MOPAC | MAYOR OF LONDON OFFICE FOR POLICING AND CRIME — METROPOLITAN POLICE — TOTAL POLICING

AUDIT PANEL
Friday, 30 June 2017

Director of Audit, Risk and Assurance
Internal Audit Annual Report 2016/17
Report by: The Director of Audit, Risk and Assurance

Report Summary
The attached report contains the 2016/17 internal audit annual opinion of the Director of Audit, Risk and Assurance on the effectiveness of the control environment within the Mayor's Office for Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS). It also summarises the activities and performance of the Directorate of Audit, Risk and Assurance (DARA).

Key Considerations for the Panel
The Director concludes the MOPAC and MPS internal control environments are not yet fully effective. Effective plans to enhance oversight and embed sound governance are being developed for implementation to secure a fully effective internal control environment in support of crime reduction and policing priorities and objectives.

Factors that will enhance effectiveness include; aligning MOPAC and MPS governance, embedding a sound framework in supporting delivering of the PCP, greater clarity in decision making, increasing the effectiveness of the risk management and assurance frameworks and prompt implementation of audit actions.

DARA have met key performance targets set for the year with exception of productivity 83% against the revised target of 85%.

Interdependencies/Cross Cutting Issues
Key areas of improvement identified in the Internal Audit Annual Report are addressed in the Annual Governance Statements for MOPAC and the MPS. Steps being taken to enhance MOPAC Financial Oversight and the effectiveness of the Capital Programme Framework are covered in agenda Items 7 and 10.

Recommendations - the Audit Panel is recommended to:
Consider the Annual Report of the Director of Audit, Risk and Assurance and note the annual opinion on the effectiveness of the MOPAC and MPS control environments.

1.   Supporting Information

1.1.   The annual opinion on the effectiveness of the MOPAC and MPS internal control environments is based on an assessment of the systems of governance, including risk management and the adequacy of the internal control framework.

1.2   Overall for 2016/17 the Director of Audit, Risk and Assurance has concluded the MOPAC and MPS internal control environments are not yet fully effective. Effective plans to enhance oversight and embed sound governance are being developed for implementation to secure a fully effective internal control environment in support of crime reduction and policing priorities and objectives.

1.3   The Annual Report has informed the MOPAC and MPS Annual Governance Statements presented at this meeting, which detail the action to be taken to address the areas of improvement identified.

Internal Control Environment

MOPAC

1.4   This has been a transitional year following the election of a new Mayor of London, and the subsequent appointment of a new Deputy Mayor for Policing and Crime (DMPC) and new Chief Executive and Chief Finance Officer. A key priority for MOPAC was the production of a new Police and Crime Plan (PCP) published in March 2017, which followed an extensive consultation exercise.

1.5   A new evidence based performance framework has been developed to oversee performance of the MPS against the PCP, and joint delivery plans with partners are to be produced. A revised MOPAC business planning framework is also being developed. The recently constituted internal PCP Delivery Group oversees progress.

1.6   Governance arrangements supporting the London Crime Reduction Board have been revised to support the required level of transformation and delivery of the PCP.

1.7   Further integration of risk management within the planning and performance framework will provide on-going management assurance that agreed objectives and statutory requirements are being met. Work is underway to align MOPAC and MPS strategic risks and sources of assurance to ensure key interdependencies are identified and managed effectively.

1.8   The Oversight Board, chaired by the DMPC, met regularly during the year with its terms of reference being revised in January 2017. The bilateral meetings between the DMPC and the Commissioner and between the Mayor and Commissioner were supported by in-depth analysis of key areas in policing.

1.9   Improved reporting and more effective forward planning in support of the Investment Advisory Board to the DMPC continues. Work initiated early in the

year to enhance financial oversight of the MPS, and in particular the Transformation Programme, has gathered further momentum following the appointment of the new Chief Financial Officer in January 2017.

1.10 A revised Corporate Strategy is being developed giving greater clarity and definition to MOPAC's key strategic roles in exercising oversight and convening and delivering activity in support of the PCP.

MPS

1.11 The strategic framework for the longer term the 'One Met Model 2020' (OMM 2020) sets the MPS vision and operating model for policing in London. The MPS is due to launch its Business Plan and quarterly reporting framework to provide the Commissioner and the DMPC with assurance on the delivery of strategic outcomes. This is a significant development which is key to improving the effectiveness of the overall internal control framework.

1.12 Risk maturity in the MPS continues to be assessed at level 3 ('working') and work continues to increase the level of maturity and effectiveness of the risk management framework.

1.13 The MPS Assurance Framework is not yet fully effective. In particular, there needs to be a greater understanding of sources of assurance and strengthening of level 1 and 2 activity within the 'three lines of defence model' adopted by the organisation.

1.14 The revised governance framework supporting key management decisions and oversight continues to become embedded. Further clarity in the definition of key accountabilities and decision making responsibilities will enhance effectiveness.

1.15 The governance framework for the Transformation Programme continues to develop and improve. There is increased integration of programmes within the portfolio and better management of key interdependencies. Management Board oversight has been strengthened and business cases better aligned to strategic objectives set out under OMM 2020. Further areas of development include; ensuring a sufficient level of resources within Portfolio Transformation Office and Digital Policing, tracking the realisation of benefits and the introduction of the programme assurance framework.

1.16 Implementing an effective contract management framework remains key. Further progress in implementing Intelligent Client Functions is needed to secure the considerable level of savings aligned to those areas of the business that have been outsourced.

1.17 The control framework for key financial systems is adequate and generally operating effectively. Clarification of the respective roles and responsibilities of SCCL (the third party provider for back office services) and the MPS prior to transition to the single ERP, will help ensure internal controls are appropriately maintained. Budgetary control improved with the roll out of the revised Scheme of Devolved Financial Management. Improvements in managing

capital programme spend and delivery, and in the monitoring and realisation of savings are planned for the coming year.

1.18 There has continued to be enhanced transparency and independence in dealing with misconduct matters with hearings taking place in public, chaired by legally qualified chairs independent of the MPS, although the control framework for police discipline requires some improvement.

1.19 The effectiveness of the security and vetting framework continues to be an area for improvement. This is now being addressed by a Working Group, reviewing the MPS strategic approach to vetting.

1.20 The MPS ability to comply with legislation for the retention and accessibility of data and information remains a key risk. DARA reviews in this area have identified some improvement and further action that can be taken to manage risk in this area.

Directorate of Audit, Risk and Assurance Activity and Performance

1.21 Forty seven risk reviews and follow up audits, and 27 investigations were carried out during the year. DARA also provided systems development and control advice on areas of the business subject to significant change.

1.22 External Audit continues to place reliance on the work of DARA in reviewing key material systems. A total of 90% of risk review work was completed to report stage by the end of the year meeting the agreed target. Audit time was spent broadly as planned.

1.23 DARA exceeded the 80% target set for overall client satisfaction, achieving 91%. The most effective areas of performance were in the staff conduct of reviews achieving 100% and in the consultation process and value of reports and findings both achieving 90%.

1.24 DARA met the 80% target for issuing final reports within one week of receiving a management response. An area identified for improvement is to reduce the lapsed time between the beginning of audit fieldwork and reporting. Audit productivity was 83% against a target of 85% this was primarily due to consulting on and implementing a revised DARA structure.

2.   Equality and Diversity Impact
The MOPAC and MPS commitment to equality and diversity are considered in all activities carried out by DARA.

3.   Financial Implications
There are no direct financial implications arising from the report. There is a risk of loss, fraud, waste and inefficiency if agreed management actions arising as a result of audit activity are not implemented effectively. Savings and recoveries identified and made as a result of DARA activity enable funds to be better directed towards core policing activities.

4.   Legal Implications
There are no direct legal implications arising from the report.

5.   Risk Implications
There are no direct risk implications arising from the report. Completion of the audit plan enables the Director of Audit, Risk and Assurance to provide assurance on the effectiveness of risk management arrangements.

6.   Contact Details
Report author: Julie Norgrove, Director of Audit, Risk and Assurance
Email: julie.norgrove@mopac.london.gov.uk

7.   Appendices and Background Papers

Appendix 1 – Director of Audit, Risk and Assurance Annual Report 2016/17

M O P A C | MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

METROPOLITAN
POLICE

TOTAL POLICING

Director of Audit, Risk and Assurance

Annual Report 2016/17

Internal Audit Annual Report 2016/17

Annual Assurance

Introduction

This report contains the Director of Audit, Risk and Assurance annual opinion on the effectiveness of the Mayor's Office for Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS) internal control environments. It also summarises the activities and performance of the Directorate of Audit, Risk and Assurance (DARA) for the period April 2016 to March 2017.

The MOPAC and MPS have audited body status and, therefore, a statutory responsibility to maintain an effective system of internal control. DARA provide the internal audit service to both organisations. The Director of Audit, Risk and Assurance, as Head of Internal Audit, is required to give an opinion for MOPAC and the MPS 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. Risk and assurance audits, systems development advisory work and the results of investigations undertaken during the year inform the opinion. The Director also takes account of relevant HMIC and External Audit reports and the work of internal review agencies as appropriate.

This has been a transitional year with the election of a new Mayor and the appointments of a new Deputy Mayor for Policing and Crime (DMPC) and Chief Executive for the Mayor's Office of Policing and Crime. A new Police and Crime Plan was published in March 2017, following an extensive consultation exercise. A new Commissioner, Cressida Dick, was appointed following the departure of Sir Bernard Hogan-Howe in February 2017. The MPS continued to face the challenge of implementing transformational change whilst securing considerable savings and maintaining frontline services.

Annual Opinion

> *The MOPAC and MPS internal control environments are not yet fully effective.*
>
> *Effective plans to enhance oversight and embed sound governance are being developed for implementation to secure a fully effective internal control environment in support of crime reduction and policing priorities and objectives.*

Governance

Joint MOPAC and MPS Audit Panel

The independent joint Audit Panel for MOPAC and the MPS operates in line with the Home Office Financial Management Code of Practice (FMCP). The Panel plays a key role in enhancing public confidence in the governance of policing in London. It met on a regular basis, receiving and considering appropriate reports from MOPAC and the MPS in discharging its responsibilities as defined within its terms of reference. This included overseeing progress made in strengthening governance and risk management arrangements and the internal control environments. Notes of meetings and Audit Panel papers are published on the MOPAC website.

In December 2016 membership of the Audit Panel changed. Following an open and competitive recruitment process, a new Chair and three members were appointed. The newly constituted Panel met for the first time in March 2017. The Audit Panel Terms of Reference were refreshed and updated to; reflect Public Sector Internal Audit Standards, give greater clarity on the role of the Panel in providing assurance on the effectiveness of the frameworks supporting delivery of the Police and Crime Plan and transformational change in the MPS, and to define arrangements for ensuring Panel effectiveness.

MOPAC and MPS Internal and External Audit Arrangements

DARA carry out the internal audit function for MOPAC and the MPS in line with the Financial Management Code of Practice, which aims to minimise duplication and bureaucracy and increase value for money. The same external auditor has also been appointed for MOPAC and the MPS. Both internal and external audit reported to the joint Audit Panel at each of its meetings and had direct access to the Chair in line with recognised best practice. They also met with 'those charged with governance', the Deputy Mayor for Policing and Crime (DMPC) and the MPS Commissioner at regular intervals during the year.

The current external audit contract expires with the audit of the 2017/18 accounts. The DMPC has approved the procurement strategy for the re-provision of the external audit service in light of the known expiry of the current contract and the requirement to appoint a supplier by 31 December 2017. This will be done using the national Public Sector Audit Appointments Ltd. (PSAA) procurement route.

