

MPS-MOPAC JOINT AUDIT COMMITTEE

Tuesday, 6 May 2025, 14:00

Teams

Membership

Jayne Scott (Chair)
Sam des Forges
Jon Hayes
Ros Parker
Marta Phillips

Attendees

MOPAC

Darren Mephram, Interim Chief Executive Officer
Amana Humayun, Chief Finance Officer and Director of Corporate Services
Kenny Bowie, Director of Strategy and MPS Oversight
Naomi Oldroyd-Simpson, Head of Priority Projects, Planning Performance and Risk

MPS

Dan Worsley, Chief Finance Officer
Adrian Scott, Chief Strategy and Governance Officer
James Hunter, Head of Strategic Planning and Risk
Oscar Ramudo, Transformation Director
Elinor Godfrey, Director of Finance Change
Lindsey Chiswick, Director of Intelligence (agenda item 6)
Rachel Williams, AC Trust and Legitimacy (agenda item 7)
Tracey Westacott (agenda item 13)

Audit Representatives

External Audit Grant Thornton – Mark Stocks, Lucy Nutley, Jasmine Kemp - tbc
Internal Audit – David Esling, Head of Audit and Assurance

Business to be considered:

	Item	Page
1.	Apologies for absence, introductions and declarations of interests	Oral
2.	Minutes of meeting 20 January 2025	1
3.	Budget Governance and Internal Control Framework Update	10
4.	MPS Finance Services Target Operating Model Review	15
5.	MPS Transformation Portfolio – Quarterly Update	20
6.	MPS Performance Update	31

7.	MPS Staff Survey Findings	51
8.	MPS Audit and Risk Report	78
9.	MOPAC Risk Management Report	85
10.	DARA Activity Report	93
11.	External Audit Update	100
12.	Implementation of 2023/24 External Audit Recommendations	151
13.	Command and Control – Rapid Response Review and Assurance Arrangements	159
To Note		
14.	Capital Strategy 2025/26 – Framework Supporting Implementation	166
15.	Treasury Management Mid-Year Review 2024/25	184
16.	Joint Audit Committee Work Plan 2025/26 and Terms of Reference	192

**The next meeting of the Audit Committee is
scheduled for 29 July 2025**

MPS-MOPAC JOINT AUDIT PANEL

20 January 2025

Record of the Meeting

PRESENT

Panel:

Jayne Scott – Audit Panel Chair
Sam des Forges – Member
Jon Hayes – Member
Ros Parker – Member
Marta Phillips – Member

MPS:

Adrian Scott, Chief Strategy and Transformation Officer
Dan Worsley, Chief Finance Officer
Clare Davies, Chief People and Resources Officer
Brett Welch, Chief Legal Officer
James Hunter, Head of Strategic Planning and Risk
Oscar Ramudo, Transformation Director
Rachel Williams, AC Trust and Legitimacy (item 10)
Shaalini Bhogal - Head of Strategy, Coordination and Insights CD&I (item 10)
Paul Oliffe, Director of Financial Accounting and Operations (item 13)

MOPAC:

Darren Mephram, Chief Executive Officer
Amana Humayun, Chief Finance Officer and Director of Corporate Services
Kenny Bowie, Director of Strategy and MPS Oversight
Will Balakrishnan, Director of Commissioning and Partnerships (item 11)

Audit Representatives:

Julie Norgrove, Head of Internal Audit for MPS and MOPAC
David Esling, Head of Audit and Assurance, Internal Audit
Lucy Nutley, Grant Thornton, External Audit

1. APOLOGIES FOR ABSENCE, INTRODUCTIONS AND DECLARATIONS OF INTERESTS

- 1.1 An apology was noted from Mark Stocks, Grant Thornton, External Audit.
- 1.2 The Chair commented on the improvement in the reports submitted to the Panel, and noted that since the exceptional meeting in December, the Panel had an MPS estate visit, an update on MSP Strategy and Transformation and meetings with Internal and External Audit.

