

Directorate of Audit, Risk and Assurance Final Reports Issued 3rd Quarter 2009Systems Audits

Audit Title	Report Dates	Overall Opinion	Areas of Effective Control	Controls for Improvement	Recommendations and Progress
Works and Engineering Maintenance	Draft: July 2009 Final: September 2009	Adequate control framework in place but a number of controls are not operating effectively.	<ul style="list-style-type: none"> Maintenance work is effectively planned and the completion of ad-hoc reactive work is properly monitored. Planned and reactive maintenance works are properly costed, allocated and monitored. Appropriate management information is provided and reviewed to monitor performance. Payments are properly approved in line with terms and conditions. 	<ul style="list-style-type: none"> There is a significant backlog of payments to outsourced contractors. This is currently being addressed through a formal contract mediation process. Increase level of supporting evidence for payment of invoices. Reconciliation of payments made between the corporate accounting system and the contractor's database. 	<p>All 18 medium risk recommendations were accepted and seven implemented.</p> <p>The remaining recommendations are due to be implemented by December 2009.</p>
Vehicle Fleet Management	Draft: June 2009 Final: September 2009	Adequate control framework in place but a number of controls are not operating effectively.	<ul style="list-style-type: none"> Clear, approved and up to date policies and procedures are in place. The procurement of vehicles complies with the approved policy. Payments for vehicles are properly authorised and recorded. Vehicles are deployed according to operational need/user requirements and asset allocation is monitored. Disposal of vehicles is properly approved and recorded. 	<ul style="list-style-type: none"> Approval of vehicle replacement programme at a senior level. Disposals - setting and approving reserve prices at auction and approving the acceptance of offers below the reserve price. Clarification and approval of contracts. Review of Business Continuity Plan for the sourcing of vehicles, parts and equipment. Review disaster recovery plan for SAP transport accounting system. 	<p>Twenty-two of the 23 medium risk and all three low risk recommendations were accepted.</p> <p>Eight were implemented by date of issue of final report. The remaining 14 are due to be implemented by April 2010.</p>
Uniform Services Stores and Stock Control	Draft: July 2009 Final: September 2009	Effective controls in some areas, but adequate controls not in place to meet all of	<ul style="list-style-type: none"> Clearly documented, up to date and approved guidelines and procedures for the ordering and receipt of items. Adequate physical security and storage arrangements at main property store at Mandela Way. 	<ul style="list-style-type: none"> Security at Peel Centre warehouse. Confirmation of deliveries at B/OCUs Handover and disposal of stock. Stock taking and valuation to validate accuracy of stock figures. 	<p>All 9 medium risk recommendations were accepted and are due to be implemented by March 2010.</p>

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		the system objectives.	<ul style="list-style-type: none"> • Effective control over ordering, receipt and issue of stock. • Effective provision and review of management information. 		
Receipt and Banking of Income	Draft: August 2009 Final: September 2009	Control framework is adequate but a number of controls were not operating effectively.	<ul style="list-style-type: none"> • Adequate documentation, approval and distribution of guidelines and procedures. • Effective conduct of bank reconciliations. • Appropriate provision and review of management information. 	<ul style="list-style-type: none"> • Payment of POCA cash into third party accounts and authorisation of closed POCA accounts. • Opening and recording of the contents of valuables bags. • Maintenance of up-to-date record of cash and cheque receipts. 	All nine medium risk recommendations were accepted and implemented by the date of issue of final report.
Major Works	Draft: October 2009 Final: October 2009	Control framework adequate, but a number of controls are not operating effectively.	<ul style="list-style-type: none"> • Identification, prioritisation and approval of projects. • Tender process and award of contracts under the approved framework. • Project management and contract monitoring. • Budget management. • Provision and review of management information. 	<ul style="list-style-type: none"> • Recording all stages of the approved gateway process for managing projects. • Reporting to the MPA if the approved framework arrangements are not to be applied. • Certification of interim certificates issued for work carried out. • Detail recorded on contractor invoices to validate payments. • Scheme of delegated authority and approval of payments. 	All 11 medium risk recommendations were accepted. Six were implemented by date of issue of final report. The remaining recommendations are due to be implemented by November 2009.
Write Offs and Losses	Draft: January 2009 Final: November 2009	Effective controls in some areas, however, adequate controls not in place to meet all of the system	<ul style="list-style-type: none"> • Clear and comprehensive local guidelines and procedures for requesting write offs due to irrecoverable debt and overpayment of salary and pension. • Adequate controls for identification of write offs for bad debts. 	<ul style="list-style-type: none"> • Documentation and approval of policies and procedures for write offs and losses. • Referral of all individual cases of losses due to theft and or fraud to the MPA Treasurer for approval. • Promptly identifying and authorising losses for write off action in accordance with MPA regulations. 	All 15 medium risk recommendations were accepted, two of which had been completed by date of issue of the final report. The remaining

