

Summary of DARA Activity 3<sup>rd</sup> Quarter 2011/12**Risk Audits**

<b>Audit Title</b>	<b>Report Dates</b>	<b>Overall Opinion</b>	<b>Areas of Effective Control</b>	<b>Controls for Improvement</b>	<b>Recommendations and Progress</b>
<b>Westminster BOCU</b>	Draft: July 2011  Final: Sept 2011	Control framework adequate but controls to mitigate key risks are not operating consistently across the Command.	<ul style="list-style-type: none"> <li>• Documentation and communication of budget allocation and responsibility.</li> <li>• Recording and circulation of financial performance information.</li> <li>• Records supporting police officer overtime payments.</li> <li>• Local procedures controlling the processing of police staff overtime.</li> <li>• Maintenance of local inventories.</li> </ul>	<ul style="list-style-type: none"> <li>• Approved and integrated risk management framework.</li> <li>• Reconciliation of expected cash returns.</li> <li>• Clear authorisation of Police Officer overtime.</li> <li>• Monitoring of the ratio of planned and casual overtime.</li> <li>• The collection and storage of exhibits.</li> <li>•</li> </ul>	Management actions agreed for the 14 medium risks identified of which eight have been completed. The remainder have a target date of March 2012 for implementation.
<b>Management and Funding of Dangerous Dogs</b>	Draft: Nov 2011  Final: Nov 2011	Control framework adequate but controls to mitigate key risks are not operating consistently.	<ul style="list-style-type: none"> <li>• Comprehensive procedures.</li> <li>• Budget monitoring.</li> <li>• Approved list of kennels within a procurement framework.</li> <li>• Resilience in the management of kennel capacity.</li> <li>• Comprehensive records of seized dogs to enable compliance with relevant legislation and MPS policy.</li> <li>• Health and safety risk assessments.</li> <li>• Effective services framework agreement for kennelling and care of seized dogs.</li> <li>• Monthly information is reported on the numbers of dogs seized and dealt with.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Documented strategy and supporting plan for dealing with dangerous dogs.</li> <li>• Defining strategic outcomes and corporate objectives for dealing with dangerous dogs and their owners.</li> <li>• Supporting risk management framework.</li> <li>• Performance measurement tools to monitor the SDU.</li> <li>• Succession planning.</li> <li>• Sign off protocol for increasing efficiency.</li> </ul>	Management actions agreed for the five medium risks identified. Target date of April 2012 for implementation.
<b>Resilience of the Command and Control System</b>	Draft: Aug 2011  Final: Nov 2011	Some improvement is required to ensure that business objectives are met.	Restricted Report.	Restricted Report.	Management action agreed for three medium risks.

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<b>Resilience of the Crime Reporting Information System (CRIS)</b>	Draft: Aug 2011  Final: Nov 2011	Significant improvement is needed before business objectives can be met.	Restricted Report.	Restricted Report.	Management action agreed for two high and seven medium risks.
<b>Use and Control of Assets Central Operations</b>	Draft: Aug 2011  Final: Nov 2011	Adequate controls are not in place to mitigate key risks and controls are not being consistently applied.	<ul style="list-style-type: none"> <li>One resource area in CO had effective systems in place for managing and controlling inventory items.</li> </ul>	<ul style="list-style-type: none"> <li>Effective control framework governing the management of assets and inventories.</li> <li>Compliance with policies and procedures.</li> <li>Definitive asset inventory for CO.</li> <li>Systems to deal with transfers and staff leaving the MPS.</li> <li>Monitoring and supervision of the management of inventories.</li> <li>SMT review of management information on equipment and inventories.</li> </ul>	Management actions agreed for the nine medium risks identified. Target date of March 2012 for implementation.

**Interim Audits – Follow Up Reviews**

Audit Title	Report Dates	Overall Opinion	Areas of Improved Control	Continuing Improvement Areas for	Recommendations and Progress
<b>Fixed Asset Registers</b>	Draft: Sept 2011  Final: Oct 2011	Control framework is adequate and controls are generally operating effectively.	<ul style="list-style-type: none"> <li>Increased level of liaison between Finance Services and Property Services on property valuations and leases.</li> <li>New SAP capital management implementation to assist the tracking of projects and more frequent monitoring and reporting of the capital programme.</li> <li>KPIs are reported to the Capital Programme Steering Group.</li> </ul>		The two accepted recommendations have been implemented.

