

Witness Name: **Julie Norgrove**

Statement no: **First**

Exhibit: **JN15**

Date: 29 February 2012

THE LEVESON INQUIRY

Exhibit JN15 to the
Witness Statement of **Julie Norgrove**



Metropolitan Police Authority

Julie Norgrove
Director of Audit, Risk and Assurance
2nd Floor
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Telephone
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10 November 2009

Martin Tiplady
Director of Human Resources
 Tower Block, NSY

Dear Martin

FOLLOW-UP REVIEW OF GIFTS AND HOSPITALITY

I am pleased to enclose the final follow-up report of our review of gifts and hospitality. I would like to thank your staff for their help and co-operation during the review.

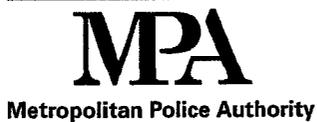
Our overall opinion is that at the time of our fieldwork significant progress had been made within the control framework for the management of gifts and hospitality since the original audit report was issued in September 2007. Thirteen of the sixteen agreed recommendations made have been fully implemented. One of the outstanding recommendations relates to reporting the results of the half yearly review of Management Board members gifts and hospitality registers to the MPA, which will now take place in 2010. I note your point that the two remaining recommendations will be addressed by senior management checks of all posts including those categorised as 'vulnerable'.

On a separate note, following my appointment as Director of Audit, Risk and Assurance, I am intending to meet with members of Management Board in the near future. I look forward to meeting with you and taking the opportunity to discuss any views you may have on our audit approach and future work programme.

Yours sincerely

Julie Norgrove

cc: Anne McMeel, Director of Resources
Catherine Crawford, MPA Chief Executive
Annabel Adams, Acting Treasurer MPA
Gill Newbery, Human Resources Policy lead



Directorate of Audit, Risk and Assurance

Review of Gifts and Hospitality

Final Follow Up Report



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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 September 2007.
- 1.2 Our audit report contained sixteen recommendations aimed at improving controls. Management accepted all our recommendations none of which were categorised as high-risk.
- 1.3 The Gifts and Hospitality Standard Operating Procedures (SOPs) were submitted to the MPA Corporate Governance Committee (CGC) on the 23 March 2009 but were rejected on the grounds that the policy and procedures covering the provision of alcohol were inadequate. The policy and SOPs were subsequently revised and resubmitted to and approved by the CGC on 14 September 2009.

2. AUDIT OBJECTIVES

- 2.1 Our objectives during this review were to:
- Establish whether the accepted 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 In our opinion the control framework over Gifts and Hospitality has improved. Of the sixteen agreed recommendations made thirteen have been implemented fully, one partially and two no longer apply.
- 3.2 Controls over the security, retention and the publication of a model gifts and hospitality register have improved. A revised policy and procedures covering the circumstances for declining, reviewing and reporting of gifts and hospitality has been introduced. The review of the Commissioner and the Deputy Commissioner's register is also being carried out by the MPA Chief Executive.

4. IMPLEMENTATION OF RECOMMENDATIONS

- 4.1 Details of our findings in the following up our previous recommendations are provided in the attached Action Plan. One key recommendation remains outstanding, in summary:
- 4.2 The results of the half yearly review of Management Board members' gifts and hospitality registers have not been reported to the MPA Remuneration Sub Committee. **Original recommendation 8.1.4 applies.**

