to take place to streamline the process and make best use of technology provided by the T/HR Oracle software.</p> <p>Appointment of a Project Manager and Administrator.</p> <p>Project Initiation Document (PID) to be completed to address</p> <ul style="list-style-type: none"> <li>• Audit of all current business interests held by staff in the MPS</li> <li>• Develop effective monitoring of all Review</li> <li>• Develop a centre of excellence concerning compatibility of business interests</li> <li>• Detailed timeline</li> <li>• Identification of business benefits</li> </ul>	<p>A Policy review is currently taking place. Consultation began with key stakeholders in October.</p> <p>A Project Manager has been appointed, with dedicated project support anticipated.</p> <p>A PID is currently being written first draft to be completed by 18<sup>th</sup> October 2010.</p> <p>Audit within HR of existing business interests commenced in October 2010.</p>	Oct 2010 – 2011

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	Recovery of Losses Procedures	MPA/ MPS	DARA/MPS	There are a range of policies/SOPs in place that provide guidance around write offs and recovery of losses	SOPs are being reviewed with anticipated publication in Quarter 3 of 2010.	Oct 2010-Dec 2010
	Fraud Awareness Leaflet	MPS	DPS/HR/MP A	This is a possible future development which will need agreed budget and timescales for production.	Possible future development.	
<b>RISK MANAGEMENT</b>						
	Corporate Risk Register	MPS	MPS Management Board	There is a corporate risk register in place. An assessment and evaluation of risks associated with fraud to be integrated into the Risk Management process.	This is due to be refreshed by November 2010 and an improvement plan to be agreed by the MPS Governance Board.	November 2010 – March 2011
	Fraud Risk Assessment	MPA	MPA DARA	The fraud risk assessment is a dynamic live document that will be reviewed and will inform audit and counter fraud activity.	Fraud Risk Assessment carried out in 2009 and to be updated for 2011/12.	March 2011
	DPS Strategic Threat Assessment	MPS	Commander DPS	Threat assessment in place and updated monthly/quarterly		
	Audit Needs Assessment/Plan	MPA	Director DARA	This is the risk assessment used to determine the Audit Annual Plan which is updated annually.	The ANA is in place for 2010-11 and will be updated in November 2010 for 2011-12.	November 2010
<b>PREVENTION</b>						
	Scheme of Delegation	MPA	Chief Exec	Scheme of Delegation (Financial Approval Limits) in place.	Due to be fully reviewed but in light of proposed changes to the governance in policing, no immediate changes will be implemented.	
	Corporate Governance Framework	MPA/ MPS	Director of Resources	Significant progress has been made on corporate governance, continuing the drive to achieve excellence in corporate governance using the 'temple' model which reflects the current good practice adopted by the MPS. Through this temple, the MPS demonstrates: -  • that robust structures and processes are in place to	Improvements to three areas of the governance work programme:  • Decision making structures for establishing priorities and considering strategic issues facing the MPS; • Reviewing and updating standing financial instructions, a scheme of delegation and	On-going

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				<p>enable delivery of our objectives;</p> <ul style="list-style-type: none"> <li>close working with the MPA and other partners fundamental to the delivery of quality policing, and</li> <li>that work is carried out ethically and in a way that meets legal requirements.</li> </ul> <p>A detailed gap analysis against elements of the CIPFA/SOLACE framework was fully refreshed in 2010, to ensure that the MPS corporate governance arrangements continue to comply with good practice and remain both relevant and fit for purpose.</p>	<p>supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;</p> <ul style="list-style-type: none"> <li>Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.</li> </ul>	
	Annual Governance Statement and Annual Assurance Statement	MPA/ MPS	MPA Chief Executive and MPA Treasurer  Director of Resources	An annual review of the effectiveness of MPS governance and internal controls is conducted, outlining any identified areas for improvement. The MPS Annual Assurance Statement is produced as a result of this process, which in turn informs the MPA Annual Governance Statement.	Ongoing annual activity. Areas identified for improvement are monitored quarterly by the Corporate Governance Committee.	

