

**MOPAC**MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME**METROPOLITAN  
POLICE**

## **MPS-MOPAC JOINT AUDIT PANEL 27 July 2020**

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### **MOPAC and MPS Internal Audit Annual Report 2019/20**

Report by: The Director of Audit, Risk and Assurance

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#### **Report Summary**

##### **Overall Summary of the Purpose of the Report**

The attached report contains the internal audit annual opinion on the effectiveness of the internal control environment for 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 of Audit, Risk and Assurance has concluded that; *“MOPAC has an adequate internal control environment, which is generally operating effectively”,* and that; *‘The MPS has established an adequate governance framework, an increase in risk maturity with more emphasis of the quality of internal control and assurance provision, will help to secure an effective internal control environment’.*
- The annual report reflects the significant level of change taking place in both organisations, the further challenge presented by the Coronavirus pandemic, key developments in the control environment, and further areas of improvement (p6 for MOPAC and p15 for MPS). Key points are summarised in this report.
- There were no impairments to DARA independence and full compliance with auditing standards. DARA were able to achieve 88% completion of the plan in support of the annual opinion. Productivity was impacted by the pandemic, achieving 78% against 82% planned. Client feedback exceeded targets, timeliness in reporting, is an area for further improvement.

##### **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.

##### **Recommendations**

The Audit Panel is recommended to:

Consider the Internal Audit Annual Report of the Director of Audit, Risk and Assurance and note the annual opinion on the effectiveness of the MOPAC and MPS internal 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 and effectiveness of the internal control framework. Key points in the Annual Report include the following.

### **MOPAC Internal Control Environment**

- 1.2 The Director of Audit, Risk and Assurance has concluded that, *“MOPAC has an adequate internal control environment, which is generally operating effectively”*.
- 1.3 Due to the coronavirus pandemic the Mayoral election was postponed from May 2020 to May 2021. The current Police and Crime Plan will remain in place until that time and will be under regular review as part of recovery planning, and to bridge the gap between the original final year of delivery and commencement of the next PCP.
- 1.4 The Corporate Strategy based on MOPAC key strategic roles was further embedded. This was supported by a business planning and programme management framework, which continued to develop and improve. Lessons learnt in managing current PCP commitments have been captured to inform the development of the next PCP and supporting framework. This was facilitated by a recent external review to inform the ideal Target Operating Model for MOPAC programme management going forward.
- 1.5 The integration of risk management in the business planning and programme management framework helps to provide on-going assurance that PCP objectives and statutory requirements are being met. Risk assessments inform key discussions and decisions at the most senior level with increased oversight on performance and risk reporting to the DMPC. Further work was undertaken to integrate financial information and report performance outputs and outcomes to key stakeholders. This remains an area for further development.
- 1.6 MOPAC has an established corporate governance framework with a PCP Delivery Group, Governance and Risk Working Group, Internal Budget Meeting and Commissioning and Contracts Working Group. The framework is to be reviewed to bring greater clarity to the management of board interdependencies and respective accountabilities.
- 1.7 The need for a more cohesive approach to operational and performance oversight is being addressed. This will enable a more systematic approach to identify emerging issues and ensure scrutiny and forward planning are focussed on agreed key priorities.

- 1.8 There continued to be an increase in grant and commissioning funding and activity, including supporting those most vulnerable during the lockdown period. Key DARA recommendations were addressed by a recently concluded external review, which included greater alignment between MOPAC and the Violence Reduction Unit. Improved financial information and analysis facilitated more effective budget and contract management with further work planned to enhance the reporting of commissioning outcomes.
- 1.9 The Governance and Risk Working Group exercised effective oversight of the implementation of the MOPAC governance improvement plan and internal and external audit recommendations, receiving regular reports on progress from designated leads.
- 1.10 Progress was made in implementing the MOPAC People Strategy with further work planned to complete the review of HR policies and procedures and embed diversity and inclusion across the organisation.
- 1.11 MOPAC continued to operate throughout the lockdown period with business continuity plans working well both in terms of the initial response and as time progressed. A Recovery Programme has been established using an agile approach, with 2-week “sprints” reporting to the Programme Board, chaired by the recently appointed Chief Executive.
- 1.12 The MOPAC Annual Governance statement is informed by DARA review activity and highlights action to further enhance the effectiveness of the internal control environment as highlighted above and in the Annual Report (p6).

**MPS Internal Control Environment**

- 1.13 The Director of Audit, Risk and Assurance annual opinion is; *‘The MPS has established an adequate governance framework, an increase in risk maturity with more emphasis on the quality of internal control and assurance provision, will secure an effective internal control environment’.*
- 1.14 Met Direction for 2025 provides the foundation for planning activity setting the priorities against which the business plan is formulated. The performance management framework is aligned to the business plan and supported by effective oversight of the Performance Board and Performance Group.
- 1.15 The business planning and performance framework is to be further embedded across the MPS, and there remains a need for integration with the wider risk management and assurance frameworks. Further work is planned to ensure that strategic and operational tasking are better aligned and business and financial planning fully integrated.
- 1.16 Consideration of a risk appetite for corporate risks was a positive development. Increasing the maturity and effectiveness of the risk management framework remains key to improving the effectiveness of the internal control environment. This includes effective integration with planning and performance management, and with the assurance framework to support a more robust approach to the identification and management of strategic risks. Consistency in the application

of the approved risk management approach and more focus on risk awareness and mitigation will help assure that risks are properly identified and managed at all levels within the organisation and escalated as appropriate. Plans have been developed to move towards an increased level of risk maturity.

- 1.17 Determining what is needed in terms of assurance, identifying the sources of assurance and ensuring they operate to support effective risk management and inform decision making, remain key to strengthening the internal control environment and is reflected in the AGS. There is a need to strengthen the focus around first line activity and to ensure assurance provision is clearly aligned to the wider risk and performance frameworks across the 'Three Lines of Defence' model adopted by the MPS.
- 1.18 The Management Board provides strategic direction, taking strategic decisions and overseeing organisational performance. It continues to be supported by three sub boards: Portfolio and Investment (PIB), People and Training and Risk and Assurance. The terms of reference for PIB was refreshed and an internal review of governance and assurance, aims to simplify, improve and strengthen the process for providing PIB and Management Board with consistent levels of assurance prior to decision making. This is currently being addressed as part of a joint review of decision - making to support the potential increase of delegation to the MPS from MOPAC based on effective assurance provision.
- 1.19 Governance of the Transformation Portfolio continued to improve with enhanced financial reporting, tracking of benefits, management of business change and reporting and management of key risks.
- 1.20 An external 'stocktake review' of how the Met manages change is currently underway to advise the Commissioner and Management Board on the overall effectiveness of the way in which the Met manages and delivers change and introduces new capabilities. This includes how change is managed through the transformation portfolio and how other digital change is delivered through Digital Policing, and how continuous improvement is enabled through Professionalism.
- 1.21 Action is being taken to improve the effectiveness of the framework supporting the Inclusion and Diversity Strategy. In particular, to map and simplify the governance and performance management arrangements as the Strategy is reviewed and revised.
- 1.22 Progress was made during the year in the development of a Commercial Lifecycle Management Framework and revised Commercial Blueprint, which provide a sound foundation for the required improvement. This is to be supported by a new IT system, increased skills and capacity and revised business processes with a greater focus on compliance and best practice.
- 1.23 DARA reviews of the key financial systems, Accounts Payable and Accounts Receivable were rated adequate and action taken in year to improve the PSOP control framework. Availability of management information is being addressed by a new reporting functionality, which is key to the effectiveness of devolved

budget and financial management. Work is also underway in conjunction with the outsourced service provider to improve the quality of workforce data.

- 1.24 Business Continuity and Return to Normality Arrangements improved during the year, effectively supporting the MPS during the pandemic. A Resilience Committee has been established and is supported by more effective governance arrangements. A Recovery and Renewal Programme aims to continue to provide an appropriate operational and organisational response, whilst ensuring learning opportunities identified during the pandemic are carried forward into new ways of working for the longer term.
- 1.25 The outcomes of DARA activity are summarised in **Appendix 2** to the Annual report, which also identifies key themes **Appendix 1**. The key factors that will improve the MPS internal control environment are summarised above and in the Annual Report (p15), and feature in the MPS AGS.

#### **Directorate of Audit, Risk and Assurance Activity and Performance**

- 1.26 There were no impairments to audit independence and objectivity during the year and on-going quality assurance activity continued following the completion of the External Quality Assurance review, which previously concluded, '*The Directorate of Audit, Risk and Assurance Fully Conforms to the requirements of the Public Sector Internal Audit Standards*'.
- 1.27 Forty-six risk reviews, the National Fraud Investigation exercise was completed and 50 investigations carried out, resulting in the potential recovery of £206k. The advisory work programme provided governance and risk advice to key boards and programmes and helped to strengthen frontline delivery and improve core functions.
- 1.28 DARA were able to complete 88% of the risk and assurance review programme. This was impacted by Covid-19 with the Annual Report being produced later than initially planned to allow for the conclusion of a number of reviews. Audit productivity was impacted, achieving 78% against 82% planned. This was due to an increased level of special leave and training, and additional management support and administration time during the lockdown period.
- 1.29 Audit time was spent broadly as planned, although more time was spent on advisory work due to significant changes taking place, and customer satisfaction scores exceeded targets.

## **2. Equality and Diversity Impact**

The MOPAC and MPS commitment diversity and Inclusion are considered in all activities carried out by DARA. This year a review of the framework supporting the MPS Diversity and Inclusion Strategy was carried out.

## **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 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** – MOPAC and MPS Draft Internal Audit Annual Report 2019/20

**MOPAC**

MAYOR OF LONDON  
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# **MOPAC and MPS Internal Audit Draft Annual Report 2019/20**

# Internal Audit Annual Report 2019/20

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# Annual Assurance

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## Introduction

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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) during the year to support that opinion.