ACTION PLAN

Rep Ref	Recommendation	Category	Agreed Management Action	Follow Up Finding	Further Recommendations and Management Response
6.2	The gifts and hospitality standard operating procedures are circulated to all staff and included as part of the staff induction pack for new employees.	Medium	The SOPs will be published in Notices and circulated to HR Managers following the 2007 review of the Gifts and Hospitality policy. The Career Management Unit will be asked to include them in the corporate induction package and HRMs will be asked to include them in local induction.	Implemented The SOP on gifts and Hospitality has been published on the 28 January 2009.	None
7.1.1	Holders of the gifts and hospitality register are reminded of the need to store the register in a secure location.	Medium	Members of the HR Evaluation Unit will remind holders during the monthly evaluation visits.	Implemented This was evidenced as part of the HR Evaluation visits carried out between July 2007 and June 2008. The SOP on gifts and hospitality has been updated to cover the recommendation.	None
7.1.2	Gifts and hospitality registers are held in a bound book.	Medium	The current policy already allows for registers to be held in a bound book. The revised policy will advise that electronic Gifts and Hospitality registers (spreadsheets) should not to be used because of the possibility of later date alteration.	Implemented Advice regarding how the register should be held is contained at Annex B of the Gifts and Hospitality SOP.	None
7.1.3	Gifts and hospitality registers are retained for seven years.	Medium	This is already MPS policy.	Implemented Advice regarding how the register should be held is contained at Annex B of the Gifts and Hospitality SOP	None

ACTION PLAN

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7.1.4	<p>A model gifts and hospitality register is published in the standard operating procedure. The model register needs to include the following information</p> <ul style="list-style-type: none"> - Serial/index number; - Date recorded; - Date nature and location of gift/hospitality offered; - Officer(s) staff involved; - Name and details of the person making the offer; - Relationship of the person/company with the MPS; - Approximate value of the gift/hospitality; - Whether accepted or refused; - Reasons for acceptance or refusal; <p>Authorising officers signature (OCU Commander/Head of Branch or above).</p>	Medium	A longer-term solution will also be explored, utilising an electronic database (possibly similar to CORIN) which would not allow later changes to be made, and would require sign off by managers.	<p>Implemented</p> <p>A model gifts and hospitality register forms part of Annex B of the Gifts and Hospitality SOP.</p>	None
7.2.1	A list of vulnerable posts is established for all B/OCUs and Directorates by the relevant Business Managers.	Medium	Head of HR Policy will liaise with Business Managers to identify vulnerable posts and include a list as an Annex to the Gifts and Hospitality policy.	<p>No longer applicable</p> <p>The Director of HR considers that the checks carried out by senior management sufficient to ensure that any individual deemed to be the holder of a vulnerable position, would be adequately catered for.</p>	None
7.2.2	All officers in vulnerable posts are required to make periodic returns (including nil returns) on gifts and hospitality to the gifts and hospitality register keeper.	Medium	This is already MPS policy. The HR Policy Unit will ask Business Group Business Managers to ensure that these returns are being made.	<p>No longer applicable</p> <p>The Director of HR considers that the checks carried out by senior management sufficient to ensure that any individual deemed to be the holder of a vulnerable position, would be adequately catered for.</p>	None

ACTION PLAN

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7.3	All officers are reminded of the requirement to record all items of gifts and hospitality accepted and declined.	Medium	The Gifts and Hospitality policy is to be re-issued later this year. OCU Commanders will be reminded by the HR Evaluation Unit.	Implemented The reminding of OCU Commanders was formally recorded as part of the HR Evaluation Unit visits. The SOP on gifts and hospitality has been updated to cover the recommendation.	None
7.4.1	All officers decline offers of hospitality from organisations the MPS has a contractual relationship with or provides policing services to unless attendance is as an official MPS representative. The officer must justify how the acceptance of the hospitality benefits the MPS and these reasons must be recorded in the gifts and hospitality register.	Medium	Current policy states that any hospitality that is accepted must be fully justified in terms of benefit to the Service. Particular care should be taken where the MPS has a contractual relationship with the giver of hospitality. Also the offer of hospitality of any kind must be treated with the utmost caution and should normally be declined, especially on those occasions where the MPS is involved with policing the event.	Implemented Advice on non-acceptance of gifts and hospitality is now included in the revised Policy and procedures.	None
7.4.2	All officers decline offers of hospitality with potential contractors during contract negotiations.	Medium	Current policy states that any hospitality that is accepted must be fully justified in terms of benefit to the Service. Particular care should be taken where the MPS has a contractual relationship with the giver of hospitality. Also the offer of hospitality of any kind must be treated with the utmost caution and should normally be declined, especially on those occasions where the MPS is involved with policing the event.	Implemented Advice on non-acceptance of gifts and hospitality is now included in the revised Policy and procedures.	None