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	Developing Resource Management programmes (DRM1 and DRM2)	MPS	Director of Resources	<p>Developing Resource Management (DRM) is a critical change programme - working to improve ways of working and systems to minimise financial waste and maximise governance arrangements. The first phase of DRM successfully delivered a range of projects, including:</p> <ul style="list-style-type: none"> <li>• Modernisation of Finance &amp; Resources;</li> <li>• New Corporate Decision Making arrangements;</li> <li>• Developed the MPS approach to partnership working;</li> <li>• Improved compliance with procurement policies, saving money and ensuring improved governance;</li> <li>• Introduced a Scheme of Delegation (Financial Authorisation Limits) to ensure thorough oversight and control of MPA/MPS expenditure</li> </ul>	<p>There are currently five active workstreams within DRM2:</p> <ol style="list-style-type: none"> <li>1. Corporate Real Estate - introducing new corporate policies and processes to ensure best management and use of the MPS estate</li> <li>2. Procurement - further improving our control and compliance with procurement policies. Cashable savings to be achieved through delivery of identified Strategic Procurement Plans. Contract management toolkit, handbook and reporting to be rolled out (initially to DoI and Uniform Services)</li> <li>3. Source-to-Payment - introducing best-in-class contract management functionality to enable effective collaboration with suppliers onsystem, enhancing our control and governance of MPA/MPS spend. Implementation due Summer 2011.</li> <li>4. SAP - a suite of projects to improve our use of SAP, moving manual processes onsystem to minimise control failures, enhancing decision making through improved management information.</li> <li>5. Finance and Resources Modernisation 2 - further improving support services across MPS, ensuring effective and efficient delivery. All Business Groups consulted. Full TUS involvement.</li> </ol>	Quarter 2 2011

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	Compliance Regime	MPA/ MPS	MPS Management Board	A non compliance framework has been agreed by MPS MB. The three key areas of the requirement are: Organisational Structures Reporting Standards of Behaviour	This will be reviewed annually. Additional planned activities include internal publicity in a forthcoming edition of The Job magazine around non-compliance generally and fraud and corruption in particular; also, an article in a forthcoming issue of 'Police Review'.	January – March 2011
	Recruitment and Security Vetting	MPS	AC Specialist Crime Directorate	A security vetting process is in place. The vetting unit has been amalgamated within the specialist crime directorate and there are some outstanding high risk audit recommendations.	A follow up audit is planned by DARA for January 2011. A report on performance framework for vetting considered at November meeting of Corporate Governance Committee.	November 2010 – March 2011
	Finance Awareness Training	MPS	Director of Resources	In addition to delivering regular FAT courses, a 'Financial Management in the MPS' course now forms part of the Emerging Leaders Programme.	'Finance and Budget Management' courses are planned for autumn 2010; also a 'Running Your Business' course has been incorporated into the TP Borough Commander's Development Programme	On-going
	Fraud Awareness Training	MPA/ MPS	DARA/MPS	Ten workshops already held with 200 employees attended in 2009. Report on outcome considered by Corporate Governance Committee.	Further ten workshops agreed, letter of engagem10 workshops already held with 200 having attended.	November 2010 – March 2011
	Procedure and System design (segregation of duties, supervisory checks etc)	MPA/ MPS	DARA/MPS	The MPS has operating procedures in place for main systems. DARA review activity which provides independent assurance of their effectiveness.	MPS and MPA to embed and promote the importance of segregation of duties and supervisory checks as part of anti-fraud strategy and awareness events.	On-going 2011
	Audit (internal and external)	MPA/ MPS	DARA/DoR	Audit programme communicated to MPA/MPS. Regular liaison meetings with external inspection bodies(including HMIC and Audit Commission)	Annual plan agreed at Corporate Governance Committee. Robust monitoring of audit recommendations by MPS Compliance and Assurance Team. Regular status reports to MPS Performance Board and MPA Corporate Governance Committee.	On-going
	Corporate Induction	MPS	Director HR	A Directorate of Professional Standards presentation to all newly	Since May 2009 approximately 900 PCSOs have received Professional	

