

Witness Name: **Julie Norgrove**

Statement no: **First**

Exhibit: **JN21**

Date: 29 February 2012

THE LEVESON INQUIRY

Exhibit JN21 to the
Witness Statement of **Julie Norgrove**

Raising Fraud Awareness

Metropolitan Police Authority and Service

November 2011



The Audit Commission is a public corporation set up in 1983 to protect the public purse.

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Contents

Introduction	2
Background.....	2
Purpose of this report	2
Format of workshops	3
Overall findings and conclusions	3
Next steps.....	4
Key messages from survey and workshops	5
Appendix 1 – Updated action plan	13

Introduction

Background

- 1 The MPS employs over 50,000 people and is the largest public sector employer in London. It accounts for about 25 per cent of all police spending in England and Wales, giving it a high public and media profile. An organisational culture that supports effective governance and anti-fraud arrangements is particularly important in an organisation of this size. We were asked by the MPA Director of Audit, Risk and Assurance and the MPS Director of Resources to support the delivery of the MPA's/ MPS's Raising Fraud Awareness programme through a series of 10 half-day workshops. We delivered these to 350 senior police officers and staff between January and March 2011
- 2 The workshops aimed to raise awareness of the internal fraud risks employees of the MPS face in their daily work and the steps they should take where they have concerns. This programme follows the series of 15 half-day workshops we delivered in 2009.
- 3 Before the 2011 workshops we invited 469 police officers and staff, including all workshop delegates, to complete an anonymous online survey. The survey consisted of 36 statements designed to capture their views on the MPA/ MPS's arrangements for tackling internal fraud and promoting good conduct. We used the results of the online survey, and the results of similar surveys run at public bodies nationwide, in the subsequent workshop sessions.

Purpose of this report

- 4 This report aims to:
 - compare the results of the online survey completed by MPS officers and staff in 2011 with the equivalent 2009 survey (see pages 5 – 12);
 - provide a summary of the key issues identified in the 2011 survey and workshops (see pages 5 – 12);
 - chart the MPA's and MPS's progress in implementing the recommendations from our 2009 report (see Appendix 1); and
 - record the further action management plans to take in response to these recommendations at the date of this report (see Appendix 1).
- 5 Our 2009 Raising Fraud Awareness report included a comprehensive list of 21 recommendations, the majority of which remain relevant, based on the findings from this year's workshops set out on pages 5 – 12 below. We have therefore not made any new recommendations in this report. Management and MPA Members should consider the points on pages 5 – 12 and the further planned action against the recommendations shown in Appendix 1 to confirm whether they are satisfied the MPA's/ MPS's current anti-fraud response adequately covers the issues raised in the report.

Format of workshops

- 6 Each workshop included:
- an introductory session on fraud, fraud losses to the UK public sector, estimated to be around £21 billion annually (source: National Fraud Authority, 'Annual Fraud Indicator 2011', <http://www.homeoffice.gov.uk/publications/agencies-public-bodies/nfa/annual-fraud-indicator/>), the reputational damage to organisations caused by fraud, and high-profile case studies of identified frauds and wrongdoing in the public sector;
 - an interactive session with voting kit technology where we asked delegates to respond anonymously to a sample of survey questions followed by discussion of the results and how to secure local improvement in the MPA/ MPS; and
 - a second voting session where we asked delegates to consider several scenarios and score the extent to which they felt wrongdoing had occurred in each, followed by discussion on the results and the steps employees should take under the MPA's Good Conduct and Counter-Fraud Strategy if faced with a similar scenario at work.

Overall findings and conclusions

Survey results

7 Overall, the MPS's 2011 survey results are in line with the results from the 2009 survey with some notable improvements, including the extent to which the MPA's / MPS's commitment to tackling internal fraud and corruption is making a positive difference (see Figure 2 below). In most instances the MPS's results compared well with the Audit Commission's national database of respondents. This shows there is an effective anti-fraud message within the MPS which is helping to promote a culture of good conduct and zero-tolerance of fraud.

- 8 There is clearly still work to do in some areas, including:
- increasing the effectiveness of the system of internal control,
 - raising awareness of the importance of the system of internal control and employee's individual responsibilities for carrying out checks and balances effectively to help prevent and detect internal fraud; and
 - raising awareness of the importance of registers of interest and the scope of what should be disclosed in them.

Emerging risk areas

9 In our 2009 report we set out the following key areas where there is a perception that checks and balances, while carried out, do not necessarily deal with the risk of fraud or manipulation effectively:

- falsely claiming overtime, expense claims and accommodation allowances;
- wrongly claiming season ticket loans and claiming hire cars for private use;
- reclaiming the costs for private use of work mobile phones; and
- the use of consultants because it can be difficult to identify and monitor such costs separately from other permanent staff costs in budget reports.

10 Delegates at the 2011 workshops identified the following additional risk areas that members and management should be aware of so they can assure themselves there are adequate controls in place in these areas:

- the use of fuel cards, which can be used to purchase fuel for private use, or to purchase other goods from filling stations unrelated to work; and
- reminding officers and staff of the importance of declaring hospitality offered or received, and taking prompt action in respect of any officers who are accepting inappropriate hospitality from third parties, for example, local businesses.

Next steps

11 We have included the action plan containing the recommendations made in our 2009 Raising Fraud Awareness report at Appendix 1. MPA and MPS officers have updated this to reflect the current status of the management action agreed in response to these recommendations and any further planned action. The four high priority recommendations still in progress are:

(R1) Raise staff awareness of the impact of fraudulent behaviour on:

- the resources available to deliver front-line policing services to the public;
- the MPA/S's reputation and the way it is perceived by the public; and
- the importance of the proper application of management controls in helping to mitigate the risk of fraud.

(R8) Clearly communicate the responsibilities and expectations of staff in helping to tackle internal fraud. This should emphasise the importance of basic management checks and controls in helping to prevent and detect fraud.

(R16) Enhance induction and training processes for new recruits by:

- including training on the MPA/S's zero-tolerance approach to internal fraud as part of induction;
- including information on the MPA's Good Conduct and Anti Fraud Policy and the Rightline service in induction packs and directing new recruits to familiarise themselves with this information; and
- defining what is meant by 'internal fraud' and 'corruption' and the impact of such behaviour.

(R21) Management should continue to focus attention on improving compliance levels in areas where internal controls are known to be weak. This may include setting managers objectives for ensuring that controls in their area of the business operate to appropriate standards.

12 Appendix 1 sets out the management action in progress in respect of each of these recommendations. We recommend MPA and MPS management focus on the delivery of these recommendations as first priority.

13 The MPA and MPS have asked us to deliver a further ten Raising Fraud Awareness workshops between January and March 2012. The agreed fee for these workshops is £30,000.

