MOPAC | MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

METROPOLITAN POLICE

MPS-MOPAC JOINT AUDIT PANEL
17 January 2022

Director of Audit, Risk and Assurance
Progress Report

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

Report Summary

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

Key Considerations for the Panel

- Eight reviews have been concluded since the Panel last met, six rated adequate, one limited and one advisory report. A further seven reviews are at draft report and seven in progress.
- Key reviews concluded include; Risk Management Framework and Maturity, Transformation - Programme Management, Exhibit Management and Police Property Act Fund (PPAF). Follow up reviews of Overpayments and Financial Assurance Framework (improved from limited to adequate) and Met Detention, which remained limited.
- Audits at draft report stage include; SO Risk Management, Pilots and POCs Framework and Asset Management and the Vetting Follow up. Key audits underway include; Predatory Offender Units, Serious Sexual Offences Command, BCU Framework Supporting Operational Delivery and the MOPAC VRU Commissioning Framework.
- Key pieces of advisory work carried out include facilitating and advising on;
  - Rebuilding Trust and Confidence – Operation Rainier
  - MOPAC Oversight Framework
  - Financial Assurance Framework
  - Property Services - Next Generation Service Delivery Programme
  - MOPAC FOIA Process

Interdependencies/Cross Cutting Issues

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

Recommendations

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

1. Supporting Information

Audit Activity Undertaken

1.1. The outcomes of the reviews concluded since the Panel last met, are summarised in the **Appendix**, which also details counter fraud activity and systems development work undertaken. Reviews at draft report stage, include Asset Management, Introducing New Technology and SO Risk Management Framework, and the follow up review of Vetting and Security Clearance.

1.2. Key reviews concluded include; Programme Management, Transformation, Risk Management Framework, Exhibit Management, Financial Assurance – PPAF, and follow up reviews of the Financial Assurance Framework, Overpayments and Met Detention, which remained limited and will be further followed up this coming quarter. The Risk Management review has informed the Met's Risk Maturity Plan addressing areas for improvement, which was previously submitted to the Audit Panel.

1.3. Since the Panel last met significant pieces of advisory work have been carried out providing timely risk and control advice to senior management in high priority/risk areas. This includes:

- Rebuilding Trust and Confidence – Operation Rainier

  At the request of AC Professionalism, DARA are working alongside DPS colleagues as part of the review of current investigations into allegations of sexual misconduct and domestic abuse against Met officers and staff, to make certain that those who made the allegations are being properly supported, and the investigations are comprehensive. DARA are also supporting the dip sample of cases from the last 10 years where sexual misconduct and domestic abuse allegations have been made and those accused remain in the Met, to ensure that appropriate management measures (including vetting reviews) have been taken. Advising on the approach, methodology and reporting of findings, including areas of learning identified and how these can be addressed.

- Property Services - Next Generation Service Delivery Programme

  In liaison with Property Services, DARA are advising on the governance, risk management and decision-making arrangements, communications, and business engagement and infrastructure in place to support the procurement and the transition to the new operating arrangements. Work has also continued with the review of the PSD Control Risk Self-Assurance (CRSA), which is being facilitated by the SMT, helping to identify key process risks to delivery of Property Services strategic objectives and self- evaluate the controls and assurance mechanisms in place.

- MOPAC Oversight Framework

  DARA continued to advise MOPAC colleagues on the development of the oversight framework being developed to support the new Police and Crime Plan to ensure Mayoral priorities, as expressed, are delivered. Attending the MOPAC Oversight Governance Forum, which is mapping out key sources of

assurance and considering options for enhancing the future approach to delivery. A key aim of the group is to ensure collaboration with other agencies, to help inform oversight by using relevant sources of assurance to provide a more holistic approach.

- Assurance Programme – Financial Assurance Framework
  DARA have been working with Finance Services to further develop the financial assurance framework, which continues to embed with a number of enhancements having been made. The framework has been reconfigured and is now better aligned to the sources of assurance. Roles and responsibilities are more clearly defined and the introduction of prioritised risks, together with a revised presentation, has improved the effectiveness of the framework in highlighting any gaps in assurance. There remains a need to develop an appropriate assurance framework for the management of payroll and expenses risks.