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				recruited PCSOs, DDOs and Custody Nurses. The presentation features a 'hard-hitting' DVD with clips of current MPS staff sharing their experiences of being subject to gross misconduct proceedings. The presentation addresses all areas of disciplinary breaches that could result in dismissal including fraud related offences.	Standards training. As at August 2010, only two PCSOs have been subject to any form of formal discipline.	
	Partnership agreements MOU's (Between key stakeholders for Fraud Prevention)	MPA/ MPS	MPS/DARA	MOU in existence with professional standards and DARA. Protocol in place with DARA and Directorate of Resources	Update of MOU between DPS and DARA by 31.03.2011 Protocol being refreshed between DARA and Directorate of Resources.	March 2011
<b>DETECTION</b>	Audit (Internal and External)	MPA/ MPS	DARA/MPS Management Board	Assesses and evaluates risks and controls .	Analysis of underlying causes of fraud that have been identified through our work. Planned action will include reporting to senior management and ensuring controls are improved in the identified areas to prevent reoccurrence.	On-going
	MPA DARA Analytical Team	MPA	Director DARA	A rolling programme of work using analytical intelligence techniques to interrogate financial systems of known high risk to ensure controls are effective and provide assurance.	Findings by DARA reported to MPS management and Corporate Governance Committee.	On-going
	MPA DARA Counter Fraud Branch	MPA	Director DARA	In place to deal with detection of fraud with appropriately skilled staff.	A self assessment against CIPFA red book 2 to ensure best practice on detecting and investigating fraud.	2011-12
	National Fraud Initiative	MPA	Director DARA	The National Fraud Initiative (NFI) is an exercise that matches electronic data within and between audited bodies to prevent and detect fraud.	The MPA/MPS have resolved all matches from the 2008 exercise and findings have been reported to the Audit Commission. Data for 2010 exercise has been supplied to the Audit Commission in October 2010.	2011-12

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	Compliance and Assurance Team (CAAT) Team	MPS	Director of Resources	As part of recent Finance Services restructuring, a Compliance and Assurance Team (CAAT) has been established, which has assumed the roles of the former MPS Inspectorate and Quality Assurance Teams (QAT).	A revised Audit & Inspection Protocol between MPS and inspecting bodies (DARA, HMIC and Audit Commission) has been drafted and is due to be published in autumn 2010. Improved working arrangements include dedicated Business Group Single Points of Contact (SPOCs) to expedite implementation of audit recommendations; regular meetings with DARA and SPOCs to maintain a focus on driving through identified areas for improvement.	Quarter 3 2010
	National Fraud Initiative	MPA	Director DARA	Data for 2010 exercise supplied to Audit Commission in October 2010.	Resolved all matches from the 2008 exercise, findings reported to the Audit Commission	
	IT Security Incident Reporting	MPS	Director DoI (Directorate of Information)	There is an MPS Security Incident Reporting scheme in place for the reporting of any IT security incidents, managed within DoI. The Security Incident Reporting, Handling and Investigation SOP is currently subject to review.	The revised SOP is due to be published in October 2010.	
	Right Line	MPA/ MPS	DPS/DARA	MPA/MPS jointly owned – Rightline online launched 2009	Right Line (confidential telephone line) and Right Line On-Line (e-mail) in operation.	
<b>INVESTIGATION</b>	DARA Counter Fraud Unit		Director DARA	Detects and investigates fraud within the MPA and MPS. Responds to reports of suspected fraudulent behaviour. Appropriately skilled and resourced staff.	In place to deal with fraud investigations reported	In Place
	Practice Support Team - Police Staff Discipline Unit	MPS	Director HR	Monitors and verifies all cases of gross misconduct. Complex gross misconduct investigation undertaken. Advice given to line managers and discipline board members.	In place to deal with fraud investigations reported	In Place

