



Metropolitan Police Authority

# Directorate of Audit, Risk and Assurance

## Review of MPA Members Allowances and Expenses

### Final Report



**METROPOLITAN  
POLICE**

Working together for a safer London

---

**DISTRIBUTION LIST**

---

**Audit Team**

Surinder Purewal, Assistant Director  
Mark Woodley, Senior Auditor

**Report Distribution List**

Catherine Crawford, MPA Chief Executive  
Jane Harwood, Assistant Chief Executive  
Bob Atkins, MPA Treasurer  
Nick Baker, Head of Authority Business and Member Support  
Les Kidner, District Auditor

---

**CONTENTS**

---

	<b>Page No.</b>
<b>1. INTRODUCTION</b>	<b>1</b>
<b>2. OBJECTIVES</b>	<b>1</b>
<b>3. FINDINGS</b>	<b>1</b>
 <b><u>ACTION PLAN</u></b>	
<b>AGREED COURSE OF ACTION</b>	<b>5</b>

## 1. INTRODUCTION

- 1.1 This review was carried out at the request of the MPA SMT to ensure that adequate and effective arrangements for the payment of allowances and expenses to MPA members are in place.

## 2. OBJECTIVES

- 2.1 The overall objective of the audit was to review, evaluate and conclude on the adequacy of internal controls established by MPA management over the payment of allowances and expenses to MPA members. We set out to seek assurance that an adequate control framework is in place to ensure:
- Claims are made in accordance with approved regulations and policies;
  - Allowances and expenses paid are valid, reasonable, authorised properly and timely;
  - Allowance and expenses claims are monitored and reviewed;
  - All records and documents are maintained securely.

## 3. FINDINGS

### Regulations and Polices

- 3.1 We found annual member allowance increases were correctly approved by the MPA Full Authority and authorised by the MPA Chief Executive. The annual allowance uprating is in line with the Police Support Staff Council award. The scheme for the payment of members' allowances is reviewed annually.

### Allowance and Expense Claim Procedures

- 3.2 New starter forms which are used to set up members on the payroll system are not always being countersigned. **We recommend that member new starter forms are countersigned by the MPA Chief Executive.**
- 3.3 Checks to ensure that allowances paid to members have been calculated correctly prior to being sent to LogicaCMG for payment are not being recorded. To ensure that all allowances paid to members are accurate **we recommend that:**
- 3.3.1 **A breakdown of the allowances due to each member is recorded and signed by the officer carrying out the calculation and also checked and countersigned by an independent officer;**
  - 3.3.2 **Members are reminded that it is their responsibility to check that the allowance paid to them each month is correct;**
  - 3.3.3 **The notification to LogicaCMG of the allowances to be paid to each member is signed by the officer who puts together the payment details and is countersigned by an authorised officer.**

- 3.4 Despite the introduction of a three month deadline for the presentation of expense claims which was agreed by the MPA Full Authority on the 29 January 2004 some members are not adhering to this deadline. One member submitted claims totaling £1,687.70 which covered April 2008 to March 2009 on 3 April 2009. We also noted that for a number of members no claims have been made during the current financial year. Although it is stated in the scheme of expenses that the MPA Chief Executive can waive the three month deadline in exceptional or individual circumstances there was no evidence held of this approval being given and no reason for the late submission of claims had been provided. The late submission of claims makes the task of verifying the claims more difficult and also undermines the budget monitoring process. **We recommend that members are reminded of the need to adhere to the three month deadline for submitting expense claims and that Chief Executive approval for the submission of late claims is recorded along with the reason for the late claim.**
- 3.5 Members do not always state where their journey started on the members expenses claim form and as a result it is not always possible to ensure that the amount being claimed is accurate. In addition there is a risk that it is not possible to identify home to office journeys which are taxable. **We recommend that the members expenses claim form is adjusted to show the location the journey being claimed started and ended.**
- 3.6 Some members claim for mileage when using their car on MPA business. However, no checks are carried out to ensure that a member's car insurance policy covers business use. There is a risk that any insurance claims made when the car is being used for MPA business purposes may not be honoured. To ensure that members are covered for business use **we recommend that members provide a copy of their car insurance certificate which contains a business user clause prior to using their car for MPA business, if claims are made without the prior provision of an appropriate insurance certificate the claims should not be reimbursed.**
- 3.7 Although the majority of expense claims were found to be properly authorised some of the forms were also not countersigned by the Head of CLAMS. Police Discipline Tribunal Expenses forms were not always countersigned by an appropriate officer in the Professional Standards Unit. **We recommend that all claim forms are countersigned by an authorised officer.**
- 3.8 Members are not required to provide an explanation for why taxi use is necessary. To ensure that taxis are only used for justifiable reasons **we recommend that claim forms include the reason why the member has needed to use a taxi and that this is monitored.**

