MPA

METROPOLITAN POLICE AUTHORITY

Director of Audit, Risk and Assurance

Annual Report 2010/11

Met Forward: *Focused on fighting crime*

DARA Annual Report 2010/11

Annual Assurance

Introduction

This Annual Report contains my opinion as Director of Audit, Risk and Assurance for the Metropolitan Police Authority (MPA) on the effectiveness of the internal control environment within the Metropolitan Police Service (MPS) and the MPA. It also summarises the activities of the Directorate of Audit, Risk and Assurance (DARA) for the period April 2010 to March 2011.

I am required to give an opinion at least annually and this is based on an assessment of the systems of governance, including risk management and the adequacy of the internal control framework. The evaluation of the adequacy of control noted from our risk and assurance audits, advisory work and the results of our investigations informs that opinion. I also take account of relevant HMIC and Audit Commission reports and the work of internal review agencies within the MPS.

It continues to be a time of significant change and challenge for the MPA and MPS. A £600m reduction in spending is expected by 2014/15 and a major change programme is underway. The MPS is having to consider radically different ways of delivering services, what services must continue to be delivered and whether the current balance in their policing and business model remains fit for purpose.

Fighting crime and reducing criminality, increasing confidence in policing and giving better value for money continue to be key strategic drivers for the MPA. Protecting the vulnerable from harm and delivering a safe London Olympic and Paralympic games are also now included in Met Forward Two[1].

Annual Assurance

The MPA and MPS governance framework has continued to develop and make a positive impact on the overall control environment. This year has seen an improvement in the assurance score for internal control for the third consecutive year with an increase from 2.6 to 2.5[2]. My overall opinion for 2010/11 is as follows.

> *The internal control environment has continued to improve and this has been achieved during a period of significant change. Our overall assessment, however, shows, it is not yet fully effective.*

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[1] The MPA's strategic mission for policing priorities in London.

[2] On a scale of 1 to 5 where a score of 2 reflects adequate and effective control and 3 to 5 reflects increasing degrees of the need to improve. Appendix 1 contains the definition of assurance scores.

Governance Framework

MPA Corporate Governance Committee

The co-opted member for audit and risk management reported on the effectiveness of the MPA Corporate Governance Committee in December 2009, concluding that the Committee is dealing with the key areas expected of it and in compliance with its terms of reference and CIPFA guidance. In 2010/11 action was taken to implement a number of the suggestions made in the report for increasing the effectiveness of the Committee. These included; receiving and reviewing briefings on key emerging strategic and financial risks, reviewing more detailed internal audit reports, approving an anti fraud strategy and implementation plan, receiving more concise and timely reports and the Chair meeting with the External Auditor. Mapping assurance functions and receiving reports from other internal review agencies remain areas for further development.

Assurance Framework

A review of MPS internal assurance functions initiated in 2010/11 focused primarily on identifying any duplication and opportunities for reducing costs. It was subsequently concluded that there were limited opportunities for this. There is, however, a need to develop an integrated corporate assurance framework and in 2011/12 we intend to revisit this area with a renewed focus on mapping the assurance framework. This would identify the key risk areas across the MPS and MPA and the sources of assurance. I have taken account of the outcome of internal review activity, where appropriate, in reaching my annual opinion. I would hope to increase the level of reliance placed on internal review activity in future years as the assurance framework develops.

Local Code of Corporate Governance Framework

The MPS corporate governance work programme is managed and monitored by the MPS Governance Board. Progress is also regularly reported to the MPA Corporate Governance Committee. Developing Resource Management is a key part of the programme aiming to improve effective governance and reduce control failures within the MPS. The programme is in its second phase and key aims and developments include; optimising the use of the corporate resource system SAP to improve capital management, invoice management, asset tracking and financial management; further modernisation of finance and resource functions; implementing a corporate real estate model to optimise the use of the MPA estate and a suite of improvements across the procurement function – including enhanced contract and

purchase order management, improving procurement capability and technology, and extended business procurement plans.

Risk Management Framework

The risk management framework continues to develop and improve. The MPA Corporate Governance Committee regularly review key risks identified by the MPS and MPA, the MPA Business Management Group continue to focus on key strategic risks facing the MPA, and Governance Board oversee risk management in the MPS. There has also been increased liaison between the Director of Audit, Risk and Assurance and the MPS Head of Risk Management. This has helped to inform review activity and ensure there is a consistency in terminology and approach when engaging with senior managers on risk management.

Corporately the MPS risk register has been refined. At business group level the Head of Risk Management conducted an assessment of risk maturity using a recognised model which places the MPS at the upper end of level 2[3] (with some pockets of the organisation operating at the higher level of 3). The outcome of our review and advisory work support this assessment. In summary, this demonstrates that the MPS has developed an effective risk management framework supported by a plan for improvement but it is not yet embedded and operating consistently across the organisation.

Local Control Environment

Our reviews of boroughs and specialist command units have shown some improvement, particularly around budget management. Our follow up reviews of B/OCUs also show that in general management action is being taken to address the issues we have raised. However, the inconsistent application of controls at a local level continues to impact on the effectiveness of the control framework. Management of key business risks is inconsistent and the management and control of crime property has raised a number of significant concerns during the year. It is too early to assess the impact of changes to the finance and human resources support structure introduced during the year. We are working with the TP Development Team and Finance Services to ensure that the risk and control issues we have identified are addressed by the system changes being developed under the Change Programme.

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[3] On a scale of 1 to 5 where level 1 is engaging risk management and level 5 risk management is driving the business.

Governance Framework

Procurement and Contract Compliance

Improving the procurement control framework and, in particular, compliance with regulations and legislation has continued to be a focus for the MPA and MPS. The MPS central procurement services team note that they have now captured 95% of current MPA contracts on a corporate database and there has been significant improvement in compliance with approved routes to purchase. The MPA Resources and Productivity Committee receive regular reports on contract compliance and the use of single tender action. Recent reports show that significant progress has been made in dealing with those contracts that were previously identified as non compliant. There do continue to be examples of ineffective planning which on occasion has limited the MPA's ability to demonstrate that value for money has been achieved through a competitive process. Work has been undertaken to analyse spend and contracts with a value of £50,000 or below. A new system is to be introduced to increase the effectiveness of monitoring and controlling these contracts and to ensure that aggregate spend is appropriately identified and managed.

Our overall opinion on the procurement framework reported following a review we concluded this year was that '*The procurement control framework has considerably improved since our previous review of this area. However, key controls need to be fully embedded and consistently applied before the framework can be assessed as fully effective. The DRM programme is making a significant contribution to the improvement through a number of key work streams including supply chain management, the introduction of a contracts database, and strategic procurement plans. Once fully embedded these will contribute to an effective procurement control framework across the MPS.'* We have established a good working relationship with MPS Procurement Services and will be advising on the development of the local purchasing governance framework and quality assurance process.

Internal Control Framework

Annual Assurance Score

We finalised 29 risk and assurance reviews during the year and 30 follow ups. Appendix 2 contains the opinion for each risk and assurance audit (leading to the assurance score), areas of effective control and areas for improvement. The follow up summary shows progress made since the original audit and highlights any further areas for improvement. Details of our systems advisory work and counter fraud activity are also included.

> The overall assurance score for 2010/11 is 2.5, an improvement on last year's score of 2.6 (and the highest since the assurance score was introduced in 2001/2). Risk and assurance reviews have improved from a score of 2.9 to 2.8 and follow up reviews from 2.4 to 2.3. The internal control framework has not yet reached an adequate score of 2 but the improvements to the governance framework continue to have a positive impact on the control environment.

Risk and Assurance Reviews

The improved assurance score of 2.8 demonstrates that overall the direction of travel is positive. The control framework for the majority of risk and assurance reviews we conducted (60%) was assessed as adequate but controls to manage key risks were not operating effectively and/or consistently. Key reviews included:

- Fixed Assets (assurance score 2)
- Accounts Control Professional Standards (assurance score 2)
- Material Systems (assurance score 2)
- Corporate Charge Card System (assurance score 2.5)
- Business Continuity and Disaster Recovery (assurance score 3)
- SCD 6 Economic and Specialist Crime (assurance score 3)
- Partnerships Funding and Control (assurance score 3)
- Procurement and Contract Management (assurance score 3)
- Resourcing and Management of Specials (assurance score 3)
- Security of Information (assurance score 3)
- Allowances and Expenses (assurance score 4)

Internal Control Framework

Follow Up Reviews

The annual assurance score for follow up audits reflects that 43% showed a significant improvement since our original review. This included the high risk areas of equalities and diversity application and monitoring, systems supporting safer neighbourhoods policing, and the receipt and banking of income. Other key follow ups included:

- External Data Communications (assurance score 2)
- Management of Outsourced Finance Services (assurance score 2)
- Accident, Riot and Collision Claims and Payments (assurance score 2)
- Police Staff Overtime (assurance score 2.5)
- SCD 5 Child Abuse Investigation Command (assurance score 2.5)
- Property Leasing, Rent and Rates (assurance score 2.5)
- Management of Outsourced Property Services (assurance score 3)
- Firearms Licensing (assurance score 3)
- Preparation, Approval and Monitoring of Capital budgets (assurance score 3)
- Croydon BOCU (assurance score 3)
- Crime Related Property (assurance score 3)
- Building Security (assurance score 3)

Systems Development and Control Advice

Key areas of advice included:

- Contract Compliance
- Suppliers and Tenderers Risk Assessment Group
- Risk Assessment and Management
- Covert Control Environment
- Language Programme Board
- Corporate Charge Card System
- Asset Management Tracking
- Finance Modernisation
- Property Stores
- Risk and Control Awareness Training
- Developing Resource Management work strands

Internal Control Framework

Counter Fraud

Fraud Prevention

The development of a joint MPA and MPS Anti Fraud Strategy was a significant development during the year. It provides the strategic approach for minimising opportunities to commit fraud and corruption. The Chair of the MPA and MPS Director of Resources endorsed the launch of the Strategy and implementation plan in January 2011. In liaison with the MPS and the Audit Commission we continued our drive on increasing fraud awareness conducting workshops with over 350 attending and 550 having now been trained overall. The workshops were well received and the output will be used to inform future fraud prevention activity. We also continued to develop our analysis of key systems supporting our fraud prevention and investigation activity.