- MOPAC FOIA Process
  Following completion of a number of FOI internal reviews, DARA conducted a review of the processes in place to support responding to FOI requests within MOPAC. A number of recommendations have been discussed and agreed with the Chief Executive to strengthen resilience, recording, monitoring and reporting of requests.

1.4. In liaison with AC Frontline Policing, DARA has developed a framework for conducting risk and assurance reviews at BCU level to provide assurance in key areas of priority and risk. This will bring together a number of planned audits and includes a review of the BCU Risk and Performance Management Frameworks to determine how they contribute to effective operational delivery in priority areas, such as, VAWG, Hate Crime, Violence and Partnership. The BCU based approach will help evaluate demand and resource utilisation across a range of key activities and will consider the degree to which effective risk management, performance and assurance activity provides insight, informs decisions and supports the achievement of positive outcomes.

1.5. DARA continue to attend the Forum to oversee counter fraud activity in the MPS an update on the action plan supporting the Anti - Fraud, Bribery and Corruption Strategy is to be provided to the Panel at its meeting in March 2022 . The 2020/21 National Fraud Initiative exercise is underway with 6,101 matches received, (743 pensions, 84 payroll and 5,274 Creditors). Work continues to investigate and resolve the matches with DARA having reviewed and cleared 6,023 matches, with a further 78 under investigation.

Planned Activity for the Next Quarter

1.6. Those reviews planned for the next quarter are listed in the Appendix and include; Sustainability Management and Implementation Plan, Grievance Management Framework, Change Management, Predatory Offender Units and MOPAC Counterfraud Arrangements with key follow up reviews of the Cyber

Security Framework, Data Quality and Security and the Commercial Framework.

1.7. Work on the revised approach to BCU reviews will continue in liaison with AC Frontline Policing and his leadership team. DARA will also continue to support and advise the MOPAC Change Programme and further development of the Oversight Framework.

DARA Performance

1.8 To date work has been undertaken on 56% of the plan with 33% at report stage, 23% in progress and 44% planned to inform the Annual Report in June 2022. Work is being carried out broadly as planned across the areas of DARA activity, there has been some disruption to planned activity due to issues related to the pandemic, this will continue to be kept under review.

1.9 Plans to launch a Trainee Audit Scheme have been progressed with adverts due to be placed this quarter. Two risk and assurance vacancies remain, currently being covered by temporary agency provision.

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

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

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

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

6.   Contact Details
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7.   Appendices and Background Papers
Appendix 1 – Summary of DARA Activity

Risk and Assurance Review Programme

Final Report Stage

Risk & Assurance Reviews	Assurance Rating
Programme Management - Transformation	Adequate
Exhibit Management	Adequate
Risk Management Framework	Risk Maturity Level 3
Financial Assurance – Police Property Act Fund (PPAF)	Awaiting Management Sign Off
MOPAC Freedom of Information (FOI) Process	Advisory

Follow Up Reviews	Assurance Rating
Financial Assurance Programme – Overpayments	Adequate (Improved from Limited)
Assurance Programme – Financial Assurance Framework	Advisory Report (Improved from Limited)
Met Detention – Capability and Capacity	Limited

Draft Report Stage

Risk & Assurance Reviews
Financial Assurance – Asset Management
Introducing New Technology – Governance of Pilots and POCs (Advisory)
Ethical Framework (Advisory)
Estates Strategy and Management (CRSA)

Risk & Assurance Reviews
MOPAC Oversight Framework (Advisory)
SO Risk Management Framework
Vetting and Security Clearance Follow Up

In Progress/Scoping

Risk & Assurance Reviews
DP Control Environment - Third Party Access
Decision Making Framework (Advisory)
Property Services Next Generation (Advisory)
Serious Sexual Offences Command

Risk & Assurance Reviews
Predatory Offender Units (POUs)
MOPAC VRU Commissioning Framework
BCU Review Programme: • Local Governance and Risk Management Arrangements • Performance Management Framework (incl. Sanction Detention) • VAWG • Partnerships – Violent Crime • Hate Crime