2. MINUTES OF MEETING 21 OCTOBER AND 20 DECEMBER 2024

- 2.1 The minutes of the meetings held on 21 October and 20 December 2024 were agreed. The action update was noted.
- 2.2 It was noted that the action from the 20 December meeting requesting that a detailed response to the External Audit Annual Report 2023/24 be provided to this meeting, was unable to be completed. It was agreed that this would be provided to the Panel by 28 February.

Action 1: The MPS and MOPAC to provide to the Joint Audit Panel by 28 February 2025, a detailed response to the actions in the External Audit Annual Report 2023/24, including timelines and when outcomes would be delivered, followed by an update at each quarterly meeting.

3. BUDGET GOVERNANCE AND INTERNAL CONTROL FRAMEWORK

- 3.1 Amana Humayun introduced the joint MPS and MOPAC report which provided an update on the internal control framework and an assessment of its effectiveness. The Panel was advised:
- A balanced budget submission had been published for consultation in November, ahead of the provisional police settlement advice.
 - The provisional police settlement was received in December and was more positive than anticipated in the budget submission, however there remained a need to deliver significant financial savings in 2025/26, which were still being considered.
 - The conclusion of the external audit on the 2023/24 statement of accounts had been received.
 - The MPS had created a new unit to lead and bring together interconnected workstreams to enable the required workforce movement and reductions.
 - Reserves continued to be reviewed, with tighter controls on their use.
- 3.2 Dan Worsley advised:
- The MPS, MOPAC and the GLA were working collaboratively to prepare for discussions with the Home Office and Treasury on the Spending Review.
 - While the provisional police settlement was more positive than anticipated, difficult organisational changes were required to balance the budget.
 - A small underspend was forecast for 2024/25 and consideration was being given to using this for an increase in the London Allowance.
 - The majority of the savings required in 2024/25 had been achieved and the challenge was to ensure they were recurrent savings.
 - With the required reduction in the workforce, the challenge was to ensure that operational priorities had the required resources.
- 3.3 The following points were made in discussion with the Panel:
- The MPS was aware of the impact on individuals of the workforce movement that was required to ensure operational priorities were met.

- Ensuring that the 2024/25 savings were recurrent was challenging, while the majority of the 2025/26 efficiencies require to be found on a recurring basis.
- There would be a refreshed reserves strategy for the start of the 2025/26 financial year.

Resolved: The Joint Audit Panel:

- Noted the progress and that significant financial challenges remained.
- Noted the ongoing work on finalising the 2025/26 budget and the development of an evidenced based submission to inform the Government's Spending Review.
- Noted that a report responding to the external audit recommendations would be prepared for the Panel by 28 February (action 1 above refers).

4. COMMAND AND CONTROL UPDATE

- 4.1 Adrian Scott informed the Panel of the next steps for the updating of the command and control system. The Panel was advised of the external review of the command and control governance arrangements which the MPS had commissioned. The recommendations arising from it had key themes of leadership and accountability, governance (including supplier and finance) and risk.
- 4.2 There was a discussion of the importance of the learning arising from the review relating to relationships with suppliers, being applied across all of the MPS's suppliers.
- 4.3 The Panel requested to see the external review's report and recommendations when available.

Action 2: The MPS to provide to the Joint Audit Panel the report from the external review of the command and control procurement.