Key messages from survey and workshops

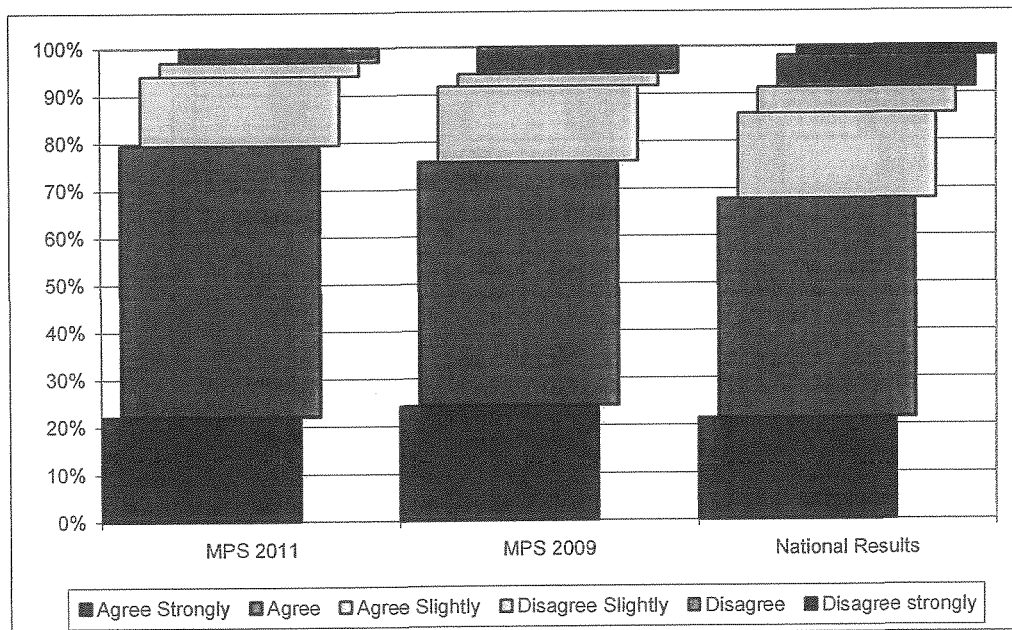
We invited 59 police officers and 410 police staff to complete the online survey. We received responses from 33 officers and 274 staff, an overall response rate of 67%. We have summarised the survey results for eight key statements with relevant views and issues raised in workshops below.

The organisation has made clear its commitment to fight fraud and corruption.

Figure 1 shows:

- how MPS officers and staff responded to this statement in the online survey;
- how these responses compare with the 2009 MPS survey; and
- how these responses compare with those from other public bodies on the Audit Commission's national database.

Figure 1: The organisation has made clear its commitment to fight fraud and corruption.

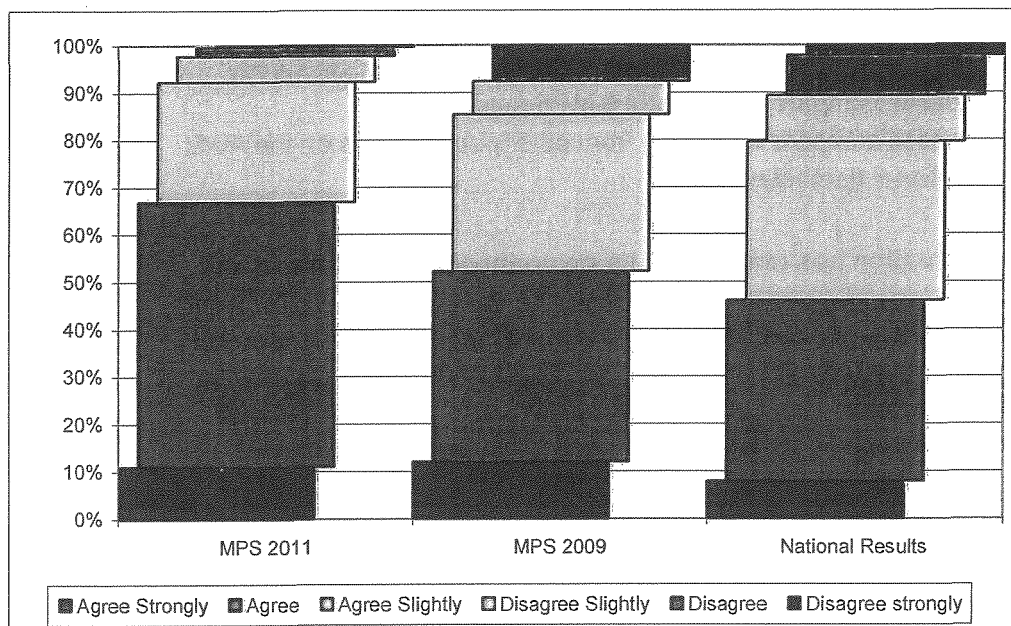


14 79 per cent of MPS respondents either agreed or strongly agreed with this statement which shows there is a clear message from senior management on internal fraud. This shows a slight improvement on the 2009 result (75 per cent either agreed or agreed strongly with the statement) and indicates a stronger anti-fraud culture than the national average (68 per cent either agreed or strongly agreed with the statement).

The organisation's commitment to tackling internal fraud and corruption is making a positive difference.

15 Figure 2 shows how MPS officers and staff responded to this statement. While different individuals were surveyed in 2011 compared with 2009, the results indicate a positive direction of travel with 66 per cent of respondents either agreeing or strongly agreeing with this statement compared with 52 per cent in 2009. Both sets of MPS results compare well with the national average response (46 per cent agreed or strongly agreed).

Figure 2: The organisation's commitment to tackling internal fraud and corruption is making a positive difference.



