

Witness Name: **Julie Norgrove**

Statement no: **First**

Exhibit: **JN7**

Date: 29 February 2012

THE LEVESON INQUIRY

Exhibit JN7 to the
Witness Statement of **Julie Norgrove**

METROPOLITAN POLICE

MEMORANDUM

To: **Bernard Hogan Howe, ACHR**

cc: **Martin Tiplady, Director HR**
Julie Norgrove, DDIA
Surinder Purewal, ADIA

Date: **13 June 2003**

From: **Peter Tickner**
Director of Internal Audit
2nd Floor
10 Dean Farrar Street
LONDON SW1H 0NY



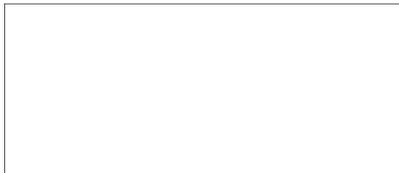
INTERNAL AUDIT FOLLOW UP REVIEW OF GIFTS AND HOSPITALITY

I attach a copy of our Final Report in respect of the above review,

The controls in place for the management of Gifts and Hospitality have significantly improved since the audit report was issued in January 2002.

The recommendations have been implemented mainly through the issue of new policy and staff guidelines, which in our opinion provide a sound control framework.

I am grateful to your staff for the help and co-operation we have received during the audit and for your contribution to the agreed course of action.



Peter Tickner

METROPOLITAN POLICE

MEMORANDUM

To: **Peter Martin**
MPA Treasurer

cc: **Kash Pandya**
Audit Commission
Julie Norgrove, DDIA
Surinder Purewal, ADIA

Date: 13 June 2003

From: **Peter Tickner**
Director Internal Audit
2nd Floor
10 Dean Farrar Street
LONDON SW1H 0NY



INTERNAL AUDIT FOLLOW UP REVIEW OF GIFTS AND HOSPITALITY

I enclose a copy of our Final Report in respect of the above review.

The control framework in place for Gifts and Hospitality has significantly improved since the audit report issued in January 2002. All the high risk recommendations, and all but two of the medium, have been fully implemented.

The recommendations have been implemented mainly through the issue of a new policy and staff guidelines, which in our opinion provide a sound control framework. As these documents have only recently been issued we have not had the opportunity to assess compliance with the revised policy.

We have made a further four recommendations to address the outstanding issues and support the roll out of the new policy and staff guidelines.

I enclose a copy of the memorandum which has been sent to the recipients of the Final Report.



Peter Tickner

EXECUTIVE SUMMARY

1. INTRODUCTION

- 1.1 This audit follows up the progress made towards implementing the agreed recommendations from the audit of Gifts and Hospitality that was completed in January 2002.
- 1.2 Our audit report made 14 recommendations aimed at improving controls. Management accepted all of these recommendations. They consisted of 3 in high risk areas and 11 in medium/low risk areas.

2. AUDIT OBJECTIVES

- 2.1 Our objectives during this review are to:
- Establish whether the agreed recommendations have been implemented.
 - Assess the impact of any changes in the system since the review of controls operating over Gifts and Hospitality.

3. AUDIT OPINION

- 3.1 There has been significant improvement in the control framework in place to manage Gifts and Hospitality in the MPS. A revised policy and set of guidelines has been issued which addresses the recommendations made in the original report. As this new framework has only just been agreed and circulated we have not carried out any review of implementation, and therefore this review does not include an opinion on the level of compliance.
- 3.2 Of the 14 recommendations in the report 12 have been fully implemented including all those in high risk areas. One medium risk recommendation has been only partially implemented and one has not been implemented.

4.0 SUMMARY OF FINDINGS AND FURTHER RECOMMENDATIONS

- 4.1 In this summary, we highlight our key findings in areas where recommendations have not been fully or effectively implemented. These areas, are therefore, still exposed to a risk of loss or need to be improved before effective controls are in place and system objectives are achieved.
- 4.2 The HR Board has approved the new Gifts and Hospitality policy and there is a review date set for one year on from its circulation. There is however no agreed and formalised system in place for the impact of the new policy to be assessed and reviewed. We therefore recommend that:

4.2.1 HR consider using the HR evaluation team to review the implementation of the Gifts and Hospitality policy.

4.2.2 The HR Board formally review the impact of the new policy within 6 to 12 months.

- 4.3 There is no code of conduct guide relating to Gifts and Hospitality, although we were informed that this will be included in the civil staff's Terms and Conditions Booklet. We recommend that **HR arrange for staff obligations and code of conduct in relation to Gifts and Hospitality to be included in a personal guide and issued to all officers and staff.**
- 4.4 In the previous report there was a recommendation that all offers declined should be recorded in the register and whilst offers declined is included in the new policy there is no clarity that this should be recorded on the register. There is therefore a risk that these records could be inadequately managed and controlled. We therefore recommend that **when the policy and instructions are reviewed it should clearly state that the refusals of Gifts and Hospitality should be recorded in the register.**