5. MPS TRANSFORMATION PORTFOLIO – PROGRESS UPDATE

- 5.1 Oscar Ramudo introduced the paper which provided an update on the MPS's delivery of transformational change, future plans and how they would be impacted by budget constraints.
- 5.2 The Panel was advised:
- Progress against Engage milestones and the New Met for London (NMfL) as well as the re-baselined programmes was monitored and delivery confidence had improved. An assessment of this would be made by HMICFRS in respect of Engage, and the Casey Report 2-year review.
 - The decisions arising from the savings required for the 2025/26 budget and their impact would need to be managed.
 - The report to Panel set out what had been delivered relating to community crime fighting, cultural change and fixing the foundations; and the planned deliverables in these areas for the next 12 months.
- 5.3 In discussion, the Panel was advised:
- Training for first-line and mid-line leaders had been delivered to 65% of the eligible pool, effort would be made to ensure it was delivered to the remaining pool. An

academic body had been engaged to undertake an evaluation of this training. Performance Development Reviews (PDRs) were being linked into promotion.

- The results from the November staff survey were currently being analysed and discussed. The MPS would provide a summary of the findings for the Panel's next meeting.

Action 3: The MPS to provide for the May 2025 Joint Audit Panel meeting a summary of the November 2024 staff survey findings.

Resolved: The Joint Audit Panel:

- Noted the progress in delivering transformation change, the New Met for London plan and HMICFRS Engage milestones.
- Noted the impact of the MPS 2025/26 budget position and the implementation of tough choices in delivery.

6. MPS AUDIT AND RISK REPORT

- 6.1 James Hunter introduced the report which outlined the MPS's audit and risk management activity in the last quarter. It summarised the key discussions and decisions at the MPS's Audit and Risk Assurance Committee (ARAC) December 2024 meeting.
- 6.2 The following was raised in discussion:
- The MPS advised that well established controls and processes were now in place.
 - The December ARAC meeting had focused on progress against the Effective Controls Action Plan (ECAP), which had been mapped across existing activity and key milestones identified. ECAP addressed underlying strategic issues to address the root cause. The Panel requested that an ECAP progress report be provided to its May 2025 meeting.
 - With budget constraints, the MPS was prioritising the ECAP actions which were fundamental for the long term.
 - Noting the need for prioritisation, the Panel advised of the value of triaging by understanding the shorter term response to mitigate immediate risk and to separate that from action that would take a longer time to deliver.
 - Internal Audit (DARA) would be undertaking a review of decision making and budget control.
 - Noting the limited rating arising from the DARA review of financial assurance on expenses, the MPS advised that there was an action plan to address the recommendations.
- 6.3 The Panel noted the advice provided in the report on the levers for improving the position on certain risks. It agreed that more granular detail would assist the Panel to understand and to get assurance on what was planned to improve the risk position.
- 6.4 The Panel also noted the MPS's new working level assurance forum. The MPS advised that output would be available to be shared with the Panel in the spring. The Panel noted they had been waiting for some time to be provided with an assurance map highlighting key sources of assurance in the MPS.

- 6.5 The MPS's review of its corporate risks and issues was noted and the Panel requested that the MPS's risk report to the Panel's May 2025 meeting cover this alongside its review of risk appetite.

Action 4: MPS to provide for the May 2025 Joint Audit Panel meeting a progress report against the Effective Controls Action Plan (ECAP) to provide assurance on action taken to date to address the issues identified and timescales for those that remain outstanding.

Action 5: MPS to include in its Audit and Risk report to the May 2025 Joint Audit Panel meeting, its review of corporate risks and issues, review of risk appetite and mitigating action being taken to improve the risk position.

Resolved: The Joint Audit Panel noted the audit and risk updates from ARAC and noted the progress with the Effective Control Action Plan.

7. MOPAC GOVERNANCE IMPROVEMENT PLAN UPDATE

- 7.1 Amana Humayun introduced the paper which provided an update on important elements of MOPAC governance and the actions required to improve arrangements.
- 7.2 The Panel was advised:
- MOPAC had completed a restructure of corporate functions to centralise key enabling services, teams and roles within one central directorate.
 - Progress had been made on the review of the Scheme of Consent and Delegation (ScCD),
 - The Contract Regulations and Financial Regulations were also under review, and it was anticipated that a full suite of governance documentation would be in place for the start of the new financial year.
- 7.3 MOPAC's and the MPS's preparedness for the changes arising from the Procurement Act 2023 were discussed.