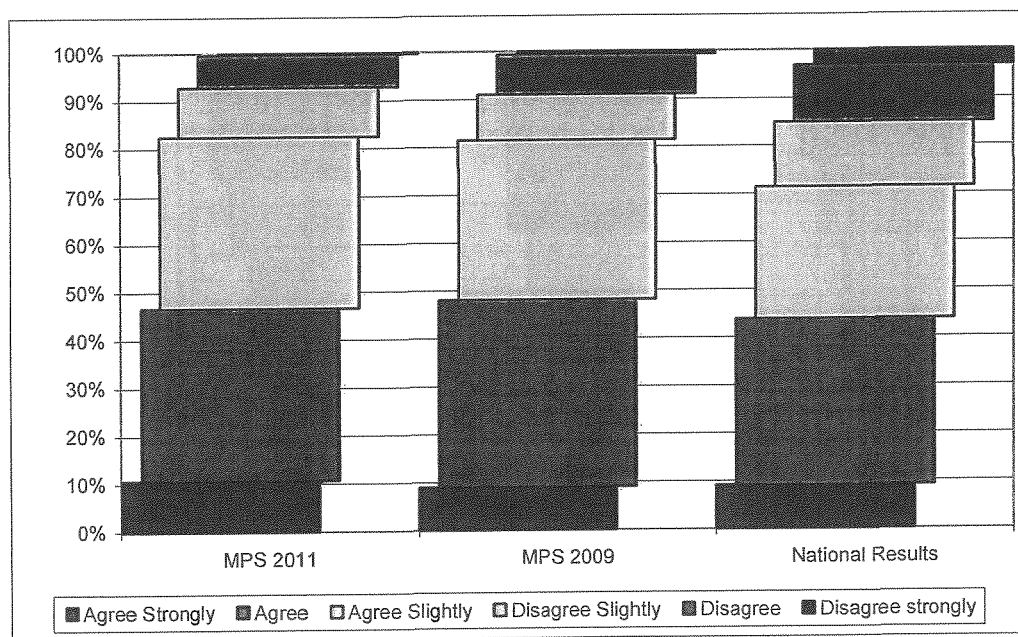
16 These results nevertheless show a downward trend when compared with the results in Figure 1 as respondents are asked to consider whether they feel the high-level commitment to tackling internal fraud is having an impact on the ground. The national results show this trend is normal, but it highlights the need for management action to reinforce the anti-fraud message and remind officers and staff they should be 'living' these values in their day-to-day work.

17 The action plan at Appendix 1 shows the various initiatives underway, including linking anti-fraud and compliance measures to employees' personal development reviews, designed to strengthen the organisation's anti-fraud culture and make a positive difference on the ground.

I believe that staff are clear about the part they are expected to play in tackling internal fraud and corruption.

18 Figure 3 shows how MPS officers and staff responded to this statement. The 2011 result (46 per cent of respondents agreed or agreed strongly with this statement) has not changed significantly from 2009 (48 per cent) and is in line with the national average (44 per cent). 17 per cent of respondents disagreed with this statement in 2011 leaving 37 per cent of staff who only felt able to agree slightly with this statement.

Figure 3: **I believe that staff are clear about the part they are expected to play in tackling internal fraud and corruption.**



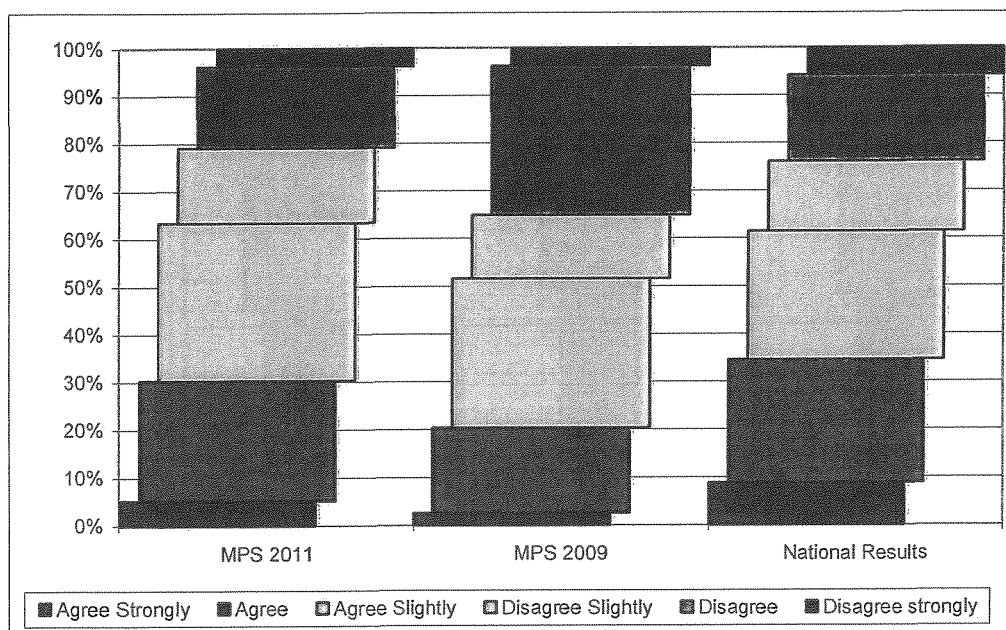
19 This shows there is still real scope to raise awareness of staff's expected contribution to tackling internal fraud in the MPS. In any organisation there is a risk that managers and staff turn a blind eye to wrongdoing because it is easier to do this than tackle the issue. This in turn is likely to perpetuate a weak anti-fraud culture as individuals follow the example set by their managers and peers. Some delegates advised they had witnessed senior officers circumventing controls or asking police staff to circumvent controls. They felt this behaviour had a significant adverse impact on the culture of good conduct and goodwill in their area of the business.

20 To tackle this effectively, management must continue to lead by example to promote a culture of good conduct in which staff are aware of the impact of fraud on MPS resources and reputation and feel obliged to raise legitimate concerns.

I would be more confident in reporting possible fraud and corruption now than I would have been six months ago.

21 Figure 4 shows how MPS officers and staff responded to this statement. The results show a positive direction of travel compared with 2009 but overall only 30 per cent of respondents felt able to say they agreed or strongly agreed with this statement. This compares with a national average of 35 per cent which shows the MPS is broadly in line with other public bodies across the country. Equally it shows that staff confidence in this area is universally low in the other UK public bodies we have surveyed.

Figure 4: I would be more confident in reporting possible fraud and corruption now than I would have been six months ago.

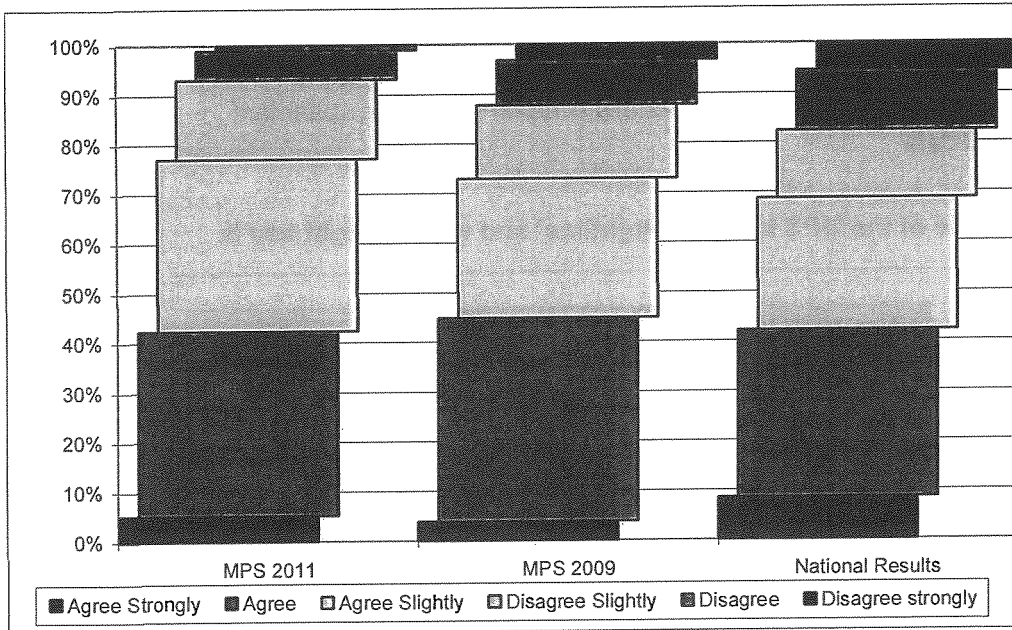


22 The action plan at Appendix 1 shows the various initiatives underway aimed at embedding an effective anti-fraud culture and increasing staff confidence in reporting arrangements.