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<b>IS/IT Access and Usage</b>	Draft: Aug 2011  Final: Nov 2011	The overall control framework has improved and controls are generally operating effectively.	<ul style="list-style-type: none"> <li>• Security awareness strategy.</li> <li>• Training needs assessment in progress.</li> <li>• 'Information Assurance – People' review carried out and risk management strategy in place.</li> <li>• Systems register set up to identify, record, risk assess and plan accreditation.</li> <li>• Systems access and usage reported to MetSec Board and reviewed as part of re-accreditation process.</li> <li>• Working group to review MPS use of the internet set up.</li> <li>• SOP to deal with data sharing implemented.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of the DoI strategy and plan to ensure access rights of all leavers, including temporary workers are disabled, and that only single log-in is allowed.</li> <li>• Review of all used accounts on a periodic basis.</li> </ul>	<p>Of the 15 agreed recommendations made, 11 have been fully implemented including the two high risk recommendations, and four have been partly implemented.</p> <p>Action to implement all recommendations fully will be completed by April 2012.</p>
<b>DPA and FOIA Control and Enforcement</b>	Draft: Sept 2011  Final: Nov 2011	Control framework has improved and controls are generally operating effectively.	<ul style="list-style-type: none"> <li>• SOPs updated and publication scheme update in progress.</li> <li>• Revised system of monitoring and reporting introduced.</li> <li>• Guidance on disclosure and publication of the FOIA Disclosure Log issued and a DoI/PAO Quality and Assurance team set up to monitor FOIA requests.</li> <li>• MPA and PAO have restated the pathway for responding to FOIA and DPA requests.</li> <li>• DPA and FOIA risks included in the risk register and reviewed regularly.</li> <li>• Timely corporate review process and improved performance reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Publication scheme for senior corporate directors, DACs and B/OCUs is to be completed.</li> <li>• Reminders to B/OCUs on the statutory provisions of the DPA and FOIA.</li> <li>• Management reporting to SMT on performance and non-compliance.</li> </ul>	<p>Of the 21 agreed recommendations, 15 have been implemented and six partly.</p> <p>Action to implement all recommendations fully will be taken by February 2012</p>
<b>Police Officers and Police Staff Pensions</b>	Draft: Aug 2011  Final: Nov 2011	Control framework has improved and is operating effectively.	<ul style="list-style-type: none"> <li>• Setting up personnel in the correct pension scheme.</li> <li>• Allocation of contributions.</li> <li>• Confirmation of transfer of funds and calculation.</li> <li>• Approval of pensions.</li> </ul>		All of the 14 agreed recommendations have been implemented.

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<b>Use and Control of Mobile Resources</b>	Draft: Aug 2011  Final: Nov 2011	Some improvement in the control framework although further work is required before an effective framework is in place.	<ul style="list-style-type: none"> <li>• Regular matching of corporate to local records to identify inaccuracies of recorded mobile resources.</li> <li>• Assets checked to confirm their existence and location.</li> <li>• MPS laptops inventory completed achieving an annual support cost saving.</li> <li>• Number of mobile telephones reduced achieving a further cost saving.</li> </ul>	<ul style="list-style-type: none"> <li>• Framework supported by policies and procedures for the allocation and management of mobile resources, including security requirements and charging for personal calls.</li> <li>• Asset disposal arrangements.</li> <li>• Reconciliation of invoices from contractors to ensure goods and services are satisfactorily delivered.</li> </ul>	<p>Of the 27 agreed recommendations, 16 have been implemented, one partly and ten remain outstanding.</p> <p>Actions to address the outstanding recommendations are due to be completed by March 2012.</p>
<b>Security Vetting and Clearance</b>	Draft: July 2011  Final: Dec 2011	Control framework has improved but further improvement is required before framework is fully effective.	Restricted Report.	Restricted Report.	<p>Of the 17 accepted recommendations, six have been fully implemented, nine partly including the two high risk recommendations, one remains outstanding and one recommendation is no longer applicable.</p> <p>Action to address the outstanding recommendation is due to be completed by January 2012.</p>
<b>Business Continuity and Disaster Recovery</b>	Draft: Aug 2011  Final: Nov 2011	Some improvement in the control framework although further work is required before a fully effective framework is	<ul style="list-style-type: none"> <li>• Resilience and Business Continuity Board now oversee business continuity planning.</li> <li>• Work has commenced on the formulation of detailed business continuity arrangements to deal with changes to the estate, the potential loss of key supplies and IT services.</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed contingency plans to be finalised and tested.</li> <li>• Testing requirements of the Disaster Recovery Planning 11 critical ICT systems.</li> <li>• Plans to be finalised and tested to deal with the potential interruption of supply for the top twenty key suppliers of external services.</li> </ul>	<p>Of the 15 accepted recommendations, eight have been implemented and six partly including the one high risk.</p> <p>Action to implement all recommendations fully will be taken by December 2011.</p>