The MPS and MOPAC each have audited body status and, therefore, a statutory responsibility to maintain an effective system of internal control. The Director of Audit, Risk and Assurance, as Head of Internal Audit for both organisations, is required to give an opinion on the adequacy and effectiveness of each of the MOPAC and MPS control environments at least annually. This is based on an assessment of their systems of governance, including risk management and the adequacy and effectiveness of the respective internal control frameworks. Risk and assurance audits, systems development advisory work and the results of investigations undertaken within each organisation during the year inform that opinion. The Director also takes account of relevant HMICFRS and External Audit reports, MOPAC and MPS annual assessments of governance and the work of internal review agencies as appropriate.

The MPS continued to face the challenge of implementing transformational change whilst securing considerable savings and maintaining frontline services at a time of increasing demand. MOPAC experienced significant change at the most senior level with interim arrangements for the Chief Executive and Chief Finance Officer in place for most, of what was, the third year of delivery for the Police and Crime Plan. The new permanent Chief Executive took up post at the beginning of the financial year. Both organisations faced the additional challenge of keeping Londoners safe during the Coronavirus pandemic, providing an effective response with the additional pressures placed on resources and policing priorities.

## Annual Opinion

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The first part of this report gives an overview of the governance, risk management and internal control frameworks for MOPAC and the MPS, which is supported by audit activity summarised in the latter part of the report. The overall opinions for 2019/20 are:

MOPAC has an adequate internal control environment, which is generally operating effectively.

The MPS has established an adequate governance framework, an increase in risk maturity with more emphasis on the quality of internal control and assurance provision will help to secure an effective internal control environment.

Key areas for further improvement are summarised on page 6 for MOPAC and 15 for the MPS and are reflected in the respective Annual Governance Statements.

# Internal Control Environment

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## Joint MOPAC and MPS Audit Panel

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The independent joint Audit Panel for MOPAC and the MPS entered its second term with the Chair and two members being re-appointed and a third, having served two terms, standing down. A new member was appointed in April 2020.

The Panel operates in line with the Financial Management Code of Practice (FMCP), playing a key role in enhancing public confidence in the governance of policing in London. It met formally on a regular basis, although not in March 2020 as initially planned due to the coronavirus pandemic, items for this meeting were re-scheduled as appropriate. Separate Panel briefings were also held, considering key governance developments, including those within MPS Transformation and MOPAC Commissioning.

The Panel received appropriate reports in discharging responsibilities as defined within its terms of reference and conducted a review of its effectiveness in line with best practice, informing its Annual Report published in September 2019.

## MOPAC and MPS Internal and External Audit Arrangements

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DARA are the internal auditors for MOPAC and the MPS in line with the FMCP, which aims to minimise duplication and bureaucracy and increase value for money. The same external auditor, Grant Thornton, is also 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. Meetings with 'those charged with governance', the Deputy Mayor for Policing and Crime (DMPC) and the Commissioner were also held during the year.

## MOPAC Internal Control Environment

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### 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, the 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 is responsible for allocated budgets following Mayoral and DMPC approval.

### Strategic Framework

The Police and Crime Plan (PCP) for London 2017 - 21 sets out the Mayor's police and crime objectives, 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

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achievement of the strategic outcomes is defined and five overarching priorities are set for London. Due to Covid -19 the Mayoral election was postponed from May 2020 to May 2021. The current Police and Crime Plan will remain in place until that time. It will be under regular review as part of recovery planning and to bridge the gap between the original final year of delivery and commencement of the next PCP.

The Corporate Strategy based on MOPAC key strategic roles in exercising oversight and convening and delivering activity, in support of the PCP and in meeting statutory responsibilities, was further embedded. This was supported by a business planning and programme management framework integrating the management and oversight of PCP priorities across MOPAC. A DARA review concluded the framework had continued to develop and improve, with key risks generally being effectively managed. Lessons learnt in managing current PCP commitments were captured to inform the development of the next PCP and supporting framework. This was facilitated by a recent external review, assessing how programmes and projects are managed to inform the development of the ideal Target Operating Model going forward.

The increased level of oversight with performance and risk reporting to the DMPC continued, and further work was undertaken to integrate financial information and report performance outputs and outcomes to key stakeholders. This remains an area for further development in the coming year.

MOPAC has an established corporate governance framework, which includes a; PCP Delivery Group, Governance and Risk Working Group, People Board, Internal Budget Monitoring and Contracts and Commissioning Working Group. This was supported by meetings of the Senior Leadership Team, and oversight of the Senior Management Team and DMPC. The framework is being reviewed to bring greater clarity to the management of board interdependencies and respective accountabilities.

The Violence Reduction Unit (VRU), a City Hall partnership overseen by the DMPC, the Deputy Mayor for Social Integration, Social Mobility and Community Engagement and the Deputy Mayor for Education and Childcare, moved into its second year. MOPAC is legally accountable for the decisions of the VRU, which is subject to MOPAC's scheme of delegation and consent, and staff are employed by MOPAC. Work continues to align MOPAC and VRU governance and processes, which will be informed by a recent external review of the Commissioning and Grants Framework and planned internal audit activity.

## Oversight Governance

The Oversight Board, chaired by the DMPC, met regularly during the year. In line with its terms of reference it; scrutinised MPS delivery against the PCP, gained assurance on key priorities and specific issues of concern to the public and PCP, monitored progress against the medium-term financial plan and considered delivery and risks against the MPS Business Plan. This was facilitated by quarterly reporting on performance against PCP priorities, MPS Business Plan objectives and the overall financial position, which was further enhanced towards the end of the year. A forward workplan supported meetings with specific topics such as the Gangs Violence Matrix, Decline in Community Engagement and the Use of Force, considered.

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

## Internal Control Environment

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of operational performance. The DMPC also continued to hold one to one meetings with the Deputy Commissioner and each member of the Met Management Board.

A previous DARA review of the framework supporting strategic oversight found that the role of each board/group, meeting or forum where MOPAC oversight is exercised, had been defined and was supported by terms of reference, work plans and management information. There was a need for greater clarity in respective accountabilities and management of interdependencies. In following up this review, the need for a more cohesive approach to both operational and performance oversight has been recognised and is being addressed. This will enable a more systematic approach to identify emerging issues and ensure scrutiny and forward planning are focussed on key priorities.

An array of data analytics effectively supports MOPAC's statutory role in exercising oversight, whilst recognising the operational independence of the MPS. A DARA review of the framework supporting Evidence and Insight showed it continued to develop and improve. Further action is being taken to clarify arrangements for engaging and commissioning Evidence and Insight activity and data sharing with the MPS.

Implementation of a review carried out by Cipfa, on behalf of the CFO, will enhance financial oversight, supporting the increased focus on scrutiny of the major MPS transformation programme and associated business case proposals, and the internal management of the MOPAC budget building on progress made to date.

The DMPC chairs the London Child Protection Improvement Oversight Board made up of subject experts, HMICFRS, DARA and senior officers from the MPS. It continued to oversee the response to HMICFRS reports on Child Protection, which this year recognised governance improvements, whilst requiring further improvement on the frontline. DARA reviews of the Online Child Sexual Exploitation Command and initiatives to strengthen the safeguarding delivery framework, informed the Board.

### Risk Management and Assurance

The joint Audit Panel received regular reports from the Chief Executive on key strategic risks and the development of the risk management framework. The Governance and Risk Working Group provided oversight of the identification and management of risks and a refresh of the risk register, which followed a series of workshops facilitated by DARA attended by representatives from across MOPAC. The integration of risk management in the business planning and programme management framework helps to provide assurance that PCP objectives and statutory requirements are met. The planned greater integration between operational oversight and risk management will provide further assurance on the management of key strategic risks and alignment with the MPS.

The Governance and Risk Working Group also oversaw implementation of the MOPAC Governance Improvement Plan and internal and external audit recommendations, receiving regular reports on progress from designated leads. Improvement was made in addressing those areas identified in last year's Internal Audit Annual report, although a number progressed slower than initially intended with the external reviews of programme management and procurement taking place later than planned. Actions arising from these reviews are reflected in the MOPAC AGS.

# Internal Control Environment

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## Decision Making Framework

Monthly Investment and Monitoring Advisory Meetings took place, ensuring investment decisions were aligned to the PCP and founded on a sound business case, contributing to the budget targets set for the MPS. All subsequent DMPC decisions were recorded in the public domain. Further work was undertaken to align MOPAC and Met governance arrangements supporting decision making, although limited progress was made during the year. A project has recently been established, chaired by the MOPAC and MPS CFOs, to pilot a revised approach to decision making and assurance provision with the potential of raising the delegated authority levels from MOPAC to the MPS. Internally, MOPAC is also planning to streamline decision-making processes.

## Grants and Commissioning Framework

There continued to be an increase in grant and commissioning funding and activity, including supporting those most vulnerable during the lockdown period. A DARA follow up review of the commissioning framework found key recommendations were addressed by a recently concluded Capita review. This included standardisation of procurement guidance and documentation and plans to improve the provision of procurement expertise. Improved financial information and analysis had facilitated more effective budget and contract management, although further work is planned to enhance the reporting of commissioning outcomes. This is also supported by the programme management review, which sets out the relationship between contract management and wider PCP management and the tracking and reporting of benefits.

## Business Continuity and Recovery Programme

MOPAC continued to operate throughout the lockdown period with business continuity plans working well both in terms of the initial response and as time progressed. A Recovery Programme has been established, which aims to; *'meet statutory duties, plan policy, delivery and commissioning for a "recovery" period and beyond, retain a healthy, high performing and engaged workforce directed to priorities and capture lessons learned, ensuring benefits identified in work practices are mainstreamed.'* The programme has six projects, each with a project manager, covering oversight of the MPS, policy and commissioning considerations, workforce requirements and budgets. It is managed using an agile approach, with 2-week "sprints" and fortnightly reporting to the Programme Board, chaired by the recently appointed Chief Executive.

## Workforce Capacity and Capability

Progress continued in implementing the People Strategy, the revised performance and development process and reviewing key HR policies and procedures. Working groups led by MOPAC staff developed and enhanced key processes, including those that support recognition and reward, wellbeing and diversity and inclusion. The People Board, chaired by the Chief Executive increased oversight of the implementation of the Strategy and provided the opportunity for staff to influence the development and culture of the organisation. Further work is being undertaken to complete the review of HR policies and procedures.