Governance

MOPAC Governance Framework

Accountability

MOPAC is accountable to the electorate, and the Metropolitan Police Commissioner to MOPAC. The Police and Crime Committee (PCC) of the London Assembly keeps under review the exercise of the functions of MOPAC, and has continued to consider MOPAC performance at its monthly public meetings with the DMPC in attendance.

The Statutory Policing Protocol sets out how the functions of MOPAC, Commissioner and the PCC are exercised in relation to each other. It defines the financial responsibilities of MOPAC and the Commissioner, making it clear the former is accountable to the public for the management of the Police Fund while the latter has responsibility for the management of allocated budgets following Mayoral and DMPC approval.

Transition

This has been a transitional year for MOPAC following the election of a new Mayor of London, and the subsequent appointment of a new Deputy Mayor for Policing and Crime (DMPC) in June 2016. The focus in year was developing and consulting on a new Police and Crime Plan and identifying key capabilities and resources for delivery, whilst continuing to exercise oversight and take key decisions. There were temporary arrangements for appointments to the SMT, followed by significant changes, which included the appointment of a new Chief Executive in October 2016, a permanent Chief Finance Officer in January 2017 and more recently a new Director of Strategy who took up post in May 2017.

Strategic Framework

A key priority for MOPAC has been the production of a new Police and Crime Plan (PCP) for London 2017-21, which was published by the statutory deadline in March 2017. The Plan sets out the Mayor's police and crime objectives for MOPAC, defining strategic priorities and outcomes for policing in London and the wider criminal justice system. It outlines MOPAC's statutory responsibility for oversight of the MPS, including budget setting, performance scrutiny and strategy policy development. The performance and accountability framework to support the achievement of the strategic outcomes is also defined. Five overarching priorities are set for London:

- A better police service for London
- A better Criminal Justice Service for London
- Keeping children and young people safe
- Tackling Violence Against Women and Girls
- Standing together against hatred and intolerance

Governance

Extensive consultation supported the development of the Plan with the DMPC seeking views of a wide variety of stakeholders including councillors (all 32 London Boroughs were visited by the DMPC and the Assistant Commissioner Territorial Policing), MPs and the London Assembly Police and Crime Committee. Londoners' views were obtained by taking part in a survey and the public were invited to provide feedback on an initial draft of the plan.

The consultation meetings and responses, in-depth data analysis, policy research and liaison with the Mayor and the Metropolitan Police fed into the development of the overarching vision for the PCP and the five priorities. The Plan recognises the successful delivery of the priorities will be significantly dependent on contributions from a range of partners across London. The governance arrangements supporting the London Crime Reduction Board, chaired by the Mayor, have, therefore, been revised to facilitate communication between agencies and to support the required level of transformation and delivery.

A new evidence based performance framework has been developed by MOPAC to oversee performance of the MPS against the PCP and joint delivery plans with partners are being developed in collaboration across agencies.

Performance dashboards have continued to be developed for Crime, Criminal Justice, Intrusive Tactics, Neighbourhood Confidence and Gangs, Domestic Abuse, Sexual Offending, Business Crime, Youth Re-offending and Hate Crime. They are regularly produced, analysed and reported. A workforce dashboard and a joint MOPAC/GLA London Landscape Tool has also now been developed. Data transparency has continued to increase with the data dashboards published on the MOPAC website.

A revised business planning and performance management framework is being developed and integrated across MOPAC. This will focus resources on key priorities in the PCP and ensure statutory obligations are met and is being overseen by a recently introduced PCP Delivery Group.

A revised Corporate Strategy is being developed giving greater clarity and definition to MOPAC's key strategic roles in exercising oversight and convening and delivering activity in support of the PCP, and in meeting statutory responsibilities.

Governance

Risk Management and Assurance

The joint Audit Panel received regular reports from the MOPAC Chief Executive on the development of the risk management framework and key strategic risks to MOPAC. These reports reflected the transitional status of MOPAC whilst it produced the new PCP. The approach to risk management continues to develop with increased momentum following the publication of the PCP. Further integration with the revised business planning framework will help to provide on-going management assurance that objectives and statutory requirements are being met.

Oversight Board has had early discussions on key risks to the achievement of PCP objectives and the interdependencies between MOPAC and the MPS. It is recognised that there is a need for greater alignment of MOPAC and MPS strategic risks and sources of assurance to ensure key interdependencies are identified and effectively managed. Production of the new PCP supported by the development of the MPS strategic business plan has provided the opportunity for this alignment to occur. Developing the framework to support the effective management of these risks and interdependencies will now need to be taken forward.

Oversight

The Oversight Board chaired by the DMPC met regularly during the year with its terms of reference being revised in January 2017. The Board enables the DMPC to exercise effectively the role and duties of the Police and Crime Commissioner of the Metropolis, as delegated by the Mayor of London. It is responsible for; oversight of efficiency and effectiveness, scrutinising MPS delivery against the PCP, undertaking assurance on key priorities and specific issues of concern to the public and PCP, approving and reviewing the Mid-Term Financial Strategy (MTFS) in line with Mayoral priorities and monitoring progress, delivery and risks against the MPS Business Plan.

Bilateral meetings between the DMPC and the Commissioner focused on scrutiny of the effectiveness and efficiency of the MPS supported by in-depth reviews of key areas of operational performance.

The effectiveness of operational oversight has improved utilising the array of data analytics now available and is an area that continues to develop. An Oversight Board for Child Protection, chaired by the DMPC and made up of subject experts, HMIC, the Director of Audit, Risk and Assurance and senior officers from the MPS, was established in response to an adverse HMIC report on Child Protection published in November 2016. The Board has met on a six weekly basis overseeing progress in the implementation of the improvement plan to address the issues identified.

A DARA review of the MOPAC oversight of professional standards found an increased level of reporting and engagement with the MPS, although further scrutiny and review is needed in some areas. This is being addressed in plans developed to

support the role of MOPAC going forward under the Policing and Crime Act (PCA) 2017, introduced on 31 January 2017. Changes to the legislative framework for governing complaints will potentially see an increased role for MOPAC, the extent of which is currently being evaluated.

Interim Chief Finance Officer (CFO) arrangements were in place for the majority of the year. The permanent appointment of the CFO in January 2017 and the allocation of further resources to the Finance Team has strengthened MOPAC's capacity and capability in both financial oversight of the MPS and management of its own budget and funds. Initial work was undertaken earlier in the year to take forward the areas of development previously identified by DARA, with the support of an external consultant. This has gathered further momentum under the guidance of the new CFO. In particular, there is an increased focus on enhancing the scrutiny of the major MPS transformation change programme and associated business case proposals, which will be supported by greater oversight of the realisation of identified savings and benefits.

Decision Making Framework

The previous Joint Asset Management Panel and Joint Investment Board were replaced with an Investment Advisory Board in July 2016. This advisory board's stated aim is to oversee the MPS's financial investment movements and management of assets and ensure all MOPAC investment is managed in accordance with plans approved by the Oversight Board, the strategy of the Police and Crime Plan and the aims and ambitions of the Mayor of London. It met on a monthly basis with action continuing to be taken to improve the level of reporting to the Board and effectiveness of forward planning. All subsequent DMPC decisions are recorded and placed in the public domain as appropriate.

Work is underway to better align the governance arrangements for decision making between MOPAC and the MPS to ensure decisions are requested and enacted in the most efficient and effective way.

Grants and Commissioning Framework

MOPAC has refined its approach to commissioning within in the PCP designing a two tier model based on local and regional commissioning. It has committed to maintain £72m for the London Crime Prevention Fund over the period of the PCP. Following a DARA review of grants allocation and management conducted earlier in the year, an action plan was drawn up to ensure consistency in policy, procedures and risk management in line with minimum standards being introduced by the Cabinet Office in September 2016. Plans are also in place to strengthen the contract management and commissioning capacity and capability within MOPAC, which are crucial to support the robust monitoring of funds to ensure they are appropriately utilised to optimum effect in support of PCP objectives.

Governance

MPS Governance Framework

MPS Strategic Framework

Management Board has designed its blueprint for the strategic framework for the longer term the 'One Met Model 2020' (OMM 2020). This sets the MPS vision and operating model for policing in London. Strategic planning was focused on the OMM2020. The planned DARA review of the MPS business planning and performance framework was postponed during the year, recognising the framework was in the early stages of development pending the publication of a new Police and Crime Plan in this year.

The MPS is due to launch its Business Plan, this together with an agreed quarterly reporting framework aims to provide the Commissioner and the DMPC with assurance on the delivery of strategic outcomes. It will also provide the framework for managing delivery and aligning finance and resources in business groups. This is a significant development that is key to improving the effectiveness of the MPS internal control framework.

Risk Management Framework

The Deputy Commissioner regularly reported to the joint Audit Panel on key MPS strategic risks. This was supported by regular discussions at the MPS Risk and Assurance Board and a refresh of the corporate risk register.

Risk maturity in the MPS continues to be assessed at level 3[1] ('working') and moving in the right direction, indicating work needs to continue to increase the effectiveness of the risk management framework. This includes integration with the revised planning and performance management framework, which will support a more integrated approach to the identification and management of strategic risks. Consistency in the application of the approved risk management approach will also help to ensure that risks are properly identified at all levels within the organisation and escalated as appropriate. Plans are in place to support the move towards an increased level of risk maturity.

The Risk and Organisational Learning Board, chaired by AC Professionalism, focused on the management of key operational and emerging risks and recognised the need for a greater focus on organisational learning. Following a review going forward, key operational risks will be escalated to existing MPS Boards, including the newly created Safeguarding Board. A Board will be established to oversee

---

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

organisational learning, whilst a review by the Open University to support a more effective approach to organisational learning is carried out.

Assurance Framework

Annual Statements of Internal Control are now signed by members of the Management Board raising awareness and promoting ownership of the management of risk and control. The framework supporting this process needs to develop further and mature. Work has commenced to strengthen the assurance framework, through adoption of the 'Three Lines of Defence' model, which seeks to; define the sources of assurance into three categories, provide clarity on how each contribute to the overall level of assurance and how best they can be integrated and mutually supportive.   A DARA review published in November 2016 concluded the MPS Corporate Assurance Framework is not yet fully effective. There is a need to ensure that assurance requirements are clearly understood and delivered to support the achievement of agreed strategic objectives. In particular, a greater focus on level 1 and 2 sources of assurance is needed. Increasing the level of risk maturity will also support the more effective implementation and integration of the assurance framework.

Decision Making and Governance Structure

A previous DARA review of the MPS Decision Making Framework informed key improvements in this area.   A revised governance structure was introduced and delegated authority levels reinforced. Under the structure, the MPS Management Board provides strategic direction, taking strategic decisions and overseeing organisational performance.   It is supported by three sub boards: Portfolio and Investment, People and Training and Risk and Assurance each have executive authority for taking decisions within defined thresholds. DARA review activity has identified the need for greater clarity in accountabilities for decision making and the operation of MPS internal governance, particularly for those boards/forums that operate below Management Board level.   The need for improved quality and timeliness of reporting is also evident.