Investigation

A total of 75 investigations were conducted by the counter fraud team during the year compared to 114 last year (these included investigations conducted as a result of the NFI exercise which is carried out every two years). Key areas of investigation in 2010/11 included:

- Examining the award of a number of contracts
- Business Interests
- Misuse of Assets
- Over claiming fees, allowances and expenses
- Theft of funds and/or property
- National Fraud Initiative – follow up investigations

Implementing DARA Recommendations

Detailed analysis of the recommendations made and accepted for the last two calendar years is shown at Appendix 3. There is a significant reduction in the number of audit recommendations shown by the analysis for 2010. This is due to two main factors. The average recommendations per audit has reduced and delays in clearing a number of draft reports issued in the last quarter of the year that dealt with some particularly complex areas, contributed to fewer final reports being issued overall.

Internal Control Framework

The MPS have implemented 231 recommendations for reports issued in the 2010 calendar year, 75% of those accepted by management (a slight increase on last year). An additional 82 recommendations of those that were outstanding for 2009 have also been implemented. However, nine high risk recommendations remain outstanding and have passed their due date for implementation. The MPA Corporate Governance Committee and the MPS Performance Board continue to oversee the implementation of DARA recommendations.

Underlying Control Issues

Analysis of reviews completed in year shows that 35% of recommendations relate to control issues around supervision and review, 17% record keeping and 16% guidance and training. It also shows that 38% of recommendations were made as a consequence of a control being absent and 62% refer to controls that were not operating effectively or not being consistently applied. This analysis is used to inform governance work within the MPS and the Developing Resource Management Programme, in particular, which is addressing many of the issues around compliance.

MPS Internal Review Activity

In reaching my overall opinion I have taken account of internal review activity conducted by the Safety and Health Risk Management Team and the Directorate of Information Quality Assurance Team concluded in 2010/11.

DARA Performance

Independent Review

The Audit Commission continue to place reliance on the work of the Directorate of Audit, Risk and Assurance in reviewing key financial systems.

Planning and Delivery

We completed 87% of the risk and assurance audit plan to report stage against a target of 90%. The table below shows that time has been spent broadly as planned. Although overall fewer days were available for audit work due to long term staff illness and carrying a vacant post for a significant proportion of the year.

Audit Activity	Planned Days	% of Total	Actual Days	% of Total
Risk and Assurance Audits	1741	37%	1635	37%
B/OCU Audits	548	12%	408	9%
Risk and Control Advice	769	16%	716	16%
Fraud Prevention and Data Analysis	382	8%	401	9%
Fraud Investigation	1320	27%	1289	29%
Total	**4760**	**100%**	**4449**	**100%**

Productivity

We achieved 82% productivity over the year exceeding the planned target of 75% and our performance in the previous year.

DARA Performance

82% Audit Days

15% Admin & Management

3% Training & Support
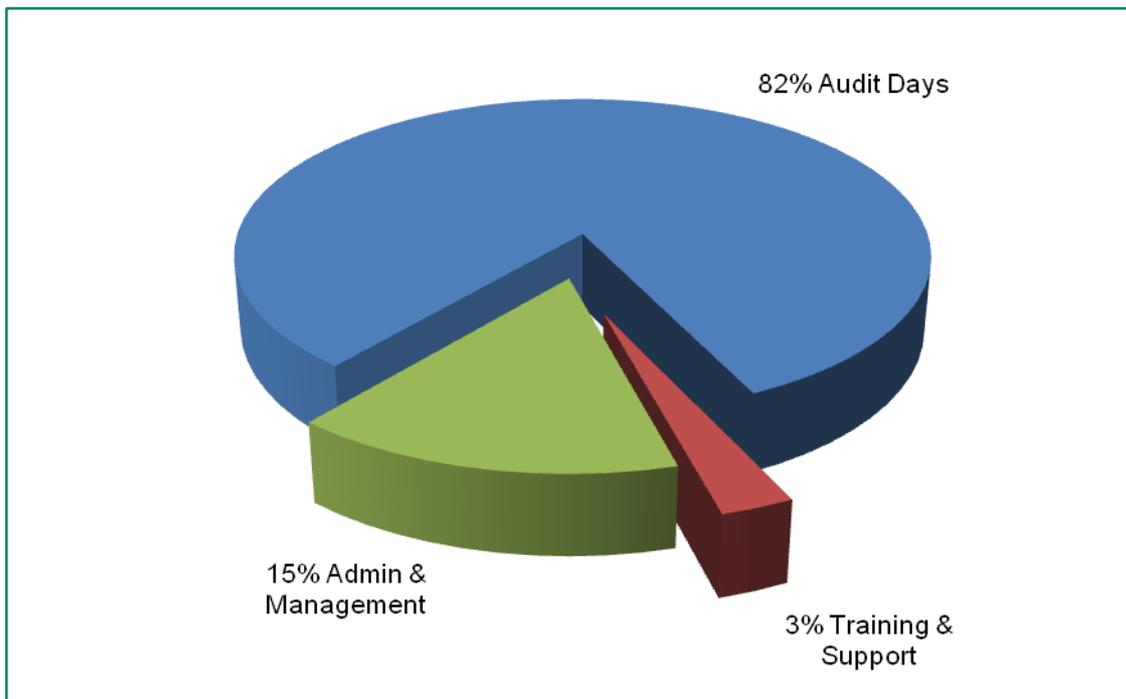
Timeliness of Reporting

We met the 80% target for issuing our draft reports within one week of discussing and agreeing them with management and for final reports we exceeded the target issuing 88% within one week of receiving a response. One area for improvement is to issue our discussion draft reports more promptly following the completion of fieldwork, we achieved 72% against the 80% target. The MPS average response time has improved from 12 weeks to nine against a target of four weeks. Our new approach in discussing and agreeing actions at an earlier stage in the reporting process is already helping to improve response times and I am confident this will continue in 2011/12. The increased liaison between DARA and the MPS Compliance and Assurance Team has also assisted in this process.

Acceptance and Implementation of DARA Recommendations

We continue to achieve a high acceptance of recommendations of 96% against a target of 90%. The level of implementation has slightly increased to 75% from 74% at this time last year.

DARA Performance

Customer Feedback

We issue customer satisfaction questionnaires following each audit review. We exceeded our overall target of 80% satisfaction in all aspects of our work, achieving an overall satisfaction rate of 85%. Our most effective area of performance was judged to be in the conduct of reviews with a 95% satisfaction rating.

Positive comments on our work during the year included:

'Audits raise issues which are identified from an objective perspective and this aspect and the fact that volunteering practices are not so well understood actually ensure that the end result is clear and fair. The OCU would welcome a repeat Audit at any time as it focuses our minds on the forest, rather than the trees!'

'The guidance and assistance that has been provided to date from the Audit Team has been second to none. I am of the view that a high quality of service has been provided to Camden clearly tailored to the situation that we were faced with. The service provided by the Internal Audit from the first contact made from Camden seeking assistance, throughout the audit and beyond is a credit to the MPA. The Audit team went beyond expectations in their helpfulness to the situation at hand.'

'It is apparent that there is an excellent working relationship between my covert support staff and the audit representative. I would like to take this opportunity to thank you and your staff. The experience and skills that they bring to this highly specialised field has been a great benefit to this department.'

'I have worked with DARA since 1999 and noted a welcome change in their approach when conducting audits whereby the audit teams adopt a partnership approach which is more conducive to introducing improvement.'

Less favourable comments included:

'There was confusion over the distribution of a draft report with recommendations being circulated. The recommendations within this report were progressed and we were pressed to provide an update on these recommendations only to find that they have been removed from the final report. Clarity around what report we should be working to along with version control management from the auditors would have made this process easier to manage.'

DARA Performance

'The report presents the findings fairly and is clear and easy to understand but this did take a lot of working together with the Head of the Programme to achieve this position. This is due to the knowledge of volunteering not being as well understood as regular policing issues.'

Our new risk based approach and reporting methodology is helping to address the issues raised above.