Issues relating to capacity and capability raised in DARA audits are addressed by the Grants and Commissioning and Programme Management reviews and are being considered as part of a wider review of the organisational structure led by the Chief Executive.



# Internal Control Environment

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## Diversity and Inclusion

MOPAC is addressing issues raised by the Black Lives Matter movement and how that relates to the work of both the MPS and MOPAC. Supported by external consultancy it is to refresh its Diversity and Inclusion Strategy with four aims:

- Establish a workforce that is representative of London's diversity at all levels
- An inclusive culture where all staff can thrive and develop
- Embedding diversity and inclusion into the core of decision-making
- Using all levers to help ensure services meet the needs of London's diverse communities.

## Information Management

Further work was carried out to embed GDPR requirements in day to day MOPAC business. A DARA follow up review found; a clearly defined policy on GDPR compliance had been developed, GDPR requirements were embedded in contract terms and conditions, contracts/grants were reviewed to ensure requirements were met, mandatory training was in place and Information Asset Registers and Data Processing Impact Assessments were maintained.

A DARA review concluded MOPAC has established an adequate control framework for conducting its business transparently. A considerable amount of information is placed in the public domain in line with statutory and GLA requirements, including budget and performance, data and performance dashboards across a wide range of areas/topics and Board minutes and papers. Further improvement is needed to ensure all statutory requirements are being fully met, in particular, in capturing and publishing more complete and consistent contracts and grants information.

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## Further Areas of Improvement

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DARA review activity informed the MOPAC Annual Governance Statement. Key areas to enhance the internal control environment include;

- **Governance Corporate Boards** - review and map interdependencies and streamline as appropriate.
- **Programme Management Strategic Approach** - supporting delivery of PCP and planning for the next iteration.
- **Oversight** - greater clarity in strategic approach supported by re-alignment of resources and further embedding of risk management.
- **Capacity and Capability** - professional support and upskilling commissioning and grant activity and programme management.
- **Decision Making** - review and implement revised decision making model with MPS giving greater clarity on accountabilities and assurance provision, supported by revision of Scheme of Delegation and Financial Regulations.
- **Workforce** - complete review of HR policies supporting implementation of People Strategy and focus on Diversity and Inclusion.
- **Commissioning** - continued increased focus on reporting outcomes from commissioned services and standardisation of practices, in particular with the VRU.

# Internal Control Environment

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## MPS Internal Control Environment

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### MPS Strategic Framework

The Met's Direction: Our Strategy 2018-25 defines the MPS's long-term operational priorities and provides a vision of the MPS in terms of key features, capabilities and behaviours that the organisation wants, and will need, over the next seven years. The Met's 2018-21 Business Plan set out the MPS priorities aligned to the PCP, moving to a multi-year approach. The Plan for 2020 -202 is currently under review.

The business planning and performance management framework has continued to improve. A DARA follow up review found Met Direction provided the foundation for planning activity and the priorities against which the Business Plan is formulated. Performance Management had evolved since the original review with the Performance Board overseeing the Performance Group in monitoring delivery and performance against priorities. More work is planned to ensure strategic and operational tasking are fully aligned and action continues to ensure greater alignment with financial planning. The framework is to be further embedded across the MPS, and there remains a need for greater integration with the wider risk management and assurance frameworks.

### Risk Management Framework

The Chief of Corporate Services regularly reported to the joint Audit Panel on key MPS strategic risks. This was supported by discussions at the Risk and Assurance Board, which increasingly focused on risk appetite and the need for appropriate mitigation as the year progressed.

Risk maturity was not formally assessed during the year but DARA reviews indicate it remains broadly at level 3<sup>1</sup> ('working'). Consideration of a risk appetite for corporate risks is a positive development, although this remains at an early stage, increasing the maturity and effectiveness of the risk management framework is key to improving the effectiveness of the internal control environment. This includes effective integration with planning and performance management, and with the assurance framework to support a more robust approach to the identification and management of strategic risks.

Consistency in the application of the approved risk management approach and more focus on risk awareness and mitigation will help assure that risks are properly identified at all levels within the organisation and escalated as appropriate. Plans have been developed to move towards an increased level of risk maturity but limited progress was made during the year. Capacity within the MPS to help influence change and deliver the necessary improvement needs to be addressed if the greater level of risk maturity is to be achieved.

### Corporate Assurance Framework

Annual Statements of Internal Control, signed by members of the Management Board, are supported by statements from senior managers/officers raising awareness and promoting ownership of the management of risk and control. Outcomes are reflected in the MPS Annual Governance Statement (AGS).

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<sup>1</sup> On a scale of 1 to 5 where level 1 is engaging risk management and level 5 risk management is driving the business.

# Internal Control Environment

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There remains a need to strengthen the focus around first line activity and to ensure assurance provision is clearly aligned to the wider risk and performance frameworks across the 'Three Lines of Defence' model adopted by the MPS. Determining what is needed in terms of assurance, identifying the sources of assurance and ensuring they operate to support effective risk management and inform decision making, remain key to strengthening the internal control environment and is reflected in the AGS.

An initial DARA review of the Continuous Professional Improvement Command confirmed the need for an overarching assurance framework. The Command has been restructured into three strands: Stakeholder Management, Core Practices and a Centre of Excellence, which includes level two assurance activity. The methodology and rationale supporting the resources allocated to second line assurance provision within CPIC and the nature and/or type of the reviews they undertake, would benefit from more clarity as the Command develops. This will help to demonstrate work is properly co-ordinated and prioritised against areas of highest need and there is sufficient capability and capacity within the Command. A fuller review will be carried out next year and DARA are to advise and the strategy and approach develops.

## Organisational Learning

Organisational Learning and Policy are part of the Centre of Excellence strand within CPIC. Learning and Development does not fall within the remit of CPIC but there is significant overlap in this area, which increases the need for clarity around roles and responsibilities. CPIC is responsible for the governance of all Met policy although not all policy owners and/or developers sit within the Command, which will require effective collaboration and clear operating principles going forward. Defining roles and responsibilities and providing a clearly articulated strategic approach to delivery will help support an effective organisational learning environment. This will include a process for identifying, evaluating and escalating organisational learning and for ensuring relevant policies and procedures are revised and socialised.

## Governance and Decision Making Arrangements

The Management Board provides strategic direction, taking strategic decisions and overseeing organisational performance. It continues to be 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.

The terms of reference for PIB has been refreshed and there is a greater focus on scrutinising investment proposals, whilst delegating much of its transformation portfolio monitoring role to PMG. A review of PIB governance and assurance, sponsored by the Chief of Corporate Services, continued. The aim is to simplify, improve and strengthen the process for providing PIB and Management Board with consistent levels of assurance prior to decision making, particularly on investment cases. This is addressing the continuing need for greater clarity of accountabilities, roles and responsibilities for decision making, in particular for those boards that operate below Management Board and the operation of internal governance, and the quality and timeliness of reporting to key boards.

Mechanisms exist for assuring business cases and investment decision papers, there remains a need for a more effective assurance process to focus the limited resources on matters of significant risk, investment and priority. This is being addressed as part



## Internal Control Environment

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of the joint review of decision making arrangements to support a level of increased delegation to the MPS from MOPAC based on increased assurance provision.

### Transformation and Change Governance

Governance of the Transformation Portfolio continued to improve with enhanced financial reporting, tracking of benefits, management of business change and reporting of risks.

Transformation portfolio risks are aligned to strategic objectives and regularly reviewed and escalated as appropriate. A DARA review of the business change framework concluded it had benefitted from a refreshed strategic approach, improved guidance and increased focus and resources. The follow up showed the framework continued to be embedded, with further work required to complete the training needs analysis and communications strategy. The benefits realisation framework has improved with a recent review reflecting greater definition of both cashable and non-cashable benefits, and increased rigour in tracking and reporting, which is facilitated by greater alignment to Met Direction. Effectively tracking benefits as responsibility moves from transformation to business as usual and managing changes to anticipated benefits are areas for further improvement.

The Portfolio Assurance Framework has continued to embed into transformation governance. The primary focus has been on business case and stage gate assurance covering; planning, benefits, resources, risk and dependencies, reporting and governance, business change and design. The DARA follow up found the Integrated Assurance Strategy had not yet, however, been finalised and limited progress had been made in implementing actions, which are largely dependent on the completion of the decision making review i.e. clarity on the role of the Assurance Board and interdependencies with wider corporate governance arrangements.

DARA reviews continue to show there are varying approaches to managing change in the Met, creating inconsistency and differing standards. In some areas this has led to concerns with non-compliance with due process, in particular, in introducing new technology and the governance of 'Proof of Concept' trials and/or 'Pilots'. Protocols and standards are currently being developed to ensure a consistent and appropriate approach across the Met. The DARA review of SIAM2 Towers governance found that the significant change from seven to two Towers was being managed as a 'run' programme. Programme management principles were being applied under the oversight of the Digital Policing Board. There is a need, for greater clarity in the definition of what constitutes a 'run' programme and how this integrates with wider corporate governance and oversight arrangements.

An external 'stocktake review' of how the Met manages change is currently underway. It is to advise the Commissioner and Management Board on the overall effectiveness of the way in which the Met manages and delivers change and introduces new capabilities, and whether current arrangements are effective to meet the ambitions set out in Met Direction. This includes making recommendations for any changes necessary to improve confidence in delivering benefits and in the efficiency and effectiveness of the way in which change and continuous improvement is delivered. The review explores how change is managed through the transformation portfolio and the processes and capabilities managed by the Transformation Directorate; how other

# Internal Control Environment

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digital change is delivered through Digital Policing and in how continuous improvement is enabled through Professionalism.

## Commercial and Contract Management Framework

Audit review activity continued to demonstrate the need for a more robust and effective procurement and contract management framework. Progress was made during the year in the development of the Commercial Blueprint and Commercial Lifecycle Management (CLM) Framework, which provides a sound foundation for the required improvement. This is to be supported by a new IT system, increased skills and capacity and revised business processes with a greater focus on compliance and best practice. Senior management and user buy in will be vital to the effective implementation of the revised framework. A follow up of the Intelligent Client Function (ICF) for the major SSCL contract showed there had been improved monitoring of performance and change control with increased resources and expertise now within the ICF. Reporting against anticipated savings required greater clarity.