I believe that internal controls, including the proper segregation of duties, exist and work effectively.

23 Figure 5 shows how MPS officers and staff responded to this statement. The 2011 results (42 per cent of respondents agreed or strongly agreed with this statement) are consistent with those for 2009 (44 per cent) and the national results (42 per cent). While a further 34 per cent of respondents agreed slightly with this statement, 'agreeing slightly' is unlikely to provide management with much assurance that these respondents have confidence in the effectiveness of internal controls in practice. Improving the overall system of internal control so more staff have confidence in it should therefore remain a key priority for MPA and MPS management.

Figure 5: I believe that internal controls, including the proper segregation of duties, exist and work effectively.



24 The changes in roles and responsibilities following the recent restructuring of HR and finance functions in the MPS is likely to be a factor behind the significant number of respondents (34 per cent) who only agreed slightly with this statement. Feedback from workshop delegates suggested they would benefit from more communication on roles and responsibilities in the new structures.

25 Delegates felt there needed to be a greater awareness among managers of the importance of routine local controls like time sheet authorisation and budget monitoring to prevent and identify internal fraud. By authorising a claim or an invoice the manager responsible is confirming he or she is satisfied it is appropriate, regardless of whether the amount is ultimately paid centrally by Finance. Management should continue to reinforce this message through, for example, financial awareness training and by highlighting the risk of fraud in Internal Audit reports where audit testing shows that controls are not operating effectively.

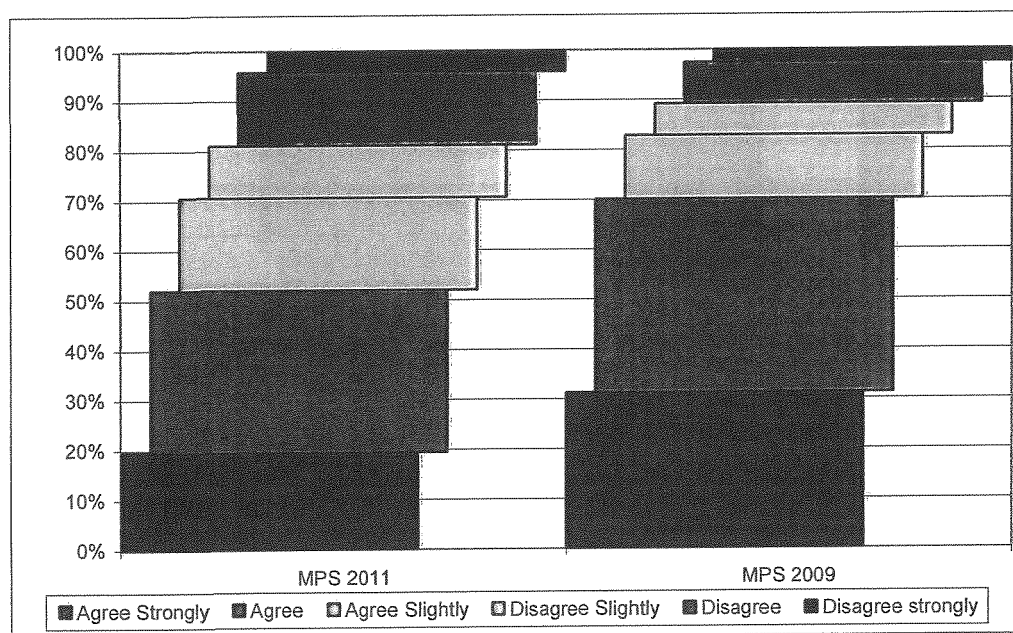
26 Delegates identified that recent improvements to procurement and purchasing systems had been effective at increasing awareness of and compliance with procurement regulations. The introduction by MPS Procurement Services of centralised purchasing routes that budget holders must follow to order goods and services has been effective in enforcing this.

27 Procurement Services has also publicised a dedicated phone and email to gather feedback on the new arrangements from across the business. Delegates who had used these to feed issues back advised this had led to appropriate changes in the cost and quantities of catalogue items by Procurement Services. Management should continue to publicise this feedback route to managers while the new procurement arrangements 'bed in'.

I am aware of the MPS internal ‘Rightline’ and when I might use it.

28 Figure 6 shows how MPS officers and staff responded to this statement. The ‘Rightline’ is the telephone service available to MPS officers and staff to raise concerns about wrongdoing confidentially. As this is an MPS-specific statement there is no national data.

Figure 6: I am aware of the MPS internal ‘Rightline’ and when I might use it.



29 The 2011 results show a notable reduction in the number of respondent who knew what the Rightline is, from 70 per cent agreeing or strongly agreeing with the statement in 2009 to 51 per cent in 2011. This may simply be because a different group of officers and staff were asked to complete the survey in 2011 compared with 2009, but the size of the decline suggests awareness of the Rightline has decreased in general.

