

Witness Name: **Julie Norgrove**

Statement no: **First**

Exhibit: **JN16**

Date: 29 February 2012

THE LEVESON INQUIRY

Exhibit JN16 to the
Witness Statement of **Julie Norgrove**

MAYOR OF LONDON

OFFICE FOR POLICING AND CRIME

DIRECTORATE OF AUDIT, RISK AND ASSURANCE

Review of Gifts and
Hospitality



**METROPOLITAN
POLICE**

TOTAL POLICING

DISTRIBUTION LIST

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Audit Timeframe

Fieldwork: August 2011 – November 2011
Draft Report: December 2011
Final Report: February 2012

Final Report Distribution List

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EXECUTIVE SUMMARY

Page

EXECUTIVE SUMMARY

| | |
|---------------------------------------|---|
| Background | 1 |
| Audit Assurance | 1 |
| Areas of Effective Control | 2 |
| Key Risk Issues for Management Action | 2 |

FINDINGS AND AGREED ACTION

| | |
|-------------------------------------------------|----|
| Review Objectives | 4 |
| Scope | 4 |
| Policy and Procedures | 4 |
| Approval and Recording of Gifts and Hospitality | 7 |
| Monitoring, Review and Compliance with Policy | 11 |

ACTION PLAN

| | |
|------------------------------|----|
| Analysis of Identified Risks | 14 |
| Agreed Course of Action | 15 |

EXECUTIVE SUMMARY

1. Background

- 1.1 The MPS has recently been under a considerable amount of public scrutiny over the acceptance of hospitality by senior MPS officers. As a consequence a fundamental review of the gifts and hospitality policy and procedures led by MPS People Services has been carried out. Our review is part of the approved audit programme for 2011/12. We have worked in liaison with the MPS team and our findings have informed the revised framework governing gifts and hospitality.
- 1.2 An independent advisor was appointed by Management Board to provide advice on relationships between the MPS and the media. We, therefore, excluded this specific aspect of hospitality from our review. A public inquiry led by Lord Justice Leveson into the culture, practices and ethics of the press including the relationship between the press and the police is also taking place.
- 1.3 MPS People Services set the corporate policy and procedures for gifts and hospitality aimed at establishing a governance framework to ensure all officers and staff are not compromised by the acceptance of gifts and hospitality or the provision of hospitality. The principle supporting the MPS policy is that 'offers of gifts and hospitality should typically be declined, except where there is a valid reason to believe that to refuse the offer may cause offence or damage working relationships.'
- 1.4 We reviewed the effectiveness of the management of the following key risks to achieving the policy intent governing gifts and hospitality:
- Gifts and hospitality policy does not reflect appropriate professional and ethical standards and/or does not meet legislative requirements.
 - Ill defined policy for dealing with offers of gifts or hospitality.
 - Procedures are not aligned to the approved policy and/or are unclear.
 - Staff and management are not made aware of the gifts and hospitality policy and procedures or subsequent changes that are made to it.
 - Unauthorised acceptance of gift and/or hospitality
 - Lack of transparency - inadequate recording of; offers of gifts and hospitality accepted or rejected and/or the provision of hospitality.
 - Potential conflicts of interest are not declared.
 - Non-compliance with policy and/or procedures.
 - Inadequate supervision and review.

2. Audit Assurance

Our overall opinion is that the control framework in place for gifts and hospitality is not operating effectively to mitigate key risks to protect the integrity and reputation of the MPS.

EXECUTIVE SUMMARY

In particular;

- An approved policy is in place for gifts and hospitality that was designed to meet the requirements of appropriate legislation. However, it has been open to differing levels of interpretation and application, including by members of Management Board, and this has resulted in inconsistencies in the way that offers have been treated.
- Procedures are in place to support the policy although they require greater clarity in places to ensure the policy intent is consistently met, particularly around the interaction with suppliers of goods and services. Communication and awareness of the policy and procedures also needs to improve.
- Approval of the acceptance of gifts and hospitality is not consistently properly documented. There is also an inconsistent approach to recording details of gifts and hospitality and the standard of records generally needs to improve. Transparency has been enhanced with the publication of details on the internet but this process needs to develop further.
- The level of monitoring and review is not consistent and has proved ineffective in highlighting areas of potential challenge regarding the acceptance of gifts and hospitality.

3. Areas of Effective Control

- 3.1 A policy and supporting procedures for the management of gifts and hospitality are in place and they are reviewed on a regular basis. The policy and procedures in place during our audit have been reviewed to address concerns that have arisen in recent months. There will be a greater focus on consistency and transparency as a consequence.
- 3.2 Roles and responsibilities for the recording and monitoring of gifts and hospitality are clearly defined.
- 3.3 A number of locations we visited operated effective systems for the recording, approval and monitoring of gifts and hospitality. Best practice, in particular was identified within the Directorate of Resources.