Planned for QTR 3

Risk & Assurance Reviews
Sustainability Management Plan and Implementation Framework
MOPAC Counter Fraud Arrangements
DP Control Environment – Application Management and Deployment
Managing Change - Implementation of Revised Framework
MPS Grievance Management Framework

Follow Up Reviews
Framework Supporting Delivery of SIAM2
Information Management – Data Quality & Security
Cyber Security Framework
Operational Training – L&D Framework – Advisory
Commercial Framework

Risk and Assurance Outcome of Reviews

Audit Area and Strategic Risk	Areas of Effectiveness	Key Areas for Improvement	Management Action
Assurance Rating = Adequate: The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.			
Risk Management Framework December 2021	• Up to date Risk Management guidance, clearly outlines approach, management accountabilities, governance and process in line with best practice. • Management Board members committed to effective risk management and improving risk management throughout the MPS. • Roles and responsibilities for those involved in the management of risk defined and part of PDR process. • Training and support provided where need identified. • Procedures introduced to align Business Group and O/BCU level risk registers with the corporate risk register. • Risk assessments support key investment decisions, enhanced with introduction of PIB level 2 scrutiny. • Risk Management discussed on a regular basis by Risk and Assurance Board (RAB), SLTs and COG. Quarterly risk meetings established at a Business Group and Area Level.	• Enhanced business planning process for 2021 provides opportunity to better align and integrate risk management within the business planning and performance framework. • Clear articulation and communication of strategic approach to risk appetite across the MPS to inform decision making and decision making. • Development of Key Risk Indicators to help identify emerging risks and risk trends. • Alignment of risk management and partnership management guidance to facilitate effective risk identification and management with key partners. • Risk maturity continues to vary between business groups. Implementation of risk maturity plan is to address areas of improvement. • Improve consistency of risk assessment carried out at a local level and allocation and management of risks locally. • Improve consistency in overview and assessment of risks captured, including; scoring, mitigations/controls and identification and management of cross-cutting risks would be facilitated by a corporate risk software. • Development of holistic assurance mechanisms to support local risk management activity and in particular effectiveness of controls in place. • Risk management training and specialist support to support corporate objective of embedding effective risk management across the MPS.	Seven high priority and seven medium priority management actions have been identified. The target date for implementation is July 2022.

Audit Area and Strategic Risk	Areas of Effectiveness	Key Areas for Improvement	Management Action
		• Risk exposure resulting from decisions taken to be kept under review to ensure business impacts remain in line with expected risk tolerances.	
Programme Management – Transformation	• A clearly defined Programme Management Framework (PMF) accords with recognised best practice and covers key programme lifecycle stages. • Risk management arrangements with key risks regularly reviewed, escalated and reported to stakeholders. • Policies and procedures support good governance and maintain an effective control environment. • Roles, responsibilities and accountabilities are clearly defined and disseminated including that for the key role of the Programme SRO. • Design for the supporting functions facilitates effective PMF operations. • Training sufficiently provisioned to cover key subject areas across the TD portfolio. • Appropriate, timely and sufficient management information and performance reporting at each governance tier i.e. corporate through to project level. Governance and Reporting Handbook clearly details the type and purpose of reports.	• Review governance arrangements to ensure they remain appropriate and proportionate and aligned to Met corporate governance arrangements. • Further training and development of SROs to improve governance and capability. • Finalise documented key procedures and terms of reference for a number of governance forums to bring them up to date and fully align to current operational arrangements. • Continued vacancies impact on delivery, in particular within the Centre of Excellence team, which is currently resource constrained. • Central skills matrix to be developed to facilitate a gap analysis to identify and manage future training needs.	Eleven medium priority management actions have been identified with a target date for implementation to be agreed.
Exhibit Management	• Defined strategic approach and governance. • Authorised and up to date Exhibit and Property Manual with defined roles and responsibilities. • Exhibits system risk assessed in accordance with corporate risk management framework. • Hazardous items covered by Health and Safety risk register/assessment and policies. • Storage areas secure with restricted access.	• Review of exhibit/property management risks, particularly in view of changes following COVID. • Review and update procedures for managing devices that may be used to access crypto currencies. • Introduction of local, independent reconciliations of high-risk items.	Thirteen medium priority management actions have been identified with a target date for implementation to be agreed.