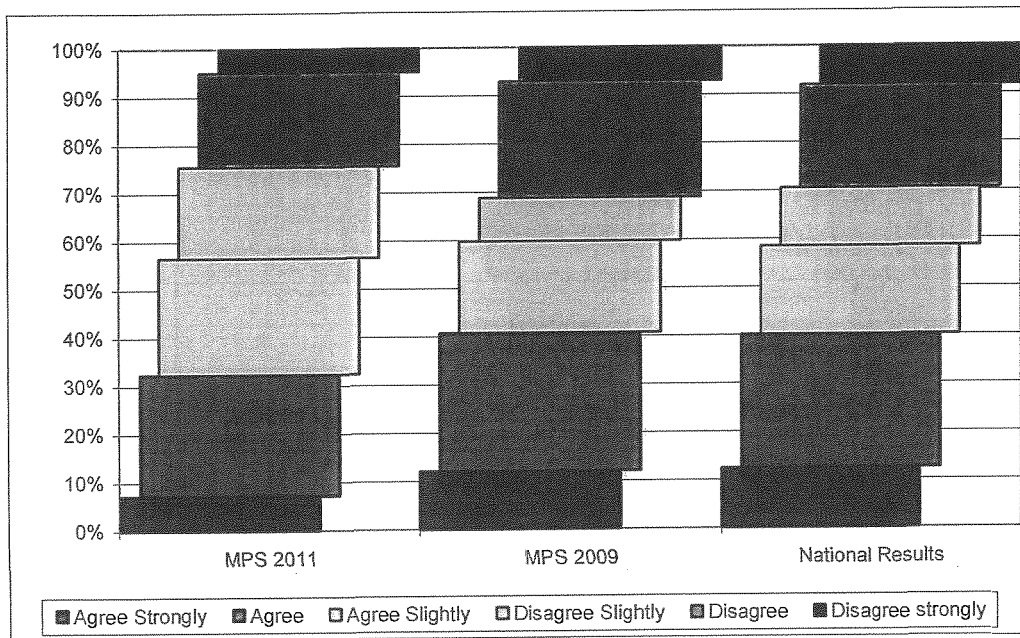
30 MPA/ MPS management recognise the Rightline should normally be the option of last resort after employees have considered raising concerns with their line management or with Internal Audit. The results nevertheless indicate the planned refresh of the Rightline service is worthwhile in ensuring staff know this route is available to raise concerns if needed (see Appendix 1, Recommendation 9).

31 Delegates at both the 2009 and 2011 workshops often felt the MPS is better at recognising and tackling corruption than internal fraud. It is important that employees understand that both amount to serious wrongdoing and should not be tolerated. Previous Rightline roll-outs have focused on the importance of the Rightline service to tackling corruption. Management may wish to use the next Rightline roll-out to also raise profile of internal fraud and the damage it can do the finances and reputation of the organisation if tolerated.

I am aware of the Public Interest Disclosure Act and the protection this affords an employee making a disclosure concerning fraud and corruption.

32 Figure 7 shows how MPS officers and staff responded to this statement. The Public Interest Disclosure Act ensures employees who raise concerns in good faith are protected from reprisal by their employers. Ensuring this is promoted and 'lived' by senior management should therefore be a key principle in the MPA's/ MPS's Anti-Fraud and Good Conduct Strategy. The results show this should be more actively promoted with new staff at induction and with existing staff through regular employee communications.

Figure 7: **I am aware of the Public Interest Disclosure Act, and the protection this affords an employee making a disclosure concerning fraud and corruption.**

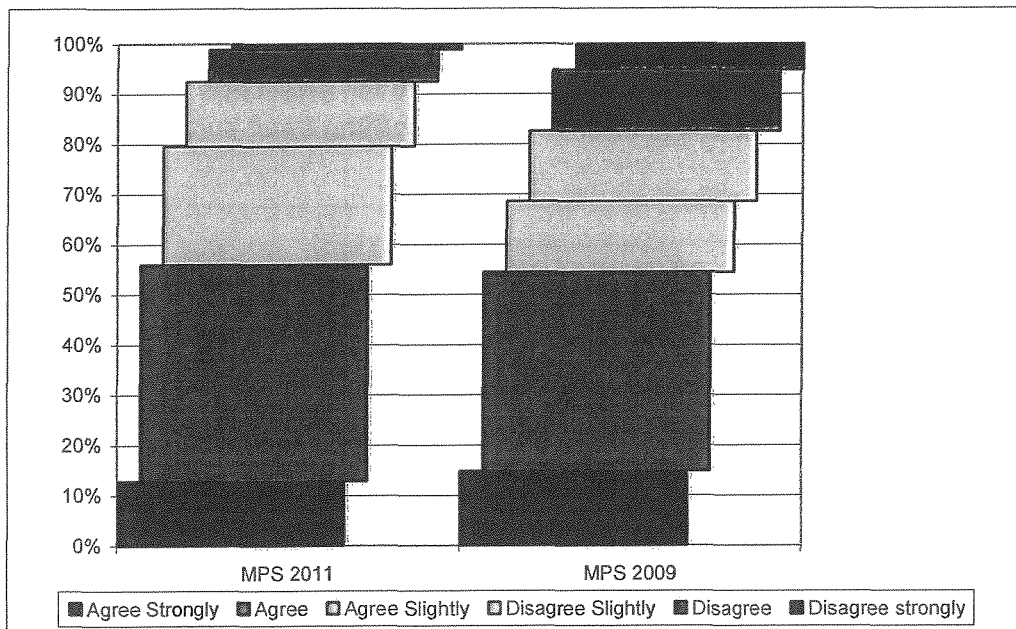


33 These results show a similar downward trend to the 'Rightline' statement in Figure 6 above, with only 32 per cent of respondents agreeing or strongly agreeing with this statement, down from 41 per cent in 2009. As all individuals completing both the 2009 and 2011 surveys have been selected from senior management or senior police ranks this level of awareness of management's responsibilities under the Act is low.

Police officers and staff are reminded of the need to record interests which may impair their ability to execute their duties in an objective manner.

34 Figure 8 shows how MPS officers and staff responded to this statement. There is no national data for this statement.

Figure 8: Police officers and staff are reminded of the need to record interests which may impair their ability to execute their duties in an objective manner.





35 This shows some overall improvement in the online survey result between 2009 and 2011, with 76 per cent saying they agreed with the statement in 2011 compared with 68 per cent in 2009. However, comments made by some workshop delegates indicated a lack of awareness about the purpose of registers of interests and the scope of what should be disclosed. Some delegates challenged the idea that partners' or other close family members' interests should be disclosed where these are relevant to police business, for example an MPS employee whose partner is a manager at a company with which the MPS is looking to do business with.





36 Individual employees will need to judge their own circumstances when deciding what to disclose. The expectations on a junior member of staff who has no involvement in contracting or purchasing will be different from a manager who is regularly involved in dealing with suppliers. Nevertheless the feedback from these delegates suggests there are weaknesses in some employees' understanding of their responsibilities in this area.

Appendix 1 – Updated action plan



Key – the following MPS initiatives are referred to in the action plan below.