4. Key Risk Issues for Management Action

- 4.1 A number of senior police officers and staff have accepted gifts and hospitality which may be in contravention of MPS policy. Hospitality has been accepted from current and potential suppliers of goods and services and the justification for this and benefit to the MPS is not immediately evident. Tickets to sporting events where the MPS was responsible for policing and there is a contractual

EXECUTIVE SUMMARY

- relationship were accepted and tickets to sporting events were also passed on to family members.
- 4.2 Inconsistency in the application of the policy and a lack of clarity in some aspects of procedures exposes police officers and staff are vulnerable to allegations of inappropriate behaviour and/or corruption by accepting gifts or hospitality.
 - 4.3 Police officers and members of staff, including Management Board, do not always provide a proper justification as to why hospitality or a gift has been accepted, although this is required under the policy. Generally this aspect of records was not sufficient to explain the acceptance of hospitality and this leaves the MPS open to allegations of impropriety.
 - 4.4 Approval for the acceptance of gifts and hospitality is not generally properly recorded and evidenced. Early identification of potential issues does not, therefore, take place and this may have added to the level of inconsistency in the application of the policy.
 - 4.5 The recording of the receipt of gifts and hospitality varies across the MPS with some systems vulnerable to the risk of loss or alteration.
 - 4.6 Ineffective review has meant that issues with consistency and application of the policy have not been identified and addressed. As a consequence non-compliance with the policy may have taken place.
 - 4.7 The provision of hospitality is not being adequately recorded and there is a lack of transparency around this process which can lead to accusations of impropriety.
 - 4.8 Adequate guidance is not in place for the use of warrant or id cards to obtain discounts for goods and services leading to the risk of police officers and staff accepting inappropriate discounts and reputational damage to the MPS.
 - 4.9 The attached Action Plan details the agreed way forward to address each of the risk issues identified.

FINDINGS AND AGREED ACTION

5. Review Objectives

- 5.1 Our overall objective was to review the effectiveness of the governance framework in place to manage the risks to ensure the integrity of the MPS is not compromised by the acceptance of gifts and hospitality or the provision of hospitality. In particular, we looked to give an assurance that:
- An up to date and properly approved policy on gifts and hospitality, which meets legislative requirements and is in line with appropriate professional and ethical standards is in place and effectively communicated.
 - Clearly defined procedures and guidance in support of the approved policy are issued and effectively communicated to all MPS officers and staff.
 - The acceptance or provision of gifts and hospitality is properly approved and documented i.e. a complete, accurate, transparent and timely record of all offers, acceptance, rejection and provision of hospitality is maintained.
 - All acceptance and provision of gifts and hospitality are in line with the approved policy and procedures and this is effectively monitored and reported.

6. Scope

- 6.1 We reviewed the effectiveness of the gifts and hospitality policy and supporting procedures in place, at the time of our audit, to manage the key risks. We focused in particular on the approach taken at a senior level in the MPS, including Management Board. Our testing covered the review of records for six members of Management Board and their Senior Management Teams (namely the Director of Resources, Director of Information and the previous; Commissioner, Deputy Commissioner, Assistant Commissioner Territorial Policing and Assistant Commissioner Specialist Operations). We also reviewed five B/OCUS and two Business Directorates (Property Services and Procurement Services).
- 6.2 During our review a summary of gifts and hospitality received by Management Board and ACPO ranked officers was published by the MPS. We subsequently analysed the contents of the published registers and have now presented this detail to the Deputy Commissioner.
- 6.3 We reviewed all key aspects of the control framework governing gifts and hospitality. We did not specifically cover hospitality from the media in our testing due to the review being conducted at the time of our audit by the independent advisor which included a remit to advise 'What, if any, hospitality is it acceptable for police officers/staff to receive or provide from/to the media.' We will, however, review any issues that arise as appropriate.

7. Policy and Procedures

- 7.1 MPS People Services have reviewed the policy and procedures in place at the time of our review following concerns raised over hospitality that has been accepted. The policy and SOP has been updated to include the requirements of

FINDINGS AND AGREED ACTION

the Bribery Act 2010. The revised policy and SOP was agreed in December 2011 and published in February 2012.