Audit Area and Strategic Risk	Areas of Effectiveness	Key Areas for Improvement	Management Action
	• High risk items recorded and stored appropriately. • Effective disposal decision making process. • Monthly management information produced.	• Improved controls covering the movement and status of items, including consistency in recording return to owners. • Steps required to ensure compliance with instructions in the handling, storage and disposal of seized bicycles. • Ensure sufficient resources allocated to provide resilience and maintain efficient and effective working practices. • Review design of exhibit stores to ensure compliance with H&S and other legislation.	
MOPAC Freedom of Information Process Advisory Review December 2021	• Up to date publication scheme on the MOPAC Website. • Dedicated and trained FOIA lead for MOPAC with two support officers. • All responses to FOIA requests to be approved by MOPAC CEO. • Deadlines for responses generally met (there have been some exceptions). • Established internal review process.	• Provision of training to the FOI and Correspondence officers to increase capacity and to provide adequate cover. • Increase organisational understanding and awareness through online training sessions, briefings at relevant directorate or team meetings. • Action to address the MOPAC Disclosure Log backlog and targets set for upload of FOI responses. • Completion of the ICO FOI self-assessment toolkit to inform any further improvement plan and the provision of training. • Introduction of a standardised proforma to support requests for information across MOPAC and the subsequent authorisation process.	Six medium priority recommendations have been agreed for implementation by end of March 2022.

Interim Audits – Follow Up Reviews

Audit Area and Strategic Risk	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
Assurance Rating = Adequate: The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.			
Assurance Programme - Financial Assurance Framework November 2021	• Standard Operating Procedure, defining roles and responsibilities between SMEs, Process Owners and Corporate Finance. • Reconfiguration of framework, including identification and prioritisation of risks, providing an improved view of the adequacy of assurance levels across the three lines. • Quarterly update reports more clearly aligned to source data through mapping of the framework strands to the 7 Pillars of the Finance Model.	• Development of an appropriate framework to obtain appropriate assurance over the effective management of payroll and expenses risks. • Agreement of assurance requirements for cost accounting and cashflow forecasting and inclusion within the framework as appropriate.	Two of the three medium priority agreed management actions have been implemented. The remaining one is outstanding. The one low priority agreed action is partly implemented, and there is one additional action. The deadline for implementation is March 2022.
Financial Assurance Programme – Overpayments December 2021	• Enhanced recording of data on the Overpayment Tracker enables improved oversight and accountability over the current position of the recovery process for each overpayment case. • Revised process identifies relevant BCUs allows Payroll to work with the wider Met to raise awareness and address root causes of overpayments. • New work instructions prompt more specific root cause analysis for each overpayment to be identified and recorded. • Overpayments Write-Off Policy in place.	• Reporting of total financial value of overpayments remains unclear within the management information produced. • Confirmation of procedures to review data quality within Overpayments Tracker. • Verification of quality and status of Shared Action Plan developed to deal with issues of identification, recording, monitoring and provision of management information. • Development and implementation of Key Performance Indicators to assess the performance overpayment identification and recovery functions.	Of the five high priority agreed management actions, two have been fully implemented, and three partly. Of the three medium priority agreed actions, one has been fully implemented, and two partly. The revised target date for