## Information Management Governance

A DARA follow up review recognised that with the creation of the Data Office, Data Governance is improving supported by Data, Data Talent and Data Analytics Strategies. In preparation for the Connect Programme, which is to connect core policing systems, evidential archiving and the review, retention and deletion of records, work is planned for data migration in line with Management of Policing Information guidelines. Whilst full compliance with Data Protection legislation will not be achieved until the Connect and Information Futures programmes are fully implemented, considerable progress has been made to demonstrate improved capability and capacity to manage the transformation to a compliant and Data led Organisation.

ICO Enforcement Notices in relation to Right of Access Requests and the Gangs Matrix have been lifted with compliance continuing to be carefully monitored. Work on the completion of the Information Asset Register is ongoing supported by improved communication with Senior Responsible Officers, this continues to be key to achieving full compliance. Further work is required to embed cultural change across the Met, including improving Data literacy and accountability for Data Protection Impact Assessments, which are not consistently completed. This is recognised in the AGS.

## Safeguarding of Assets

A DARA review of Physical Security highlighted key governance and risk issues, which were considered by the Risk and Assurance Board. A recent follow up showed that action had been taken to clarify the governance arrangements with the establishment of the Estate Security Board and development of a draft Security Strategy. Further work is planned to improve the effectiveness of the overall framework, which remained rated as limited.

The review of IT Access Controls found policies and procedures defining operating practices and security controls were out of date and not easily accessible. Logical access controls were in place, however, application level security controls were not fully effective. Physical security controls prevented unauthorised access to networks, data and systems, although an independent Pentest to understand and assess potential vulnerabilities had not been recently undertaken.

# Internal Control Environment

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The Asset Management Framework supporting Smarter Working required improvement both in governance and oversight. Policies and procedures, management information, performance measures and budget accountabilities and roles and responsibilities, needed review. Action was taken in the latter part of the year, overseen by the Risk and Assurance Board, which led to improved reporting and clarification in roles, further work is planned to improve the safeguarding and management of digital assets.

A review of Security Vetting and Clearance concluded that although clearly defined national vetting guidance is applied, up to date policies and procedures and clarification of specific roles and responsibilities for the effective management of vetting across the Met was needed. Timeliness for processing security applications has improved but the risk of under or over vetting remains and initial progress made in addressing the number of those with expired vetting, had slowed due to the prioritisation of vetting new recruits to support the uplift in officer numbers. Work continues to improve the quality of vetting information and analysis of data to inform considerations of proportionality within the recruitment vetting process.

## Business Continuity and Disaster Recovery Arrangements

The follow up review of Business Continuity and Return to Normality Arrangements showed considerable improvement with the rating moving from limited to adequate assurance with arrangements working well during the pandemic. A Resilience Committee and Strategy are now in place and a formalised governance structure around Business Continuity, supported by MO6, is operating effectively. The operational side of business continuity and return to normality arrangements have further improved and issues with disaster recovery for those systems within the SIAM Towers have been resolved. Further work is required on testing disaster recovery arrangements for those systems outside the SIAM Towers, which is dependent on the completion of the Information Asset Register.

## Recovery and Renewal Programme

In response to Covid -19 a Recovery and Renewal Programme, overseen AC Professionalism has been established. It aims to continue to provide an appropriate operational and organisational response, whilst ensuring learning opportunities identified during the pandemic are carried forward into new ways of working for the longer term. Specific strands include; Securing Internal Change, Improving Performance, Crime Prevention, Tackling Vulnerability, Retaining Digital Gains and Preparing for the New Economic Climate.

## Workforce Capacity and Capability

A DARA review concluded appropriate governance, oversight and management reporting arrangements for Leading for London were in place for the duration of the programme. Steps to embed the management of business change, key risks and training and development, now that the programme has concluded, were identified. Lessons learned from the programme are to be incorporated in the Met Leadership Centre of Expertise Programme.

A Met Wellbeing Strategy and comprehensive implementation plan, aligned to the national wellbeing programme, has been developed. This is supported by an

# Internal Control Environment

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adequately designed control framework. The strategy and plan make particular provision for the wellbeing of officers working in high risk situations/areas and the effectiveness of arrangements are being evaluated as the plan is implemented. The DARA follow up review planned for April 2020, will now be carried out in September due to the team being heavily involved in the response to the pandemic.

## Diversity and Inclusion

Although a considerable level of activity is taking place across the Met, the framework supporting the Inclusion and Diversity Strategy is not operating effectively. There is a need for greater clarity in roles, responsibilities and accountabilities to help identify any potential duplication and/or gaps, better coordinate activities and streamline decision making. Initial work has been undertaken to design a cohesive delivery plan and performance framework with HR related deliverables and metrics more clearly defined. The complex governance arrangements and lack of a cohesive performance management framework, however, impact on the ability to monitor against strategic outcomes and priorities. The management of key risks to strategic objectives is also not embedded in the performance framework and key processes. The STRIDE Delivery Group, chaired by AC Professionalism is overseeing implementation of the agreed actions arising from the DARA review.

## Key Financial Systems Control Framework

Migration to the PSOP system changed the end to end assurance landscape with first, second and third line assurance providers operating on one platform across separate entities. An authorisation hierarchy has been designed to improve transparency and accountability and aims to enforce separation of duties between the request and authorisation of outsourced service delivery. The new system correctly places more reliance on MPS line managers and budget holders for ensuring the validity of data input and output. This increases the need for quality management information to facilitate effective monitoring.

DARA reviews of the key financial systems, Accounts Payable and Accounts Receivable were rated adequate and action was taken in year to improve the PSOP control framework. The expenses review raised a particular concern around the inconsistent arrangements for initiating and recovering overpayments. Overall, there is a continued lack of clarity around policy ownership and roles and responsibilities between HR, Finance and Business Groups, and availability of management information to support monitoring and review remains an issue. This reduces the level of assurance that can be obtained on the quality of data input and subsequent processing by the outsourced provider. This is recognised and a new reporting functionality is being developed, which is essential to the effectiveness of devolved budget and financial management. Work is also underway in conjunction with the outsourced service provider to address ongoing concerns around the quality of workforce data.

In covert finance, policies and procedures in line with national standards support its work. Regular checks ensure compliance and helpful financial management information is provided to senior management. A follow up found that roles, responsibilities and accountabilities had been clarified and progress was being made in reconciling accounts although this remained a challenge due to resource constraints. There had also been improvement in the control framework within SO over expenses with the rating improving from limited to adequate.

# Internal Control Environment

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A review of Police Overtime concluded policy and guidance in support of Police Regulations is not sufficient to provide appropriate direction to users and the overarching framework is not adequately defined. Planning requires strengthening to help demonstrate fairness, compliance and efficient resource utilisation. Management information on the total costs and liabilities at corporate level is not readily available with limited corporate oversight and analysis. A Gold Group, chaired by DAC Corporate Services is overseeing action to address the issues raised by DARA.

The budgetary control framework in Frontline Policing and specialist OCU's is not operating effectively. There is an inconsistent approach to the delegation of budget management responsibilities with varying levels of both capacity to effectively carry out the role and senior management oversight across B/OCUs. Budget holders need a greater understanding of their responsibilities, supported by easily accessible policies and procedures and access to appropriate training and guidance.

## Counter Fraud Arrangements

A DARA follow up review of counter fraud arrangements showed that limited progress had been made since the original review with the framework not operating effectively. The Anti-Fraud, Bribery and Corruption Strategy needs to be supported by effective oversight and planning and co-ordination of activity. The fraud risk assessment is to be updated and better integrated in the corporate risk management framework, and management information on detected fraud across the MPS adequately captured and reported. The recent re-establishment of the Fraud Forum is key to driving the necessary improvement and is of increased importance as the threat of fraud is heightened at this time.

## Operational Risk Management and Control Environment

The Frontline Assurance Board meets quarterly and provides a platform for discussion and escalation of risks to the corporate Risk and Assurance Board. This is an evolving process with the approach to risk management to be refreshed to promote greater consistency at operational level. Aligning risks to agreed objectives will help ensure risk considerations become an integral part of the local decision-making process and increase the overall level of MPS risk maturity.

Other operational business groups, including SO and Met Operations, continue to develop their oversight of risk management. A more consistent approach across the groups would enable management of key interdependencies and support informed risk management activity and decision making.

DARA found the Release Under Investigation (RUI) framework is not operating effectively. There is an inconsistent approach to RUI and bail, which does not consistently meet objectives of supporting victims and preventing reoffending. Guidance and procedures are not always followed and there is ineffective supervision and decision making in criminal investigations for RUI and bail decisions. Unconnected IT systems lead to duplication, error and non-compliance with legislation. Work is ongoing to reduce the backlog of outstanding RUI cases and considerable progress has recently been reported. The Criminal Justice Gold and Silver Groups are co-ordinating the Met response to the Home Office Bail Act/RUI consultation, ensuring the Met's views on strengthening the protection for victims is properly considered.



## Internal Control Environment

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The DARA review of Disclosure Case File Management included risks and challenges associated with the impact of disclosure requirements on the initial investigation of serious sexual offences. The governance framework is complex with internal and external agencies working in a regulatory environment supported by an outdated Code of Practice. Roles and responsibilities are defined in guidance but terms such as 'reasonable and proportionate' are subjective with potential inconsistency around digital media where the impacts for serious sexual offences can be disproportionate and contrary to other legislation. Disparate IT systems are used and it is difficult to determine the capacity and capability of resources available to meet increasing disclosure requirements. Appropriate management information is not effectively captured, reported and monitored with an over reliance on data provided by the CPS.

A review of Public Order Deployment and Cost Recovery found National standards are applied in the managing Public Order events and training is delivered through a nationally accredited programme. Effective governance support Public Order events with regular testing and learning from mobilisation activity. The follow up found greater integration between MO6 and Frontline Policing as the revised Public Order operating model continues to embed and an increase in consistency of debriefing. Challenges continue in addressing the shortage of level 2 public order trained officers and integrating ICT applications.