- 7.2 The MPS Gifts and Hospitality policy operative during the period of the audit had been properly approved and regularly reviewed. It was drawn up to meet the legislative requirements of the 1906 and 1916 Prevention of Corruption Acts (recently replaced by the Bribery Act 2010 which came into effect on 1 July 2011). The policy is also set in the context of the Nolan principles of public life; selflessness, integrity, objectivity, accountability, openness, honesty, and leading by example.
- 7.3 The introduction to the policy states that offers of gifts and hospitality should typically be declined, except where there is a valid reason to believe that to refuse the offer may cause offence or damage working relationships. The policy statement is to ensure:
- Any gift or hospitality which is accepted is justifiable
 - Actions of MPS staff do not give rise to the suggestion that individuals/organisations have gained favour or advantage as a result of offering gifts
 - No member of the MPS accepts an offer of a gift or hospitality which could cause integrity to be compromised (either in fact or reasonable implication) and damage the reputation of the individual or organisation
 - Offers of gifts or hospitality accepted or declined are authorised and properly recorded and appropriate records are retained for seven years
- 7.4 There are detailed documented procedures to support the policy which have been properly approved and regularly reviewed. The SOP is, however, not clear in stating the type of gifts and hospitality which can be accepted in line with the policy. The clause in the policy relating to causing offence or damaging working relationships is also open to interpretation and it is difficult to see these as valid justification for accepting hospitality. During the audit it became apparent that police officers and staff were interpreting the policy and SOP in different ways resulting in officers accepting similar offers to those which others refused. There is also no clear statement regarding the acceptance of items from organisations the MPS provides policing services to or current and future suppliers of goods and services (apart from during the procurement activity).

Risk

Inconsistency in the application of the policy and a lack of clarity in some aspects of procedures exposes police officers and staff to allegations of inappropriate behaviour and/or corruption by accepting gifts or hospitality.

Agreed Action

The revised policy and SOP will be issued to all police officers and staff giving clear guidance that typically offers of gifts and hospitality should be declined. The new policy sets out explicit guidance where gifts and hospitality will be allowable in exceptional circumstances.

FINDINGS AND AGREED ACTION

- 7.5 Although the gifts and hospitality policy and SOP are available via FOUNDATION a number of the offices we visited did not hold the most up to date versions and there was a varying degree of awareness around the requirements of the policy and supporting procedures.

Risk

Ineffective communication of the policy and procedures for the acceptance of gifts and hospitality to police officers and staff could result in the acceptance of inappropriate items or the non-recording of acceptance.

Agreed Action

The revised gifts and hospitality policy and SOP has been reissued and a detailed Communication Strategy and plan has been put in place to disseminate the policy and SOP to all police officers and staff. A code of conduct setting out clear guidance and sanctions for non-compliance for police officers and staff which includes gifts and hospitality is being introduced.

- 7.6 On 21 July 2011 a corporate news item on FOUNDATION was issued to MPS staff regarding the need to ensure they comply with MPS policies and SOPs when using their warrant or id card to gain discounts. MPS Standards of Professional Behaviour state that "police officers never use their position or warrant card to gain an unauthorised advantage (financial or otherwise) that could give rise to the impression that the police officer is abusing his or her position. A warrant card is only to confirm identity or express authority".
- 7.7 There is no guidance for police officers and staff using their warrant or ID cards to obtain discounts for goods and services. MPS Staff can obtain discounts via the Metbenefits arrangement and also through schemes approved by the Metropolitan Police Federation and other trades unions which provides a means of offering benefits without the need to present warrant or id cards and removes the uncertainty as to whether an offer is bonafide. However, signs offering discounts to MPS staff are sometimes placed in shop windows and the awareness of discounts can be word of mouth. It is not clear whether these offers have been approved by the MPS and whether they are from bona fide companies.

Risks

Police officers and staff are accused of the misuse of their warrant or id card leading to possible disciplinary action or prosecution.

Misuse of warrant or id cards leading to damage to the reputation of the MPS.

Agreed Actions

Police officers and staff will be notified that they are not permitted to use warrant and id cards to obtain discounts for goods and services.

The code of conduct for police officers and staff will prescribe clear guidance for the acceptance of gifts and hospitality setting out sanctions for non-compliance including the misuse of warrant or id cards and this will be included in the communications plan.

FINDINGS AND AGREED ACTION

7.8 During our review we identified a company called PSDiscounts which offers discounts for police personnel which People Services were not aware of and had not approved. On 31 October a People Services issued a corporate news item advising police officers and staff not to use PSDiscounts.

8. Approval and Recording of Gifts and Hospitality

8.1 A formal record of line management approval of the acceptance of items was generally not maintained for the cases we reviewed. Good practice was identified within the Resources Directorate where for each item accepted or declined an approval form is completed and authorised by the staff member's line manager. For Management Board members with the exception of the Director of Resources (where approval was clearly evidenced), the approval of the Deputy Commissioner was recorded as having been given in the registers but supporting documentation was not always held. At the BOCUs we visited approval was not always recorded and in particular there was no record of approval of the acceptance of gifts or hospitality by the Borough Commander.

8.2 Line manager approval for the acceptance of hospitality is not always obtained prior to an event taking place. For example one hospitality offer was made on 19 April 2011 for an event on 5 July, the officer who accepted the hospitality did not request approval until the 5 July and line manager approval did not take place until the 15 July.