Resolved: The Joint Audit Panel:

- Noted the latest position on the Governance Improvement Plan, including the resource gap in overseeing this area in the period August 2024 – January 2025. Dedicated resource would be in place from the end of January 2025 to take forward ownership of the Governance Improvement Plan.
- Noted the new actions and milestones added to MOPAC's Governance Improvement Plan.

8. DIRECTORATE OF AUDIT RISK AND ASSURANCE ACTIVITY REPORT

- 8.1 Julie Norgrove introduced the Internal Audit report which summarised the internal audit activity since the Panel last met, including risk assurance, advisory and counter fraud work, and provided a forward look. It also provided an update on the introduction of the new professional standards for Internal Audit.
- 8.2 Key work included:
- A number of reviews underway to provide assurance on transformation activity that was now moving into business as usual, for example, vetting and professional standards.

- The report for the review of MPS Programme Management was being drafted. Julie Norgrove noted the importance of ensuring lessons learned from the CONNECT and Command and Control IT programmes were imbedded into the corporate approach to transformation in particular, given that many of the issues had been identified in previous assurance activity.
 - The improvement in the Grey Estate had resulted in the follow-up review moving from limited to adequate.
 - The planned review of the Met's budgetary control framework, which was to support the action to address the financial challenge.
 - A review of the MOPAC Decision Making Framework, which received an adequate rating with key actions to be taken forward by MOPAC Board.
- 8.3 The Panel Chair noted the significance of a number of the reviews and the work underway on the audit opinion, which would be provided in July. Julie Norgrove agreed, specifically the key reviews of the Performance Management Framework, Decision Making and Risk Management, together with assessing the level of progress made in addressing the strategic underlying issues in the ECAP.

Resolved: The Joint Audit Panel considered the outcome of Internal Audit's work undertaken since it last met and noted the status of current and planned activity.

9. EXTERNAL AUDIT UPDATE

- 9.1 Lucy Nutley provided an oral update on the work of the External Auditor, the timing of the Value for Money report and advised that the new lease audit procedures would be a significant piece of work for the MPS finance team.

10. MPS CD&I PERFORMANCE FRAMEWORK UPDATE

- 10.1 AC Rachel Williams introduced the paper which provided information on the development and rollout plan for the MPS's Cultural Maturity Self Assurance Framework (CMSAF), explaining that it was part of a longer-term plan to develop a comprehensive performance framework for Culture, Diversity and Inclusion.
- 10.2 The CMSAF had been developed by the MPS's Culture, Diversity and Inclusion (CDI) Directorate and trialled within the organisation. It was a survey-based tool to provide insight into cultural maturity across the organisation, with practical support to leaders to deliver improvements aligned to outcomes in the Met's Culture Plan and London Race Action Plan. Once it was approved, roll out was planned from February 2025.
- 10.3 The following was raised in discussion:
- The Panel was supportive of this development and queried how the CDI Directorate intended to identify the outcomes and benefit realisations of the tool. The Panel was advised that that was under development.
 - It was noted that completion of the CMSAF was not compulsory and the tension from mandating it was discussed, as well as the risk of not capturing the true position.

Resolved: The Joint Audit Panel noted the development and rollout plan for the MPS's Cultural Maturity Self Assurance Framework.

11. MOPAC COMMISSIONING UPDATE

- 11.1 Will Balakrishnan introduced the paper which provided an update on MOPAC's ongoing improvement work to further develop its approach to commissioning. Outlined for the Panel were:
- The work to improve MOPAC's approach to commissioning.
 - The evaluation undertaken of commissioned services to understand how well they were meeting the outcomes they were commissioned to deliver.
 - The major services commissioned in 2024/25.
 - The work to implement a new performance reporting framework to transform the way that MOPAC collects, analyses and manages service performance data.
- 11.2 Noting that evaluations of commissioned services were published on MOPAC's website, the Panel asked if there was a summary that could be shared with them. The Panel was advised that this would be provided for the next report to Panel. That report would also be a joint update on MOPAC procurement activity, given the links of commissioning work to the Procurement, Contracts and Grants team.