FS	<p>Fraud Strategy (FS) – Sets out the MPA/MPS strategy for dealing with internal fraud in the next 12 months. Includes work planned in four areas, fraud prevention, detection, measuring performance and review.</p>	MAA	<p>Managers' Annual Assurance Statement: As part of the compliance framework one of the proposals under consideration is to introduce annual assurance statements including 'start-up' support to Senior Managers on managing compliance and fraud.</p>
Ps	<p>The Ps (Presence, Performance, Productivity, Professionalism, as well as the cross-cutting theme of 'Pride') complement 'Total Policing' and provides a strong corporate message about personal integrity, compliance and professional standards.</p>		<p>New SOPs to be issued on compliance matters and fraud. Notices to be published.</p>
CF	<p>Compliance Framework (Aligns staff perception of integrity with public expectations. Defines escalation process for non compliance and incorporates compliance in PDR process as appropriate)</p>	INF	<p>Information (1) Induction Training (Series of initiatives to inform new recruits on non compliance and Fraud) New Intranet gateway to be developed on Fraud, IT security and compliance. Includes links to MPA information, relevant SOPs etc.)</p>

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
<p>R1 Raise staff awareness of the impact of fraudulent behaviour on:</p> <ul style="list-style-type: none"> ■ the resources available to deliver front-line policing services to the public; ■ the MPA/S's reputation and the way it is perceived by the public; and ■ the importance of the proper application of management controls in helping to mitigate the risk of fraud. 	<p>High</p>	<p>Agreed.</p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p>Staff awareness of importance of compliance & internal control will be promoted by all the initiatives.</p> <p style="text-align: center;">FS Ps CF MAA  INF</p> <p><u>Other initiatives</u></p> <p>Agreed with AC for ten further fraud awareness events to be held.</p>	<p><u>Status</u></p> <p>Partially implemented. Joint MPA/MPS Anti-Fraud Strategy approved by the Corporate Governance Committee and published with supporting implementation plan. Guidance published on the 'Prevention and Detection of Internal Fraud' on intranet and circulated to all Borough Commanders, Business Group Managers, Finance Managers and Resource Managers.</p> <p>An article in "The Job" magazine and on intranet Corporate News was endorsed by Director of Resources and Chair of the MPA and published in April 2011.</p> <p>Ten further Fraud Awareness Workshops held in Q4 2010/11 (approx. 350 attendees). Directorate of Professional Standards (DPS) have delivered presentations on IT misuse. Crime Exhibits Portfolio lead (ACPO) has instigated a review and inspection of Criminal Exhibit Stores in conjunction with DPS to minimise and control associated risks.</p> <p><u>Further planned action</u></p> <p>A review of the Compliance Framework and Managers' Annual Assurance Statement.</p>	<p><u>Lead officer</u></p> <p>Fraud Prevention Manager - MPA</p> <p><u>Target date</u></p> <p>Q4 2011/12</p>


Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
			<p>Review of Gifts and Hospitality Policy and SOP, with associated internal publicity, to raise staff awareness of need for compliance.</p> <p>Ten further Fraud Awareness workshops planned for Jan - March 2012.</p>	
<p>R2 Ensure disciplinary processes are visible and are seen to lead to fair, consistent outcomes.</p>	<p>Medium</p>	<p>Already implemented.</p> <p>Fairness and consistent outcomes are adequately covered by existing arrangements & review of process.</p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p>The following ongoing initiatives will improve visibility:</p> <p>  INF</p>	<p><u>Status</u></p> <p>Implemented.</p> <p><u>Further planned action</u> as R1.</p>	<p><u>Lead officer</u></p> <p>Head of CAAT – MPS</p> <p><u>Target date</u></p> <p>Q4 2011/12</p>
<p>R3 Review the accessibility of policy documents and standing instructions and consider how these could be enhanced, making appropriate use of consultation with staff user groups to ensure changes appropriately meet users' needs.</p>	<p>Low</p>	<p>Agreed.</p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p>The following initiatives will result in new SOPs & greater accessibility on information overall:</p> <p>  INF</p>	<p><u>Status</u></p> <p>Implemented. As R1, plus Anti-Fraud and Corruption Strategy launched in March 2011.</p> <p><u>Further planned action</u></p> <p>A review of relevant Policies and Standard Operating Procedures, e.g. Business Interests, Gifts and Hospitality and Security Incident Reporting has commenced. This includes full consultation and equality impact assessments are completed.</p>	<p><u>Lead officer</u></p> <p>Fraud Prevention Manager – MPA</p> <p><u>Target date</u></p> <p>April 2012</p>


Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
		<p><u>Other initiatives</u></p> <p>Pocket guidance on Fraud and internal controls to be designed by compliance workshop in consultation with users.</p>	<p>Pocket guidance on fraud and internal controls has not been introduced. There are no plans at present to produce these based on cost and competing priorities.</p>	
<p>R4 Provide staff with a clear definition of what constitutes internal fraud, and that this should be regarded as wrongdoing in the same way as corruption.</p>	<p>High</p>	<p>Agreed.</p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p>Definitions and examples of fraud will be provided in SOP and via INF. Fraud will also be tackled within the Compliance Framework. The Compliance Framework provides a clear message of what is unacceptable in the MPS and gives managers greater confidence to take decisive and immediate action, thereby improving internal control and professional standards and potentially preventing fraud in the first instance.</p> <p>FS CF SOP INF</p> <p><u>Other initiatives</u></p> <p>Collaboration with partners such as the National Fraud Authority/other forces to provide a more consistent definition across the public sector of what is unacceptable aligned with public expectations.</p>	<p><u>Status</u></p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p>Implemented. The Job and intranet articles strongly reinforced this message from MPA/MPS leadership. Guidance issued around prevention and detection of fraud also lists examples of fraud and case studies.</p> <p><u>Other initiatives</u></p> <p>Implemented. The MPA are contributing to a national fraud strategy due to be launched by the National Fraud Authority (NFA) in Q3 2011. A pilot benchmarking exercise was undertaken. The results were inconclusive; however, benchmarking still being considered through other public sector forums.</p>	<p><u>Lead officer</u></p> <p>Fraud Prevention Manager – MPA</p> <p><u>Target date</u></p> <p>Ongoing</p>

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
		<p>CIPFA Benchmarking Group (the group will look at, analyse and compare ways that fraud is investigated and managed, the resources used and outcomes across the public and not for profit sectors. It aims to provide some standard definitions and measures).</p>		
<p>R5 Using appropriate media, for example 'The Job' magazine, to communicate to staff the impact that fraudulent or corrupt behaviour can have on:</p> <ul style="list-style-type: none"> ■ the availability of resources to fund front line services; and <p>the reputational damage and damage to morale that can occur where internal fraud occurs.</p>	High	<p>Agreed.</p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p> INF</p> <p>News articles/notices to be published on Intranet/Job magazine to communicate impact.</p> <p><u>Other initiatives</u></p> <p>The MPS will look for opportunities to work with other forces and National Media i.e. Police magazine/video to ensure consistent message about impact.</p>	<p><u>Status</u></p> <p>Implemented. An article was published in April/May 2011 edition of The Job, plus the intranet ran a piece under Corporate News on the MPS computer system.</p> <p>This will be progressed following the implementation of the new governance arrangements for the Police.</p>	<p><u>Lead officer</u></p> <p>Fraud Prevention Manager – MPA</p> <p><u>Target date</u></p> <p>Ongoing</p>
<p>R6 Consider the need for an annual statement on anti-fraud actions undertaken across the business, with a summary of outcomes and a reminder of how staff should raise concerns of wrongdoing.</p>	Medium	<p>Partly agreed.</p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p> INF</p> <p>Information will be incorporated in regular intranet communications rather than 'statement-type' format.</p>	<p><u>Status</u></p> <p>Implemented and ongoing. Sanctions are publicised in cases of fraud and corruption on the intranet and sometimes in wider communications – e.g. national press. Case studies are included in the Prevention and Detection of Internal Fraud Guidance.</p>	<p><u>Lead officer</u></p> <p>Compliance and Assurance Manager – MPS</p> <p><u>Target date</u></p> <p>Ongoing</p>