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		objectives.		<ul style="list-style-type: none"> Reporting to MPA Finance Committee on losses in excess of delegated limits. 	recommendations are due to be implemented by December 2009.
Identity Access Management	Draft: August 2009 Final: November 2009	Control framework adequate, but some improvement required.	<ul style="list-style-type: none"> Documented programme strategy is aligned to the MPS corporate objectives and supported by an implementation plan. Relevant policies and procedures are being developed in line with MPS Security Code (METSEC code). Approved budgets controlled and monitored effectively. Accurate and effective management information and reporting of project progress, issues and targets. 	<ul style="list-style-type: none"> Periodic review of project documents by programme manager. The programme is due to be completed in 2012, and not the original planned date of 2011. IAM Programme Board convened infrequently - reducing effectiveness of governance, risk and control arrangements key decisions not being made. 	<p>All of the eight medium risk and one low risk recommendations were accepted.</p> <p>The one low risk and seven of the medium risk recommendations had been completed by the date of issue of the final report.</p> <p>The remaining recommendation is due to be implemented by April 2010.</p>
Management of Outsourced Financial Services	Draft: June 2009 Final: November 2009	Control framework adequate but some improvement required to enhance existing controls.	<ul style="list-style-type: none"> Contract management teams are adequately resourced with experienced staff. Payroll CMT effectively supervise the payroll processing undertaken by LogicaCMG. Payments to the contractor are properly approved in line with terms and conditions. 	<ul style="list-style-type: none"> Complete post implementation review against original business case. Documentation of payment processes for pay and pensions. Testing of business continuity plans. Independent verification of the performance data reported by the contractor. Reconciliation of the number of members in the pension scheme on the contractor's database to the MPS records. 	<p>The one high risk recommendation was accepted, 10 out of 11 medium risk, and three out of four low risk were also accepted.</p> <p>Seven were implemented by date of issue of final report, the remaining seven are due to be implemented by January 2010.</p>

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Estates – Property Leasing, Rent and Rates	Draft: October 2009 Final: November 2009	Control framework adequate, but a number of controls are not operating effectively.	<ul style="list-style-type: none"> • Adequate policy and procedures in line with estates strategy. • Appropriate documentation and approval of leases and subleases. • Calculation and receipt of rental income. • Provision and review of management information. 	<ul style="list-style-type: none"> • Documentation of authority to generate income from sub leases of property. • Documentation of the identification and acquisition of leased property and conducting post acquisition reviews. • Payment and accounting for rent, rates and service charges and independent check of payment processes. • Reconciliation of the lease details from property database to information held on the corporate accounting system. 	<p>All 18 medium and one low risk recommendations were accepted.</p> <p>One completed by issue date of final report, the remainder due to be implemented by April 2010.</p>