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	DPS	MPS	Commander DPS	In place with appropriately skilled and resources staff.		In Place
	MPS SCD6 and Boroughs	MPS	Commander SCD6	In place with appropriately skilled and resources staff.	Appropriate fraud cases are referred to SCD6.	
<b>REVIEW AND MONITORING</b>	Case Data Gathering	MPS	Commander DPS/Director HR	Current arrangements for reporting fraud and collating instances of fraud are at present fragmented and are sometimes captured under other categories of wrong-doing.	Planned action to improve reporting arrangements and oversight include working with key stakeholders to collate information and report accurately levels of fraud.	2011
	Fraud Forums	MPA/ MPS	MPA DARA MPS Commander DPS and Director of Resources	There is no current anti-fraud forum solely dedicated to internal fraud .that operates within the MPA/MPS.	To improve co-ordination and liaison on fraud, a formal forum on internal fraud will be set up. Key stakeholders to this group include DPS, HR, DARA, DOI (Directorate of Information), Directorate of Resources and Business Groups where required.	2011
	NFI Website	MPA	MPA DARA	This website is used to record the outcome of the NFI exercise.	The MPA and MPS will continue to participate in the NFI exercise.	2011-12
	Reports to Corporate Governance Committee	MPA/ MPS	MPA/MPS	Progress reports are made to each meeting on current fraud investigations. Ad hoc reports are made of larger loss/high profile cases.	Reports to continue as required.	
	DARA Annual Report	MPA	MPA DARA	Provides DARA annual opinion of the adequacy and effectiveness of the internal control framework in the MPS/MPA,	Agreed by Corporate Governance Committee in June 2010	
	Compliance Framework	MPS	Director of Resources	Agreed by MPS Management Board in 2009 as a vehicle to align staff perception of integrity with public expectations. Defines escalation process for non compliance and allows for 'compliance' and 'use of resources' to be a part of the annual performance appraisal process.	Forms part of the compliance regime under the prevention strand of this strategy.	January – March 2011

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	Benchmarking against CIPFA standard in Red Book 2 'Managing the Risk of Fraud'.	MPA	Director DARA	An Initial assessment has been conducted and necessary actions are included in this implementation plan.	Report outcome to Corporate Governance Committee	2011
<b>ORGANISATIONAL LEARNING</b>	Lessons Learnt from fraud cases	MPS/ MPA	MPS/MPA	An appointment of an Organisational Learning Lead has been made with the creation of an Organisational Learning Forum. Reports by Counter Fraud staff included recommendations to resolve identified weaknesses.	All key stakeholders to participate in the MPS wide Organisational Learning Forum.	2011
	Publicity for proven cases of fraud	MPS	Commander DPS/Director HR	Publicity given to suitable proven cases on the MPS Intranet or in the staff newspaper 'The Job'.	Publicity to be included in the launch of the anti-fraud strategy.	2011
	Data to inform Audit Plan	MPA	MPA DARA	Data on fraud cases is used to inform the annual audit plan.	This will form part of the audit needs assessment and annual audit plan	2011
	Benchmarking of counter fraud unit against other public sector organisations.	MPA	MPA DARA	The MPA have taken part in a pilot benchmarking process with other public sector organisations to identify how internal fraud is dealt with in terms of resources/working practices etc.	Feedback to be produced by CIPFA by year end 2010. Will be reviewed to assess usefulness of the exercise and benefits to the MPA.	January 2011
	Response to serious cases of fraud		Commander DPS	Gold Groups are formed when required to deal with any critical incidents.	Key personnel attend 'gold groups' where necessary.	On-going