Equalities and Diversity

Auditors and investigators receive appropriate training in equality and diversity issues and their performance within the MPS is monitored. Our work is designed to provide as wide a range of coverage of MPS staff and systems as is possible and practicable. The MPA commitment in relation to equality and diversity is also considered in all audits and investigations. This year, in particular, we reported on the good progress made in implementing our recommendations from our previous review of Equalities and Diversity Application and Monitoring.

External Liaison

External Review Agencies
We have effective working relationships with the Audit Commission and HMIC, meeting monthly to exchange findings and co-ordinate our review activity.

Audit Groups
We influence the development of audit in the policing environment and in the wider audit world by attending regional and national groups. This also ensures that we keep up to date and respond to developments in the audit profession. I chair the National Police Audit Group which this year has established particularly effective working relationships with the Association of Police Authority Chief Executives (APACE) and the Police Authority Treasurers Society (PATS). The Director of Audit, Risk and Assurance is a panel member of the CIPFA Better Governance Forum. We attend the London Audit Group and sub groups set up to exchange best practice on auditing procurement and major contracts and ICT. We are also a member of the Government ICT Group.

Counter Fraud Groups
We work with other public sector bodies in London to influence the development of counter fraud activity. We are represented on the steering group of the London Public Sector Counter Fraud Partnership, which brings together over 120 local

authority, central government and NHS bodies to promote counter fraud activity and share good practice. The Head of Counter Fraud or our Fraud Prevention Manager chairs the crime prevention working group of the Partnership. We are also a member of the joint public and private sector London Fraud Forum.

Our Fraud Prevention Manager represents the Directorate on a Chartered Institute of Public Finance pilot group examining the opportunities for benchmarking counter fraud activity across public sector bodies nationally.

Shared Internal Audit Services

DARA has taken the lead in providing shared internal audit services to the GLA group. From the 1 April 2011 it took over the provision of internal audit to the GLA and has recently been asked to develop a shared audit service arrangement with London Fire Brigade from 1 April 2012. This will result in savings across the GLA group as well as providing an opportunity to optimise the use of all the available professional and specialist audit skills.

Key Objectives for DARA in 2011/12

This has been a transitional year for the Directorate of Audit, Risk and Assurance. We launched our new strategy and work programme and re-aligned our work practices to reflect the increased focus on risk. The MPS has responded positively to this change in direction and there is now an increased level of engagement and awareness of risk issues. The coming year will present further challenges and opportunities with the continued budget pressures and the potential introduction of changes to governance in policing. We will continue to provide a key assurance function as well as advice and support and our key objectives for the coming year include:

- Meeting our commitments under Met Forward Two
- Working with the MPS to secure an effective internal control framework
- Responding effectively to any changes in the governance of policing
- Seeking opportunities to increase value for money and productivity
- Helping to embed risk management in the MPA and MPS
- Increasing productivity and delivery in preparation for sharing services
- Delivering a dynamic DARA plan
- Maintaining professional standards in all areas of our work.

We are also looking to give assurance that the risk and control framework supporting the Change Programme will help ensure that identified benefits are realised in support of frontline policing.

Julie Norgrove

MPA Director of Audit, Risk and Assurance

Assurance Criteria

SCORE	ASSURANCE RATING	ASSURANCE CRITERIA
1	The system is performing particularly well to achieve business objectives	There is a sound framework of control operating effectively to achieve business objectives.
2	The system is adequate to achieve business objectives.	The framework of control is adequate and controls to mitigate key risks are generally operating effectively.
3	Some improvement is required to ensure that business objectives are met.	The control framework is adequate but a number of controls to mitigate key risks are not operating effectively.
4	Significant improvement is needed before business objectives can be met.	Adequate controls are not in place to mitigate key risks and controls are not being consistently applied.
5	Unacceptable level of control and management of risks.	The control framework is inadequate and controls in place are not operating effectively to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
Fixed Asset Register Draft: April 2009 Final: July 2010	Control framework is adequate and controls are generally operating effectively.	• Policies and procedures comply with relevant codes of practice. • Good progress towards implementation of IFRS. • Identification and accurate recording of assets. • Reporting and monitoring arrangements.	• Timeliness of property valuations.	Two recommendations were made, accepted and have been implemented.
Accounts Control Professional Standards Draft: June 2010 Final: Aug 2010	Control framework remains adequate and controls are generally operating effectively.	Restricted Report.	Restricted Report.	The one accepted high risk and four of the five accepted medium risk recommendations have been implemented. The remaining medium risk concerning governance is being progressed and will be fully addressed when the Finance team is centralised.
Witness Protection Draft: Sept 2010 Final: Nov 2010	Control framework adequate and controls are generally operating effectively.	Restricted Report.	Restricted Report.	All five accepted medium risk recommendations have been implemented within the agreed target date.
Imprest Account Control Draft: Feb 2011 Final: May 2011	Control framework is adequate and controls to mitigate key risks are generally operating effectively.	• Guidance for the administration of permanent and temporary imprest. • Approval of permanent imprest funding. • Year end reconciliation of permanent imprest accounts. • Approval and monitoring of the issue of temporary imprests. • Monitoring and review of temporary imprest use. • Dissemination of information on levels of spending, frequent users, outstanding and overdue amounts.	• Retention of business cases supporting the opening of permanent imprest accounts. • Segregation of duties between the preparer and approving officer. • Recovery and chase up of overdue temporary imprests within the 30 day limit.	All four medium risk agreed actions have been implemented.

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
Material Systems Draft: March 2011 Final: April 2011	Key controls are generally operating effectively although some aspects could be enhanced.	• Changes to payroll brought in through the THR project have improved the control environment. • Monitoring of changes to standing data.	• Evidencing payroll checks have taken place. • Payment of injury benefits. • Medium term cash flow analysis.	Four medium risk actions have been identified and agreed. .
Corporate Charge Card System Draft: Oct 2010 Final: Nov 2010	Control framework is adequate but controls to mitigate key risks are not operating consistently across business groups.	• Comprehensive policy and Standard Operating Procedure. • Improved corporate and local monitoring. • Production of management Information and scrutiny by senior management. • Increased scrutiny of outstanding debt. • Significant reduction in number of charge cards and cash withdrawals. • Credit limits and reducing balances reviewed annually and set according to business need. • Security of charge card details and records.	• Policy and procedures require some clarification to better reflect the business environment. • Local systems for authorising and supervising claims require improvement e.g. line management approval. • Escalation and reporting of expenditure non compliant with policy to senior management. • Classification of covert expenditure and level of supporting documentation. • Tightening application of controls around third party expenditure. • Receipting of expenditure previously incurred under FCO allowance scheme.	All nine accepted medium risk recommendations were implemented within the agreed target date.
Police/Police Staff Support Outside the UK Draft: Sept 2010 Final: Jan 2011	Control framework is adequate but a number of controls to mitigate key risks are not operating effectively.	• Clearly defined policies and procedures for overseas support. • Definition, authorisation and recording details of support. • Identification, recovery and accounting for costs. • Evaluation of support against agreed objectives.	• Updates of Overseas Travel SOP. • Clarification of overseas visits to be dealt with under Section 26 of the Police Act 1996. • Detail and signing off of terms of reference by all agencies involved.	All ten medium and three low risk accepted recommendations have been implemented within the agreed target date.

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
		• Provision and review of accurate and timely management information to MPS managers.	• Reporting of timely and accurate information to the MPA on all Section 26 visits.	
MPA Human Resources Draft: Jan 2011 Final: May 2011	Adequate control framework in place but some improvement required.	• Controlled access to personnel records.	• Updating personnel records. • Records retention and disposal policy. • Evidencing authorisation of special leave. • Exit interview process.	Ten medium risk recommendations were accepted. Two have been implemented with a target date for those outstanding of June 2011.
Information Records Management Draft: Nov 2010 Final: May 2011	Control framework is adequate but a number of controls are not operating effectively.	• Documented policies and procedures. • Clear roles and responsibilities of DoI personnel.	• Awareness of existence of the relevant policy and procedures. • Involvement of Information Managers at BOCUs. • Compliance with policies and procedures and issuing guidance. • Review and publication of procedures. • Regular assurance to DoI on information management at a local level. • Safe and secure local storage of records.	Twenty medium risk recommendations were made and 18 accepted. Fifteen have been completed, the remainder to be completed by August 2011.
Construction Works Procurement Framework Draft: March 2011 Final: June 2011	Some improvement is required to the control framework to mitigate key risks.	• Comprehensive partnership framework with guidelines and defined working practices. • Joint cost plan for construction works. • Performance measures for key stages of contract process. • Arrangements for appointment of contractors. • Clearly defined roles and	• Framework and supporting guidelines for the procurement of construction works. • Monitoring of consultants.	Five medium risk actions have been agreed, with a target date for implementation of October 2011.