- 3.9 At present there is no upper limit on what amount of expenditure is acceptable for the provision of business entertaining by MPA members. One member invited three guests for a meal which totaled £310.28 (£77.57 per head) and included £40.50 spent on alcohol. The GLA expenses and benefits framework has limits on expenditure on entertaining of £40 a head for lunch or £50 a head for dinner including alcoholic drinks, which although permissible should be kept to a minimum. **We recommend that limits on the amount to be spent on business entertaining by MPA members are introduced.**
- 3.10 Claims made for business entertaining did not contain details outlining the names and organisations of recipients and the purpose of the meeting. Although overall approval was given for the provision of some hospitality as part of one member's specific role there was no evidence that prior approval from the Chief Executive or Treasurer had been obtained for each lunch or dinner claimed. To ensure that expenditure on business entertaining is valid **we recommend that claims for business entertainment contain details of the names and organisations of recipients and the purpose of the meeting and formally recorded prior approval is obtained for all business entertaining.**
- 3.11 Members do not always provide tickets to support travel expense claims. The reason given in the majority of cases is that it is not possible to retain tickets when going through a ticket barrier. Members are also paying by cash and do not use the Oyster card and as a result the journeys are more expensive. For example a single fare from St James Park to West Brompton is £4 when paying by cash at any time, whilst with the Oyster card it is £2.30 on Monday to Friday from 0630 to 0930 and 1600 to 1900 and £1.80 at all other times. Using the Oyster card system would simplify the task of checking travel claims as a print out can be obtained from Transport For London which lists all journeys taken over an eight week period. The main issue is whether members would be expected to obtain their own Oyster cards which would involve a charge of £3 for a deposit and would then involve a pre payment amount of £20 which would be topped up each time the balance on the card falls below £5. The other option would be to obtain corporate Oyster cards but it is not certain whether this is practical as a direct debit would have to be established to top up each card and members would have to reimburse the MPA for any personal journeys they might take using the card. **We recommend that:**

**3.11.1 Members are reminded of the requirement to provide receipts to support expenses claims;**

**3.11.2 The introduction of Oyster cards for members' travel is considered.**

### **Monitoring and Review of Expense Claims**

- 3.12 There is no system in place for the independent reconciliation and monitoring of allowance and expense claims. There is a risk that incorrect allowances and expenses are paid and there is also no independent check of the validity of claims. **We recommend that all allowance and expense claims are reconciled on a monthly basis to MetFIN and the budget by an officer who is independent of the payments process.**

### **Security of Documentation**

- 3.13 Documents relating to allowance and expense claims are being held securely with access restricted to authorised officers only.

## ACTION PLAN

Ref.	Recommendation	Agreed	Management Response	Responsibility	Target Date
3.2	Members' new starter forms are countersigned by the MPA Chief Executive.	Yes	All new starter forms will be countersigned by the MPA Chief Executive.	Member Support	With immediate effect
3.3	<p>1. A breakdown of the allowances due to each member is recorded and signed by the officer carrying out the calculation and also checked and countersigned by an independent officer;</p> <p>2. Members are reminded that it is their responsibility to check that the allowance paid to them each month is correct;</p> <p>3. The notification to LogicaCMG of the allowances to be paid to each member is signed by the officer who puts together the payment details and is countersigned by an authorised officer.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>A breakdown of the allowances due to each member will be recorded and signed by the officer who carries out the calculation and will be also checked and countersigned by an independent officer.</p> <p>Members will be reminded of their responsibility to check that the allowance paid to them each month is correct;</p> <p>Notifications to LogicaCMG of the allowances to be paid to each member will be signed by the officer putting together the payment details and this will be countersigned by an authorised officer.</p>	<p>Member Support</p> <p>Member Support</p> <p>Member Support</p>	<p>With immediate effect</p> <p>With immediate effect</p> <p>With immediate effect</p>
3.4	Members are reminded of the need to adhere to the three month deadline for submitting expense claims and that Chief Executive approval for the submission of late claims is recorded along with the reason for the late claim.	Yes	Members will be reminded of the need to adhere to the three month deadline for submitting expense claims and Chief Executive approval for the submission of late claims will be recorded along with the reason for the late claim.	Member Support	With immediate effect
3.5	The members expenses claim form is adjusted to show the location the journey being claimed started and ended.	Yes	The members expenses claim forms have been revised to show the location the journey being claimed started and ended.	Member Support	With immediate effect



## ACTION PLAN

Ref.	Recommendation	Agreed	Management Response	Responsibility	Target Date
3.6	Members provide a copy of their car insurance certificate which contains a business user clause prior to using their car for MPA business, if claims are made without the prior provision of an appropriate insurance certificate the claims should not be reimbursed.	Yes	Prior to using their car for MPA business members will be required to provide a copy of their car insurance certificate which will be checked for a business user clause. Claims made without appropriate insurance will not be paid.	Member Support	31/05/10
3.7	All claim forms are countersigned by an authorised officer.	Yes	All claim forms will be countersigned by an authorised officer.	Member Support	With immediate effect
3.8	Claim forms include the reason why the member has needed to use a taxi and that this is monitored.	Yes	The claim forms have been adjusted to show the reasons for taxi use.	Member Support	With immediate effect
3.9	Limits on the amount to be spent on business entertaining by MPA members are introduced.	Yes	Limits on the amount spent on business entertaining will be reviewed and introduced.	Member Support	30/6/10
3.10	Claims for business entertainment contain details of the names and organisations of recipients and the purpose of the meeting and formally recorded prior approval is obtained for all business entertaining.	Yes	The claim forms have been adjusted to contain details of the names and organisations of recipients, the purpose of the meeting and formally recorded prior approval is to be obtained for all business entertaining.	Member Support	30/6/10
3.11	1. Members are reminded of the requirement to provide receipts to support expenses claims;	Yes	The claim forms have been adjusted to record requirement for providing receipts to support claims.	Member Support	With immediate effect
	2. The introduction of Oyster cards for members' travel is considered.	Yes	The use of Oyster cards for members travel will be reviewed.	Member Support	01/10/10

**ACTION PLAN**

---

<b>Ref.</b>	<b>Recommendation</b>	<b>Agreed</b>	<b>Management Response</b>	<b>Responsibility</b>	<b>Target Date</b>
3.12	All allowance and expense claims are reconciled on a monthly basis to MetFIN and the budget by an officer who is independent of the payments process.	Yes	All allowance and expense claims will be reconciled on a monthly basis to MetFIN and the budget by an officer who is independent of the payments process.	Treasury	With immediate effect