Risk

The lack of appropriate approval may lead to Police staff or officers accepting inappropriate gifts or hospitality and accusations of impropriety leading to possible disciplinary action.

Agreed Action

Under the revised policy and SOP, police officers and staff are required to obtain formal prior approval from their line manager before accepting gifts or hospitality and detailed justification is to be documented in the gifts and hospitality register which demonstrates the exceptional set of circumstances.

8.3 Police officers and staff are not required to sign a declaration that an acceptance of a gift or hospitality has been made in line with the approved policy and SOP.

Risk

Police officers and staff may not be aware of their obligations under the gifts and hospitality policy leading to the acceptance of inappropriate items.

Agreed Action

Police officers and staff are now required to sign a declaration that the acceptance or refusal of an offer of gifts or hospitality is in line with the revised MPS policy and SOP. This requirement is explicit within the revised

FINDINGS AND AGREED ACTION

- 8.4 Up until recently details around the offer and acceptance of MPS gifts and hospitality have not been in the public domain. However, in September 2011 a quarterly report outlining details of gifts and hospitality accepted and the number of offers declined by ACPO and Special Pay Group members of staff within the MPS was published on the MPS internet site. This has enhanced the transparency around gifts and hospitality and increases the need to ensure that the organisation is able to fully justify any items which have been accepted. However, at present the justification for acceptance is not published and as a result it is not possible to demonstrate to the public the benefit to the MPS of accepting gifts and hospitality. The public record is also not maintained in real time.
- 8.5 It is MPS policy for any gift and hospitality accepted to be justifiable. Although the public record does not currently show the justification, Police officers and staff are required to provide a written justification (to be held in local registers) as to how the acceptance of the gift or hospitality benefits the MPS or provide a valid reason as to why refusing the offer would cause offence or damage working relationships. We found the level of detail provided to justify why an item was accepted was generally insufficient (with the exception of the Directorate of Resources) and in a number of cases no reason was provided for acceptance. This was evident at Management Board, Directorate and BOCU level.

Risks

The MPS is not able to fully justify the reasons for accepting gifts and hospitality leading to accusations of inappropriate behaviour and/or damage to the reputation of the MPS.

Non-compliance with MPS policy leading to possible disciplinary action.

Agreed Actions

Police officers and staff are now required to provide written justification which clearly demonstrates the benefit of acceptance of gifts and hospitality to the MPS.

The published quarterly report which outlines details of gifts and hospitality accepted by ACPO and Special Pay Group members of staff within the MPS will be adjusted to include details of the justification for acceptance and will be subject to review to ensure consistency and compliance with the policy.

FINDINGS AND AGREED ACTION

8.6 The fact that manual records of gifts and hospitality are in use makes the process of collating information more difficult. The security of systems in place for recording the acceptance and rejection of gifts and hospitality also varied amongst the locations we visited. We found that the register for the Commissioner and Deputy Commissioner is held in a bound book whilst for the other Management Board members and Directorates we reviewed a spreadsheet was used. Of the five BOCUs we visited two used a bound book, one used a spreadsheet and two used a loose leaf binder. Although the responsibility for maintaining the registers was given to a named individual at some offices access to the electronic registers was not always restricted to the responsible staff member. The spreadsheets we examined also did not have change tracking enabled which would record the details of changes made to the register. Those BOCUs who used a loose leaf binder had no means of ensuring that entries could not be removed. We also found items accepted or refused are not always being recorded in the gifts and hospitality register within 5 days of the offer being made which is contrary to the gifts and hospitality SOP. In some cases the acceptance of the item was not recorded in the register until after the event had taken place.

8.7 The MPS is planning to introduce an electronic gifts and hospitality register which will assist in the process of publishing gifts and hospitality details.

Risk

Records of gifts and hospitality may be altered or lost due to inadequate physical or IT systems security. These risks will need to be considered in implementing the new electronic system.

Agreed Actions

A single electronic gifts and hospitality register solution is being introduced across the MPS with access restricted to named individuals and change tracking enabled to identify access and changes made.

Police officers and staff are being reminded of the requirement to record items accepted or refused in the gifts and hospitality register within 5 days of the offer being made. This will be communicated to all police officers and staff in the Communication Strategy

8.8 It is unclear whether all items of gifts and hospitality received or provided are being recorded including items that have been declined. There is a lack of understanding, particularly at BOCU level, of the need to record all items including those declined. One BOCU recorded 9 items on the register between January 2009 and August 2011 with no items recorded for the whole of 2009.

Risk

Items accepted and/or declined are not accurately recorded and made available for management review and analysis.

Agreed Action

Police officers and staff are being reminded of the need to record all items of gifts and hospitality including those which have been rejected in the gifts and hospitality register.