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
		responsibilities.		
Resourcing and Management of Specials Draft: March 2010 Final: June 2010	Although there are effective controls in some areas adequate controls are not in place to meet all of the system objectives.	• Clearly defined, properly evaluated policies and procedures for the MSC. • Approved recruitment and vetting criteria. • Payment of allowances and expenses. • Monitoring service delivery.	• Planning and allocation of MSC resources. • Ability and capacity to deliver the MSC recruitment target. • Review of individual MSC performance and monitoring job satisfaction. • Effective review of the reasons for specials leaving the service.	All 14 recommendations were accepted, including two in the high risk category. Both of the high risk recommendations and three of the medium risk have been implemented.
Interview Media – Retention Storage and Disposal Draft: May 2010 Final: July 2010	Control framework adequate but a number of controls are not operating effectively.	• Clearly documented and approved guidelines for the retention, storage and disposal of interview media. • Authorisation of the generation of interview media.	• Regular review of guidelines for the retention, storage and disposal of interview media. • Recorded interview media details on the custody record. • Maintaining records of all tape copies made and their location. • Consistent secure storage of interview tapes. • Consistent proper authorisation of disposal of interview tapes.	Twelve of the 14 medium risk recommendations were accepted and have been implemented.
Business Continuity and Disaster Recovery Draft: April 2010 Final: July 2010	Control framework adequate but a number of controls are not operating effectively.	• Strategic arrangements for business continuity and disaster recovery. • Clear policy with supporting documents established and easily accessible. • Planning for business continuity. • Roles and responsibilities agreed, approved and assigned. • Recording business continuity and disaster recovery plans.	• Embedding risk assessments at the front end of local planning. • High level oversight and coordination of plans. • Testing of plans. • Raising awareness across the MPS of the importance of business continuity planning and testing.	Fourteen of the 15 medium risk recommendations were accepted, of which 11 have been fully implemented.

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
Procurement and Contract Management – Uniform Services Draft: July 2010 Final: Aug 2010	Control framework requires improvement before all the business objectives can be met.	• Approval and specification of new stock items. • Measures taken to improve the control framework for managing uniform services contracts. • Monitoring the quality of purchases.	• Definition of roles and responsibilities within the procurement process. • Setting timescales for procurement action. • Contract management framework. • Monitoring of contractors' performance.	Six of the accepted medium risk recommendations have been implemented and the remaining two are being progressed against the agreed target date of June 2011.
Economic and Specialist Crime Unit (SCD6) Draft: Dec 2009 Final: Aug 2010	Control framework is adequate but a number of controls are not operating effectively.	• Records supporting budgetary submissions. • SMT monitoring of expenditure, including police overtime and charge cards. • Risk registers introduced and regularly reviewed in key areas.	• Integrated business systems for managing and recording exhibits and/or cash. • Improved monitoring of exhibits transfer, storage and restorations. • Compliance with appropriate MPS procedures. • Recording, scheduling and managing external funding.	Of the 20 medium risk recommendations raised and accepted, 17 have been implemented.
Security of Information Draft: March 2009 Final: Aug 2010	Control framework is adequate but a number of controls are not operating effectively.	• Defined policies, procedures and information governance framework.	• Ensuring implementation of Information Governance Framework. • Increasing awareness of MPS security code and process. • Definition of roles and responsibilities. • Governance for information sharing. • Provision and review of management information.	All 25 recommendations were accepted, including one in the high risk category, and have been implemented within the agreed target date.
Technical Covert Equipment	Control framework adequate but a number of controls are	Restricted Report.	Restricted Report.	Of the 16 accepted medium risk recommendations, 13 have been implemented. The three remaining

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
Draft: Oct 2010 Final: Nov 2010	not operating effectively.			recommendations are being progressed and reported at the Covert Policing Board and the agreed target date is June 2011.
Police Operational Training – Level 3 driver training Draft: May 2010 Final: Nov 2010	Control framework in place to mitigate key risks needs to be improved to ensure that controls are consistently applied.	• Training course material and provision properly approved and delivered to meet ACPO standards. • Driving instructors are properly qualified and trained.	• Definition of criteria for the selection of police officers for training. • Definition of training need and allocation of training resource. • Monitoring of training delivered at satellite sites. • Infrastructure of the Training School, e.g. IT resources. • Planning, resourcing and monitoring post course assessments.	Twenty three medium and three low risk recommendations were raised and accepted. Four medium risk recommendations have been confirmed as implemented. The agreed target date for all recommendations is December 2011.
Enterprise Content Management Draft: Dec 2010 Final: Feb 2011	Adequate controls were not in place to meet system objectives and controls were not consistently applied.	• Information and access provided in a safe and secure environment. • Intranet web pages are held securely. • Logical access controls in place. • Funding to maintain current intranet system. • Management information reviewed to maintain the system and identify existing performance of the Enterprise Content Management.	• Strategy to ensure the ICMS is continually fit for purpose and to identify and report the key risks, costs and options for replacing system when appropriate. • Users' review and use of sites. • Developing a strategy for delivering ICMS refresher training. • Implementation plan for reducing web pages and streamlining information and content.	Eleven of the 12 medium risk recommendations made were accepted all of which have been implemented within the agreed target date.
Covert Airwave Draft: Sept 2010 Final: Feb 2011	Control framework is adequate but a number of controls are not operating	Restricted Report.	Restricted Report.	Of the three high and 15 medium risk recommendation accepted, two high and 11 medium have been implemented. The remaining high risk has been

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
effectively.				reported to the June CGC and all remaining recommendations are being progressed at the Covert Policing Board.
Systems Supporting Community Engagement Funding Draft: Feb 2011 Final: Feb 2011	Control framework is adequate but a number of controls in place to manage key risks are not consistently applied.	• Clearly defined strategy, comprehensive handbook and guidelines. • Effective planning framework with key stakeholders. • Approval, authorisation and recording of costs. • Regular updates on community and police engagement groups to the MPA Community Engagement and Citizen Focus Committee.	• Consistent application of guidance supporting the strategy. • Monitoring of service level agreements. • Adequacy of documentation to support applications for funding. • Clarity of terms and conditions governing use of funds. • Monitoring of CPEG activity and performance.	All six accepted medium risk recommendations were accepted and have been implemented.
Partnership Funding and Control Draft: Nov 2010 Final: March 2011	Adequate control framework has been developed, but controls are not being consistently applied and are not yet fully embedded.	• Approved partnerships strategy and programme plan being used to develop a corporate approach to ensure strategic co-ordination of partnership activity. • Partnership framework being developed in conjunction with business groups. • Corporate database developed to collate financial, performance and risk information on partnerships. • Reporting arrangements to senior management, members and relevant stakeholders.	• Further scrutiny, application and consistency in the use of guidance toolkits. • Promote and embed the approved process on a consistent basis. • Verification and validation of the database. • Verification of the effectiveness of partnership activities to ensure compliance with agreed terms and conditions, and corporate objectives.	One high risk and 12 medium risk recommendations were made and accepted. All recommendations are being progressed and tracked by The Partnership Central Steering Group and the high risk recommendation has been reported to the June CGC. The agreed target date is June 2011.
Procurement and Contract Management Draft: Sept 2010	Key controls need to be fully embedded and consistently applied before the framework can be assessed as	• DRM programme is making a significant contribution in improving governance. • The MPA/MPS Procurement Strategy is aligned to MPS and	• Promotion of further awareness and understanding of the MPA Contract and Financial Regulations. • Consistency in applying key	The one high risk and six medium risk recommendations have been implemented and the two remaining medium risk recommendations are being progressed by the work being

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
Final: March 2011	fully effective.	MPA corporate aims and priorities, and meets recommended best practice. • Effective implementation plan supports the strategy. • Contract Regulations and approved procurement policies and procedures. • Clearly defined framework for the tender and award of contracts.	controls within the framework to ensure compliant contracts. • Embedding contract management framework. • Ensuring contracts are managed effectively and value for money is achieved. • Establishment and embedding contracts database into the corporate accounting system.	undertaken as part of DRM2.
Use and Deployment of Volunteers Draft: Sept 2010 Final: March 2011	Control framework is adequate but controls to mitigate key risks are not operating consistently across the programme.	• The MSC and Volunteers OCU performance visits. • Agreed action plans are in place to improve performance with B/OCU SMT. • Volunteer role profiles are scrutinised and quality assured. • All new volunteer and existing role profiles will be reviewed by stakeholders and disseminated via the intranet library. • Volunteers are vetted to meet defined standards.	• Strategy for the MVP and supporting risk management framework. • Review and publication of key documents for current initiatives. • Capture and monitoring of full costs of the programme. • Training of MVP managers. • Verification and recording of performance information. • Recording MVP volunteer details on the corporate human resource system (MetHR) to inform effective deployment.	Nine medium risk actions have been identified and agreed. The target date for implementation is September 2011.
Employment of Temporary Staff Draft: April 2011 Final: May 2011	Control framework is adequate but controls are not operating effectively.	• Contract for combined provision of consultants, temporary staff and interim assignments from one supplier. • Appointment of contractor in accordance with regulations. • Monitoring of contractor performance.	• Engagement of consultants outside of the contract. • Long term engagement for temporary staff. • Ineffective engagement of temporary staff. • Performance information. • Monitoring of supplier invoices,	Twelve agreed actions of medium risk have been identified, with a target date for completion of June 2011.