Transformation

The OMM 2020 aims to transform the organisation and focus resources on priority areas whilst providing an effective service to all Londoners. Twelve strategic change programmes are to be delivered in four broad tranches in 2017/18; '*Commitments and Pathfinders',* includes body warn video and increasing armed response; *'Fit for the Future'*, enhancing corporate systems, '*Strengthening Local Policing'* and changing the design for implementation in early 2018 of the '*Transformation of Victim Services'.*

A DARA review of the effectiveness of the governance framework for the Transformation Programme concluded it continues to develop and improve.   In particular, there is increased integration of programmes within the portfolio and

Governance

better management of key interdependencies. Management Board oversight has been strengthened and business cases better aligned to strategic objectives set out under OMM 2020. Controls will further improve with the implementation of actions agreed following the review, which feature in the improvement plan developed with the Strategic Partner supporting the transformation. This includes embedding revised programme management arrangements, ensuring sufficient skilled resources are available and improved management information. The scale of this ambitious Programme and the level of capabilities and capacity available to deliver the change, whilst managing business as usual, continues to be a challenge and key area of risk.

Effective programme management supported the roll out of Body Worn Video and Mobile Devices, which will be further enhanced through better integration with the Smarter Working Programme.

Commercial and Contract Management

Implementing an effective contract management framework remains a priority to ensure value for money is achieved from major goods and service contracts. This is being addressed as part of the implementation of the Commercial Plan and will be key to securing the considerable level of savings aligned to those areas of the business that have been outsourced.

DARA reviews have concluded that the contract management strategy and Intelligent Client Function (ICF) model approved by Management Board will provide a sound framework going forward to support the drive to achieve greater value for money from contractual arrangements, once fully implemented and embedded. The frameworks supporting the current contract management of major contract provide some assurance on performance but are not fully effective. Further progress is needed in introducing the ICFs, and there is a need for improved clarity on related roles and responsibilities and a better defined implementation plan.

Back Office Support - Transition to a Single ERP

Back office support systems and staff for Finance, Procurement and Human Resources were transferred to SSCL a third party contractor in October 2015. A further significant move to a single ERP under the contract was initially due to take place in October 2016, this was subsequently revised to February 2017 and is now likely to take place in September 2017. Delivering the required level of business process change within the defined timescales to realise the anticipated saving continues to represent a significant challenge and risk to the MPS.

Financial Governance

DARA reviews of key financial systems found the control framework to be adequate with controls generally operating effectively, although a number of areas of improvement were identified, primarily centred on clarifying roles and responsibilities

Governance

between the MPS and SSCL following transition. Reviews included key controls within Accounts Receivable, Accounts Payable, Payroll and IT Access Controls for SAP.

The budgetary control follow up review showed the framework had improved with the roll out of the revised Scheme of Devolved Financial Management and better definition of accountabilities within the Statements of Assurance on financial control. Ensuring budgets are properly aligned to agreed business objectives and allocated to the appropriate budget holder continues to be the challenge going forward.

A series of processes designed to help improve the future delivery of the savings plan have been introduced, following the highlighting of issues regarding the setting, monitoring and achievement of savings targets. A DARA review concluded that monitoring and scrutiny of the savings delivery plan is not yet fully effective but the planned improvements will provide a sound framework going forward.

Action is being taken to address issues raised in a previous DARA report on the Capital Programme Framework, followed up in August 2016. This will provide further assurance that the set capital programme is achievable and effectively managed to meet agreed priorities.

Ethics and Integrity

There has continued to be enhanced transparency and independence in dealing with misconduct matters with hearings taking place in public, chaired by legally qualified chairs independent of the MPS. A DARA review of Police Discipline concluded the control framework requires some improvement. A new IT system to be introduced in August 2017 which, along with new legislation, is expected to streamline the complaints and misconduct process and assist improved consistency in decision making and oversight.

The effectiveness of the security and vetting framework continues to be an area for improvement. DARA presented its previous review of the vetting framework to the Vetting Forum during the year. This is now being addressed by a Working Group, reviewing the MPS strategic approach to vetting.

Governance

Information Management

The MPS ability to comply with legislation for the retention and accessibility of data and information remains a key risk. A DARA follow up review of the Data Sharing Framework identified some improvement and a review of Data Security Assurance Framework concluded controls to mitigate key risks were generally operating effectively but further improvement is required. Significant work is being undertaken by the MPS as part of 'Operation Filesafe' to improve document, retention and retrieval. This will be subject to internal audit review later in the year.

Focus continued on the integrity of crime data and DARA continue to attend the Strategic Crime and Incident Recording Group. The implementation of a more integrated IT infrastructure remains key to increasing the level of assurance on the capture of crime data and is being taken forward as part of the MiPS Programme.

Local Control Environment

The Strengthening Local Policing programme, has redesigned operational structures and processes. This moves away from the 32 borough model to a smaller number of larger Basic Command Units (BCUs) with specialist support hubs and integrated specialist teams. Local policing across borough boundaries will be focused in four core areas and specialist functions will be integrated into BCUs. Evaluation of a 'Pathfinder Programme' supporting this key change is planned in the coming year, and will be informed by a governance review of strategic partnerships being carried out by DARA in liaison with Territorial Policing.

The Working Time Regulations Group, supported by DARA review activity, has overseen considerable progress in increasing compliance with working time regulations across for police officers across the MPS both in specialist units and territorial policing.

Improving Governance

DARA reviews undertaken during the year provide evidence on how effectively the internal control framework is currently operating and have informed improvement plans developed by MOPAC and the MPS. In particular, reviews indicate the following would help to strengthen significantly the internal control framework in support of achieving policing priorities and objectives;

- Aligning MOPAC and MPS governance arrangements, ensuring they are properly supported and operated effectively.

- Implementing and embedding a sound integrated planning and performance framework in support of the PCP and recently developed MPS Business Plan.

Governance

- Giving greater clarity to accountabilities and roles and responsibilities in decision making.

- Increasing the effectiveness of the risk management and assurance framework to reliably inform key decisions and performance discussions, increase compliance with agreed strategy and policy, and enhance oversight.

- Improving skills and capacity, supported by sound systems and reliable information, to meet the requirements of the new Police and Crime Plan, MPS Strategic Plan and the continuing commercial and financial challenge.

- Taking prompt action to address areas of improvement identified as a result of internal audit review activity.

Internal Control Framework

Annual Assurance Rating

DARA completed 26 risk and assurance audits and 21 follow up reviews. Appendix 2 contains the opinion for each risk and assurance audit (leading to the assurance rating), 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. The overall position reported is as follows:

Rating	Risk Based Reviews	Risk Based Reviews %	Follow Up Reviews	Follow Up Reviews %
Substantial	1	4%	2	9%
Adequate	16	61%	14	67%
Limited	9	35%	5	24%
Total	26	100%	21	100%

Risk and Assurance Reviews

The control framework for 61% of the risk and assurance reviews conducted was assessed as adequate, 4% substantial, with 35% (37% last year) rated limited. Key reviews included:

- Framework Supporting Rollout of Body Worn Video (S)
- Key Financial Systems Assurance (A)
- Transformation Change Governance (A)
- Mobile Devices Project – Governance Framework (A)
- Internal Communications – Workforce Engagement (A)
- MOPAC Grants Allocation Framework (A)
- MOPAC Governance Regularity Framework (A)
- Firearms Licensing Management and Control (A)
- Offender Management Framework (L)
- Police Productivity Framework (L)
- Contract Client Relationship Management (ICF) - DP SIAM Towers (L)
- Training and Development – Implementation of Managed Service Provider Framework (L)
- Performance Management Framework – Senior Police Officers (L)
- Working Time Regulations (WTR) Compliance Framework – Police Staff (L)

Internal Control Framework

Follow Up Reviews

A total of 76% (69% last year) of follow ups achieved an assurance rating of adequate or greater and 24% limited. The expectation is that a greater percentage of follow up reviews are rated as substantial and the number of reviews that remain rated as limited, following review activity, is reduced. Although 29% are showing an improvement in assurance rating, which include the Budgetary Control Framework, Estates Strategy and Interdependencies with Digital Policing and Criminal Justice Framework. Key follow ups included:

- Digital Policing Risk Management Framework (S)
- MOPAC Statutory Compliance Framework (S)
- Allocation and Deployment of Firearms Officers (A)
- Criminal Justice Framework (A)
- Estate Strategy – Management of Digital Policing Interdependencies (A)
- Budgetary Control Framework (A)
- Working Time Regulations - Police Officers (A)
- Area Hubs Service Delivery (A)
- Gangs Strategy and Implementation (A)
- Benefits Realisation Framework (L)
- Equalities and Inclusion Strategy (L)
- Claims Against the Commissioner (L)
- Custody Management and Provision – Met Detention (L)
- ICT Access and Security – Key Applications (L)

Systems Development and Control Advice

Appendix 2 details systems development and control advice activity undertaken. Key aspects of advice and support included a significant commitment to the Business Support Services Programme, with DARA attending over 65 workshops during the year advising on risk and control issues and regular attendance at the weekly delivery board meetings and the Programme Board. Other areas of advice included;
- Child Protection - MPS Delivery Board and MOPAC Oversight Board
- Attending key Governance Boards
- Working Time Regulations Compliance
- MOPAC Organisational Capacity and Capability
- MOPAC Governance and Risk Management
- Alignment of MOPAC and MPS risks
- Criminal Exhibits Management

Internal Control Framework

Counter Fraud

Fraud Prevention

An updated draft MOPAC/MPS Anti-fraud Strategy has been developed. The intention is to present the draft strategy to the joint Audit Panel later in the year. Actions from the plan supporting the strategy will be taken forward by the joint Fraud Forum. Following liaison with the MPS corporate risk team, the updated MOPAC/MPS fraud risk analysis (identification and management of fraud risks) is now incorporated into MPS business risk registers. The mandatory e-learning anti-bribery and fraud awareness training was launched in January 2017. The MPS Management Board has issued a directive to staff in high fraud risk areas to ensure completion of the e-learning training by end of quarter one of this year.

Investigations

Appendix 2 details counter fraud activity. The counter fraud team conducted 27 investigations and concluded 14 during the year. Follow up action included; discipline; referral to Professional Standards; recommendations to senior management; and referrals to external bodies/forces for further investigation. Key areas included:

- Procurement of a Major Contract
- False allowance and expenses claims
- False salary payments
- False pension claims
- Procurement - consultants
- Theft cash/property

A plan for proactive work to address fraud risks prioritised analytical work. Analysis was conducted in key risk areas including; corporate charge card expenditure; duplicate invoices; vendor creation and bank account changes and police overtime payments. Results informed audit, investigative and fraud prevention activities.

Management Action in Response to DARA Findings

DARA discuss with senior managers the risk issues identified during reviews and agree an appropriate action. This aims to encourage a greater level of ownership and engagement in risk management. Management report a total of 167 actions outstanding for 2015/16 of which 35 are high risk and 94 for 2016/17, 29 of which are high risk. Work is currently being undertaken to review the accuracy of this data. The Information and Insight Team monitor progress and in particular those reviews rated as limited are subject to greater scrutiny.

Internal Control Framework

A total of 172 actions were agreed in the final reports issued in 2016/17 of which 19% were classed as high priority and 81% as medium priority. DARA follow up activity showed 39% of agreed actions were fully implemented, 43% partly, 16% not implemented and 2% were no longer applicable. Of the high priority, 50% remain partly implemented and 7% outstanding. There is a need for prompt action to be taken in fully addressing agreed actions.

MPS Internal Review Activity

In reaching the overall opinion, the Director of Audit, Risk and Assurance has taken account of internal review activity completed by the Safety and Health Risk Management Team, which shows overall that an adequate framework is in place. Reliance was also placed on reviews conducted by the Information Assurance Team, which continue to demonstrate the need for improvement in this area.

External Review Activity

The HMIC report on Child Protection published in November 2016 raised key concerns in relation .to; governance and accountability, action taken in cases of children who go missing from home; operating procedures concerning registered sex offenders, the performance framework, availability of specialist skills and training supporting the investigation and handling of cases and the timeliness of investigations.