FINDINGS AND AGREED ACTION

- 8.9 The policy states the provision of all hospitality should be recorded in registers. However, we found no records were held in the registers we reviewed of the provision of corporate hospitality by MPS police officers and staff. We were notified that none of the offices we visited had provided any corporate hospitality including those for Management Board members. A number of officers were not aware of the requirement to maintain a record of the provision of corporate hospitality in the gifts and hospitality register.

Risk

Without adequate documentation and review of hospitality provided, inappropriate hospitality may be provided leading to accusations of inappropriate behaviour and/or corruption.

Agreed Action

As part of the Communication Strategy for the revised gifts and hospitality policy and SOP police officers and staff are being reminded of the process for recording the provision of hospitality in the gifts and hospitality register and the approvals required for the acceptance from line management.

- 8.10 Records to support the donation of gifts to charity are not always held. Although donations are recorded in the gifts and hospitality register evidence of the receipt of the item by the charity is not always retained.

Risk

Items donated to charity may be lost or misappropriated.

Agreed Action

A formal record of the donation of gifts to charity will be retained.

- 8.11 The gifts and hospitality SOP states that it is not necessary to record working lunches which form a part of a meeting unless the value of the hospitality is significant. However, there were a number of examples where this type of occurrence had been recorded. The acceptance of trivial or inexpensive gifts such as a diary or box of chocolates or hospitality of minimal value such as drinks and biscuits are also being recorded. A great deal of effort is spent on recording trivial items which could be better spent managing the offers of substantial gifts and hospitality.

Risk

Resources are wasted in recording and reviewing trivial items of gifts and hospitality.

Agreed Actions

Police officers and staff are being informed of those items of gifts and hospitality that do not have to be recorded together with clear guidance on what constitutes a gift or acceptance of hospitality.

FINDINGS AND AGREED ACTION

9. Monitoring, Review and Compliance with Policy

- 9.1 The level of monitoring and review of gifts and hospitality is inconsistent and generally ineffective. Good practice was identified in the Resources Directorates where a regular formal review process is in place and written feedback is provided where potential issues of compliance with the SOP are identified. However, there is no evidence that the differing interpretations of the policy across the MPS have been identified and reviewed to promote a common understanding of the requirements of the policy and the expectations it places on police officers and staff. The Deputy Commissioner is responsible for reviewing the other members of Management Board but there was no evidence to show that a thorough review was conducted and entries in the register questioned/challenged. Three of the five BOCUs we visited also had no regular review process in place. The Human Resources Evaluation Units no longer carry out the review of gifts and hospitality.
- 9.2 Quarterly reports on gifts and hospitality accepted are not always sent to the relevant ACPO officer or Director for review. In some cases although the quarterly reports were being provided there was no record to show that the report was reviewed and feedback provided.

Risk

Ineffective review can lead to breaches of the gifts and hospitality policy not being identified, inappropriate behaviour not challenged or reported and poor practice may continue.

Agreed Actions

Monthly reports on gifts and hospitality accepted will be sent to the relevant ACPO officer or Director and a formal record will be maintained of the review. Written feedback on issues of non-compliance with the policy and SOP are to be maintained.

The Resources Directorate Programme Office will arrange for the quality assurance and publication of the registers for Management Board, ACPO and equivalent police staff via the MPS Publication Scheme within 15 working days of the end of the month.

Management Board members will establish systems for the publication of their registers, for officers and staff below ACPO level, within 20 working days of the end of the month. Management Board members will also establish systems to monitor compliance with this policy within their business group.

FINDINGS AND AGREED ACTION

- 9.3 The Commissioner and Deputy Commissioner's register was reviewed by the MPA Chief Executive on a six monthly basis and the review is recorded in the register. We found written evidence of feedback following the review which also included a reminder on key aspects of the policy. The results of the review were reported to the MPA HR Remuneration Sub Committee on a six monthly basis. The Committee also previously received reports from the Director of Human Resources which summarised the review of Management Board gifts and hospitality register. These did not, however, provide an adequate level of detail for public transparency on the acceptance of gifts and hospitality and members of the Committee requested the detail be recorded publicly. The MPA has now been abolished and the arrangements under the MOPC for monitoring and review will need to be clearly defined to ensure an appropriate level of oversight.

Risk

Lack of oversight and public scrutiny of the acceptance of gifts and hospitality.

Agreed Actions

The Chief Executive, Mayor's Office Policing and Crime will review the Commissioners and Deputy Commissioners' gifts and hospitality register on a quarterly basis.

The public record of all gifts and hospitality will also be reviewed and scrutinised on a quarterly basis and the outcome reported to the combined Audit Panel of the MOPC and the MPS.