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
		• Approval of requests for temporary staff. • Value and quality of the assigned temporary staff.	budgets and costs. • Maximising of cost saving opportunities to ensure value for money.	
MPA Finance and Business Support Draft: Feb 2011 Final: June 2011	Control framework is adequate, but a number of controls put in place to manage key risks are not operating effectively.	• MPA assessment and management of corporate risks. • Budgetary control framework. • Authorisation and payment of invoice payments. • Authorisation, payment and reconciliation of imprest and GPC payments. • Guidance supporting the overtime, allowances and expenses process. • Physical security of IT assets and back up controls.	• Review and updating of health and safety and business continuity risks. • Alignment of MPA corporate risk register with the MPS assessment of risk. • Prompt recording of all budget decisions and actions. • Consistent application of local systems supporting MPA procurement procedures. • Identification and safeguarding of assets. • Review of IS/IT policies and procedures.	Twenty medium risk actions have been identified. Six have been completed, with a target date of October 2011 for those outstanding.
Income Generation Draft: Feb 2011 Final: June 2011	Control framework is adequate but a number of controls to mitigate key risks are not operating effectively.	• Clear strategy and objectives. • Local procedures for identifying and maximising income generation and sponsorship activities. • ACPO guide to income generation for the Police Service in England, Wales and Northern Ireland is followed. • Accurate, timely and relevant management information on sponsorship.	• Review and update of policy and procedures. • Awareness of procedures and ACPO guidance at borough level. • Monitoring and coordination of income generating and sponsorship activities. • Definition of roles and responsibilities at B/OCU level. • Identification of all income generating activities. • Vetting of potential sponsors at local level.	There are seven medium risk agreed actions with an implementation target date of March 2012.

Summary of DARA Activity 2010/11

Risk Review	Audit Assurance	Areas of Effective Control	Controls for Improvement	MPS Update on Recommendations
Allowances and Expenses (SPP, CRTP and bonus payments) Draft: March 2010 Final: Aug 2010	Corporate control framework is inadequate. Controls are not sufficient to mitigate the risks in this area and those that are in place are not consistently applied.	• Standard Operating Procedures documented and available on the corporate intranet. • CRTP claims are recorded, maintained and processed securely.	• Development, interpretation and implementation of policy. • Clear approved and documented policy formulation to support the application of the SPP and bonus payment policy. • Validity, appropriateness and timeliness of payments checks. • Electronic system for completing, authorising and processing SPPs. • Evidence to support lump sum bonus payments to police staff. • Local reconciliation and authorised signatory to validate claims for SPP and CRTP. • Production of accurate, relevant and timely management information.	All nine accepted recommendations including one high risk have now been implemented within the agreed target date.
Commission and Use of Independent Advisors Draft: Sept 2010 Final: Feb 2011	Adequate control framework not in place to mitigate key risks.	• MPA/MPS Community Engagement Strategy developed.	• Clear definition of strategy and policy. • Update guidance to support a consistent approach to managing IAGs. • Definition and specification of requirements for advice. • Setting qualifications and experience criteria for independent advisors. • Budgetary control framework and independent review of advisor fee and expense claims prior to approval.	Progress against the recommendations is being reported to the MPA CEP Committee by Director of Diversity and Citizen Focus. All are linked to the publication of SOPs associated with IAGs and are likely to be published in June 2011.

Summary of DARA Activity 2010/11

Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
Repair and maintenance of covert vehicles Draft: March 2010 Final: May 2010	Significant improvement to control framework and controls generally operating effectively.	Restricted Report.	Restricted Report.	Of the 24 medium risk recommendations made, 16 have been implemented, and four partially implemented. The outstanding recommendations are due to be completed by 30 June 2010.
Safer Neighbourhoods Draft: Feb 2010 Final: June 2010	Control framework has significantly improved and controls are generally operating effectively.	• Safer Neighbourhood programme fully rolled out. Day to day responsibilities for managing Safer Neighbourhoods now lies with boroughs. • Risk register updated and SMT review periodically. • Policy notes and guidelines include the appropriate job profiles/descriptions and core competencies. • Safer Neighbourhood ward panels are chaired by a community member. • Systems established to analyse benefits of the Programme.		Of the 18 recommendations accepted, 17 have been fully implemented and one is no longer applicable.
Vehicle Removal and Statutory Charges Draft: April 2010 Final: June 2010	Control framework has significantly improved and controls are generally operating effectively.	• All sites are now fully operational. • Number of contractors reduced and daily account of movement of vehicles completed. • Dedicated Progress and Review Officers appointed to ensure efficient use of garage space and facilities. • Process for managing decoy vehicles formalised and transferred to TP.		All 18 medium risk recommendations have been implemented.

Summary of DARA Activity 2010/11

Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
Equalities and Diversity Application and Monitoring Draft: Feb 2010 Final: July 2010	Significant improvement in the control framework and controls are generally operating effectively.	• Monitoring of grades/ranks of police staff/officers across the six equalities strands. • Roles and responsibilities of Diversity Champion clearly defined. • Integrated equality and diversity module launched to support the race and diversity learning and development programme. • Local action plans produced and submitted to the Diversity and Citizen Focus Advisors for review.	• Review of local action plans. • Submit Annual Duty in Employment report to the MPA.	Of the 11 agreed medium risk recommendations eight have been implemented fully, two partly and one remains outstanding which will be implemented by December 2010. Two additional medium risk recommendations were made and have been implemented.
Receipt and Banking of Income Draft: July 2010 Final: July 2010	Control framework has significantly improved and controls are generally operating effectively.	• Comprehensive grants schedule to facilitate the identification of receipted grants. • Monitoring and following up POCA cash payments. • Refund of seized money authorised by line managers.		All the nine agreed medium risk recommendations have been fully implemented.
Accident, Riot and Collision Claims and Payment Insurance Draft: Nov 2009 Final: Aug 2010	Control framework has improved and controls are generally operating effectively.	• Authorisation of payments and vendor creation requests. • Checking of claim forms. • Completion and authorisation of event planning.	• Procuring car hire, care repair and rehabilitation services. • Reconciliation of payments on accounting system to source records. • Reducing number and value of claims.	Of the 14 recommendations made, one is no longer applicable, eight have been implemented, two partly and three remain outstanding.
External Data Communications Draft: Oct 2010 Final: Nov 2010	There has been considerable improvement in the control framework.	• Defined corporate strategy and guidance on security issues. • Clear lines of responsibility for the review and updating of all documentation. • Change requests are reviewed and approved at the appropriate level. • Supervision and review protocol	• Management information system to capture details of all changes with associated costs.	All 19 medium risk recommendations have been implemented.

Summary of DARA Activity 2010/11

Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
		for outsourced work. • Post implementation reviews are now part of the change control procedure.		
Environmental Policy, Strategy and Procedures Draft: Nov 2010 Final: Dec 2010	Control framework adequate and controls generally operating effectively.	• Environmental implications included and evaluated as part of the MPS and MPA reporting process. • Volunteer Environmental Champions appointed and trained as part of the delivery of the Environmental Communications Strategy 2010-13. • Transitional environmental programme developed and new environmental targets planned from March 2011. • Effective governance arrangements.	• Identification and monitoring of the MPA's environmental objectives.	Of the three medium and low risk accepted recommendations, two have been fully implemented and one partially. An effective environmental system will be developed as part of arrangements to support the MOPC.
Forensic Medical Examiner Payments Draft: Jan 2011 Final: Feb 2011	Control framework improved significantly since original review.	• Reduced reliance on contracted FMEs. • Budget monitoring arrangements. • Audit trails and management information, leading to greater resilience and efficiency. • Official dispute resolution process created. • Purchase order limits set on the corporate accounting system.	• Coding of FME expenditure.	Of the 16 accepted recommendations, 11 have been fully implemented, three partially and two are no longer applicable.
Management of Outsourced Financial Services Draft: Jan 2011 Final: Feb 2011	Control framework improved and generally operating effectively.	• Post implementation review of the contract. • Risk register introduced. • Independent verification of KPIs. • Payroll reports countersigned.		All of the 14 agreed recommendations have been implemented including one in the high risk category.

Summary of DARA Activity 2010/11

Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
Messenger and Mail Services Draft: Jan 2011 Final: Feb 2011	Control framework improved and controls are generally operating effectively.	• Issue of bomb threat contingency plan SOP. • Security of valuable items in transit. • Authorised and controlled access to mailroom. • Reporting service failures and performance issues through contract management meetings.	• Recording reconciliation of payments to FMS contractors to the MPS SAP system. • Comprehensive risk assessment on the scanning arrangements for mail items delivered to MPS buildings.	All of the eleven agreed recommendations made have been fully implemented.
Uniform Services Stores and Stock Control Draft: Jan 2011 Final: Feb 2011	Control framework has improved and controls are generally operating effectively.	• Security arrangements at the Peel Centre warehouse. • Ordering, receipting and issue of stock. • Electronic receipting for goods returns and stock transfers.	• Electronic recording of deliveries. • Handover procedures for all goods returned for recycling. • Signing off year-end stock figures.	Of the nine agreed recommendations made, seven have been fully implemented and two partly.
Corporate Data Warehouse Draft: March 2011 Final: April 2011	Control framework has improved and controls are generally operating effectively.	• Project funding. • Monitoring and review of consultants' performance. • Approved SyOPs for CDW. • Business Continuity Plan. • Restructure of DoI Finance and Resource function. • Segregation of duties.	• Regular business continuity and resilience testing.	Of the five agreed recommendations made, four have been fully implemented and one partly, with a date for completion of April 2011.
Management of Additional Funding Draft: April 2010 Final: May 2010	The overall control framework has improved and controls are generally operating effectively.	• Introduction of a Partnership Strategy. • Introduction of Guide to Partnership Working. • Grants database containing details of the main funding streams and contacts is held. • Funding allocated to business groups and increased transparency on budget lines.	• Operating procedures to support the Partnership Strategy framework. • Finalise systems for dealing with ad hoc income.	Of the nine original recommendations, five medium risk have been implemented, and three medium risk partially implemented. As a result of the work undertaken to address the one original high risk recommendation, it has been formally downgraded to medium risk and remains partially implemented.
SCD5 Child Protection OCU	Control framework for the business and	• Budgetary control framework. • Checking and monitoring police	• Authorised signatory lists to validate payments.	Of the 40 recommendations made, 39 have been fully implemented, and one