ACTION PLAN

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7.4.3	All officers are required to decline offers of alcohol. If it is not possible to decline the gift it is donated to charity and a record is maintained of the donation.	Medium	Current policy states that any hospitality that is accepted must be fully justified in terms of benefit to the Service. Particular care should be taken where the MPS has a contractual relationship with the giver of hospitality. Also the offer of hospitality of any kind must be treated with the utmost caution and should normally be declined, especially on those occasions where the MPS is involved with policing the event.	Implemented Advice on non-acceptance of gifts and hospitality is now included in the revised Policy and procedures.	None
8.1.1	Gifts and hospitality registers are reviewed by the local Quality Assurance Units on a regular basis.	Medium	The Gifts and Hospitality policy already includes this as the responsibility of local QA units. A reminder was issued to all QA officers on 23 May 2007 by their Head of Profession to remind them of the need to review registers. This included reference to Notices 20/2004 Item 3 and a link to the policy.	Implemented This requirement is recorded in the revised Gifts and Hospitality SOP	None
8.1.2	Quarterly reports of gifts and hospitality are sent to the relevant Deputy Assistant Commissioner and Directors for review and a record is maintained of the review	Medium	This is already a policy requirement. The HR Evaluation Unit will remind keepers of local registers and DACs/Directors as part of their monitoring activity	Implemented This was evidenced as part of the HR Evaluation visits carried out between July 2007 and June 2008. The SOP on gifts and hospitality has been updated to cover the recommendation	None

ACTION PLAN

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8.1.3	<p>The following half yearly reviews of senior officer's gifts and hospitality registers are introduced and recorded:</p> <ul style="list-style-type: none"> - The Commissioner and Deputy Commissioner's register is reviewed by the MPA Chief Executive; - The Deputy Commissioner reviews other Management Board members' registers; - The Deputy Assistant Commissioners' and Directors' registers are reviewed by the appropriate Management Board Member. 	Medium	The MPA Chief Executive will review the Commissioner and Deputy Commissioners gifts and hospitality register on a half yearly basis.	<p>Implemented The review process has been documented in the SOP on gifts and hospitality.</p> <p>The check by the MPA Chief Executive of the Commissioner and Deputy Commissioner gifts and hospitality register has taken place.</p> <p>A review of Management Board members and HR board gifts and hospitality registers was carried out in April 2009.</p>	None
8.1.4	The results of the half yearly review of Management Board members' gifts and hospitality registers are reported to the MPA Remuneration Sub Committee.	Medium	The results of the review of Management Board member's gifts and hospitality registers will be reported to the MPA Remuneration Sub Committee on a half yearly basis.	<p>Partly Implemented The results of the half yearly review of the Commissioner and Deputy Commissioner's gifts and hospitality register were last reported to the MPA HR and Remuneration Sub Committee on the 19 March 2009.</p> <p>The results of the half yearly review of Management Board members' gifts and hospitality registers have not been reported to the MPA Remuneration Sub Committee.</p>	<p>Original recommendation applies.</p> <p>Management Response A report on the review of Management Board members' gifts and hospitality registers will be issued to the MPA HR and Remuneration Sub Committee in February 2010.</p> <p>Target date: February 2010</p>

Rep Ref	Recommendation	Category	Agreed Management Action	Follow Up Finding	Further Recommendations and Management Response
8.1.5	The Human Resources Evaluation Unit review gifts and hospitality registers as part of their evaluation of local HR procedures.	Medium	The HR Evaluation Unit will review registers throughout the 12-month period July 2007 – June 2008. This will cover every OCU in the MPS.	<p>Implemented The review of gifts and hospitality registers was recorded as part of the monthly HR Evaluation visits carried out between July 2007 and June 2008.</p> <p>At present these reviews are not taking place and a decision as to whether the reviews are reintroduced will take place once the new HR structure has been implemented.</p>	None