- 9.4 The MPS Gifts and Hospitality SOP states that "any offers of gifts or hospitality from a supplier where there is either an ongoing procurement exercise or where there is a contractual dispute must be declined and the Director of Procurement informed of the offer." We did not find evidence to show that the Director of Procurement was being informed of offers outside Procurement Services. The policy is not clear on what is considered appropriate in terms of hospitality with suppliers on a day to day basis although it does say all hospitality must be justifiable and of benefit to the MPS. Regular instances were recorded of MPS Management Board, ACPO ranks and Senior Pay Group staff accepting hospitality from current and potential suppliers.
- 9.5 There is also no system in place to identify and review current or potential suppliers who regularly make offers of gifts or hospitality. Current and potential suppliers of goods and services to the MPS are not made aware of the MPS policy when dealing with offers of gifts and hospitality.

FINDINGS AND AGREED ACTION

Risk

Without clear guidelines on interaction with suppliers and an effective review of offers received, offers of inappropriate gifts and hospitality may be received and accepted leading to allegations of favouritism towards particular suppliers of goods and services.

Agreed Actions

Offers from current or potential contractors should not be accepted unless it can be proved that it forms part of the staff member's official duties and this is now explicit within the revised policy and SOP.

All current suppliers and any companies tendering for MPS business will be provided with a summary of the MPS gifts and hospitality policy and informed that the policy is to decline any offers.

Gifts and hospitality records will be analysed for trends to identify businesses or organisations that make regular offers of gifts and hospitality. Such businesses or organisations will be sent a reminder of the MPS gifts and hospitality policy.

- 9.6 During our review of the gifts and hospitality registers the acceptance of gifts and hospitality were identified for Management Board and ACPO members of staff which may be in contravention of the MPS policy/SOP. The justification in terms of benefit to the MPS and the reasons for acceptance were not clear. These included;
- Tickets for sporting events and offers of hospitality accepted from current and potential suppliers of goods and services;
 - Tickets to sporting events and offers of hospitality accepted from organisations the MPS provides policing services to;
 - Family members used tickets to sporting events which were accepted by members of staff;
 - Substantial offers of hospitality accepted from suppliers;
 - Expensive gifts were received from representatives of overseas governments, although these were subsequently donated to charity.
- 9.7 For a number of items identified the officer was not attending an event in an official capacity, in particular in those cases where family members also attended. In addition there were situations where some police officers and staff accepted an offer of hospitality from a contractor whilst others rejected the same offer. In those cases where the offer of hospitality was rejected it was clear that the staff member understood that the offer did not comply with the gifts and hospitality SOP. Examples of gifts and hospitality that were potentially outside policy (mainly in the categories itemised above) and our analysis of the published record have been passed to the Deputy Commissioner for consideration.

FINDINGS AND AGREED ACTION

Risk

Police officers and staff are vulnerable to allegations of impropriety and abuse of their official position for personal gain.

Agreed Actions

The Deputy Commissioner will consider the DARA analysis provided on gifts and hospitality to determine the need for any further action.

Police officers and staff will only be permitted to accept hospitality when acting in an official capacity and in line with the approved policy.

The MPS position on the areas of potential non-compliance identified under paragraph 9.5 have been made clear in the revised policy and SOP and are supported by appropriate guidance and sanctions.

- 9.8 There is no system in place to provide additional protection to police officers and police staff who are in vulnerable or high risk posts. Records are not maintained to identify members of staff who are involved in roles such as the awarding/managing of contracts, licensing and liaising with private businesses and they are not targeted for specialist advice. Good practice was identified within Procurement Services where all staff are contacted on a monthly basis and asked to provide details of any items accepted or declined, this process also provides a reminder to staff of the requirements of the gifts and hospitality policy and SOP.

Risk

Police officers and staff who are in vulnerable posts are not adequately protected from allegations of impropriety.

Agreed Action

Police officers and staff in vulnerable posts will be identified and given specific guidance on the gifts and hospitality policy and SOP that will address the specific risks they are likely to encounter.

ACTION PLAN

Analysis of Identified Risks

| Risk Category/Control Issue | Risk Rating | Risk Rating | Agreed Actions |
|---------------------------------|-------------|-------------|----------------|
| | High | Medium | |
| Supervision and review | 1 | 1 | |
| Non-compliance with regulations | 1 | | |
| Authorisation and approval | 2 | | |
| Guidance | 2 | 3 | |
| Physical security | | | |
| Record keeping | | 6 | |
| Division and rotation of duties | | | |
| Reconciliation | | | |
| TOTAL | 6 | 10 | |

High risk rating

Risk issues which arise from major weaknesses in controls that expose the business to high risk of loss or exposure in terms of fraud, impropriety, poor value for money or failure to achieve MPS objectives. Remedial action should be taken urgently.

Medium risk rating

Risk issues which, although not fundamental, relate to shortcomings in control which expose the individual systems to a risk of exposure or loss.