Summary of DARA Activity 2010/11

Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
Draft: May 2010 Final: June 2010	finance support functions has significantly improved.	and police staff overtime payments. • Use and monitoring of Government Procurement Cards. • Policies, procedures and monitoring of crime exhibits.	• Time recording and management system for police overtime. • Appropriate IT application for managing crime property requires a corporate solution.	is no longer applicable.
SCD Business Support Draft: March 2010 Final: May 2010	Although the overall control framework has improved, further improvement is needed.	• Budgetary control framework. • Roles and responsibilities clearly defined. • Regular independent data checks are carried out. • Processing of local accounts and police staff overtime payments.	• Supervision and review of expense claims. • System for maintaining inventories and assets. • Circulation of SMT minutes and actions.	Of the 27 agreed medium risk recommendations, 25 have been implemented, one is no longer applicable and the one outstanding is being progressed as a MPS corporate issue.
Multi agency Public Protection Arrangements (MAPPA) - Systems supporting Operation Jigsaw Draft: Aug 2010 Final: Oct 2010	Control framework has improved, but there are areas where improvement is required before all the business objectives can be met.	• Dip sampling data input by BOCUs on the Violent and Sex Offender Register (ViSOR) system. • Reviewing the ratio of the number of Jigsaw related cases to resources deployed at BOCU. • MPS policies and procedures. • Recording security clearances of all ViSOR operators. • File management system introduced and maintained. • Training strategy approved and implemented. • Appropriate data is now published in a Monthly Public Protection report.	• Review of accountability and governance arrangements between central Operation Jigsaw and the BOCUs. • Clear definition of MPS strategy for MAPPA incorporating the objectives of Operation Jigsaw. • Ensuring compliance with ViSOR standards issued by the NPIA. • Review and update of user documentation which has not been updated since 2005.	Of the 16 accepted recommendations, eight have been fully implemented, three partially, four await implementation and one is no longer applicable.

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Summary of DARA Activity 2010/11

Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
Police Staff Overtime Draft: Sept 2010 Final: Nov 2010	There has been some improvement in the control framework, but further improvement is needed before all the system objectives can be achieved.	• Local senior management overview of the police staff overtime process. • Independent reconciliation between paid overtime and source documentation. • Local record keeping. • Appropriate supervisory checks on claim forms. • Business units now allocated separate budgets and have nominated budget managers. • SMT monthly budget reports highlighting any areas of concern are generated and reviewed.	• Increase consistency of the level and quality of supervisory checks carried out. • Guidance on shift working and changes to travel time payments guide. • Claims are not always checked before they are submitted for payment.	At the time of our review of the 21 agreed medium risk recommendations, nine had been fully implemented, seven partially and five remained outstanding. Management have informed DARA that a further seven recommendations have been implemented since completion of the review.
Royalty, Specialist and Diplomatic Protection – Funding and Control Draft: Oct 2010 Final: Nov 2010	Control framework has improved since the original review.	• Increased management oversight of expenditure, including allowances and expenses, income generation and recovery of costs. • Anomalies in the relevant Police Regulations have been documented and management continue to work in liaison with HR to resolve the issues raised. • Compliance with Police Regulations is monitored on a regular basis. • Cost recovery system in place which includes detailed monthly reports of income and cost recovery.	• MPA remains under funded for protection services with the high risk recommendation for resourcing DSP posts remaining outstanding.	Twelve medium risk recommendations have been implemented, and two partially implemented. The one high risk recommendation, resting with the MPA, remains outstanding. The MPA are continuing dialogue with the Home Office on the funding issue.
Property Leasing, Rent and Rates Draft: Sept 2010 Final: Nov 2010	Control framework has improved but further improvement is needed.	• Documentation of the identification of leased properties. • Improvements have been made over the payment of rent and rates.	• Payment of service charges. • Policy and procedures on the management of the estate need to be strengthened.	All 19 recommendations have been fully implemented.

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Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
			• Policy on acquiring freehold/leasehold properties. • Document and approval of authority to generate income.	
Territorial Support Group Draft: Jan 2011 Final: March 2011	Control framework has improved but further improvement is needed.	• Responsibility for local accounts moved to the CO Cluster Support Team. • Systems for procurement have been centralised. • TSG fully complies with corporate policy for making purchases.	• Maintenance of accurate and standardised records of local purchases. • Recording of all inventory and IT equipment. • Independent review of purchasing records. • Handling and approving of duty states for police overtime.	Of the 31 agreed recommendations made, eight have been superseded by system changes and are no longer applicable, four have been fully implemented, 12 partly implemented and seven remain outstanding.
Major Works Draft: Jan 2011 Final: June 2011	Control framework has improved but further improvement is needed before risks are managed effectively and the system objectives are achieved.	• Gateway Process for managing projects. • Consultants' access to MPA technical standards, health and safety plan. • Interim certificates issued for value of work carried out are signed off by the consultant.	• Approval of contractor invoices.	Of the eleven recommendations made, ten have been fully implemented and one remains outstanding. Two further medium risk recommendations were made and accepted, to be implemented by October 2011.
Vehicle Fleet Management Draft: March 2011 Final: May 2011	Control framework has improved.	• Effective reporting to senior management on auction activity. • Development of local guidelines and procedures for management of the vehicle fleet. • Business continuity arrangements. • Sourcing of motor vehicles, spare parts and equipment. • Disposal of vehicles.	• Implementation of the Fleet Utilisation Modelling Exercise. • Senior Management auction sales spot checks. • Responsibility for dealing with the accounting for receipts for vehicle disposals and debtors control.	Of the 22 agreed medium risk recommendations, three are no longer applicable, 14 have been fully implemented, two partially and three remain outstanding. Two of the outstanding issues are reliant upon DoI SAP solutions the risk being mitigated by manual intervention. The three low risk recommendations have all been implemented.
MPA Members Expenses	Control framework has improved and controls are generally	• Authorisation and reconciliation of allowances and expenses claims. • Notification and authorisation	• Copies of vehicle insurance certificates to be provided. • Setting limits for the value of	Of the 14 agreed medium risk recommendations 13 have been implemented. There were two

Summary of DARA Activity 2010/11

Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
Draft: March 2011 Final: June 2011	operating effectively.	forms countersigned by MPA Chief Executive. • Breakdown of allowances due provided to and approved by MPA Chief Executive. • Claims forms have been adjusted to allow for relevant information to be provided.	business entertaining. **New Issues/Recommendations:** • Members to be reminded of need to record reasons for taxi use. • Provision of receipts/written explanations to support claims.	additional recommendations, both have been implemented. The target date for completion for the one remaining action is July 2011.
Crime Related Property Draft: April 2010 Final: July 2010	Control framework has improved but further improvement is needed before risks are managed effectively and the system objectives are achieved.	• Extensive work undertaken by Territorial Policing (TP) and Criminal Exhibit Stores to improve performance management, awareness and accountability within the exhibit management area. • Improved cash handling arrangements introduced and over £1.6m cleared from BOCU property stores. • TP Exhibits Management Team oversees the new processes and nominated SMT leads established. • Draft MPS exhibits retention policy produced and revised cash handling procedures support the MPS Exhibit Manual. • Risk management within Criminal Exhibit Services formalised and a risk register developed.	• Lack of supporting detail on cash handling procedures. • Storage issues for exhibits at the new Borough Based Custody Centres remain. • Establishing Crime Exhibit requirements post METAFOR. **New Issues/Recommendations:** • Further recommendations made for an appropriate business solution for tracking crime property and the appointment of an ACPO lead.	Of the 16 recommendations made, six have been fully implemented, eight partly and two remain outstanding. Two of the partly implemented recommendations are in the high risk category. Two additional medium risk recommendations were made and accepted. All of the outstanding recommendations are to be completed by December 2010.
Preparation, Approval and Monitoring of Capital Budgets Draft: July 2010 Final: Sept 2010	There has been limited improvement in the control framework.	• Significant changes through the creation of a Capital Programme Steering Group (CPSG) and the proposed introduction of a SAP upgrade. • Improved governance of the Capital Programme by the CPSG.	• Procedures to underpin the work of the CPSG. • Capital Strategy issued in July 2007 has not yet been revised. • Plan and procedures to support implementation and development of the strategy.	Eighteen of the 28 agreed medium risk recommendations had been implemented fully, nine partly, and one is no longer applicable. The outstanding recommendations are being reported regularly to the Capital