The governance framework supporting the management and deployment of resources for gun crime continues to develop following the restructure of Specialist Crime activity with the creation of new units and boards and an operational lead at Commander level. The landscape is complex and would benefit from a Gun Crime Strategy with clearly defined objectives and accountabilities to help focus and rationalise activity, whilst ensuring alignment with other corporate initiatives such as the Business Plan, Violence Strategy and 4Ps Gun Crime Plan. Operations and tasking span several business groups and there is a need for effective co-ordination and management of interdependencies to demonstrate deployments are matched to prioritised need. Management information on aspects of performance is captured and reported at strategic and tactical level to inform decision making. The effectiveness of oversight would be further enhanced with clearly defined strategic objectives and performance metrics covering all aspects of delivery.

A review of the Territorial Support Group (TSG) found there is a need to define objectives to inform operational decision making and performance monitoring. It is unclear how resources allocated to TSG are determined with analysis of demand not carried out. Regular management information on TSG operations is provided, although reporting is largely based on activity volumes rather than outcomes. With the ongoing increased demands placed on TSG resource there remains a need to monitor officer hours worked from both a legal and wellbeing perspective. An enhanced performance framework will assist decision making and more effectively demonstrate the TSG contribution to corporate priorities and objectives.

The Forensic Services control framework is generally operating effectively. Governance arrangements and key roles and responsibilities are clearly defined. A wide range of accredited services operate in accordance with clear policies and standards, which are assured through regular review. An up to date risk register is maintained and regularly reviewed. The introduction of an integrated forensic case

## Internal Control Environment

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management system will support the efficient monitoring of performance of key suppliers and inform timely and efficient decision making.

Approval of a three-year strategic response to Online Child Sexual Abuse and Exploitation was a key development, recognised in the previous DARA review. The follow up reflected that comprehensive guidance on investigations had been published and there is increased monitoring of performance and quality of investigations, including a clearly defined risk assessment protocol. Work continues to; reduce the backlog of cases referred via the NCA, review strategic priorities, clarify risk recording and improve training support for officers.

DARA attended the Met Child Protection and Vulnerability Boards overseeing action to address outcomes of HMICFRS and DARA reviews. In liaison with Commander, Safeguarding DARA mapped out a generic control framework for an end to end investigative framework. This set out the key interventions necessary at each stage to provide assurance over delivery of safeguarding outcomes and supports the performance model piloted on one BCU. DARA advised on the work initiated by the team to build first line resilience and assurance within the Frontline Safeguarding portfolio. This culminated in the creation of local Data Quality, Ethics and Assurance Boards (DQEABs) with a programme of work devised to provide assurance over key areas of activity including, MISPERs, Domestic Abuse and Online Child Exploitation. Work is also underway to develop a suite of generic outcome measures linked to Safeguarding priorities to help determine the impact of recent initiatives.

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## Improving the MPS Internal Control Environment

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The MPS governance improvement plan is informed by DARA activity and the Director's annual opinion. The following summarises areas key to securing an effective internal control environment.

- **Risk Maturity and Assurance Provision** - 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 improve the effectiveness of internal controls. This will be supported by the planned activity to increase the level of risk maturity and in developing an effective corporate assurance framework.
- **Aligning and clarifying governance arrangements at a corporate and Management Board level** – this will be facilitated by the current review of managing change.
- **Clarifying accountabilities, and roles and responsibilities** - DARA reviews and statements supporting this year's AGS, reflect that there is more to do in providing greater clarity in the accountability framework and managing interdependencies.
- **Embedding and fully integrating the Met Business Plan in day to day activity** - the business planning and performance framework has become more embedded with work continuing to integrate the business plan with the control strategy and financial planning.

## Internal Control Environment

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- **Improving skills and capacity, supported by sound systems and reliable information** – continues to be a theme and is being addressed under the Transformation programme.
- **Continuing to improve the information management framework** *to ensure statutory requirements are met* - continuing the progress made with the creation of the Data Office and under the Connect Programme.
- **Implementing the Commercial Blueprint and revised CLM framework** - to achieve the required level of improvement.
- **Further improving the timeliness and quality of action taken to address areas of improvement identified as a result of review activity** – increased oversight in addressing those reviews with limited assurance ratings is leading to more effective action. The aim is to improve the implementation rate overall. DARA and the Met Strategy and Governance Directorate have agreed a process for identifying and capturing key themes emerging from review activity (p24 refers) to inform a corporate response to the issues identified and organisational learning. This together with improving risk and control awareness should reduce the level of limited reviews.



# Internal Control Framework

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## Review Assurance Ratings

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The overall position on assurance ratings for completed reviews is summarised (Appendix 2 has the detail) as follows:

Rating	Risk Based Reviews	Risk Based Reviews %	Follow Up Reviews	Follow Up Reviews %	All Reviews%
Substantial	0	0%	1	4%	2%
Adequate	10	48%	20	80%	65%
Limited	11	52%	4	16%	33%
<b>Total</b>	<b>21</b>	<b>100%</b>	<b>25</b>	<b>100%</b>	<b>100%</b>

## Risk and Assurance and Follow Up Reviews

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The control framework for 48% of the first time reviews conducted was assessed as adequate (65% last year) with 52% rated limited (35% last year). A total of 84% (75% last year) of follow ups achieved an assurance rating of adequate or greater and 16% limited (25%). This year 20% (35% last year) showed an improvement in assurance rating.

Overall 33% of reviews were rated limited, 65% adequate and 2% substantial. The level of limited assurance ratings for first time reviews demonstrates the need for greater risk awareness and increased focus on mitigation and control. The aim is also to achieve more substantial rated reviews at the time of follow up.

## Management Action

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A total of 170 (198 last year) actions were agreed for 2019/20 reviews of which 69 (41%) were high priority and 101 (59%) medium priority.

DARA follow up activity showed 80 (38%) of the 210 agreed actions for 2018/19 reviews were fully implemented, 88 (42%) partly and 41 (20%) not implemented. Four high priority actions had not been implemented and 27 were partly implemented, which tend to relate to actions reliant on key developments in transformation or IT.

There has been increased oversight by the Met Management Board of those reviews rated as limited with Risk and Assurance Board seeking assurance that appropriate action is planned and/or being taken. This has led to a number of key issues relating to areas such as; physical security, vetting, expenses, smarter working and business continuity being progressed during the year.

## Systems Development and Control Advice

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Appendix 2 details significant systems development and control advice activity. This includes a considerable commitment to helping to improve the effectiveness of the Safeguarding Framework, advising on key developments in procurement and contract

## Internal Control Framework

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management, and ensuring lessons learnt from previous DARA reviews are being addressed by a number of key programmes. Advice and support were also given to;

- Safeguarding Oversight and governance boards
- Met and MOPAC Governance Boards
- MOPAC risk management refresh
- Information Assurance
- Fleet Programme Board
- Crime Recording Governance and Control

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## Control Risk Self – Assurance (CRSA)

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CRSA is a simple methodology that gives senior management broad assurance over the operation of key processes. It relies on self-assessment by those responsible for service areas, which promotes greater understanding of key risks and controls and of the interventions needed to ensure agreed objectives are met. A CRSA exercise was conducted in liaison with Local Resilience Teams dealing with Missing Persons under the safeguarding portfolio. Key issues identified around; policy, compliance, clarifying roles and responsibilities across stakeholder groups, resourcing and training, are being taken forward by the transformation portfolio.

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## Counter Fraud

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### Investigations

Appendix 2 captures the detail of counter fraud activity. During the year DARA refreshed its Memorandum of Understanding with the Directorate of Professional Standards and conducted a major review in support of Whistleblowing allegations investigated by the Directorate. The counter fraud team concluded the NFI review with 3,676 matches being resolved. A total of 50 investigations were undertaken, leading to the identification of significant financial recoveries of £206k, management action and referrals to external bodies/forces for further investigation. A separate review of pensions paid to dependents was also conducted, which highlighted key issues with the management of this process by the third-party provider. These are being taken forward by Finance colleagues and are likely to result in further recoveries (a potential £80k has been identified to date based on investigating a sample of cases).

The analytical strategy was developed and agreed during the year, supported by a Data Protection Impact Assessment. An analytical tool was purchased and training provided to the team. Access to data has proved difficult and is a priority for the coming year to support the proactive work programme, which will use analytical techniques to review those areas at the highest risk of fraud. A review of charge card expenditure utilising the new analytical tool is currently underway.

### Fraud Prevention

DARA delivered a fraud awareness programme across MOPAC and conducted a review of the MPS Counter Fraud arrangements. It advised on action required to support the MOPAC/MPS Anti-fraud Strategy, which will now be taken forward by a Fraud Forum recently re-established. An updated fraud risk analysis (identification and management of fraud risks) is to be incorporated into day to day business and better

# Internal Control Framework

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take up of Met mandatory e-learning anti-bribery and fraud awareness training achieved.

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## MPS Internal Review Activity

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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, which is being supported by the implementation of a maturity model to further improve assurance. Reliance was also placed on reviews conducted by the Information Assurance Team, which continue to demonstrate the need for improvement.

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## External Review Activity

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HMICFRS revisited the Met in the first quarter of 2020 on Child Protection noting positive progress and with clear governance structure in place to support improvements in operational practice. They reported that activities continued to build on the learning from working with the HMICFRS Inspection Team. Challenges remained in achieving the level of required change at the frontline.

The HMICFRS 2019 Integrated PEEL inspection found that the extent to which the Met operates efficiently and sustainably is good, as is the extent to which it treats the public and its workforce legitimately. However, its effectiveness in reducing crime and keeping people safe required improvement. The Met has a good understanding of current demand, is good at preventing crime and tackling anti-social behaviour, and very good at dealing with serious and organised crime. Improvements were required in investigating less serious crime, bringing offenders to justice swiftly and in the protection of vulnerable people.

In March 2020 HMICFRS reported on the Met response to a review of the its investigations into allegations of non-recent sexual abuse. Recommendations covered clarity within training materials, guidance and policies to ensure they reflect lessons from the Henriques report; improvements to information management requirements; consistency in record keeping and supervision and changes to media policy. In addition, there were recommendations of changes on a national level to Home Office Counting Rules, and for the College of Policing on media relations guidance and comprehensive communication of any changes to the Counting Rules.