DARA Activity and Performance

Independent Review

External Audit continue to place reliance on the work of the DARA in reviewing key financial systems and governance arrangements.

Risk and Assurance Activity

The greater focus on high risk areas and adopting a risk based approach to internal audit activity helps to embed risk management across MOPAC and the MPS. Internal Audit provide assurance on areas that are working effectively whilst highlighting issues that require management action. Follow up audits show that where management action is taken this has a positive impact on the control environment. Management acting on DARA risk and control advice as systems develop also helps to prevent control failures in the future which saves valuable resources.

The outcome of DARA review activity is used to inform the MOPAC and MPS annual governance statements and improvement plans, which has contributed to the improved effectiveness of the internal control framework in a number of areas.

Counter Fraud Activity

DARA counter fraud activity continues to provide an effective response where fraud occurs, which is essential in increasing public confidence in MOPAC's and the MPS's commitment to tackling such issues. As a result of counter fraud activity a potential recovery in excess of £500k is being sought. DARA pursue civil recovery where a loss has occurred, and disciplinary and/or management action is taken as appropriate at the conclusion of investigations.

The Anti-Fraud Strategy and implementation plan, includes the development of a cohesive framework governing all aspects of anti-fraud and corruption activity and integrating the identification, and management of fraud risk within the corporate risk management framework. This has been subject to review during the year. The roll out of the fraud risk wheel is helping to ensure fraud risks are properly identified and managed as part of day to day management activity and all instances of fraud detected and appropriately reported.

DARA Activity and Performance

Working in Partnership

External Review Agencies

DARA has an effective working relationship with External Audit and HMIC, meeting on a regular basis to exchange findings and co-ordinate work programmes to avoid duplication and maximise the benefits derived from review activity.

Audit Forums

DARA influence the development of audit in the policing environment through membership of regional and national forums. The Director chairs the National Police Audit Group, which aims to drive up standards within internal audit in policing, and she is the police audit representative on the Chartered Institute of Public Finance and Accountancy (CIPFA) Police and Fire Panel. The Head of Audit and Assurance is a member of the CIPFA Risk Management for the TISonline CIPFA online service, which assists in developing and rolling out risk concepts and ideas to help public Sector organisations to improve and embed risk management. DARA contribute to the London Audit Group and sub groups set up to exchange best practice on auditing procurement, major contracts and ICT. This ensures DARA remain at the forefront of professional developments and provide a dynamic audit service.

Counter Fraud Liaison

DARA work with other public sector bodies to develop an effective counter fraud response, including membership of the London Fraud Forum which meets regularly to discuss current fraud issues – cyber, social media, recoveries in fraud investigations and open source investigations.

Shared Internal Audit Services

DARA is the lead internal audit provider to the GLA group, delivering services to the GLA, London Fire and Emergency Planning Authority, London Legacy Development Corporation, Old Oak and Park Royal Development Corporation and the National Police Chiefs Council. As a result overheads have reduced and more efficient use made of audit resources. DARA continue to work in partnership with the private sector drawing on skills available in specialist areas such as IT.

Professional Standards

DARA standards require staff to be professionally qualified or accredited counter fraud specialists and to conduct their work in accordance with defined professional standards, a code of ethics and the Public Sector Internal Audit Standards. The

DARA Activity and Performance

effectiveness of DARA is reviewed continually. This year there have been significant changes to the DARA structure to ensure it is in a position to; respond to the latest developments in the audit profession, meet the demands of its increasingly diverse client base and to provide professional services at optimum cost with the required level of expertise and flexibility. An external assessment is due to be carried out against the standards by March 2018. On-going Quality Assurance is obtained through:

- Documented Processes and Standards in an Audit Manual
- Supervision of each Audit Assignment
- Quality Assurance Reviews
- Self-Assessment against the PSIAS
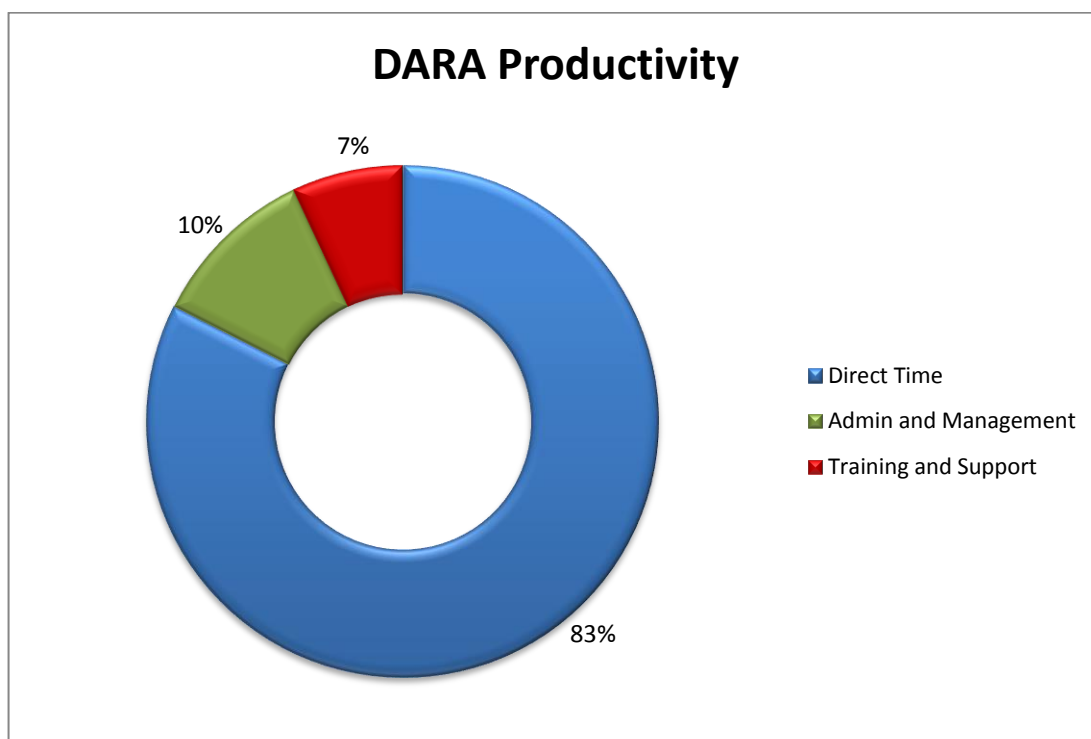- Client Feedback and Review
- Continuous Improvement Plan

Planning and Delivery

DARA completed 90% of the risk and assurance work programme to at least draft report stage by the end of the year meeting the target. Time was spent broadly as planned across the areas of activity as follows.

Activity	Planned	%	Actual	%
Risk and Assurance Audits • MOPAC Oversight and Governance • MPS Strategic Framework • Managing and Delivering Change • Financial Governance • Operational Delivery • Information and Data Security	1761	64%	1629	60%
Risk and Control Advice • Major Change Programmes • Senior Management Assurance • Information Assurance • Systems Development	324	13%	406	15%
Counter Fraud Activity • National Fraud Initiative • Fraud Prevention Strategy/Raising Awareness • Investigation into Fraud/Irregularities	652	23%	668	25%
Total	**2737**	**100%**	**2703**	**100%**

DARA Activity and Performance

83% productivity against a target of 85% was achieved. There was an increase in admin and management time, primarily due to the time dedicated to the significant DARA restructure.

DARA Productivity

- Direct Time
- Admin and Management
- Training and Support

Equalities and Diversity

The MOPAC and MPS commitment in relation to equality and diversity is considered in all audits and investigations. In particular, this year a review of the MPS Equalities and Diversity Strategy and Framework was undertaken.

Timeliness of Reviews

DARA met the 80% target for issuing final reports within one week of receiving a management response. It takes on average 6 weeks to clear audit reports and this is an area of improvement for the coming year together with reducing the lapsed time between the beginning of audit fieldwork and reporting.

DARA Activity and Performance

Client Satisfaction

Client satisfaction questionnaires issued following each audit review showed that the overall target of 80% satisfaction (i.e. a score of 4 from 5 or greater) in all aspects of DARA work was exceeded with 91% being achieved. The most effective areas of performance were in the staff conduct of reviews achieving 100% and the consultation process and value of reports and findings both achieving 90%.

Key Objectives for DARA in 2017/18

DARA will continue to be an independent source of assurance to the DMPC, MOPAC, the Commissioner and MPS Management Board. Providing professional advice and assistance at this time of significant change, key objectives for the coming year include:

- Helping to embed effective management of key strategic risks to the delivery of the new Police and Crime Plan in MOPAC and the MPS.

- Advising on the further development of recently revised governance and oversight arrangements both within MOPAC and the MPS

- Continuing to support the significant level of change taking place with an increased demand to deliver high quality services at reduced cost.

- Ensuring audit activity continues to be aligned with strategies, objectives, and risks to MOPAC and the MPS.

- Taking forward the DARA restructure, demonstrating quality and continuous improvement, integrity, competence, independence and due professional care.

.

Assurance Criteria

OVERALL RATING	CRITERIA	IMPACT
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively. However, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
Assurance Rating = Substantial **There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.**			
Body Worn Video (BWV) – Use and Control February 2017	• Defined governance, accountabilities, roles and responsibilities. • Clear policy on the use of BWV supported by comprehensive toolkits. • System certification from Surveillance Camera Commissioner. • Effective risk management. • Defined implementation plan, monitored effectively and currently on target. • Key Performance Indicators monitored. • Encryption and secure storage of footage, which is reviewed effectively.	• Continued analysis of cases referred to CPS requiring correction, to identify reasons for any errors made. • Completion of Police Approved Secure Facility accreditation to ensure compliance with the MPS Information Security policies. • Updated Information Sharing Agreement between the MPS and the CPS.	Four medium priority actions were agreed with a target date for implementation of April 2017.
Assurance Rating = Adequate **The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.**			
Firearms – Post Incident Review August 2016	Confidential Report	Confidential Report	The agreed actions are included in the follow up review of the Allocation and Deployment of Firearms Officers, see below.
MOPAC Grants Allocation and Management September 2016	• Clearly defined objectives linked to the Police and Crime Plan. • Grants allocated in line with objectives and based on a competitive process. • Bids evaluation. • Improved budget monitoring. • Grant agreements approval. • Effective governance arrangements.	• Overarching strategy and/or policy governing the allocation and management of grants. • Contract management in line with minimum standards introduced by the Cabinet Office. • Independent verification checks to ensure accuracy of data provided by grant recipients. • Reporting mechanism that collates all data on achievement of deliverable outcomes.	Eleven medium risk management actions were agreed, with a target date for completion of December 2016.
Firearms Licensing Management and Control	• Approved and documented processes for decision making and governance. • Decision making in line with set criteria. • Evaluation of firearms licence applications.	• Ensure receipt of GP medical declaration prior to firearms certificate being granted. • Integration of Firearms Licensing IT with police databases.	Seven medium priority management actions were agreed with a target date for implementation of March 2017.