Follow Up Audits

Audit Title	Report Dates	Overall Opinion	Areas of Improved Control	Continuing Areas for Improvement	Recommendations and Progress
Police and Police Staff support Outside the UK	Draft: August 2009 Final: September 2009	Significant improvement.	<ul style="list-style-type: none"> • Design of the Foreign and Commonwealth Office (FCO) formal overseas secondment agreement ensures appropriate authorisation. • Extension of overseas secondments communicated to Exchequer Services to track payments. • Monitoring of global activities to ensure attachments do not exceed six months. 	<ul style="list-style-type: none"> • Approval and publishing of procedures for secondments by the HR Board. 	<p>Six of the seven agreed recommendations fully implemented and one partly.</p> <p>The remaining recommendation is due to be implemented by October 2009.</p>

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Police Officer Recruitment	Draft: June 2009 Final: September 2009	Significant improvement.	<ul style="list-style-type: none"> • Approval of the Deployment Plan by the Management Board. • Approval of the marketing and advertising campaigns by senior management. • Confirmation of new recruits set up on the payroll. • Taking up references of re-joiners. • Verification of candidates' identity. 	<ul style="list-style-type: none"> • Confirmation that fingerprints have been taken for transferees and re-joiners. This matter remains outstanding and is dependent upon the outcome of a debate currently in progress with ACPO 	Eighteen of the 19 agreed recommendations (including one high risk) have been implemented in full. The outstanding recommendation due to be implemented by April 2010.
Claims Debtors and Debtor Control	Draft: February 2009 Final: November 2009	Overall control framework improved.	<ul style="list-style-type: none"> • Checking of the invoice request form; • Authorisation of the invoice request proforma. • Referral of debts suitable for court action to the AR Manager. 	<ul style="list-style-type: none"> • Batch inspection process. 	Of the eight agreed and one partially agreed recommendations, seven fully implemented and an alternative approach to the remaining two has been agreed.
SO2 Business Support Unit	Draft: April 2009 Final: November 2009	Overall control framework had improved considerably but further improvement needed in some areas.	<ul style="list-style-type: none"> • Budgetary control system reviewed and budgets devolved. • Authorised signatory lists in place. • Increased review and control of consultant budget and expenditure. • Operation of local accounts, cash handling and imprest account. • Review and control of police officer expenses and police staff overtime, expenses and allowances. • Corporate policies over assets and inventories now followed. 	<ul style="list-style-type: none"> • Identification of workers exceeding 48 hours average working week. <p>New Issues/Recommendations:</p> <ul style="list-style-type: none"> • Specimen signatures for authorised signatory list. • Authorisation of night subsistence allowance claims. • Recording evidence of dip sampling of staff claims and payments. 	Of the 43 recommendations made, 32 fully implemented, three partly, six no longer applicable, one remains outstanding. Three further recommendations were made. The outstanding recommendations are due to be implemented by January 2010.

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Gifts and Hospitality	Draft: April 2009 Final: November 2009	Control framework has improved.	<ul style="list-style-type: none"> • Security, retention and the publication of a model gifts and hospitality register. • Policy and procedures covering the circumstances for declining. • Reviewing and reporting of gifts and hospitality. • Review of the Commissioner and the Deputy Commissioner's register by the MPA Chief Executive. 	<ul style="list-style-type: none"> • Reporting results of the half yearly review of Management Board members' gifts and hospitality registers to the MPA Remuneration Sub Committee. 	<p>Of the 16 agreed recommendations 13 have been implemented fully, one partially and two are no longer applicable.</p> <p>The remaining recommendations are due to be implemented by February 2010.</p>
Induction and Assessment of New Recruits	Draft: October 2009 Final: November 2009	Significant improvement, but a number of areas require further improvement.	<ul style="list-style-type: none"> • Police constable foundation training policy and standard operating procedures. • Documentation of knowledge evaluation exercise examination procedures. 	<ul style="list-style-type: none"> • Publication of risk assessments. • Quality assurance checks of adherence to policies and procedures. • Review and develop procedures for the effective management of examinations. 	<p>Twenty three out of the 30 agreed recommendations made have been implemented fully and seven partially.</p> <p>The remaining recommendations are due to be implemented by January 2010.</p>