# DARA Strategic Approach and Performance

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## Shared Internal Audit Services

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DARA is the lead internal audit provider to the GLA group, delivering services to the GLA, London Fire Brigade, London Legacy Development Corporation, Old Oak and Park Royal Development Corporation and also provides a service to the National Police Chiefs Council. As a result, overheads are 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.

## Risk and Assurance and Advisory Work

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The focus on high risk areas and adopting a risk-based approach helps to embed risk management across MOPAC and the MPS. Providing assurance on areas working effectively whilst highlighting those that require action to strengthen governance and improve the management of key risks to corporate priorities and objectives. Follow up audits show 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, which saves valuable resources.

The outcome of DARA review activity informs the MOPAC and MPS annual governance statements and improvement plans, which has contributed to improvement in a number of key areas.

## Counter Fraud Activity and Outcomes

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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. Action is taken to recover any misappropriated funds, which can be redirected back into public funds. Fraud prevention work fraud improves the identification and management of fraud risks.

## Diversity and Inclusion

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The MOPAC and MPS commitment in relation to diversity and inclusion is considered in all audits and investigations. In particular, this year DARA continued to support the joint Audit Panel in reviewing the development of the framework supporting the implementation of the Met's Diversity and Inclusion Strategy.

## Working in Partnership

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### External Review Agencies

DARA has an effective working relationship with External Audit meeting on a regular basis to exchange findings and co-ordinate work programmes to avoid duplication and maximise the benefits derived from review activity. External Audit continue to place reliance on the work of the DARA in reviewing key financial systems and governance arrangements.

# DARA Strategic Approach and Performance

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## Audit Forums

DARA influence the development of audit in the policing environment and wider local government through membership of regional and national forums. The Director chairs the National Police Audit Group, Co-Chairs the CIPFA Police Governance, Audit, Risk and Assurance Group and is the police audit representative on the CIPFA Police and Fire Panel and Specialist Internal Audit Interest Group. The Head of Audit and Assurance is a member of the CIPFA Risk Management online service, assisting in developing risk concepts and ideas to help Public Sector organisations to embed risk management. DARA contribute to the London Audit Group and subgroups set up to exchange best practice. This ensures DARA remain at the forefront of professional developments and provide a dynamic and up to date internal audit service to its clients.

## Counter Fraud Liaison

DARA are members of the Institute of Counter Fraud Specialists, and the London Fraud Forum, maintaining regular contact counter fraud representatives from both the private and public sector.

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## Professional Standards and Audit Independence

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The DARA team are all professionally qualified or accredited counter fraud specialists and conduct their work in accordance with defined professional standards, a code of ethics and Public Sector Internal Audit Standards. An EQA of DARA in March 2019, concluded; *'It is our opinion that the Directorate of Audit, Risk and Assurance FULLY CONFORMS to the requirements of the Public Sector Internal Audit Standards.'* The report went on to say, *'DARA is recognised throughout the policing sector (and indeed elsewhere in the public sector) as being one of the leading in-house public sector internal audit services.'* In addition to an EQA, there is on-going QA through:

- Documented Processes and Standards - Audit Manual
- Supervision of each Audit Assignment
- Quality Assurance Reviews
- Self-Assessment against the Public Sector Internal Audit Standards (PSIAS)
- Client Feedback and Review
- A Continuous Improvement Plan

No areas of non-compliance were identified and there have been no impairments to DARA independence or objectivity during the year. Continuous improvement, included enhancing communications, developing a Data Analytical Strategy, increasing agile working and streamlining work practices.

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## Client Satisfaction

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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 86% being achieved. The most effective areas of performance were in the review conclusions and conduct of the audit, both achieving 94%, with the opportunity for input to the reviews at 91%.

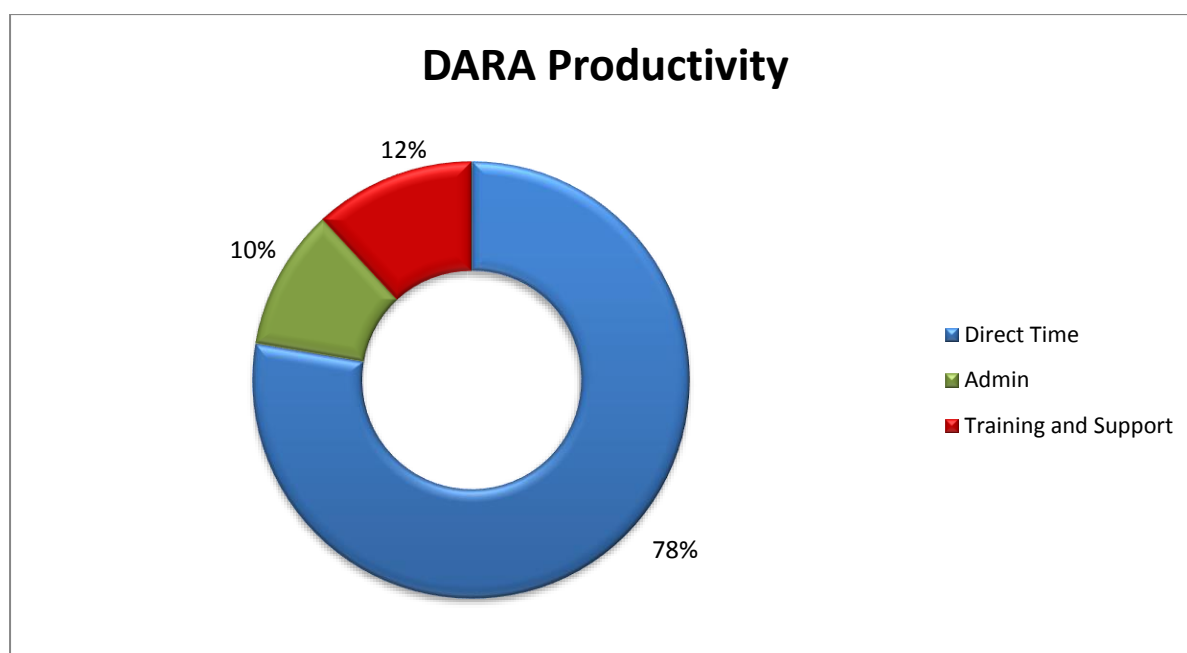
# DARA Strategic Approach and Performance

## Planning and Delivery

DARA were able to complete 88% (85% to report and 3% at fieldwork) of the work programme with five reviews in those areas particularly impacted by Covid -19, carried forward. A number of advisory reviews were also carried out to support significant changes taking place in the areas concerned. Less direct time was available due to an increase in Covid -19 related special leave and sickness, and recruitment for vacancies taking longer than planned. Activity is summarised as follows;

Activity	Planned	%	Actual	%
Risk and Assurance Audits	1790	67%	1617	66%
Risk and Control Advice	342	13%	431	18%
Counter Fraud Activity	510	20%	401	16%
<b>Total</b>	<b>2642</b>	<b>100%</b>	<b>2449</b>	<b>100%</b>

Productivity was at 78% against the 82% target set, predominantly due to an increased level of training (10% against 8% planned) and administration time.



## Timeliness of Reviews

DARA met the 80% target for issuing final reports within one week of receiving a management response. It took on average of six weeks to clear audit reports and this is an area of improvement for the coming year together with reducing the time in publishing reports, which remained at four weeks against a target of three.

# DARA Strategic Approach and Performance

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## Key Objectives for DARA in 2020/21

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DARA will continue to be an independent source of assurance to the Commissioner, DMPC, MOPAC Board and MPS Management Board;

- Providing professional advice and support to the Covid-19 recovery and renewal programmes and in responding to the significant financial challenge.
- Under the new operating environment, ensuring audit activity continues to be aligned with strategic objectives (including those that relate to Diversity and Inclusion), and risks to MOPAC and the Met, facilitating the increased focus on risk mitigation and strengthening internal control.
- Helping to develop and improve the Met Assurance Framework and increased level of risk maturity across the organisation.
- Liaising and engaging with business and operational leads to increase risk, fraud and control awareness, providing timely advice as risks emerge.
- Continuing to support the significant level of change taking place advising on governance and control issues as systems develop and progress.



Key Themes Arising from Review Activity

Accountability	Strategy Definition	Policy and Process	Management Reporting	Risk Management	Assurance	Capacity and Capability
<ul style="list-style-type: none"> <li>• Clarity of accountabilities, roles and responsibilities.</li> <li>• Ownership of Strategy and Policies.</li> <li>• Recognising and managing interdependencies.</li> </ul>	<ul style="list-style-type: none"> <li>• Clarity of key strategic objectives in business areas.</li> <li>• Demonstrating link to corporate objectives and business plan.</li> <li>• Definition of frameworks and/or plans to support delivery.</li> </ul>	<ul style="list-style-type: none"> <li>• Definition of accountabilities, roles and responsibilities.</li> <li>• Out of date -not keeping pace with change.</li> <li>• Lack of focus on risk and control - need to be clearer and more concise.</li> <li>• Lack of process to ensure compliance e.g. supervisory controls and review activity</li> <li>• Not always accessible and user friendly.</li> </ul>	<ul style="list-style-type: none"> <li>• Definition of management information requirements.</li> <li>• Quality and accessibility of performance and financial information.</li> <li>• Effectiveness of Monitoring and Review.</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of risks to achieving objectives.</li> <li>• Ownership of risk and mitigations.</li> <li>• Management of risk - understanding and focus on internal control.</li> </ul>	<ul style="list-style-type: none"> <li>• Definition of assurance requirements.</li> <li>• Provision of Assurance.</li> <li>• Reporting and acting on assurance activity outcomes – to strengthen first line controls.</li> </ul>	<ul style="list-style-type: none"> <li>• Deployment of Resources.</li> <li>• Recruitment and retaining appropriate skills and resources.</li> <li>• Training – identification, delivery and evaluation.</li> <li>• Organisational learning.</li> </ul>