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
September 2016	• Appropriate recording of decisions and actions on firearms licensing applications. • Revocation and refusal of licenses in accordance with legislation and guidance.	• Regular monitoring and review of risk registers. • System to ensure accurate records of final destination of seized firearms.	A revised target date for completion of two actions is August 2017.
FALCON - Cyber Crime November 2016	• Governance framework. • Identifying, recording and investigating disseminations Action Fraud and others. • Defined remit and criteria for assessing cases referred for investigation. • Supervision of reported crime. • Management information and review by SLT. • Effective data sharing arrangements.	• Refresh existing strategy ensuring objectives clearly defined against current and emerging threats. • Increased detective capability to identify and develop intelligence. • Retention and maintenance of adequate numbers of trained officers. • Improved data quality processes on CRIS.	One high and five medium priority management actions were agreed with a target date for completion of February 2017.
Internal Communications – Workforce Engagement November 2016	• Directorate of Media Communication Strategy. • Creation of distinct departments to focus on delivering internal communications. • Senior Business Partners appointed to designated Business Groups and OMM2020. • Cascade of key messages at Senior Leaders Events. • Regular monitoring of internal communications team's performance.	• Introduction of Corporate Internal Communications Strategy and plan. • Clearly defined roles, responsibilities and accountabilities, for delivery of internal communications across the organisation. • Effective monitoring and reporting framework. • Evaluation and monitoring of communication plans against delivery of strategic objectives. • Clear policies and procedures to support delivery of effective internal communications.	One high and four medium priority management actions were agreed, with a target date for implementation of June 2017.
Data Security Assurance Framework March 2017	• Information Management Strategy and Security Code. • Policy, process and code of conduct. • Roles, responsibilities and accountabilities clearly identified. • Regular scrutiny of MPS information and data security. • Identification of third party information/data security risks. • Monitoring of contract Key Performance Indicators, including data security.	• Information assurance monitoring for business as usual activities for Atos and SSCL. • Monitoring and reporting of information/data security assurance activity outcomes to senior management. • Gap analysis to identify MPS IT systems not covered by Atos, to ensure assurance activity consistently reported and key risks escalated. • Comprehensive Information Asset Register identifying all available information assets and ownership.	Four medium risk management actions were agreed. The target date for implementation is August 2017.

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
MIPS Programme Governance March 2017	• Project leadership and governance established. • Project Board meets regularly to ensure progress against project deliverables. • Regular progress updates are reported to MOPAC Investment Advisory Board.	• Embedding programme management as the programme progresses.	The agreed actions are included in the Transformation/Change Governance review (below), e.g. embedding programme management.
Transformation/ Change Governance March 2017	• Governance structure integrated into the MPS corporate governance design via governance boards. • Documented responsibilities, remit and authority of each board allowing engagement of senior management for decision making. • Management Board Portfolio Sponsoring Group advise and steer transformation, with authority to approve and recommend business cases delegated to the Portfolio Investment Board (PIB). • Portfolio Management Group covers the governance gap between PIB and Programme Boards. • Continued development of programme management framework. • Strategic level enterprise design, and further integration of Digital Policing change projects into OMM Portfolio.	• Regular review of design documentation to ensure that transformation initiatives remain aligned to corporate objectives and the Police and Crime Plan. • Ensure sufficient level of resources within Portfolio Transformation Office and Digital Policing. • Review provision of management performance information for full analysis, particularly of financial benefits. • Consider further development of the 'Front Door' assessment criteria to score and prioritise potential projects to be undertaken. • Implement the corporate risk management framework throughout the portfolio to improve upward risk reporting. • Development of an assurance framework to align programme/project lifecycles, the stage gate process and the investment appraisal.	One high priority and five medium priority actions were agreed, with a target date for implementation of December 2017.
Covert Accounts Control May 2017	Confidential Report	Confidential Report	Six medium risk management actions were agreed. The target date for completion is October 2017.
Mobile Devices Project - Governance Framework May 2017	• Monthly Project Board meetings chaired by Senior Responsible Officer (SRO). • Identification and management of risks to the project.	• Clearly defined, integrated interdependencies and accountabilities between Smarter Working Programme and projects. • Updated roles and responsibilities for the Smarter Working Programme SRO and ToR	Five medium risk management actions were agreed, with a target date for implementation of June 2017.

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
	• Risk register reviewed and updated. • High-level plan for the programme/project with dependencies and details of key deliverables identified and recorded. • Anticipated benefits for the mobile devices project clearly defined within the business case. Regular progress reports are submitted showing available cashable savings of £2.6m. • Lessons learned from early adopter sites incorporated into the main roll out.	for the Programme Board. • Review of programme governance arrangements. • Establish Smarter Working processes to enable the full roll out of mobile working across the MPS and cultural change to ensure all anticipated benefits are realised. • Availability of sufficient resources to support adoption of Smarter Working across the MPS. • Develop Communications Strategy.	
Key Financial Systems May 2017	Accounts Payable (AP) • Adequate policies and procedures. • Controlled access to the SAP system with access levels properly assigned. • Effective operation of system for invoice payments with adequate separation of duties and supporting documentation available. • Over 99% compliance with the MPS "No Purchase Order No Pay" policy. • Controls on Vendor Maintenance. Accounts Receivable (AR) • Adequate guidance. • Key Performance Indicators measured against targets on a monthly basis. • Effective controls over invoice transactions. • Monitoring and review of aged debt. • Write off procedures documented. Quarterly debtor write-off reports produced. • Monthly reconciliations reviewed and approved by authorised senior managers • Receipt of miscellaneous income.	Transfer to Single ERP • Review and update policy, procedures and guidance documents on transfer to the Police Standard Operating Platform (PSOP). • Clear roles and responsibilities for both MPS and SSCL. • Clarification over reconciliation checks on payroll to MPS bank accounts. • Joint ICF approach for HR and Payroll with Finance, incorporating effective monitoring of the services provided by SSCL. • Refresh of Chief Officers Financial Instructions to support go live on PSOP. • Updated list of authorised officers. • Final authorisation levels for payments administered based on formal agreements. Accounts Receivable (AR) • Ensure understanding of risks associated with reducing authority levels arising from changes to procedures.	Two high and 13 medium risk management actions were agreed, with a target date for implementation of December 2017.

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
	IT Access Controls for SAP • Effective controls over changes and deletions to users. Additional controls, such as inactivity by staff resulting in automatically suspending access, are also in place. Payroll • Checks on starters input to the payroll. • Prompt notification of police officers and staff leavers to the payroll providers. • Reconciliation on leavers. • Accuracy of pay following variations to standing payroll data. • Month end processing and payroll authorisation operating as intended.	IT Access Controls for SAP • Production of management information to allow checking for non-compliance. Payroll • Analysis of roles and responsibilities to identify redundant tasks and assist in development of 'Intelligent Client Function'. • Introduce joint working between Finance and HR covering payroll services. • Changes to standing payroll data processed within 3 months of effective date of change. • Met-wide systems to identify reasons for overpayments with timely notification to payroll and effective recovery. • Authorised MPS signatories to sign off final BACS payments.	
Police Officer Discipline May 2017	• Standards of professional behaviour, guidance and procedures. • Investigative teams consist of appropriately skilled officers. • Daily reviews of complex cases by all DPS Unit Heads provide consistency in determining how cases are managed. • Risk assessments are completed and recorded. • Misconduct panels appropriate membership provided with sufficient information to determine the case.	• Consistency in: classification of Misconduct/Gross Misconduct. • Greater number of conduct cases to be recorded within 10 working days. • Gross Misconduct cases to progress to a Hearing within nine months to meet target. • Reductions in the timescale for investigations and appeals to be completed. • An assessment of resources against demand to determine the current level of risk exposure. • Replacement of DPS database management. • Development of corporate framework for organisational learning.	Seven medium risk management actions were agreed. The target date for implementation is December 2017.
MOPAC Governance Regulatory Framework	• PCP published March 2017 communicates purpose, functions and priorities for MOPAC. • New governance model being developed.	• Review of Finance Regulations and Contract Regulations. • Code of conduct to form part of the appraisal	Thirteen medium risk management actions were agreed. The target date for implementation is November

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
June 2017	• Scheme of Consent and Delegation. • Governance Improvement Plans monitored and reported to Audit Panel. • The AGS and Code of Governance for 2016/17 to be published in July 2017. • MOPAC decisions and publications published on the MOPAC website. • New legislation monitored. • Staff handbook. • Staff declaration of business interests and gifts and hospitality. • Data protection policy in place, recently reviewed to reflect changes in legislation. • Freedom of Information Act (FOIA) requests. • Annual exercise Related Party Transactions.	process and help define the expected standards of behaviour and integrity for all MOPAC staff. • Training on corporate governance to ensure governance arrangements are shared and understood by all staff. • Implementation of business continuity plan throughout the organisation. • Data processing agreement between MOPAC and the MPS is updated. • Clearly defined, roles, responsibilities and accountabilities within the governance model. • Development of Terms of reference for key Boards.	2017.
MOPAC oversight of MPS Professional Standards Framework *June 2017*	• *Key processes to manage and deliver the Complaints Reform Agenda, included within the Police and Crime Plan 2017-2020.* • *Proactive in identifying and assessing the requirements for successfully implementing the changes after 2018.* • *Early assessments of the MPS Complaints and Appeal Teams' capabilities.* • *MOPAC reporting requirements communicated to the MPS.* • *Quarterly reports from the IPCC used for Force comparison.* • *A good level of formal and informal communication between MOPAC and MPS.* • *Development of new performance framework to be implemented.*	• *Policy statement to define MOPAC's new oversight role and responsibilities.* • *Risk register/delivery plan to contain dates for implementation of actions identified.* • *Simplify project documentation.*	*Two medium risk management actions were agreed. The target date for implementation is December 2017.*

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
Savings Plan and Delivery *June 2017*	• *Clearly defined process for the setting and approval of savings targets as part of the Mayor's annual budget setting process.* • *Outline business cases review and alignment with Medium Term Financial Plan.* • *Business cases include implementation plan supported by clear lines of accountability.* • *Monthly reports outline status and progress of programmes including summary of status of the quantifiable cashable benefits.* • *Corporate reporting to joint MOPAC/MPS Oversight Board and MB.* • *Quarterly financial monitoring report to London Assembly.*	• *Monitoring and scrutiny of savings plan governance framework. Level of information reported and reviewed to fully support effective monitoring, scrutiny and challenge.* • *Robust oversight over unidentified savings targets.* • *System of forecasts against planned savings.* • *Completion of benefits mapping for each programme.* • *Assessment and review of impact on achievement of strategic objectives of not meeting the savings plan.* • *Analysis and management of risks relating to delivery of Capital and Revenue savings.*	*Six medium risk management actions have been identified.*
Assurance Rating = Limited **The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.**			
Training and Development – Implementation of Framework and VfM November 2016	• Purchasing framework set up under procurement rules on DMPC approval. • Budget guidance provided to SPOCs. • Training Managed Service Model benefits reported to MOPAC Investment Advisory Board. • Annual bids for 2016/17 subject to scrutiny and Chief Officer approval.	• Establish an external training strategy and implementation plan. • Implement central technical oversight and corporate policy across all training purchased. • Fully embed the VfM criteria within the management framework. • Evaluate effectiveness of training provided. • Develop and install robust contract management arrangements. • Implement and embed the Training Commissioning Model. • Effective plan and communication strategy. • Robust monitoring arrangements.	Ten high and ten medium priority management actions were agreed with a target date for implementation of October 2017.
Cyber Security November 2016	• Introduction of the Service Integration and Management (SIAM) tower model as part of the DP Operation Model.	• METSEC to contain guidance on domains. • Current SIAM scope to include any non-tower systems and coverage over the Secure	Five high and four medium priority management actions were agreed with a target date

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
	• Robust access controls to govern systems access. • Comprehensive security policies and procedures. • Comprehensive and up-to-date IT asset management processes. • Defined and implemented incident response management process. • Security Committee.	External Gateway domain. • Document current standard networking needs in relation to network topology. • Conduct annual review of firewall rule. • Penetration test including tests to ensure adequate network segregation. • Obtain assurance on state of security of non-corporate systems in the network. • Develop comprehensive guidance on the patching of systems.	for implementation of June 2017.
Offender Management Framework January 2017	• Home Office and MoJ 'Key Principles' available to all personnel. • Quarterly meetings of MOPAC Reducing Reoffending Board - the strategic vehicle to reduce reoffending - attended by all partners. • Youth Offending Teams (YOT) on B/OCUs for offenders under 18, and Integrated Offender Management (IOM) Teams for adult offenders. • Information sharing protocols in place. • Schemes in place to reduce re-offending. • IOM formed a key part of the 2013-16 Crime Prevention Strategy. • Action plan with leads, milestones, current position, outcome/benefit, and updates clearly documented.	• Clarify status and ownership of the London-wide Integrated Offender Management Strategic Framework. • Clear strategy for management of adult offenders supported by policies/procedures. • Integrated case management system for recording and sharing information. • Appropriate level of resources available to YOT and IOM teams on B/OCUs. • Review use of historical data for adult reoffending dashboard to improve analysis of emerging trends and themes. • Performance measures and targets for offender management activity. • Define governance arrangements and assign appropriate resources for oversight and assurance on delivery of objectives.	Two high and four medium priority management actions were agreed, with a target date for implementation of June 2017.
Performance Management Framework – Senior Police Officers March 2017	• Clear instructions including a toolkit for talent conversations and guidance on assessing leadership potential. • Documented advice on expected position of performance levels split across ranks is readily available.	• Defined strategy to support performance management, aligned to People Strategy. • Risk assessed system for consistent, fair and transparent use of performance and potential assessments, which meet expected distribution patterns across MPS.	Four High risk and nine medium risk management actions were agreed, with a target date for implementation of September 2017.