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		in place.		<ul style="list-style-type: none"> <li>Decision to be made for the procurement of an administration system to record and monitor business continuity and disaster recovery MPS wide.</li> </ul>	

Counter Fraud Work	DARA Activity
<b>Investigations</b>	<p>We have opened 56 investigations so far this year. Currently we have 47 live investigations into potential fraud, abuse and/or non-compliance with regulations/legislation. They fall into the following categories:</p> <ul style="list-style-type: none"> <li>6 false claims</li> <li>7 missing assets</li> <li>17 NFI</li> <li>11 theft of cash/property</li> <li>8 contracts</li> <li>2 business interests</li> <li>2 forged cheques</li> <li>3 other/miscellaneous</li> </ul> <p>In conjunction with the Authority's lawyers we are also continuing to pursue civil proceedings against a former MPS interpreter in order to recover £176k lost to the MPA by inflated claims of linguistic fees.</p>
<b>Fraud Prevention</b>	<p>Anti Fraud Strategy: Work continues with MPS colleagues to review and update actions in the Implementation Plan.</p> <p>'Raising Fraud Awareness': A joint MPS/MPA report is submitted as a separate agenda item to this Committee giving an update on progress of recommendations implemented following the previous fraud awareness exercise. We continue to work with the Audit Commission and MPS colleagues and are planning a further series of workshops for early 2012. This will result in over 1000 key MPS staff having attended such an event.</p> <p>Following comprehensive analysis, a fraud risk assessment was presented to, and endorsed by, the Corporate Governance Committee in October 2011. This assessment will help determine and drive fraud prevention and investigation activity and we are continuing to work with the MPS in embedding the effective management of fraud risks.</p>
<b>Analysis of Key Financial Systems</b>	<p>We continue to develop our analysis of key financial systems and known fraud risk areas. We have completed reviews into the use of government procurement cards and MPS vehicles, and supported the DARA review of gifts</p>

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	and hospitality. We have commenced a review into sickness claims and we intend to conduct some proactive analysis of invoice payments – this was an area identified as a high fraud risk by the recent fraud risk assessment undertaken by DARA. The work is used to inform audits and investigations, and provide assurance on transactions.
<b>National Fraud Initiative (NFI)</b>	We continue to resolve data matches resulting from the 2010/2011 NFI exercise. There are currently 212 matches to be cleared. Of those, 126 are injury pensions; 24 are other pensions for which we await a response from third parties before they can be completed; 62 are MPS employees for which we await a third party response in respect of possible dual employment. A total of 166 errors have been identified, the vast majority (140) relate to the over/underpayment of injury pensions.
<b>External Relations</b>	We continue to work with the National Fraud Authority (NFA) and have provided them with case studies as examples of good practice, including the Fraud Awareness workshops and the Fraud Risk Assessment. The NFA are due to launch their strategic plan to fight fraud across the public sector in December. We maintain our membership of the London Public Sector Counter Fraud partnership and chair the partnership's fraud prevention group. This group is identifying and collating best practice to prevent procurement fraud. We network with other public bodies to keep abreast of changes and developments and to share anti-fraud initiatives and trend intelligence through the London Fraud Forum.