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
<p>R7 Where proven frauds are publicised, provide details of the support and advice provided to staff involved in the process.</p>	<p>Medium</p>	<p>Agreed. However care should be taken as personal details should not be disclosed.</p>	<p><u>Status</u> Implemented. Fully integrated into discipline process.</p>	<p>Lead officer People Services – MPS <u>Target date</u> Ongoing</p>
<p>R8 Clearly communicate the responsibilities and expectations of staff in helping to tackle internal fraud. This should emphasise the importance of basic management checks and controls in helping to prevent and detect fraud.</p>	<p>High</p>	<p>Agreed. <u>Embedding a compliant and anti-fraud culture</u></p>  <p>Compliance Framework being developed - one of initiatives under consideration is for managers to provide annual assurance that responsibilities and expectations are clearly communicated (including management controls) Further communication planned via Induction training, SOP and Intranet. <u>Other initiatives</u> Separate pocket guides for staff and managers to be produced re internal controls and fraud.</p>	<p><u>Status</u> Partially implemented. The Good Conduct and Anti-Fraud Policy sets out the responsibilities and expectations of staff in helping to tackle internal fraud. The joint Anti-Fraud Strategy and Guidance further address this. This has also been introduced into the Performance Management Framework for senior officers' Performance Development Reviews (PDRs) from April 2011 and for all other ranks and grades for 2011/12 reporting cycle. Induction training for new recruits includes expectations of staff. The intranet has wide coverage, including frequently asked questions on the Directorate of Professional Standards website. <u>Further planned action</u> The compliance framework has been implemented. There is no current requirement for managers to provide formal annual assurance; this will be addressed in PDRs.</p>	<p><u>Lead officer</u> Fraud Prevention Manager – MPA <u>Target date</u> October 2011</p>

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
<p>R9 Continue to raise awareness of the Rightline service through appropriate media, including the intranet, staff publications including 'The Job' and induction packs for new recruits to ensure that all staff are aware of it and what it can be used for.</p>	<p>Low</p>	<p>Agreed. MPA/MPS to re-launch Right-line. <u>Embedding a compliant and anti-fraud culture</u> Promote via Intranet site and induction training ES INF</p>	<p><u>Status</u> Partially implemented. <u>Further planned action</u> Right Line to be formally re-launched but awaits office relocation of the Directorate of Professional Standards to another location which necessitates a new telephone number. Right Line has had extensive internal media coverage in The Job, etc. in relation to parallel anti-fraud publicity.</p>	<p><u>Lead officer (joint)</u> - DPS - Fraud Prevention Manager – MPA <u>Target date</u> December 2011</p>
<p>R10 Ensure periodic reviews / audits of registers of hospitality and interest are visible and are acted on as a means to raising staff confidence in the importance of declaring interests and hospitality.</p>	<p>Medium</p>	<p>Already implemented. Gifts and hospitality policy and SOP are very comprehensive and stipulate a regular review mechanism must be in place and outcome acted on. Registers are regularly reviewed by MB Members and HR Audit. Business Interests policy in existence and review currently being undertaken by Inspection team. <u>Embedding a compliant and anti-fraud culture</u> Compliance Framework being developed – one of initiatives under consideration is for managers to provide annual assurance that this is undertaken. Ps MAA</p>	<p><u>Status</u> Implemented. <u>Further planned action</u> People Services reviewing Gifts and Hospitality Policy and SOP in August 2011. Business Interests project is ongoing and a SOP has been drafted; a Project Manager dealing with management of business interests has been appointed and full consultations with Trade Unions and staff associations have been held. An inspection of 'Gifts and Hospitality' is planned. MPA DARA audit of 'Gifts and Hospitality' included in 2011/12 Audit Plan.</p>	<p><u>Lead officer</u> People Services – MPS <u>Target dates</u> Business Interests - October 2011 G&H review - August 2011 Inspection (potentially) October 2011 DARA audit - June 2011</p>

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
<p>R11 Consider collating declarations of interest and hospitality in a single register for each business group to facilitate effective oversight & review of declarations made.</p>	<p>Medium</p>	<p>Partly agreed. To be considered on a business group by business group basis. For some of the larger Business Groups, the benefits need to be weighed against the current cost of collating a significant number of returns (i.e. TP- from all the Boroughs). At the moment some of the returns are paper based, however future systems enhancements such as THR may make the task easier.</p>	<p><u>Status</u> Ongoing. Gifts and hospitality registers are reviewed in business groups but there are no plans to introduce a single register.</p> <p><u>Further planned action</u> Business Interest and Gifts & Hospitality policies will be reviewed (see R10)</p>	<p><u>Lead officer</u> People Services – MPS</p> <p><u>Target date</u> As R10</p>
<p>R12 Provide staff with guidance and, where appropriate, training on the importance of declaring interests and hospitality, referring in particular to:</p> <ul style="list-style-type: none"> ■ the ethical considerations staff should consider in determining whether a declaration should be made; 	<p>High</p>	<p>Guidance already in existence + new initiatives under development.</p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p>FS  INF</p> <p>Guidance included within the gifts and hospitality policy and SOP - scope is wide-ranging enough to cover majority of questions/incidence.</p> <p><u>Other initiatives</u> Induction training and providing case studies on Intranet to illustrate ethical considerations and align expectations with 'general public' view of acceptability.</p> <p>Also opportunity to promote awareness at future Fraud Awareness Events.</p>	<p><u>Status</u> Implemented. Induction training has been limited at present due to reduced recruitment but the induction programme does include the importance of declaring interests and hospitality and expectations of ethical standards.</p> <p>(See also R10.)</p>	<p><u>Lead officer (joint)</u> - People Services - MPS - Fraud Prevention Manager - MPA</p> <p><u>Target date</u> Ongoing</p>