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
	• Segregation between first and second line managers during assessment helps to demonstrate transparency and fairness. • Clearly defined role, composition and purpose of Moderation Panels. • Business groups review distribution of assessments against desired distribution for the MPS. • Analysis of trends and issues arising reported to Director HR.	• Assessment criteria and evidence of competencies for each rank. • Guidance on quality and nature of evidence required to support assessments. • Ensure all assessments are completed. • Development plans to be in place and reviewed by the Moderation Panel. • Tracking of high performing officers and where performance is below expectations. • Effective scrutiny by Moderating Panels. • Clearly defined appeal process/guidance. • Management information to evaluate the effectiveness of the PPM.	
Management and Escalation of Change Programme and Project Risks March 2017	• Project start up/progression governed by MPS Investment Appraisal process. • Programme plans for mobilised Programmes defined and monitored.	• Portfolio risk and dependency management, ownership of risks and associated mitigation and clarity on escalation. • Governance of latter stages of projects' lifecycle as they transition into the business. • Monitoring SRO capacity to manage release of multiple projects across the portfolio. • Fully embedding approved programme management approach for all programmes.	The agreed actions are included in the Transformation/Change Governance review (above).
Working Time Regulations (WTR) Compliance Framework – Police Staff May 2017	• Clearly defined and approved policies and procedures. • Policy Toolkits in line with legislation and regulations and provide specific safeguards against excessive hours. • Monitoring rostered or planned working time for police staff, managers alerted to potential breaches. • Significant WTR issues discussed at Local Resource Planning meetings.	• Introduction of a corporate system to record hours worked enabling effective oversight of WTR compliance for police staff. • Ensure annual reviews of WTR opt out agreements, business interests and other employment, updated to ensure consistency in compliance with policies and to detect any welfare/health issues. • Adequate corporate management information to identify those police staff that have worked	Nine, medium risk management actions were agreed, with a target date for implementation of October 2017.

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
	• Monthly management information reviewed and used to support decision making.	excess hours and have not opted out of WTR.	
Police Productivity May 2017	• Specific strategies are employed for external and internal demand. • Resource Allocation Formula used to assess demand and need factors. • Increased digitalisation and use of tablets for mobile working. • Policy toolkits support a framework of effective attendance management for police officers. • Comprehensive records of officers on restricted, adjusted and recuperative duties, and of sickness levels.	• Introduce links between demand management and the productivity of officers. • Definition of police productivity to allow identification and measurement, leading to effective benchmarking and performance management. • Strategic framework benchmarking productivity enablers to enhance assessment of objectives outlined in the OMM 2020 Blueprint. • Review effectiveness of sickness management policy.	Two high risk and four medium risk management actions were agreed. The target date for implementation is July 2017.
Contract/Client Relationship Management Framework - Shared Services Connected Limited (SSCL) Contract May 2017	• Contractual terms for SSCL contract clearly defined. • Documented roles and responsibilities at Directorate and senior level. • Temporary performance measures to monitor the contract during transition to the single ERP and regular performance and governance review meetings held. • Corporate Intelligent Client Function (ICF) Strategy designed. • Corporate Strategy contains defined aims to increase revenue; reduce costs; implement effective contract management. • Strategy model based on risk forms a sound framework for prioritising contract management resources and the level of senior management oversight. • Development and introduction of a retained function model.	• Alignment of recruitment and appointment of contract and commercial managers across the MPS. • Detailed implementation plan with clarity on overall ownership and accountability for delivery. • Appointment of professional contracts team to manage the SSCL contract. • Define responsibilities, resources and governance process, overseeing the functionality and performance of the ICF in line with new model, and appointment of SRO. • Finalise toolkit and guidance ensuring appropriate training to MPS Officers and Staff. • Establish monitoring measures, appropriate access to data and relationships with SSCL to enable challenge and provide assurance on the accuracy of reported performance. • Develop a common reporting approach.	One high and three medium risk management actions were agreed. The target date for implementation is October 2017.

Audit Title	Areas of Effective Control	Key Controls for Improvement	Agreed Management Action
Contract Client Relationship Management DP SIAM Towers (incl. DP Transformation – Residual Risks) June 2017	• Contract Management Strategy approved by MPS Management Board October 2016. • Operational level support in Contract Management Handbook and Guides. • Functional and operational level boards assist in effective engagement and business group oversight of operational business management areas. • Defined roles and responsibilities between Digital Policing Service Delivery and suppliers. • Launch of new Digital Policing Strategy and a Service Transformation Roadmap stating the ambitions of the business group over the next three years. • Clearly defined processes for governance of contractual changes. • Comprehensive management information reports.	• Guidance, policies and reporting to support delivery of the strategy. • Further development of corporate reporting on contract/commercial and financial performance. • Effective management of budget monitoring relative to the SIAM/Tower contracts to minimise the risk of overspends. • Address lack of resource resilience with financial management capability within the Digital Policing ICF and increase capacity to cover wider contract management roles. • Clear ICF operating model and effective integration of all roles within the ICF. • Improvements to risk governance managed on behalf of the MPS by the suppliers. • Management information monitoring and reporting against performance indicators. • Co-ordinated assurance framework between ICF and SIAM/Tower suppliers.	One high and seven medium risk management actions were agreed, with a target implementation date of September 2017.

Interim Audits – Follow Up Reviews

Audit Title	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
Assurance Rating = Substantial **There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.**			
Digital Policing Risk Management Framework May 2016	• Oversight and escalation of Digital Policing risks supported by effective reporting cycle. • Documented escalation process communicated to all involved in the management and administration of Digital Policing risks. • Management of strategic risks supported	• Define operation of risk management processes between the MPS, Atos and other suppliers, including clear roles and responsibilities.	The one high risk and three of the four medium risk agreed management actions had been fully implemented. The remaining medium risk action had been partly implemented, with a target date for

Audit Title	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
	by effective business level risk registers.		completion of August 2016
MOPAC Statutory Compliance Framework March 2017	• MOPAC statutory requirements and responsible officers documented. • Statutory requirements monitored by MOPAC senior leadership team. • Disclosure log on MOPAC website. • Corporate Development Team provides updates on Parliamentary activity.	• One further action was agreed to ensure statutory requirements are included in revised business plan and reviewed regularly by senior management.	All of the one high and four medium priority agreed actions had been implemented. One further action was agreed for implementation by June 2017.
Assurance Rating = Adequate **The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.**			
Allocation and Deployment of Firearms Officers (including post incident procedures) September 2016	Confidential Report.	Confidential Report.	Five of the six agreed management actions had been implemented. The remaining action was partly implemented with a target date for completion of March 2017.
Area Hubs Service Delivery September 2016	• Revised performance management framework implemented. • Recording and monitoring of activities falling outside of the service level agreement and remit of Area Hubs, and appropriate escalation. • Refreshed CARM guidance and training documentation distributed. • Delivery of guidance and training sessions. • Continued monitoring of progress on CARM related issues.	• Continued action to address all outstanding CARM IT issues including system resilience and integration.	Of the four agreed management actions, two medium risks had been fully implemented and one partly implemented. The one high risk action remained outstanding. The date for implementation was dependent on the implementation of a business case for IT systems.
Information Management Security – Data Sharing	• An Information Management Strategy has been developed. • Roles and responsibilities have been defined within an Information Management	• Refresh Statement of Internal Control to enhance reporting on Information Management controls. • Clarification of role of Information Asset Owners	Five of the 14 agreed actions had been fully implemented. A further two had been merged with a similar action and of the

Audit Title	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
November 2016	governance framework. • The Information Sharing Toolkit has been published and is available to all staff. • An Information Sharing workshop has been held to raise awareness and educate local leads.	for MetHQ. • Target dates for strategy implementation. • Auditing effectiveness of strategy implementation to commence. • Update record local Information Sharing leads. • Review of Information Sharing Agreements.	remaining actions, five were partly implemented and two not implemented. A revised date for completion of January 2017 was set.
Gangs Strategy and Implementation November 2016	• Improved resources allowing a permanent, pan London, on-call facility to all B/OCUs. • Corporate training delivered to detective inspectors and new recruits. • Performance monitoring with assessments on compliance with the MPS Gangs Operating Model highlighting good practice. • Work underway to improve data capture and sharing between partner agencies such as the Probation and Prison Services.	• Revision and publication of corporate guidance and strategy, the Gangs Operating Model, taking into account the changes the new Police and Crime Plan. • Proactive monitoring, by Territorial Policing, of resources deployed and performance on B/OCUs. • Integration of IT systems to enhance and improve data capture for all crime, including gang related.	The two high risk agreed actions had been fully implemented. Of the seven medium risk agreed actions, one had been fully implemented, three partly implemented and three remained outstanding. The target for completion is November 2017.
Budgetary Control Framework February 2017	• Updated Scheme of Devolved Financial Management (SDFM) readily available. • SDFM includes roles and responsibilities, budget process, capital budgets and approved delegations. • Comprehensive Financial Instructions readily available to all personnel. • Finance Business Partners support • Development of improved financial oversight model by MOPAC.	• Budget planning process to include matching of budgets to policing priorities and objectives. • Fully implemented and embedded budgetary framework across all Business Groups, including effective communication, monitoring and provision of resources and training. • Finalise system for production of management information reports. • Performance Development Reviews to include objectives for managing budgets.	Of the three high risk agreed management actions, one had been fully implemented, and two partly. Of the six medium risk actions, two had been fully implemented, two partly and four remained outstanding with a target date for completion of June 2017.
Criminal Justice Operational Framework February 2017	• MPS and MOPAC supporting Home Office initiative to improve CJS processes via technology investment. • Appropriate representation on Board monitoring initiatives to reduce delays. • Improvements in CJS timeliness.	• Strategic action plan for CJ objectives and operational level delivery plans. • Review of dashboards to ensure alignment with the new PCP. • Monitoring of progress on CJ objectives. • Evaluate risks to achieving PCP and ensure	The one high risk agreed action had been partly implemented. Of the 18 medium risk agreed actions, 12 had been fully implemented, three partly and three remained outstanding. The target date for completion is

