

MOPACMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME**METROPOLITAN
POLICE**

MPS-MOPAC JOINT AUDIT PANEL

26 October 2020

Director of Audit, Risk and Assurance

Progress Report

Report by: Director of Audit, Risk and Assurance, HIA for MOPAC and the MPS

Report Summary

This report summarises the work carried out by the Directorate of Audit, Risk and Assurance (DARA) since the Panel last met, which includes internal audit risk and assurance reviews, advisory and systems development work and counter fraud activity. There is also a forward look to planned activity for the coming quarter.

Key Considerations for the Panel

- Fourteen reviews have been finalised since the Panel last met, including four from the 2019/20 plan that were awaiting publication, with a further seven at draft report and nine in progress.
- Key reviews finalised are; Benefits Realisation Framework, Gun Crime – Deployment and Management of Resources, Missing Persons-MERLIN, all rated adequate and follow ups of; Business Continuity and Disaster Recovery, Vetting and Security Clearance, GDPR and ICT Access Controls where the assurance rating has improved from limited to adequate in all four areas.
- Audits underway include; Domestic Abuse - Management of Resources, Operational Learning, Cyber Security, MOPAC Budgetary Control Framework and follow up reviews of the Counter Fraud and Wellbeing frameworks.
- DARA Counter Fraud activity has included preparations for the National Fraud Initiative data matching exercise, which is due to commence.
- Key pieces of advisory work carried out include;
 - framework supporting implementation of the Op Larimar Strategy
 - facilitating and advising on the decision-making pilot
 - development of the system to retain Crypto Currency seized under POCA
 - advising and supporting the MOPAC Covid Recovery Programme.

Interdependencies/Cross Cutting Issues

DARA review activity informs the MOPAC and Met Governance Improvement Plans being considered at this meeting and provides assurance on key areas of risk identified in the MOPAC and Met risk assessments submitted to the Panel.

Recommendations

The Audit Panel is recommended to consider the outcome of DARA work undertaken to date and the status of current and planned activity.

1. Supporting Information

Audit Activity Undertaken

- 1.1. The outcomes of the fourteen reviews finalised since the Panel last met, are summarised in the **Appendix**, which also details counter fraud activity and systems development work undertaken. A further seven reviews are at draft report stage and nine in progress.
- 1.2. Key reviews finalised include; Gun Crime Resources Deployment and Capability, Benefits Realisation Framework, Missing Persons - MERLIN and follow ups of; Business Continuity and Disaster Recovery, Vetting and Security Clearance, GDPR and ICT Access Controls where the assurance rating has improved from limited to adequate in all four areas and Public Order.
- 1.3. Reviews at draft report include; Met Detention, Corporate Social Responsibility and follow ups of Forensics Management and Smarter Working Asset Management. Audits of Domestic Abuse - Management of Resources, Operational Learning, Cyber Security and MOPAC Budgetary Control Framework are underway. The follow up reviews of the Counter Fraud and Health and Safety - Wellbeing Frameworks are also underway with the follow up of the Met's Diversity and Inclusion Framework due to commence, outcomes of these reviews are due to be reported to the next Panel meeting, in the interim updates are included for these areas in the relevant agenda items for this Panel.
- 1.4. During this quarter significant pieces of advisory work have been carried out, providing timely risk and control advice to senior management in high risk areas of the business as key processes are developed. This included;

Operation Larimar Delivery Plan

- Operation Larimar reviewed the MPS response to recommendations arising from reviews undertaken by; Sir Richard Henriques, the IOPC Operation Kentia and HMICFRS, establishing the extent to which recommendations had been implemented and to identify where further work was required. Working with the Op Larimar team, DARA assessed the effectiveness of the control framework supporting implementation of the Op Larimar Strategy. In particular, advising on the; governance and risk management arrangements, content and resourcing of the implementation plan, design and dissemination of policies, procedures and training in support of organisational learning and the monitoring and reporting of performance against strategic outcomes to inform decision making and oversight.