## Outcomes of DARA Activity

### MPS

<b>Focus on what matters most to Londoners</b>	
<b>Risk and Assurance Audits</b>	
<i>Gun Crime – Resources, Deployment and Capability</i>	A
TSG – Use and Deployment of Resources	L
BCU Review Programme - Safeguarding Delivery Framework	Advisory
<b>Follow Ups</b>	
Met CCC – Demand Management	A
Public Order – Deployment Cost Recovery	A

<b>Mobilise partners and the public</b>	
<b>Risk and Assurance Audits</b>	
Counter Terrorism – Funding and Control (Part of TSG review)	A
<b>Follow Ups</b>	
Met Special Constabulary – Management and Deployment	A

<b>Achieve the best outcomes in the pursuit of justice and in support of victims</b>	
<b>Risk and Assurance Audits</b>	
Forensic Services Delivery Framework	A
Disclosure – Case File Management	L
Framework Supporting ‘Release Under Investigation’	L
<b>Follow Ups</b>	
Covert Control Framework – Covert Accounts	A
SC&O 40 – Child Abuse and Sexual Offences Command	L
BCU Safeguarding Framework – CRSA	Advisory

<b>Seize the opportunities of data and digital tech to become a world leader in policing</b>	
<b>Risk and Assurance Audits</b>	
DP Control Environment – IT Access Controls	L
Smarter Working – Asset Management ( BCU )	L
<i>Framework Supporting Development of SIAM 2</i>	A
<b>Follow Ups</b>	
Business Continuity Arrangements	A

<b>Care for each other, work as a team, and be an attractive place to work</b>	
<b>Risk and Assurance Audits</b>	
Wellbeing Strategy Development and Implementation	A
Workforce Data – Capture, Monitoring and Reporting (incl. PSOP review)	A
Framework Supporting Inclusion and Diversity Strategy	L

<b>Learn from experience, from others, and constantly strive to improve</b>	
<b>Risk and Assurance Audits</b>	
Leading for London Programme	A
CPIC Assurance & Organisational Learning	Advisory

<b>Be recognised as a responsible, exemplary and ethical organisation</b>	
<b>Risk and Assurance Audits</b>	
Accountability Framework (Part of Decision Making review/project)	A
Financial Assurance/BCU Programme – Budgetary Control Framework	L
Financial Assurance/BCU Programme – Police Overtime	L
Security Clearance and Vetting – Effectiveness and Efficiency	L

<b>Be recognised as a responsible, exemplary and ethical organisation</b>	
<b>Follow Ups</b>	
Key Financial Systems Assurance – Accounts Payable	A
Key Financial Systems Assurance – Accounts Receivable	A
Contract Management - SSCL	A
Financial Governance Operational Units (SO)	A
Decision Making/Governance Structure – Investment Decisions	A
Framework Supporting Implementation of GDPR	A
Key Financial Systems Assurance - PSOP Access Controls	A
Key Financial Systems Assurance – Expenses	L
Physical Security (Property)	L
MPS Counter Fraud Arrangements	L

<b>Transformation and Change</b>	
<b>Risk and Assurance Audits</b>	
<i>Transformation Governance – Benefits Realisation</i>	A
New Technology - Managing 'Proof of Concepts' and 'Pilots'	L
<b>Follow Ups</b>	
Transformation Governance – Business Change	A
Transformation Programme Assurance Framework – Implementation	A

## MOPAC

<b>Governance</b>	
<b>Risk and Assurance Audits</b>	
Risk Management – Identifying and Managing Risk Interdependencies	Advisory
Planning for Next PCP	Advisory
Strategic Oversight Framework	A
Commissioning Framework incl. Evaluation	A
<b>Follow Ups</b>	
Transparency and Reporting	A
GDPR Governance Framework	A
Treasury Management (GLA Shared Service Review)	S
Commissioning Framework	A
Strategic Oversight Framework	A
Business Planning and Performance Framework	A
Framework Supporting Evidence and Insight	A

Ratings Key:

Substantial	Adequate	Limited
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<b>Audit Reviews at Fieldwork</b>
BCU Programme Strategic Partnerships – Merlin/Missing Persons
Corporate Social Responsibility
<b>Audit Reviews Carried Forward to 2020/21</b>
Estates Strategy – Framework and Delivery
Strategic Framework - Crime Prevention and Community Engagement
Individual Learning Framework
MOPAC Community Engagement
Well Being Strategy Development and Implementation Follow Up
Optima Contract Management Follow Up

Systems Development and Control Advice	DARA Activity
<b>Joint MOPAC/MPS Audit Panel</b>	Supported the work of the joint MOPAC/MPS Audit Panel; facilitating Panel meetings and briefings, meeting with the Chair, assisting in the recruitment of the new Panel member and contributing to the Panel's annual review of its effectiveness and subsequent Annual Report.
<b>MOPAC Governance and Risk Board</b>	Attended the monthly meetings advising on those areas of improvement arising from audit reviews included in the MOPAC Governance Improvement Plan. Provided updates on the outcome of internal audit review activity and discussed and agreed the MOPAC Annual Audit Plan. Provided advice on the MOPAC Risk Management process.
<b>MOPAC Police and Crime Plan Delivery Group</b>	DARA supported MOPAC in developing the frameworks to monitor delivery of the PCP providing advice on governance and risk management, and issues as they arise in particular where internal audit reviews have been undertaken in areas supporting the delivery of the PCP, for example the Business Planning and Performance and Oversight frameworks.
<b>DMPC – Child Protection Oversight Board</b>	Attended the meetings held during the year providing updates of DARA review activity within the Safeguarding Portfolio, focusing on the need to build more resilience through first line activity and the identification of key controls, and supporting the group in identifying actions to be taken to address areas of improvement previously identified by HMICFRS.
<b>MOPAC Risk Management Framework</b>	Advised on the refresh of the MOPAC risk register, facilitating workshops with representatives from across MOPAC, conducting a bottom up top down review helping to embed effective risk management in key processes.
<b>MOPAC Capacity and Capability</b>	Advised on the continued review and development of MOPAC capacity and capability in supporting delivery of the PCP ensuring issues raised in DARA reviews are addressed – advising and supporting the external reviews of the Programme Management and Grants and Commissioning Frameworks.
<b>Planning for Next Police and Crime Plan</b>	Advising on the revised framework to support the next PCP, ensuring lessons learnt from review activity formed part of the planning process, in particular conducting a lesson learnt review following an external consultation process.
<b>MOPAC Business Continuity and Recovery</b>	Supported development of the business continuity plan and process and advising the Recovery Programme in particular in developing a revised Oversight Framework and in estates and IT management.
<b>MOPAC ICT and Agile Working</b>	Provided expert advice on the provision of ICT service management/delivery and the supporting arrangements. Advising on the management of the Shared IT Service and how MOPAC determines and manages its ICT needs. Supporting the move to agile working facilitated by the improved IT provision, which has proved vital in responding to the coronavirus pandemic.
<b>MOPAC Child House Grants Certification</b>	Completed grant certification reviews for the Child House scheme, validating expenditure in support of the grant award.
<b>MOPAC IVWS</b>	Assistance was provided by DARA on the VAWG Support Services Fund. This was advising on the Moderation and Scoring approach and the tender evaluation for the Integrated Victims and Witnesses Services (IVWS).
<b>MPS Risk and Assurance Board</b>	The Director attended the quarterly meetings of the Board reporting progress on the internal audit plan for 2019/20 and advising the Management Board on the effectiveness of governance, risk management and assurance arrangements and on key risks/issues emerging from review activity. The Board also considered and agreed the risk based Internal Audit Plan for 2020/21 aligned to Met strategic objectives.

Systems Development and Control Advice	DARA Activity
<b>MPS Information Assurance and Security Board</b>	Advised on security and information management risks and controls, informing the Board of key issues arising from audit activity. The new Data Office continues to develop, and governance processes are being considered to take forward key initiatives such as the Data Strategy and demonstrating compliance with Data Protection principles, advised by DARA reviews. The IASB was replaced by the Data Board in February 2020. DARA continue to attend the subgroups such as those responsible for overseeing Physical Security, which included consideration of key issues arising from the DARA review.
<b>Safeguarding Delivery Framework</b>	Mapped out a generic key control framework supporting an end to end investigative framework. This sets out the key interventions necessary at each stage of the process to provide assurance over the effective delivery of safeguarding outcomes and supports the Op Aegis performance model currently being piloted on one BCU. Advised on the work initiated by the team to build first line resilience and assurance within the frontline Safeguarding portfolio, culminating in the creation of local assurance boards. Attended a workshop aimed at developing a suite of generic outcome measures linked to Safeguarding priorities.
<b>Child Protection and Vulnerability Board</b>	Attended regular meetings held and advised on the governance arrangements supporting the implementation of agreed actions and the wider governance issues relating to Child Safeguarding. This included advising the boards and Commander Safeguarding on the developing assurance framework and increasing the focus on first line assurance through the development of Data Ethics and Assurance Boards on BCUs and mapping key controls within the safeguarding investigative framework.
<b>OSS/Fleet Programme Board</b>	Attended the Fleet Programme Board, which is developing the future operating model for the Met. DARA advised on the programme management approach and met with the Programme lead to ensure key lessons learnt from previous review activity are addressed under the new programme.
<b>Strategic Crime Incident Recording Group (SCIRG)</b>	Attended the quarterly meetings advising on improvements to the governance framework regarding Crime Data Integrity. The Group continued to review progress on the implementation of HMICFRS and DARA recommendations for crime recording.
<b>Health, Safety and Wellbeing Board</b>	Attended the quarterly Board meetings to advise on audits that impact on Health and Safety of Police Staff and Officers. Audits discussed included Wellbeing and a review of Optima contractual arrangements, which will now be followed up later in the year.
<b>Procurement and Commercial Framework</b>	Throughout the year, continued to advise and support the strengthening and development of the Met's Procurement framework, liaising with the newly appointed Director of Commercial Services and consultant engaged to help develop the Commercial Blueprint, ensuring lessons learnt from recent reviews are embedded in the revised process.
<b>Vetting Board</b>	Attended the Vetting Board to discuss the findings arising from the DARA audit of Security Clearance and Vetting – Effectiveness and Efficiency and progress made in the implementation of the agreed actions.
<b>Property Services and Estates Strategy</b>	Attended the monthly Property Services Directorate (PSD) Next Generation Steering Group providing the Programme Lead with recommendations based on previous procurement reviews. Advisory work on the review of the Estates Strategy continues.
<b>MPS Corporate Assurance Framework</b>	An initial review of the CPIC Command was undertaken, which confirmed the need for an overarching Met assurance framework. The methodology and rationale supporting the resources allocated and the nature and/or type of the reviews undertaken would