INTERNAL AUDIT DIRECTORATE

FOLLOW UP AUDIT OF GIFTS AND HOSPITALITY AUDIT

SUMMARY OF FOLLOW UP FINDINGS AND FURTHER RECOMMENDATIONS

Report Ref.	Recommendation	Category	Agreed Management Action	Follow Up Finding	Further Recommendations and Management Response
6.7.1	Assistant Commissioner (AC) Human Resources: Review the Policy on gifts and hospitality to remove any ambiguity or inconsistency.	M	1. Agreed. A revised Notice incorporating all recommendations to be published by end March 2002. In the meantime, further clarification to be sought from IA/MPA about the parameters as to what is and is not acceptable.	Implemented. Policy issued 16/4/03.	None.
6.7.2	Carry out further reviews at regular intervals say every 3 years.	M	2. Agreed.	Implemented. Date of review noted on the intranet as 16/4/04.	None.
6.7.3	Include obligations and code of conduct in a personal guide and issue to all officers and staff.	M	3. To be explored. Implementation subject to wider consultation and budgetary provisions.	Not Implemented We were informed that this will be included in the civil staffs' Terms and Conditions Booklet.	Further recommendation: HR arrange for staff obligations and code of conduct in relation to Gifts and Hospitality to be included in a personal guide and issued to all officers and staff Management Response: Accepted. This will be done by the end of July 2003

APPENDIX

Report Ref.	Recommendation	Category	Agreed Management Action	Follow Up Finding	Further Recommendations and Management Response
6.8	AC Human Resources explore the possibility of DPS overseeing the issues relating to gifts and hospitality with its Director.	M	DPS has declined to assume policy ownership due to resource implications. Personnel Department maintains the view that policy ownership should transfer to DPS.	Implemented. HR reviewed this possibility but it has been agreed that DPS will not oversee Gifts and Hospitality at the present time. DPS will review individual cases.	None.
7.2.1	The AC Human Resources consider the following changes to the current procedure: A full report is made to the Directorate of Personal where foul play, undue influence or risk of unprofessional behaviour is suspected.	H	Agreed	Implemented. Requirement is detailed in the new policy	None.
7.2.2	DACs and Directors to receive reports and consider offers and acceptance of gifts in respect of their staff within the framework of the revised Code.	M	Agreed	Implemented. Detailed in the policy and the "Instructions"	None.
7.2.3	DACs and Directors report any offers of gifts made to them personally to AC Human Resources for a decision.	M	Agreed (All changes to be incorporated in revised Notice)	Implemented. Detailed in the new policy and "Instructions".	None.

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7.10.1	The AC Human Resources: Review the records required for completeness, consistency and security.	M	Agreed. Details of records required to be set out in revised Notice.	Implemented Records required reviewed and re-stated in the new policy	None.
7.10.2	Remind all Senior Managers of the need and their responsibilities to keep a register in a proper format.	M	.Agreed	Implemented Responsibility clearly stated in the policy and the proper format outlined in the "Instructions"	None.
7.10.3	Remind all officers and staff that all declined offers of gift and hospitality must also be recorded in the register.	M	Agreed (2 and 3 to be reflected in revised notice)	Partially Implemented The new policy states that refusals should be recorded in writing but it is not clear in the guidance that this record should be made in the register.	Further recommendation: When the policy and instructions are reviewed it should clearly state that refusals of G&H should be recorded in the register. Management Response: Accepted. This will be done by the end of July 2003.

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Report Ref.	Recommendation	Category	Agreed Management Action	Follow Up Finding	Further Recommendations and Management Response
7.13	<p>The AC Human Resources consider:</p> <p>The merits of requiring a return from the designated post-holders.</p>	H	<p>Agreed.</p> <p>Appropriate instruction to be issued subject to the need to undertake further research to:</p> <p>(i) identify appropriate postholders (ii) consult senior managers about relevant postholders and appropriate recipient of return.</p> <p>Requirement to be incorporated in revised Notice.</p>	<p>Implemented</p> <p>This is outlined in the new policy and "instructions"</p>	None.

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8.2.1	<p>The AC Human Resources consider:</p> <p>Issuing specific guidance to all Senior Managers regarding their role, responsibilities and the need for a periodic management review (e.g. level 1 inspections) to ensure compliance with the Code.</p>	H	<p>1. Agreed.</p> <p>Personnel Department to ensure that requirement to monitor and review compliance is incorporated in levels 2 and 3 of the Inspection process.</p>	<p>Implemented</p> <p>Responsibilities are clearly stated in the new policy. The policy states that compliance will also be subject to inspection and the "Instructions" state that the OCU Commander/Head of Branch should ensure the register is audited by Quality Assurance Unit.</p>	<p>None.</p> <p>Further recommendations: HR consider using the HR evaluation team to review the implementation of the Gifts and Hospitality policy. Management Response: Accepted. This will be undertaken on a sampling basis and will be started immediately.</p> <p>The HR Board formally review the impact of the new policy within 6 to 12 months. Management Response: Accepted. We agree a timetable of 12 months (by June 2004).</p>
8.2.2	<p>Setting up a system for nominated managers carrying out and recording their review of the gifts and hospitality register.</p>	M	<p>2. Agreed.</p> <p>Details to be included in revised Notice.</p>	<p>Implemented</p> <p>Detailed in the new policy and "Instructions"</p>	<p>None</p>
8.2.3	<p>The need for feedback of appropriate incidents (e.g. cases of suspected misuse), which could assist in the future review of the policy and procedures.</p>	M	<p>3. Agreed.</p> <p>Requirement to be included in revised Notice.</p>	<p>Implemented</p> <p>This is covered in the new policy and "Instructions"</p>	<p>None</p>