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
<ul style="list-style-type: none"> ■ that adhering closely to the rules and declaring known interests or offers of hospitality is an important means by which staff can demonstrate they have conducted themselves with integrity; ■ the need to declare offers of hospitality made but not accepted, in line with good practice; and ■ the 'zero-tolerance' approach to hospitality proposed in the MPA's Good Conduct and Counter-Fraud Strategy. 		<p>There is a clear policy/SOP in respect of Gifts and Hospitality. Further clarification is being sought regarding what is being proposed by way of 'zero tolerance' - this has been deleted.</p>		
<p>R13 Provide managers with an information pack summarising the procedures to follow where concerns of potential wrongdoing are raised. This should include:</p> <ul style="list-style-type: none"> ■ information on the support mechanisms available, including HR, DPS and the MPA Investigations team, with contact details; and 	Medium	<p>To be reviewed.</p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p> INF</p> <p>Consideration to be given to providing a separate pack to managers or use the Intranet which contains guidance and SOPs</p>	<p><u>Status</u></p> <p>Not originally agreed and not implemented.</p> <p><u>Further planned action</u></p> <p>This is not considered practical to implement. Existing processes, e.g. case studies, Right Line publicity, awareness workshops, meet this recommendation.</p>	N/A

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
<ul style="list-style-type: none"> ■ details of the Rightline service. 				
<p>R14 Consider the need for nominated 'champions' at business group level who can provide advice and support to managers involved in fraud investigations or employment tribunals.</p>	Medium	<p>Not agreed. Not compatible with existing HR /DPS protocol which ensure all incidents are dealt with by dedicated HR/DPS staff in a consistent manner with necessary appropriate levels of expertise and experience.</p>	<p><u>Status</u> Not agreed so no further action.</p>	N/A
<p>R15 Consider the need for training on the requirements of investigations and employment tribunals for appropriate managers and senior officers.</p>	Low	<p>Not agreed. HR protocol to be followed - see response above</p>	<p><u>Status</u> Not agreed so no further action.</p>	N/A
<p>R16 Enhance induction and training processes for new recruits by:</p> <ul style="list-style-type: none"> ■ including training on the MPA/S's zero-tolerance approach to internal fraud as part of induction; 	High	<p>Agreed. <u>Embedding a compliant and anti-fraud culture</u></p> <p>FS INF</p> <p>Fraud and compliance message to be incorporated into the forthcoming corporate Welcome Pack for all new starters prior to joining, as well as input into the new-style pathway Event Induction Day. Materials also to be held on Intranet.</p>	<p><u>Status</u> Partially implemented re-Welcome Pack. Limited recruitment has restricted the potential benefits of this recommendation.</p> <p><u>Further planned action</u> Ongoing collaboration with People Services as Welcome Pack undergoes revision.</p>	<p><u>Lead officer</u> People Services – MPS</p> <p><u>Target date</u> October 2011</p>

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
<ul style="list-style-type: none"> ■ including information on the MPA's Good Conduct and Anti Fraud Policy and the Rightline service in induction packs and directing new recruits to familiarise themselves with this information; and ■ defining what is meant by 'internal fraud' and 'corruption' and the impact of such behaviour. 				
<p>R17 Keep managers informed of the training their new recruits have received on ethical issues and counter-fraud.</p>	Low	<p>Agreed. E-mail confirmation of attendance to be sent to line managers/ or details available to view (exact processes dependant on THR implementation).</p>	<p><u>Status</u> Partially implemented. A course code was created for attendees who attended Fraud Awareness workshops. There are also course codes for induction training. Line managers have access to their staff training records.</p>	<p><u>Lead officer</u> People Services – MPS <u>Target date</u> Ongoing</p>
<p>R18 Consider the need for an internal communications strategy to help reinforce the importance of a strong anti-fraud culture.</p>	Medium	<p>Partly agreed. <u>Embedding a compliant and anti-fraud culture</u> FS Ps Clear links made to Ps Links made to communications strategy within the Compliance Framework.</p>	<p><u>Status</u> Partially implemented. Anti-fraud Strategy and Guidance including links to frequently asked questions and security incident reporting. <u>Further planned action</u> Review of Compliance Framework (see also R8)</p>	<p><u>Lead officer</u> Fraud Prevention Manager - MPA <u>Target date</u> November 2011</p>

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
		<p>Non compliance and anti-fraud communications to be regularly updated and reviewed by Group Finance/Finance and Resources workshops</p> <p>MPA and MPS working on joint anti-fraud strategy.</p>		
<p>R19 Use the programme of Financial Awareness Training to provide managers with training and guidance on the purpose and importance of internal controls in their areas of the business.</p>	<p>Medium</p>	<p>Ongoing. FAT programme includes some non compliance training. Programme reviewed to keep content current. Review of slides to be undertaken to include non-compliance on MPA slot.</p> <p>FS</p>	<p><u>Status</u></p> <p>Implemented. Further training has been requested. Financial Awareness training has also been delivered to Cadet Leaders.</p>	<p><u>Lead Officer</u></p> <p>Fraud Prevention Manager – MPA</p> <p><u>Target date</u></p> <p>Ongoing</p>
<p>R20 Identify internal control 'champions' at business group level to provide non-finance staff with advice and training on internal financial controls relevant to their role.</p>	<p>Medium</p>	<p>Implemented. Finance and resource staff undertake many of these responsibilities via a SLA on behalf of the local commander.</p>	<p><u>Status</u></p> <p>Implemented</p> <p><u>Further planned action</u></p> <p>Subject to further review as part of corporate Finance & Resource 2 Project.</p>	<p><u>Lead officer</u></p> <p>Compliance and Assurance Manager - MPS</p> <p><u>Target date</u></p> <p>December 2011</p>

Recommendation	Priority	2009 Commentary	2011 Update / further planned action	Lead officer / target date
<p>R21 Management should continue to focus attention on improving compliance levels in areas where internal controls are known to be weak. This may include setting managers objectives for ensuring that controls in their area of the business operate to appropriate standards.</p>	<p>High</p>	<p>Ongoing + new initiatives under development.</p> <p><u>Embedding a compliant and anti-fraud culture</u></p> <p>FS CF MAA</p> <p>Compliance Framework being developed - one of initiatives under consideration is for managers to provide annual assurance that this is undertaken and plan for improvements where required.</p> <p>Compliance/professional standards to be incorporated as an objective within the PDR process.</p>	<p><u>Status</u></p> <p>Ongoing. Includes Purchase to Pay compliance consistently exceeding stretch targets - as at June 2011 compliance was 96% (value) and 93% (volume). Widespread appropriate PDR objective setting embedded.</p> <p><u>Further planned action</u></p> <p>Review of Compliance Framework</p>	<p><u>Lead officer</u></p> <p>Head of CAAT - MPS</p> <p><u>Target date</u></p> <p>November 2011</p>

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