Audit Title	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
	• New case management system. • Case file quality assurance process. • Case file training programme. • Reduction in days taken for summons and requisitions.	appropriate action plans in place. • Effective coordination of interdependencies with IT systems under the wider MPS change programme.	August 2017.
Workforce Data and Deployment February 2017	• HR processes mapped and redesigned ready for migration to PSOP. • Clear protocols and guidance issued. • Improved quality of data on positions/locations of staff and officers. • Monthly management information available to OCUs supplemented by weekly headcount reports. • Redefined roles for retained MPS Workforce Planning and Deployment staff to support corporate and local planning.	• Completion of review of flexible working rosters for underpayments/overpayments and potential integrity cases. • Implementation of Workforce Reporting Strategy and reporting tools. • Resolution of discrepancies in records held by MetHR and Finance. • Realistic and affordable design targets. • Integration of all relevant IT systems. • Completion of corporate data cleansing.	Of the two high risk agreed actions, one had been fully implemented and one partly. Two of the six medium risk agreed actions had been fully implemented, two partly implemented and two remained outstanding. The target date for completion is September 2017.
Working Time Regulations (Police Officers) March 2017	• Effective oversight and review by MPS Health and Safety Board and local business units. • Monthly management information analysed • Continued increased compliance with Working Time Regulations (WTR).	• Further improvement in compliance levels for booking on and off duty. • Continued review to ensure all police rosters are compliant with WTR. • ICT solution to enable recording of working time for Royalty and Specialist Protection office.	Of the six agreed management actions, two high risk actions had been fully implemented and one partly, two medium risk actions partly implemented, and one remained outstanding. The target date for completion is August 2017.
Estate Strategy – Management of Digital Policing Interdependencies March 2017	• Revised 'Estate Transformation Strategy: Implementation Plan' aligned to the OMM2020 vision and the Digital Policing Strategy. • Publication of Digital Policing Strategy and implementation plan. • Collaborative working between Property Services and Digital Policing.	• DMPC approval of Estates Strategy. • Development of Communication Strategy. • Update governance improvement plan with regular progress reports to identify any potential issues and inform key decisions. • Further development of a fully integrated implementation plan for Estates and DP	The two high risk agreed actions had been fully implemented. Five of the medium risk agreed actions had been partly implemented and one remained outstanding with a target date for completion of June 2017.

Audit Title	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
	• Improvements to local management of interdependencies with Digital Policing. • Monthly joint project review supporting interdependences between the Estate and DP Strategies.	projects. • Review of Estate Transformation Programme information management reporting.	
MOPAC Business Crime Strategy and Implementation Framework March 2017	• Improved oversight of the Business Crime Strategy by Business Crime Change Board (BCCB). • Risks to delivery identified and reviewed. • Achievement of previous Business Crime Strategy objectives reviewed by BCCB. • Sub-group structure reviewed.	• Development of the framework to support delivery of the revised objectives for Business Crime included in the Police and Crime Plan published March 2017.	Five of the agreed actions had been implemented, and two were no longer applicable. One further key action was agreed for implementation by July 2017.
Facilities Management Integrator – Contract Management Framework May 2017	• Contract Management Strategy 2016-2020 approved by Management Board, and implementation plan and toolkit being developed. • Annual reviews for Tier 2 suppliers completed and actions agreed and tracked. • Development of comprehensive reconciliation system monitored by senior management. • Reduction and monitoring of backlog invoices. • Ongoing development of a standard file plan, aligned to the corporate Contract Management Framework, to include recording change control, and disputes.	• FM client function to link with the corporate ICF design, and staff roles and responsibilities reviewed and fully documented. • Implementation of system of risk management relating to the FM Integrator. • Review, approval and implementation of KPIs, Contract Performance Factors and Service Delivery Indicators. • Annual review of FM suppliers and results reported to Governance Board. • Governance and mechanisms to track ongoing contractual benefits, efficiencies and savings. • Improved performance reporting including the development of scorecards.	Of the ten medium risk agreed management actions, two had been fully implemented, seven partly and one remained outstanding. The target date for completion is August 2017.
Crime Prevention Implementation Framework May 2017	• Proposed revised strategy will be presented to the TP Chief Officers Group in May 2017. • Crime prevention and problem solving training in place for all Safer Neighbourhood Officers and new Police	• Crime Prevention Strategy to include clear roles and responsibilities of the two main oversight boards – the Crime Prevention Board and the Crime Prevention Delivery Group. • Ensure sufficient resources available.	One of the five agreed actions had been fully implemented and the remaining four, including a high risk, partly implemented. The target date for completion is August 2017.

Audit Title	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
	Officer recruits.	• Effective monitoring of crime prevention activity, including improved use of technology.	
Risk Management Maturity – Directorate Level *June 2017*	• *Risk maturity assessments have been carried out for Special Operations , Specialist Crime and Operations and Territorial Policing. Following these assessments it has been decided that there is a need for the corporate risk process to be refreshed.*	• *Risk processes are not sufficiently integrated with other governance processes to create a routine annual risk management review process.* • *The risk management intranet site has not been updated to include access to the latest risk management guidance.* • *The link between the risk management guidance and partnership management guidance has not been completed.*	*Three of the five agreed actions have been partly implemented and two not implemented.*
Investigations – Management Capacity and Capability June 2017	• Oversight of detective resource and capability issues the responsibility of the Detective Diamond Group. • Governance arrangements rationalised to improve transparency. • Careers Pathways Project established. • All trainee detectives on passing the National Investigative Exam (NIE) posted to TP, building local investigations and resilience. • "Streaming" of uniformed and new recruits and direct recruitment of trainee detectives into the TDC career path has commenced. • Investigative coaching and mentoring processes developed.	• Close monitoring of risk relating to training pressure. • Action plan to address improvements required in HMIC PEEL - Effectiveness report. • Action to address immediate short and medium terms risks to service delivery. • Close monitoring of actions relating to specific projects to demonstrate effectiveness.	Of the five medium risk agreed management actions, two had been fully implemented and three partly. The target date for completion is September 2018.
Assurance Rating = Limited **The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.**			
Claims Against the Commissioner	• Senior Officers now oversee high risk Fairness at Work (FAW) cases • Action leading to implementation of	• Continued strengthening of the strategic framework through the implementation of ACAS and EHRC review recommendations.	Of the three high risk agreed actions, all had been partly implemented. Of the three

Audit Title	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
September 2016	• recommendations from ACAS FAW review is on track for completion December 2016. • MPS taking a lead in discussions on reform of the disciplinary and complaints systems. • Revised policy and standard operating procedures on grievances published. • Monitoring of legal costs.	• Implementation of systems to facilitate and improve organisational learning. • Clearer definition of relationship between MOPAC and MPS to strengthen oversight. • Clarification of criteria for identifying high risk cases and responsibility for assessment. • Calculation of costs for individual cases.	medium risk agreed actions, one had been fully implemented, one partly and one remained outstanding. The revised target date for completion of the outstanding action is June 2017.
ICT Access and Security – Key Applications September 2016	• Digital Policing (DP) Application Support Team and responsibilities transferred to the SIAM service provider, Atos. • AirWatch Mobile Device Management system updated to support iPad devices in circulation. • iPad user access privileges periodically reviewed. • COPA SRO acknowledges system unavailability and unauthorised access risks and mitigating controls applied.	• Information Assurance Unit (IAU) and HR continuing to review corporate leavers process to agree new principles and procedures. • IAU to evaluate risks to corporate leavers process to inform 2017/18 IAU Audit Plan. • MERLIN Strategic Group to review risks of unauthorised access and system unavailability. • DP to confirm with Atos event log enabled and configured to MPS expectations. • MetHR SRO to confirm awareness and assurance on access management controls and unmitigated risks within the process.	Four of the 14 agreed actions had been fully implemented. A further two were merged with other similar actions and of the remaining actions, three were partly implemented and five not implemented. A revised date for completion of July 2017 has been set.
Benefits Realisation Framework December 2016	• Refreshed framework of business case appraisal now requires explicit information on anticipated project benefits. • Consistent monitoring of business cases, including clarity of benefits information. • Defined role specifications for Senior Responsible Owner accountabilities. • Improved arrangements for planning and management of benefits during the project and post completion. • Budget scrutiny process informed by a revised portfolio level benefits profile.	• Use of benefits tracking tool across all change projects and programmes. • Identification of sustainable savings solutions for 2016-20 financial strategy. • Mitigating action to manage savings gap and review impact of current financial pressures on the deliverability of future years' savings target. • Measures and reporting of change programme effectiveness against strategic objectives and investment criteria. • Responsibility for oversight of programme progress and cashable benefits.	Two of the seven high risk agreed actions had been fully implemented, four partly implemented and one remained outstanding. Four of the seven medium risk actions had been fully implemented and three partly implemented. The target date for completion was April 2017.

Audit Title	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
Custody Management and Provision – Met Detention February 2017	• Training records and updates of Police Officers are maintained. • Revised Custody Suite checklists have been approved and distributed. • Regular risk assurance process includes dip sampling. • Monthly Performance data produced and distributed. • Quarterly custody user group meetings take place.	• Continued action to address lack of resources. • Delivery of Emergency Life Support and Officer Safety Training courses. • Co-ordination of activity to address HMIC recommendations on vulnerable persons within custody suites. • Action to address risks related to the lack of thorough searches by arresting officers. • Completion of review of the SLA for the performance of Met Detention. • Integration of custody related IT systems. • Update policy/process for access to Estate.	The one high risk agreed action had been partly implemented. Of the four medium risk agreed actions, one had been fully implemented, two partly and one remained outstanding, with a target date for completion of August 2017.
Equalities and Inclusion Strategy May 2017	• Draft Strategy aligned to the OMM2020 being reviewed to ensure it reflects and supports the Police and Crime Plan. • Delivery schedule to support implementation of the Strategy detailing activity and supported by a work plan. • Draft communications plan to be published and implemented shortly, A website will also be in place. • Performance measures and monitoring to facilitate evaluation of implementation of the Inclusion Strategy. • Clearly defined Governance Structure. • Regular meetings between MPS and MOPAC to ensure clear oversight of the Inclusion agenda. • Significant activity for the IDE agenda has been completed within SCO and SO, supported by senior management.	• Approval and publication of Inclusion Strategy. • Appropriate oversight and review of progress in meeting the desired outcomes. • Clearly defined roles for each officer and member of staff in implementing the Inclusion Strategy. • Format for reporting of progress against the revised strategy. • Completion and publication of Communications Plan supporting the strategy. • Development of links to other MPS strategies. • Monitoring of the maturity model to assess improvement in delivery. • Appropriate support for the implementation of the Inclusion Strategy across the MPS. • The role of MOPAC in providing oversight of the Inclusion Strategy and agenda to be clearly articulated.	There were five high and nine medium risk agreed actions. One of five high risk actions had been implemented, and the remaining four partly implemented. One of the nine medium risk actions had been implemented, six partly and two remained outstanding The target date for completion is September 2017.