Risk category/control issue

Control point that needs to be addressed to mitigate the identified risk.

Follow Up

We have categorised this system as medium risk, however, due to the high risk nature of a number of the agreed actions we will carry out a follow up audit within six months to measure their implementation.

ACTION PLAN

| Ref. | Risk | Rating and Category | Agreed Action | Responsibility | Target Date |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| 7.4 | Inconsistency in the application of the policy and a lack of clarity in some aspects of procedures means that police officers and staff are vulnerable to allegations of inappropriate behaviour and/or corruption by accepting gifts or hospitality. | H | The revised policy and SOP will be issued to all police officers and staff giving clear guidance that typically offers of gifts and hospitality should be declined. The revised policy sets out explicit guidance where gifts and hospitality will be allowable in exceptional circumstances. | Development of the revised Policy: Shaun Kennedy, People Services | 8 February 2012 |
| 7.5 | Poor communication of the policy and procedures for the acceptance of gifts and hospitality to police officers and staff could result in the acceptance of inappropriate items or the non-recording of acceptance. | M | The revised gifts and hospitality policy and SOP has been reissued and a detailed Communication Strategy and plan has been put in place to disseminate the policy and SOP to all police officers and staff. A code of conduct setting out clear guidance and sanctions for non-compliance for police officers and staff which includes gifts and hospitality is being introduced. | Development of the Comms Plan: Shaun Kennedy, People Services Development of Code Conduct: Shaun Kennedy, People Services | 8 February 2012 1 April 2012 |
| 7.7 | Police officers and staff are accused of the misuse of their warrant or id card leading to possible disciplinary action or prosecution. Misuse of warrant or id cards leading to damage to the reputation of the MPS. | M | Police officers and staff will be notified that they are not permitted to use warrant and id cards to obtain discounts for goods and services. The code of conduct for police officers and staff will prescribe clear guidance for the acceptance of gifts and hospitality setting out sanctions for non-compliance including the misuse of warrant or id cards and this will be included in the communications plan. | Development of the revised Policy: Shaun Kennedy, People Services Development of Code Conduct Shaun Kennedy, People Services; Directorate of Professional Standards | 8 February 2012 1 April 2012 |

ACTION PLAN

| Ref. | Risk | Rating and Category | Agreed Action | Responsibility | Target Date |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------|
| 8.2 | The lack of appropriate approval may lead to Police staff or officers accepting inappropriate gifts or hospitality and accusations of impropriety leading to possible disciplinary action. | H | Under the revised policy, police officers and staff are required to obtain formal prior approval from their line manager before accepting gifts or hospitality and detailed justification is to be documented in the gifts and hospitality register which demonstrates the exceptional set of circumstances. | Shaun Kennedy, People Services | 8 February 2012 |
| 8.3 | Police officers and staff may not be aware of their obligations under gifts and hospitality policy leading to the acceptance of inappropriate items. | M | Police officers and staff are now required to sign a declaration that the acceptance or refusal of an offer of gifts or hospitality is in line with the revised MPS policy and SOP. This requirement is explicit within the revised SOP. | Shaun Kennedy, People Services | 8 February 2012 |
| 8.5 | The MPS is not able to fully justify the reasons for accepting gifts and hospitality leading to accusations of inappropriate behaviour and/or damage to the reputation of the MPS. Non compliance with MPS policy leading to possible disciplinary action. | H | Police officers and staff are now required to provide written justification which clearly demonstrates the benefit of acceptance of gifts and hospitality to the MPS. The published quarterly report which outlines details of gifts and hospitality accepted by ACPO and Special Pay Group members of staff within the MPS will be adjusted to include details of the justification for acceptance and will be subject to review to ensure consistency and compliance with the policy. | Shaun Kennedy, People Services Shaun Kennedy, People Services | 8 February 2012 8 February 2012 |

ACTION PLAN

| Ref. | Risk | Rating and Category | Agreed Action | Responsibility | Target Date |
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| 8.7 | Records of gifts and hospitality may be altered or lost due to inadequate physical or IT systems security. These risks will need to be considered in implementing the new electronic system. | M | <p>A single electronic gifts and hospitality register solution is being introduced across the MPS with access restricted to named individuals and change tracking enabled to identify access and changes made.</p> <p>Police officers and staff are being reminded of the requirement to record items accepted or refused in the gifts and hospitality register within 5 days of the offer being made. This will be communicated to all police officers and staff in the Communication Strategy</p> | <p>Shaun Kennedy, People Services</p> <p>Shaun Kennedy, People Services</p> | <p>8 February 2012</p> <p>8 February 2012</p> |
| 8.8 | Items accepted and/or declined are not accurately recorded and made available for management review and analysis. | M | Police officers and staff are being reminded of the need to record all items of gifts and hospitality including those which have been rejected in the gifts and hospitality register. | Shaun Kennedy, People Services | 8 February 2012 |
| 8.9 | Without adequate documentation and review of hospitality provided, inappropriate hospitality may be provided leading to accusations of inappropriate behaviour and/or corruption. | M | As part of the Communication Strategy for the revised gifts and hospitality policy and SOP police officers and staff are being reminded of the process for recording the provision of hospitality in the gifts and hospitality register and the approvals required for the acceptance from line management. | Shaun Kennedy, People Services | 8 February 2012 |
| 8.10 | Items donated to charity may be lost or misappropriated | M | A formal record of the donation of gifts to charity will be retained. | All OCU and Business Group G&H SPOCS | Action complete |
| 8.11 | Resources are wasted in recording and reviewing trivial items of gifts and hospitality. | M | Police officers and staff are being informed of those items of gifts and hospitality that do not have to be recorded together with clear guidance on what constitutes a gift or acceptance of hospitality. | Shaun Kennedy, People Services | 8 February 2012 |