Framework Supporting Proceeds of Crime Act (POCA)

- Working with the Central Specialist Crime - Proactive Money Laundering Team and the Covert Finance Unit, DARA advised the development of a system to retain Crypto Currency seized under POCA. This is in response to the formalising of contractual arrangements with crypto exchanges who are submitting Suspicious Activity Reports to Law Enforcement due to the increasing use of Crypto Currencies by organised crime gangs.

Accountability and Decision - Making Framework – Scheme of Delegation

- DARA are facilitating and advising MOPAC and Met colleagues on the proposed pilot supporting a potential change in delegation levels from MOPAC to the MPS. This includes reviewing; the role of a Level 2 Portfolio Investment Board (PIB); the supporting assurance framework, definition of accountabilities and roles and responsibilities and the monitoring and oversight arrangements being established to support a revised decision - making process.

MOPAC Covid Recovery Programme

- DARA provided direct support to the MOPAC Recovery Programme. Assisting the Programme Board and project leads in reviewing progress against defined targets and advising on areas to be integrated into business as usual and the MOPAC Change Programme, which is due to be launched. DARA also input to the lessons learnt exercise conducted by MOPAC colleagues, which drew on the experience of adapting an Agile methodology to co-ordinate what were fast moving issues.

1.5. Counter Fraud work has continued on the National Fraud Initiative with 3,676 matches referred from both the 2018/19 NFI and the voluntary Pensioner November 2019 exercise. DARA have reviewed and cleared all 2018/19 matches with the exception of six creditor matches that remain under review, with a value of £79k. The Pensioner 2019 exercise resulted in 17 matches with £95k overpaid, six have been closed this quarter with a further £21k recovered, leaving 11 with overpayments of £74k in recovery. Preparation is now complete for the 2020/21 NFI, which is about to commence.

1.6. DARA continue to support the development of internal audit across the policing sector and wider public sector. On the 5 and 6 November the Director will chair the virtual annual conference of the National Police Audit Group. This conference provides an opportunity for heads of audit in the policing environment to share best practice and keep up to date with latest developments. The Director co-chairs the CIPFA Governance, Audit, Risk and Assurance Group, which has actively engaged in the recently published Redmond Review and is to oversee reviews of; the effectiveness of Audit Committees and best practice in drafting Annual Governance Statements, across the policing sector.

Planned Activity for the Next Quarter

1.7. DARA intend to finalise those reports at draft and report on those areas in progress. Key work planned includes; Financial Assurance Programme, Organisational Learning, MOPAC Commissioning, MOPAC Oversight of Police Complaints, MPS Risk Maturity and follow up reviews of the Framework Supporting Inclusion and Diversity, Release Under Investigation, MPS Budgetary Control Framework and Police Overtime.

1.8. Key advisory work on the decision-making framework will continue with MOPAC and MPS colleagues as the Pilot goes live, and DARA will provide support to the MOPAC Change Programme as it is launched.

DARA Performance

1.9. A total of 58% of reviews planned to date are currently at report stage with 42% in progress. Time is being spent broadly as planned across the areas of DARA activity. Both DARA and the business have adapted well to the challenges presented by the new work environment with the vast majority of work being conducted remotely, and DARA are currently on target to deliver the plan to support the Annual Report in June 2021. This will be kept under review and closely monitored as we move into the second half of the year facing a potential increase in operational pressures.

1.10 DARA have recently successfully recruited a Senior, Risk and Assurance Auditor and plan to launch a Trainee Audit Scheme later in the year.

2. Equality and Diversity Impact

The MOPAC and MPS commitment to diversity and inclusion are considered in all activities carried out by DARA. The DARA work plan is designed to provide as wide a range of coverage of MOPAC and the MPS as possible.

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 actions arising as a result of audit activity are not implemented effectively. Savings and recoveries made as a result of DARA activity enable funds to be better directed towards core policing.

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

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7. Appendices and Background Papers

Appendix 1 – Summary of DARA Activity – Official Sensitive