Summary of DARA Activity 2010/11

Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
			• Timely reporting of slippages and under spends.	Programme Steering Group.
Building Security Draft: Sept 2010 Final: Nov 2010	Control framework has improved, but further improvement is required.	Restricted Report	Restricted Report	At the time of the follow up report, there were four outstanding recommendations, including two in the high risk category. The latest position is that all eight high risk and 20 medium risk recommendations have now been implemented.
Firearms Licensing Draft: Dec 2010 Final: Feb 2011	Control framework improved but further improvement required to meet all business objectives.	• Revised SOP and enhanced intranet information. • Increased accuracy of the forecast for budgeted income. • Checklist to record all necessary steps taken before the issue of firearms licenses and permits.	• Digitisation of records. • Business continuity plan and risk register need to be updated and reviewed on a regular basis.	Of the 23 agreed medium risk recommendations, 10 have been fully implemented, 10 partly and three remain outstanding.
Management of Outsourced Property Services – Facilities Management Draft: March 2011 Final: May 2011	Control framework has improved, but further improvement is required before all the business objectives can be met.	• Commencement of the review of the facilities management contracts, in conjunction with Procurement Services. • Submission of paper to the MPA on seeking approval to review existing contracts and negotiate significant changes in the terms and conditions.	• Completion of review of the contract management functions, roles and responsibilities within Property Services. • Escalation of significant risks. • Review of commercial strategy requirements and assessment of the progress made to date. • Independent review of the Property Services management requirements. • Review of the performance tool to monitor contractors.	Of the 24 accepted recommendations, eight have been fully implemented, 15 partially and one is no longer applicable.
Works and Engineering Maintenance – Facilities Management	Control framework has improved, but there are areas where improvement is required before all the	• Improvements in the building matrix. • MPIC management information and reporting. • Reconciliation arrangements.	• Completion of review of the volumetric change model. • Monitoring of planned preventative maintenance performance and actions taken	Of the 18 medium risk recommendations, 16 have been fully implemented and two partially implemented.

Summary of DARA Activity 2010/11

Follow Up Audit	Audit Assurance	Areas of Improved Control	Controls for further improvement	MPS Update on Recommendations
Draft: March 2011 Final: May 2011	business objectives can be met.	• Backlog payments have decreased significantly and ongoing monitoring takes place.	as necessary. • A 'Did you Risk Event register' process needs to be embedded fully.	

System Development and Control Advice	DARA Activity
Language Programme	This project is changing the way in which the MPS provides language services. A central team is now in place to manage the process of providing interpreters to B/OCUs and work is continuing on introducing a video conferencing platform. During this process we have attended the quarterly meeting of the Language Programme Board and kept regular contact with the project team to provide control advice. A control advice report was issued to the project team outlining the key controls the system should contain.
Developing Resource Management (DRM)[4]	The DRM programme supports operational policing by improving MPS support services and infrastructure providing effective governance and reducing control failures. We meet with the programme lead for DRM on a monthly basis, providing audit input to specific work strands as appropriate and advising on the governance of the programme.
SAP Vendor Invoice Maintenance[4] (Part of DRM programme)	This project upgraded the APEX accounts payable system and went live in December 2010. We have attended the monthly project team meetings and provided control advice. We reviewed the functional design of the system and provided details of the key controls the system should contain. We remain in contact with the project team and Accounts Payable now the system is up and running and continue to provide control advice when required.
Asset Management Tracking[4] (Part of DRM programme)	This project aims to introduce SAP Asset Tracking Technology to the Crime Related Property System, Uniform Services and Transport Services in the first phase and Territorial Policing in the second phase. The objective of the project is to increase the security, control and visibility of MPS assets. We have attended project team meetings and are to review the proposed process maps developed by the project team to ensure adequate controls will be put in place.
Property Services SIP - Corporate Real Estate, Service Delivery and Outsourced Contracts [4] (Part of DRM programme)	We have provided advice on Deed of Variation (DoV) documents and other contract change papers that are being considered by Property Services for Facilities Management Suppliers (FMS) in relation to the Corporate Real Estate and SIPS. We are also advising on the Service Delivery and next generation of Facilities Management Contracts.

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[4] Part of the MPS change programme portfolio

Summary of DARA Activity 2010/11

System Development and Control Advice	DARA Activity
Finance and Resources Review 2[4] (Part of DRM programme)	We participate in the FRM2 Governance Board meetings and are providing advice on the impact on the controls as a result of the proposed centralisation of finance processes. The finance and resource cluster arrangements have also been reviewed as part of our BOCU review programme. A key part of our programme for 2011/12 as the MPS move towards implementation.
SAP Capability[4] (Part of DRM programme)	SAP is the new Vendor Invoice Management system introduced by the MPS this year. We provided input to the SAP Capability Review focused on identifying improvements to the current SAP ERP Financials system as part of the DRM programme.
Territorial Policing Development Programme[4]	As part of the change programmes that form part of the Service Improvement Plan (SIP) we are monitoring the proposed changes and their impact on the risks and control environment. We have planned greater involvement in the development of processes and the level of effective controls in 2011/12 as the MPS move towards design and implementation.
Financial Processes Improvement Group	We are a member of this group that has been established to review and advise on the development of key financial systems in the MPS. We keep updated and provide advice to the finance and resources community through our attendance at the monthly meetings. Key areas covered this year include an update and status of audit recommendations and reviews.
Volunteer Police Cadets (VPC)	The aim of the Volunteer Police Cadets Programme is to improve and expand the Volunteer Police Cadets participation through effective project management, governance arrangements and effective risk management to achieve defined objectives. We are providing advice, guidance and direction on the risk management and control framework in place to support the successful delivery of the programme.
Local Procurement Governance Framework	The main area of development has been the introduction of CompeteFor. We have provided advice to the project team and also opinion on its functionality and roll out across the MPS. CompeteFor has now been implemented across the MPS and all business groups are expected to use it for all local procurement action under £50K, the initial feedback is positive from business groups. It is a quick and effective way of seeking three suppliers in a competitive and transparent manner and also allows Procurement Services to monitor spend. CompeteFor is a free service that enables businesses to compete for contract opportunities linked to the London 2012 Games and other major public and private sector buying organisations, such as Transport for London (TfL), Cross rail and the Metropolitan Police'. MPS now plan to develop the use of CompeteFor for larger contracts.
Procurement work stream (compliance)	This MPS work stream was completed by in 2010. Audit work included reviewing and providing advice to the project team on the one time vendor system functional specification.

Summary of DARA Activity 2010/11

System Development and Control Advice	DARA Activity
Contract Management Framework	We have provided guidance and advice on the development of the Contract Management Toolkit which has now rolled out across the MPS. We have also recently provided comments on the new MPS QA framework for major contract action, and look forward to being able to advise further on the final version.
Risk and Control Awareness Training	We are part of the team responsible for delivering Financial Awareness Training across the MPS. This includes raising awareness on risk and control issues at all levels in the organisation. In 2010/11 a total of five events were run, attended by over 200 people. We continue to receive positive feedback for our input.
The Suppliers and Tenderers Risk Assessment Group (STRAG)	We participate in the work of STRAG. STRAG was established to monitor on behalf of the Director Resources the risk of failure of major contractors, particularly those involved in outsourced service contracts. The group has categorised the contracts and contractors into risk groups and monitors those assessed as high risk. The conclusions of the group are circulated to MPS Directors to alert them to those contractors at a high-risk of failure.
MPA Resource and Productivity Committee	The Director or a Head of Unit scrutinises reports and attends each meeting to contribute as appropriate. They have advised on many issues during the year contributing to the oversight of the financial management of the MPA and MPS.
MPS Professional Standards Strategic Committee	We are represented on the MPS Professional Standards Strategic Committee and use the opportunity to raise the profile of internal fraud and DARA's role in counter fraud activity. The Committee reviews MPS DPS performance on the handling of complaints and identifies B/OCU 'hotspots' for action. Progress on Commander led strands on integrity, assurance, failure in duty, and corruptors and corrupt staff is monitored and actions agreed.
Improving Police Information	The IPI programme aimed to support operational decision through making more effective management and use of policing information. We were represented on the IPI Programme Co-ordination Group and regular meetings were held with the Programme Manager to obtain updates on progress and provide control advice as appropriate.
METSEC Project Board	The MetSec Project Board is responsible for developing and maintaining MPS security standards and ensuring appropriate arrangements are put in place across the organisation. We are represented on the Project Board and provide advice on the risk and control framework and any issues that arise as a result of our risk based reviews.
Secure Infrastructure Programme	The objective of this programme is to help enhance counter-terrorism capability. Advice has been given to various projects where secure information control issues have featured.
Olympics and Paralympics	We assist the MPA Olympics and Paralympics sub-committee in their scrutiny of the financial arrangements supporting the Olympic programme, reviewing papers submitted to the committee and giving advice as and when appropriate or required to do so.