ACTION PLAN

| Ref. | Risk | Rating and Category | Agreed Action | Responsibility | Target Date |
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| 9.2 | Ineffective review means that breaches of the gifts and hospitality policy are not identified and inappropriate behaviour is not challenged or reported and poor practice may continue. | H | <p>Monthly reports on gifts and hospitality accepted will be sent to the relevant ACPO officer or Director and a formal record will be maintained of the review. Written feedback on issues of non-compliance with the policy and SOP are to be maintained.</p> <p>The Resources Directorate Programme Office will arrange for the quality assurance and publication of the registers for Management Board, ACPO and equivalent police staff via the MPS Publication Scheme within 15 working days of the end of the month.</p> <p>Management Board members will establish systems for the publication of their registers, for officers and staff below ACPO level, within 20 working days of the end of the month. Management Board members will also establish systems to monitor compliance with this policy within their business group.</p> | <p>OCU, Business Group G&H SPOC</p> <p>Resources Directorate Programme Office</p> <p>Management Board Private Office</p> | <p>8 February 2012</p> <p>8 February 2012</p> <p>8 February 2012</p> |

ACTION PLAN

| Ref. | Risk | Rating and Category | Agreed Action | Responsibility | Target Date |
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| 9.3 | Lack of oversight and public scrutiny of the acceptance of gifts and hospitality. | M | <p>The Chief Executive, Mayor's Office for Policing and Crime will review the Commissioners and Deputy Commissioner's gifts and hospitality registers on a quarterly basis.</p> <p>The public record of all gifts and hospitality will also be reviewed and scrutinised on a quarterly basis and the outcome reported to the combined Audit Panel of the MOPC and the MPS.</p> | <p>Chief Executive MOPC</p> <p>Chief Executive MOPC and the Commissioner</p> | March 2012 |
| 9.5 | Without clear guidelines on interaction with suppliers and an effective review of offers received, offers of inappropriate gifts and hospitality may be received and accepted leading to allegations of favouritism towards particular suppliers of goods and services. | H | <p>Offers from current or potential contractors should not be accepted unless it can be proved that it forms part of the staff member's official duties and this is now explicit within the revised policy and SOP.</p> <p>All current suppliers and any companies tendering for MPS business will be provided with a summary of the MPS gifts and hospitality policy and informed that the policy is to decline any offers.</p> <p>Gifts and hospitality records will be analysed for trends to identify businesses or organisations that make regular offers of gifts and hospitality. Such businesses or organisations will be sent a reminder of the MPS gifts and hospitality policy.</p> | <p>Shaun Kennedy, People Services</p> <p>Procurement Services</p> <p>Procurement Services</p> | <p>8 February 2012</p> <p>1 April 2012</p> <p>1 July 2012</p> |
| 9.5 | Police officers and staff are vulnerable to allegations of impropriety and abuse of their official position for personal gain. | H | <p>The Deputy Commissioner will consider the DARA analysis provided on gifts and hospitality to determine the need for any further action.</p> <p>Police officers and staff will only be permitted to accept hospitality when acting in an official capacity and in line with the approved policy.</p> | <p>Deputy Commissioner</p> <p>Majella Myers, Director of People Services</p> | <p>March 2012</p> <p>8 February 2012</p> |

ACTION PLAN

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| | | | The MPS position on the areas of potential non-compliance identified under paragraph 9.5 have been made clear in the revised policy and SOP and supported by appropriate guidance and sanctions. | Shaun Kennedy, People Services | 8 February 2012 |
| 9.7 | Police officers and staff who are in vulnerable posts are not adequately protected from allegations of impropriety. | M | Police officers and staff in vulnerable posts will be identified and given specific guidance on the gifts and hospitality policy and SOP that will address the specific risks they are likely to encounter. | Shaun Kennedy, People Services | 1 April 2012 |