Audit Area and Strategic Risk	Areas of Improved Control	Continuing Areas for Improvement	Management Action and Progress
			implementation is March 2022.
Assurance Rating = Limited: The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.			
Met Detention – Capability and Capacity November 2021	• Risk management arrangements reviewed, including updated risk register with clearly defined risks, risk owners, regular monitoring and escalation where appropriate. • Custody Policy updated and published to facilitate compliance with PACE and other legislation. • Realignment of Met Det HQ functions to improve delivery of portfolio responsibilities. • Custody staff briefed on the requirement to fully complete custody records, including signatures and the recording of decision- making rationales. • Thematic Safety & Compliance Inspections better aligned to risks and priorities providing second line assurance to management.	• Completion of Transformation Review of Custody Processes and Performance to understand and evaluate factors impacting on demand and facilitate development of an appropriate resourcing model. • Development of governance arrangements to support implementation of recommendations from Met Det and Transformation Custody reviews, ensuring; previous working group activity is captured, clarity of roles and responsibilities, clear definition of deliverables, milestones and oversight mechanisms. • Updating process toolkits to support the operation of the Custody Policy. • Ongoing review of Custody Policy to ensure it reflects recommendations made from the Met Det led Custody Review. • Ongoing need to ensure appropriate training is completed and review policy guidance on the use of staff without up to date training. • Continue to develop the framework for local safety and compliance checking. • Decision making supported by adequate record keeping around use of Appropriate Adults, following issues identified through local and central inspection activity.	Of the nine agreed high priority actions, two have been fully implemented, six partly and one remains outstanding. One medium priority action has been fully implemented, one partly and two remain outstanding. The revised target date for completion is March 2022.

Counter Fraud Programme
Fraud Prevention Strategy and Training The Strategic Fraud Board is responsible for the MOPAC/MPS Anti-Fraud Strategy the supporting Action Plan is being reviewed and will be submitted to the Audit Panel in March 2022. A DARA and DPS redrafted 'Fraud Risk Wheel' with initial corporate responsibilities identified has been agreed by the Strategic Fraud Board and is being incorporated into day to day business. Regular liaison is taking place with DPS to take forward key agreed actions around the capture and reporting of potential fraud and financial irregularities. The six weekly DARA DPS Tactical Liaison Forums examines several pre-selected risks at each meeting, with invited SMEs where necessary, to ensure the assessment continues to be relevant. This meeting has reviewed 17 of the 24 risks to date and work is on-going on the remainder, which is being used to inform an analytical work programme
Fraud Investigation & Review A review of a procurement exercise is continuing, in liaison with DPS and Commercial Services. As requested by AC Professionalism, DARA has assisted the DPS in the conduct of a number of reviews in the Rebuilding Trust and Confidence plan. This has included input to the TOR and scrutinising the review methodology and management information process. There is ongoing participation in reviewing and reporting case outcomes and further actions. DARA is also assisting with the reporting of outcomes from this review.
Interrogating Key Financial Systems and Data The DARA Analytics Strategy is in place to support the assurance of operational key controls across various systems and applications. DARA continue to support use of the relevant acquired audit software, with a view to interrogating client data and identifying and dealing with highlighted areas of concern. Recruitment of a replacement Fraud Analyst is to take place in 2022 to further assist ongoing analytics into already identified areas.
National Fraud Initiative **2018/19 NFI** All 3,676 matches were reviewed, and the majority cleared. Four pension overpayments remained, one was concluded this quarter with £1.4k recovered and three remain in recovery totalling £7.9k. **2020/21 NFI** As part of the 2020/21 NFI exercise, 6,101 matches have been received (743 pensions, 84 payroll and 5,274 creditors). DARA have reviewed and cleared 6,023 matches. Fifteen creditor duplicate payment matches totalling £124k has been recovered to date. 78 matches remain under investigation and 67 of these are pension matches. The lack of third party provider progress on the pension matches was escalated to SSCL Head of Payroll, HR and Reward and progress was reported in December 2021: Forty deceased pensioner matches where deaths were not reported have been confirmed - 19 are in recovery and DARA are assisting with identification of Executor / NOK for the remaining 21 matches. Three pension matches to payroll and 24 pension matches to injury benefits remain outstanding. **MPS Officer Pensioners December 2021** Voluntary participation in the NFI additional mortality screening of the pensions payroll data to death records commenced in November 2021. Data from the third-party pension provider has been passed to the NFI. Matches are expected in early 2022. NFI returned 147 new matches in December 2021. These have been passed to SSCL for the third party provider to review their records.