Systems Development and Control Advice	DARA Activity
	benefit from more clarity. This will help to demonstrate that work is properly prioritised against areas of highest need and that there is sufficient capability and capacity within the unit. A fuller review will be carried next year, and DARA will support the Command as it continues to develop its strategy and approach.
<b>Organisational Learning</b>	DARA's annual work programme provides learning insight across all areas of the Met's business by evaluating the effectiveness of its risk management, internal control and governance arrangements. Suggested actions, arising from our assurance or advisory work, seek to address the risk and control issues identified and provide a key source of analysis to inform organisational learning at strategic and tactical level.
<b>Frontline Risk and Assurance Board</b>	Attended regular meetings providing advice on the supporting governance structure and reporting and advising on the outcome of internal audit review activity within front line operational areas. DARA also advised on the developing risk management approach.
<b>Business Unit SLT Liaison</b>	DARA attend regular meetings with key stakeholders including with senior managers in Finance and DPS to discuss areas of common interest. The development of the data analytical programme, output/outcomes from respective reviews and progress against the audit plan were key themes. A memorandum of understanding between DPS and DARA was developed and advisory work supported the development of a revised Whistleblowing Policy.
<b>Covert Control Environment</b>	DARA provide ongoing advice and assistance in this area including verification work in support of the External Auditors annual audit programme for 2019/20.

Counter Fraud Work	DARA Activity
<p><b>Investigations/Reviews</b> 3,676 NFI reviews were conducted during the year resulting in 50 recovery cases, totalling £136,918, categorised as follows:</p> <p>2,211 NFI Pension Matches - of these:</p> <ul style="list-style-type: none"> <li>- 2,172 cleared no issue</li> <li>- 8 recovered in full £17,847</li> <li>- 23 in recovery £54,238</li> <li>- 8 recovery impossible, probable write off £10,606.</li> </ul>	<p><b>Summary of Key Outcomes</b> A total of 3,676 NFI reviews were concluded in the year resulting in:</p> <ul style="list-style-type: none"> <li>• 39 NFI referrals to pension provider resulting in 8 full cash recoveries and 23 ongoing recovery cases</li> <li>• 2 referrals to payroll resulting in 2 full cash recoveries</li> <li>• 3 referrals to Accounts Payables resulting in 3 full cash recoveries.</li> </ul> <p><u>Thefts from Police Stations</u> Previously these losses were investigated by the OCU and reported to Finance months or years later when making a reimbursement claim. Finance reported 15 claims to Internal Audit of theft or missing cash/property place at 11 locations, with an estimated value of £17,045. Following analysis of the above and previous years reported losses, a DPS operation resulted in the arrest of an employee for theft. Liaison with DPS led to the introduction of a new OCU reporting procedure. Missing or theft of cash/property is now reported to Professional Standards as soon as it is identified for immediate investigation and also reported to DARA.</p>









Counter Fraud Work	DARA Activity
<p>268 Payroll Matches - of these;</p> <ul style="list-style-type: none"> <li>- 266 cleared no issue</li> <li>- 2 officer salary overpayments recovered in full, totalling £31,650.</li> </ul> <p>1,197 Creditors Matches - of these:</p> <ul style="list-style-type: none"> <li>- 1,188 cleared no issue</li> <li>- 3 were erroneous duplicate payments totalling £22,577, that have been recovered</li> <li>- 6 matches remain in investigation</li> <li>- Total paid £79,355.</li> </ul>	<p><b>Key Investigations and Recoveries</b></p> <p>The Counter fraud team assisted DPS colleagues in the conduct of a significant finding review in support of a major Whistleblowing inquiry. This included the provision of advice and recommendations to address the issues identified.</p> <p>The National Fraud Initiative 2018/19 and the voluntary 2019/20 NFI Pensioner match to DWP records of deceased persons identified 3,676 matches to review. Due to the SSCL outsourcing, the MPS staff who previously reviewed NFI matches were no longer in post. Internal Audit reviewed all 3,676 matches. The review confirmed 44 overpayments of pensions, salaries and duplicate creditor payments with a combined value of £205,667. Recovery action has fully recovered 13 cases with a combined value of £72,074 and 29 recovery cases are ongoing with a combined value of £133,593. 6 cases remain in investigation. Recovery is impracticable for 8 cases with a combined value of £10,606. 3,626 matches were cleared with no issues.</p> <p>A Counter Fraud review of pensions payments to approximately 350 dependent adult children of deceased pensioners was also conducted. It highlighted key issues in the inconsistent management and control of the child pensions by the third-party provider and a failure to adequately document the arrangements for management and operation of the system. This is being taken forward by MPS Finance colleagues and will result in the additional recovery of overpayments.</p>
<p><b>National Fraud Initiative (NFI)</b></p>	<p>Matches for the biennial 2018/19 exercise were a 25% reduction from the last initiative. This is attributable to creditors' data only being required from the new creditors system, for the period February to September 2018. The review identified that there were 36 MOD reservists, that had not been recorded on PSOP and that HR were unaware of.</p> <p>The MPS voluntarily participated in the intervening annual November 2019 NFI officer pensioners data matching to DWP deceased records. This resulted in 119 potential matches included in the above figures. Review confirmed 17 of these pensions remained in payment without notification of the pensioners' death six with a current combined value of £20,805 are in recovery and eleven remain in investigation. The combined number of matches in the two annual pension exercises remain broadly consistent with earlier biennial exercises; however, due to the reduction of many overpayment periods by 12 months the overpayment values are substantially reduced.</p> <p>Preparations also commenced for the next NFI exercise planned for 2020.</p>

Counter Fraud Work	DARA Activity
<p><b>Fraud Prevention Strategy and Training</b></p>	<p>DARA advised on the revised MOPAC/MPS Anti-fraud Strategy, the MPS Fraud Forum has not yet reconvened. Actions from the plan supporting the strategy will be taken forward by the Fraud Forum. Internal Audit and DPS meet every six weeks to discuss emerging trends, to better understand their respective procedures and to plan their activity. Internal Audit provided fraud awareness training to all MOPAC staff.</p>
<p><b>Analysis of Key Financial Systems and DATA</b></p>	<p>Meetings with Commercial and Finance Directorate, Intelligent Client Function and HR are continuing to facilitate Internal Audit access to SSCL financial reports and Met system data, which are being assessed and utilised to develop the proactive fraud risk analysis/investigations e.g. Travel and Subsistence claims. Internal Audit have been trained in use of the recently purchased IT data interrogation tool, that will be used to support the analytical strategy and review programme. A DPIA has also been completed to support the conduct of analytical reviews.</p>



## ASSURANCE CRITERIA

### Audit Assurance

ASSURANCE RATING	ASSURANCE CRITERIA	BUSINESS IMPACT	CONTROL	
			Design	Application
<b>Substantial Assurance</b>	The control framework is sound and operating effectively to mitigate key system risks.	Risks are managed effectively to provide assurance that business objectives will be achieved.		
<b>Adequate Assurance</b>	The control framework is adequately designed although some controls are not operating effectively to mitigate key system risks.	Risks are generally managed effectively although some improvement in the application of controls is required.		
<b>Limited Assurance</b>	The control framework is not designed adequately and a number of key controls are absent or are not operating effectively to mitigate key system risks.	Risks are not being managed adequately with improvement in the design and application of controls required to achieve business objectives.		
<b>No Assurance</b>	The control framework is not in place and existing controls are not operating effectively to mitigate key system risks.	Risks are not being managed, and significant improvement to the overall control environment is essential to achieve business objectives		



# Glossary of Terms

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AC	Assistant Commissioner
AGS	Annual Governance Statement
BCU	Basic Command Unit
B/OCU	Borough Operational Command Unit
CFO	Chief Finance Officer
CIPFA	Chartered Institute of Public Finance and Accountancy
CPIC	Continuous Professional Improvement Command
CRSA	Control Risk Self Assurance
DARA	Directorate of Audit, Risk and Assurance
D&I	Diversity and Inclusion
DMPC	Deputy Mayor for Policing and Crime
DP	Digital Policing
E&I	Evidence and Insight
EQA	External Quality Assurance
FMCP	Financial Management Code of Practice
GDPR	General Data Protection Regulation
GLA	Greater London Authority
HMICFRS	Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services
HR	Human Resource
IAB	Investment Assurance Board
IAR	Information Asset Register
IASB	Information Assurance Security Board
ICF	Intelligent Client Function
ICFS	Institute of Counter Fraud Specialists
ICT	Information and Communication Technologies
IT	Information Technology
LFF	London Fraud Forum
Met	Metropolitan Police Service
MOPAC	Mayor's Office for Policing and Crime
MPS	Metropolitan Police Service
NCA	National Crime Agency
NFI	National Fraud Initiative
OCSAE	Online Child Sexual Abuse and Exploitation
OCU	Operational Command Unit
PCC	The Police and Crime Committee
PCP	Police and Crime Plan
PEEL	Police Effectiveness, Efficiency and Legitimacy
PIB	Portfolio Investment Board
PMG	Programme Management Group
PSIAS	Public Sector Internal Audit Standards
PSOP	Police Standard Operating Platform
QA	Quality Assurance
RAB	Risk and Assurance Board
RUI	Release Under Investigation
SAR	Subject Access Request
SIAM	Service Integration and Management
SO	Specialist Operations
SSCL	Shared Services Connected Ltd
STRIDE	Strategic Inclusion Diversity Equality
TSG	Territorial Support Group
VCTF	Violent Crime Task Force
VfM	Value for Money
VRU	Violence Reduction Unit