Summary of DARA Activity 2010/11

System Development and Control Advice	DARA Activity
Covert Control Environment	We advise on the development of the internal control framework within the covert environment promoting the need for adequate governance arrangements and accountability. We have attended meetings with representatives from Finance Services, DPS, SO and SCD on a quarterly basis. Current risk and control issues and findings emerging from our audit reviews are also discussed and progressed.
MetTime	CARM3 is part of the MetTime project. CARM3 is an off-the-shelf product being enhanced to replace CARM2, a duty planning and overtime payment authorisation system. The new system integrates a number of functions, such as duties planning, booking on and off, overtime authorisation, calculation, processing and payment authorisation into one solution. As part of the project board, we participated in a number of meetings during the year (2010/11) and attended a demonstration of the application. The system has a number of improved features such as online authorisation of overtime but we have raised a number of issues including how prior authorisation of overtime and the level of notice provided to cancelled rest days are shown or evidenced on the system as this was not evident during the demonstration. Going forward we will continue to provide risks and control advice as appropriate.
Directorate of Information Efficiency and Effectiveness Board	The DoI Efficiency and Effectiveness Board oversee delivery of improvements to DoI services examining performance information and identifying areas for improvement. We attend the Board on a regular basis providing advice on the risk and control framework and any issues arising as a result of our risk based reviews.
Organisational Learning	We input to the MPS programme of organisational learning established under the Head of Organisation Learning within the HR Directorate. We also attend the organisational learning forum established to identify areas of learning arising from a wide variety of sources including our risk review and investigative work.
MPA Anti-Corruption Research Project	We have provided advice and support in scoping the MPA anti corruption review. It is proposed that the MPA undertakes a short, focused research project that will seek to: • understand the current processes and policies in place to identify and tackle corruption • identify the proactive safeguards and systems in place to prevent corruption and to protect those who report it • understand the potential impact of the changing financial climate.

Counter Fraud Work	DARA Activity
Fraud Prevention	In conjunction with the MPS we have developed an anti-fraud strategy and implementation plan which has been approved by the Corporate Governance Committee. The implementation plan addresses the gaps in the counter fraud arrangements for the MPA and MPS, particularly those identified from our Fraud Awareness events and following our benchmarking against CIPFA best practice. Substantial progress has been made in implementation. Progress on the implementation plan is being reported to and monitored by the Corporate Governance Committee.

Summary of DARA Activity 2010/11

Counter Fraud Work	DARA Activity
	Building on the successful Raising Fraud Awareness Programme conducted in 2008/09 we have worked with the MPS and Audit Commission to deliver a second programme of ten events in the year, attended by 350 people. We will receive an update on the outcome from the Audit Commission and will use this to inform our future counter fraud activity.
	In liaison with the MPS we have agreed and published guidance for the prevention and detection of fraud. This is a pro-active programme to increase awareness and along with the anti-fraud strategy was launched with an article in The Job and on the MPS Intranet containing a forward by the Chair of the Authority and MPS Director of Resources.
	We participated in the CIPFA fraud benchmarking pilot for counter fraud activity, working with partners to identify comparators and performance measures for fraud investigation and prevention. The outcome for the Authority and partners was inconclusive and as CIPFA are commencing to charge for participation we are going to discontinue this approach. We continue to look for alternative methodologies for benchmarking counter fraud activities.
	Analysis of Key Financial Systems - We continued to develop our analytical analysis of key financial systems. Providing analysis on key risk areas such as fuel cards, zone allowances, shift disturbance allowances, excess fares, miscellaneous expenses and police overtime which was used to inform our review, investigative and fraud prevention activities.
	External Relations - We continue to work with partners in London Boroughs and NHS Trusts as a member of the Steering Group of the London Public Sector Counter Fraud Partnership and chair the Partnership's Fraud Prevention Group. We are networking with other public bodies in London to keep abreast of changes and develop opportunities for sharing good practice and trend intelligence and we are participating in the conduct a London fraud survey under the Crime and Disorder Act. We have also developed a good working relationship with the National Fraud Authority.
Investigations 75 new cases investigated in year:- Award of Contracts 11 National Fraud Initiative (NFI) 9 Claims and Expenses 15 Theft of Cash/Property 22 Missing Assets 10 Misuse of assets 6 Employment issues 2 48 of the cases concluded:- Discipline/management action 10 Recommendations made 20 Referred to MPS DPS 11 No fraud found 7	Key investigations included: We have initiated a civil recovery claim against an MPS linguist for £176,000 in relation to excessive hourly fees claimed for translation services. Work on our AMEX enquiry is concluded. The final outcome is that nine officers were charged with criminal offences and six (plus two members of the public) convicted. Ten officers faced misconduct hearings. One member of police staff resigned and 24 officers received written warnings. We have initiated a claim for £8,000 against a serving officer in respect of expenses charged against an MPA Amex card. This is the only civil case resulting from the Amex investigation as all the other cases the funds involved have either been repaid or the officers concerned are in serious financial difficulty and recovery action would not be cost effective. The charge card procedures have improved during the year with increased management review and scrutiny. A substantial resource has been committed to investigations into crime property stores. We have been involved in resolving issues from four stores and DPS dealt with one other. Two members of police staff have been convicted in relation to thefts from stores, one has received a criminal caution, one is on bail and one has retired. Advice has been provided to local management in all five cases to help prevent a reoccurrence.

Summary of DARA Activity 2010/11

Counter Fraud Work	DARA Activity
	We have conducted investigations into issues around business interests and procurement of equipment. Reports/briefing notes have been prepared as appropriate for MPS senior managers and MPA members' consideration. The MPS have taken action as a result of the findings contained within these reports.
National Fraud Initiative (NFI) 12,951 matches in total	Late in the cycle for the 2008 NFI exercise we received 1141 additional specialist data matches for the first time relating to police officer injury pensions. We are working with the MPS Pay and Pensions Contract Management Unit and the outsourced service provider to resolve the matches. The current estimate is that 8 historic overpayments totalling £133,621 will be identified and 23 historic underpayments totalling £553,675 – these cases span the period when the work was undertaken in-house and by two outsourced providers. In addition, 519 overpayments from April 2010 (potential liabilities - £46,443) have been identified along with 18 underpayments (potential liabilities - £1,430) resulting from changes made by the DWP. In February 2011 we received 12,951 matches from the 2010 NFI exercise from the Audit Commission (down from 20,190 in 2008). The high number of matches is due to the limitations of the data matching, e.g. similar names and post code matches. At the time of writing, 6493 of the matches have been cleared and we are currently working our way through the balance. Six cases have been identified where a pension has continued to be paid after the death of the pensioner. Payment of the pensions has been stopped and we are in contact with the relatives to seek repayment. We are in contact with MPS Finance Services on 4957 matches relating to creditor data in an attempt to identify any fraudulent activity or trends.

Analysis of DARA Recommendations

Table 1: Recommendations Made and Accepted Jan - Dec 2010

Recommendations	High	Medium	Low	Total
Made	6	309	8	323
Accepted	6	296	8	310
Percentage Accepted	**100%**	**96%**	**100%**	**96%**

Table 2: Recommendations Implemented Jan - Dec 2010

Recommendations	High	Medium	Low	Total
Accepted	6	296	8	310
Implemented*	4	219	8	231
Percentage Implemented	**67%**	**74%**	**100%**	**75%**

Table 3: Recommendations Made and Accepted Jan - Dec 2009

Recommendations	High	Medium	Low	Total
Made	20	579	25	624
Accepted	20	551	22	593
Percentage Accepted	**100%**	**95%**	**88%**	**95%**

Table 4: Recommendations Implemented Jan – Dec 2009

Recommendations	High	Medium	Low	Total
Accepted	20	551	22	593
Implemented*	13	490	15	518
Percentage Implemented	**65%**	**89%**	**68%**	**87%**

*Data provided by MPS Compliance and Assurance Team, MPS senior managers and MPA DARA

Glossary of Terms

ACPO	Association of Chief Police Officers
APEX	Accounts Payable Expenses
CARM	Computer Aided Resource Management
CDW	Corporate Data Warehouse
CEP	Community Engagement Partnerships
CGC	Corporate Governance Committee
CO	Central Operations
CPEG	Community Police Engagement Groups
CPSG	Capital Programme Steering Group
CRTP	Competency Related Threshold Payments
DoI	Department of Information
DPS	Department of Professional Standards
DSP	Dedicated Security Posts
DWP	Department of Work and Pensions
ERP	Enterprise Resource Planning
FCO	Foreign and Commonwealth Office
FME	Forensic medical Examiners
FMS	Facilities Management Services
GPC	Government Procurement Card
ICMS	Intranet Enterprise Content Management
IFRS	International Financial Reporting Standards
IPI	Improving Police Information
KPI	Key Performance Indicators
MAPPA	Multi Agency Public Protection Arrangements
MOPC	Mayor's Office for Policing and Crime
MPIC	Met Property Information Centre
MSC	Metropolitan Special Constabulary
MVP	Metropolitan Police Volunteer Programme
NPIA	National Policing Improvement Agency
POCA	Proceeds of Crime Act
SO	Specialist Operations
SMT	Senior Management Team
SPP	Special Priority Payments
STRAG	Suppliers and Tenderers Risk Assessment Group
SyOP	Systems Operating Procedures
THR	Transforming Human Resources
TSG	Territorial Support Group
ViSOR	Violent and Sex Offenders Register