Systems Development and Control Advice - DARA Activity
Crime Recording   DARA attended the monthly Strategic Crime and Incident Recording Group (SCIRGE) advising on improvements to the governance framework. The DARA audit of Fraud and Linked Online Crime (FALCON) raised data quality issues which were discussed further at the March 2017 meeting. HMI are due to undertake a Crime Data Integrity Inspection later this year.
CARMs Gold Group   Attended the CARMs Gold Group to discuss the Police Overtime follow up and the Capabilities and Abstractions follow up reports. Both have links to the use of CARMs and the group considered how to discharge actions from these reviews at a corporate level.
Working Time Regulations Compliance   Attended monthly meetings of the MPS Working Time Regulations Gold Group established to review compliance with Working Time Regulations for police officers. Significant Improvement in compliance was noted as a result of Gold Group actions across business groups. The final meeting was held on 20 July 2016 and progress will be monitored to ensure that compliance levels are maintained and any emerging risks are identified and escalated.
Met CC Finance Working Group   Advising on the governance arrangements established for the identification and recovery of salary overpayments linked to flexible working. Recovery continues to take place and DARA are support the investigation of potential integrity issues.
Commercial Strategy - Business Support Services   Attended the Programme Board overseeing business support transformation, advising on the review of the governance arrangements supporting the programme going forward. DARA representatives have attended workshops reviewing the key end to end processes for HR, Finance and Procurement, advising on key controls to be incorporated in the revised business processes supporting the single ERP under the SSCL contractual arrangements.
Met CC Flexible Working Audit Group(FWAG)   DARA originally advised on the governance arrangements established for the identification and recovery of salary overpayments linked to flexible working. Recovery action continues to take place and DARA are available to support the investigation of potential integrity issues when advised by the team.
Business Support Services (BSS) Programme Board and Delivery Board   Attended the BSS Programme Board meetings advising on the governance arrangements supporting delivery of business support service objectives and on risk and control issues associated with the transition to a single ERP.
Child Protection Gold Group/Delivery Board/MOPAC Oversight Board   Attended the Child Protection Gold Group and the Delivery Board advising on planned actions to address the issues reported by the HMIC. In particular, advising on the governance arrangements supporting the implementation of agreed actions and the wider governance issues relating to Child Safeguarding.
Transition to Single ERP SSCL Contract   Key advice has been provided throughout the year including a review of the test plan and programme risk register and proposals for self-approval processes. Attended fortnightly BSS Programme Joint Delivery Board Meetings and Portal Working Group meetings. DARA will continue to provide control advice as

Systems Development and Control Advice   -   DARA Activity
requested during the testing and training phase prior to go-live planned for June 2017. DARA met with SCCL, Finance colleagues and external audit to discuss development of an integrated assurance framework post go-live.
Management Board - Risk and Assurance Board The Director is a member of the MPS Management Board – Risk and Assurance, reporting progress on the internal audit plan for 2016/17, advising the Management Board on the effectiveness of governance, risk management and assurance and also on key risks/issues emerging from internal audit review activity undertaken.
Risk and Organisational Learning Group Attended the MPS Risk and Organisational Learning Group, which reviews key operational risks, discussing key emerging risks from various sources including from DARA and highlighting opportunities for learning. The focus of the Board has changed to give equal priority to the development of an embedded organisational learning framework and DARA is contributing to this process in an advisory capacity advising on key emerging risks, underlying control issues and themes arising from audit review activity.
Organisation Learning Review – Diamond Groups DARA are advising on the planned review of the MPS Diamond Groups and their input to organisational learning. DARA will also contribute to the planned review of organisational learning by the Open University.
MOPAC Organisational Capacity and Capability A Director-led review of MOPAC capacity at a senior level in liaison with MOAPC HR.   The management structure has been revised in key areas and senior management capacity improved.
MOPAC Governance and Risk Management Framework Advised the MOPAC Chief Executive on the continued development of the MOPAC governance framework and in particular the development of the risk management framework supporting the new Police and Crime Plan and the alignment of risks with MPS risk assessment.
Information Assurance and Security Board and Sub Boards The Board is responsible for developing and maintaining MPS security standards and ensuring appropriate arrangements are in place across the organisation. It drives the introduction of the new Government Security Classifications, overseeing a refresh of the risk register and Information Management Government Framework. DARA provide ongoing risk and assurance advice and a link to ensure the Information Assurance and Security Audit Plan complements work contained within the internal audit plan.
Leading For London Programme Board Attend the Board to advise on the process being developed to support the evaluation of the effectiveness of the Programme as it continues to be rolled out.
Vetting Attended the Vetting Forum established to improve the framework supporting vetting. Further progress is required to ensure the risks highlighted following a DARA review are properly addressed. Progress is limited in some areas due to the national dimension which results in protracted negotiation between various agencies and bodies.

Systems Development and Control Advice - DARA Activity
Occupational Health Outsourcing DARA are advising on risks and controls focusing on the development of an effective contract management framework for the outsourced occupational health service.
Criminal Exhibits Management DARA attend the Criminal Exhibits Diamond Group established to develop collective strategic support for the business change required to policies, processes and practices governing the management of criminal exhibits. Comments have been provided on policy and a risk document. The management of criminal exhibits is now a key organisational risk and DARA review activity is informing risk mitigation.DARA followed up its review of four Borough Criminal Exhibit Stores advising on the management of Criminal Exhibit Stores and proposed auditing arrangements. Also continued dialogue with the Head of CES concerning specific areas of concern at a number of borough criminal exhibit stores in liaison with our Counter Fraud work.

Counter Fraud Work	DARA Activity
Investigations 27 investigations were conducted during the year, categorised as follows: 10 False Claim (Pension) 3 False Claim (Exit Payments) 4 Payroll (Salary overpayment) 2 Procurement (Contracts) 2 Theft of (Missing) cash/property 1 Disposal of MPS assets 1 Misuse of MPS funds 1 Data Protection 1 NFI (Amberhill) 2 NFI (Benefit fraud)	**Key Outcomes** A total of 14 investigations were concluded in the year resulting in: • 3 referrals to pension provider resulting in cash recoveries (details below) • 3 referrals to pension provider and retained for information purposes • 4 referrals to SMT resulting in management action and acceptance of DARA recommendations • 2 referrals to DPS which have resulted in cash recoveries (details below) • 1 Referral to DPS which have been retained for intelligence purposes. • 1 referral to Procurement which resulted in compliance issues being addressed **Recoveries**: A total of £21,841 has already been recovered in respect of overpaid pensions and salary overpayment. A further total of £184,952 has been identified as recoverable in respect of overpaid pensions, salary overpayment and early departure compensation payments. DARA, though their legal representatives, continue to negotiate the recovery of £106,000 from a former MPS contractor and have launched a compensation claim of £220,000 in relation to a criminal case involving an ex MPS employee who was recently convicted of procurement fraud. **Other issues** Investigations into cases of potential fraud and financial irregularities continue with 18 active cases, five of which are

Counter Fraud Work	DARA Activity
	National Fraud Initiative related. There has also been a significant commitment from DARA to case preparation for two trials referred to above and a review of a major procurement exercise.
National Fraud Initiative (NFI)	The work on the 2014/15 NFI exercise was completed and data prepared and submitted for the 2016/17 exercise. A total of 5.467 potential matches were received in quarter four, a 25% reduction from the last initiative. The majority (4,334) were creditor matches which are being reviewed by MPS and SSCL finance staff. Within the 1,001 pension matches, overpayments totalling £58,722 in respect of thirteen deceased pensioners have been identified. Pension payments have been stopped and overpayments of £28,273 recovered.
Fraud Prevention Strategy and Training	A draft MOPAC/MPS Anti- fraud Strategy has been developed. The intention is to present the draft strategy to the June meeting of the joint Audit Panel. Actions from the plan supporting the strategy will be taken forward by the joint Fraud Forum. Following liaison with the MPS corporate risk team, the updated MOPAC/MPS fraud risk analysis (identification and management of fraud risks) is now incorporated into MPS business risk registers.

A mandatory e-learning training package on Anti-Bribery and Fraud Awareness Training was launched in quarter four with an endorsement by DAC Professionalism. The training is an interactive short introduction to Bribery/Corruption and internal fraud for completion by officers and staff. A record of everyone who has completed the training is held with individual directorates monitoring completion rates for their staff. Work continues with the MPS Risk and Assurance team to inform Business Group leaders on implementing management and ownership of fraud risks. |
| **Analysis of Key Financial Systems** | DARA continue to carry out proactive analysis of key financial systems, monitoring and identifying trends, and supporting investigations and audits. Research has been conducted into analytical systems to assist with automated identification of anomalies and trends. Analysis has been undertaken into Volunteer Unofficial Funds Accounts (VUFs). Initial findings have been reported to Corporate Finance and further analysis into this, and also business interests, continues. |
| **External Relations** | DARA retain membership of the Institute of Counter Fraud Specialists (ICFS), and the London Fraud Forum (LFF) Regular contact is maintained with counter fraud representatives from both the private and public sector. Seminars are attended and communication alerts form part of the annual membership of the forums. Topics include whistleblowing and cyber-crime updates. |

Glossary of Terms

AC	Assistant Commissioner
AC	Accounts Receivable
ACAS	Advisory, Conciliation and Arbitration Service
AP	Accounts Payable
B/OCU	Borough/Operational Command Unit
BCCB	Business Crime Change Board
BSS	Business Support Services
BWV	Body Worn Video
CARMS	Computer Aided Resource Management System
CFO	Chief Financial Officer
CIPFA	Chartered Institute of Public Finance and Accountancy
CJ	Criminal Justice
CJS	Criminal Justice System
COG	Chief Officers Group
CPB	Crime Prevention Board
CPDG	Crime Prevention Delivery Group
CPP	Careers Pathways Project
CPS	Crown Prosecution Service
CRIS	Crime Reporting Information System
DARA	Directorate of Audit, Risk and Assurance
DDG	Detective Diamond Group
DMPC	Deputy Mayor for Policing and Crime
DP	Digital Policing
DPS	Directorate of Professional Standards
EHRC	Equality and Human Rights Commission
ERP	Enterprise Resource Planning
FAW	Fairness at Work
FM	Facilities Management
FMCP	Financial Management Code of Practice
FOIA	Freedom of Information Act
FWAG	Flexible Working Audit Group
GLA	Greater London Authority
GP	General Principle
HMG	Her Majesty's Government
HMIC	Her Majesty's Inspectorate of Constabulary
HR	Human Resources
IAU	Information Assurance Unit
ICF	Intelligent Client Function
ICT	Information and Communication Technologies
IDE	Inclusion, Diversity and Equality
IOM	Integrated Offender Management
IPCC	Independent Police Complaints Commission
IT	Information Technology
LRPMS	Local Resource Planning Meetings
MetHR	MPS Human Resources System
MetHQ	MPS Headquarters
MetSEC	MPS Security
MoJ	Ministry of Justice
MOPAC	Mayor's Office for Policing and Crime
MPS	Metropolitan Police Service

Glossary of Terms

MTFS	Mid-term Financial Strategy
NHS	National Health Service
NIE	National Investigative Exam
OMM	One Met Model
PCC	The Police and Crime Committee
PCP	Police and Crime Plan
PCPDG	Police and Crime Plan Delivery Group
PIB	Portfolio Investment Board
PPCMT	Payroll and Pensions Contract Management Team
PPM	Performance and Potential Matrix
PSAA	Public Sector Audit Appointments Ltd
PSD	Property Services Department
PSOP	Police Standard Operating Platform
SAP	Systems Applications and Products
SCIRG	Strategic Crime and Incident Recording Group
SC&O	Specialist Crime Operations
SDFM	Scheme of Devolved Financial Management
SIAM	Service Integration and Management
SLA	Service Level Agreement
SLT	Senior Leadership Team
SMT	Senior Management Team
SO	Specialist Operations
SPOC	Senior Point of Contact
SRO	Senior Resource Officer
SSCL	Shared Services Connected Ltd
TDC	Trainee Detective Constable
ToR	Terms of Reference
VfM	Value for Money
WTR	Working Time Regulations
YOT	Youth Offending Teams