Action 6: MOPAC to include in its next report to the Joint Audit Panel on its commissioning activity, a summary of its evaluations and updates from the Procurement, Contracts and Grants team.

Resolved: The Joint Audit Panel:

- Noted the report and the progress made since the last report submitted to the Audit Panel in January 2024.
- Agreed that in future, the scope of this paper would be widened to include updates from the Procurement, Contracts and Grants team given the links between their work and commissioning activity across MOPAC.

12. JOINT AUDIT PANEL ANNUAL REPORT 2023/24

- 12.1 The Audit Panel Chair introduced the final draft of the Panel's Annual Report for 2023/24. The report's conclusion was that the Panel recognised that improvements had taken place during the period under review, while noting that there was still a significant amount of work to do to ensure good governance arrangements and risk management were fully established with the MPS.
- 12.2 The Chair invited MOPAC and MPS colleagues to provide any comments on the draft by 31 January 2025. The final report would then be submitted to the MPS Commissioner and Deputy Commissioner, and the Deputy Mayor for Policing and Crime.

Action 7: The MPS and MOPAC to provide the Chair with any final comments on the Panel's draft Annual Report 2023/24 by 31 January 2025.

13. ACCOUNTING POLICIES AND KEY JUDGEMENTS IN PREPARING THE 2024/25 STATEMENTS OF ACCOUNTS

- 13.1 Paul Oliffe introduced the paper which updated the Panel on the proposed changes to the accounting policies and key judgements of MOPAC and the MPS for the 2024/25 statements of accounts.

- 13.2 The Panel was advised that while there were very few changes to the accounting policies:
- There were significant changes to the leases section of the CIPFA Code of Practice 2024/25 that required revisions to the accounting policies to ensure continued compliance with the code.
 - The outlook section within the narrative statement that accompanied the accounts had been expanded.
 - Backstop dates for audits had been set.
- 13.3 The changes relating to leases were discussed, including the impact on the budget and the significant impact on the finance team for completing the required work.
- 13.4 The Panel was advised that Grant Thornton was being consulted on the draft accounting policies for 2024/25.

Resolved: The Joint Audit Panel:

- Noted the changes outlined in this report for the current year.
- Approved, subject to review by Grant Thornton, the accounting policies for the Group for the 2024/25 production of the statement of accounts outlined in detail in Annex 1 and 2.

The next meeting is scheduled for 6 May 2025

MPS-MOPAC Joint Audit Committee

Actions - 20 January 2025

Ref	Actions	Status
1	The MPS and MOPAC to provide to the Joint Audit Panel by 28 February 2025, a detailed response to the actions in the External Audit Annual Report 2023/24, including timelines and when outcomes would be delivered, followed by an update at each quarterly meeting.	A paper was not provided by 28 February. A joint MPS and MOPAC paper is on the agenda – item 12.
2	The MPS to provide to the Joint Audit Panel the report from the external review of the command and control procurement.	Agenda item 13
3	The MPS to provide for the May 2025 Joint Audit Panel meeting a summary of the November 2024 staff survey findings.	Agenda item 7
4	MPS to provide for the May 2025 Joint Audit Panel meeting a progress report against the Effective Controls Action Plan (ECAP) to provide assurance on action taken to date to address the issues identified and timescales for those that remain outstanding.	Agenda item 8
5	MPS to include in its Audit and Risk report to the May 2025 Joint Audit Panel meeting, its review of corporate risks and issues, review of risk appetite and mitigating action being taken to improve the risk position.	Agenda item 8
6	MOPAC to include in its next report to the Joint Audit Panel on its commissioning activity, a summary of its evaluations and updates from the Procurement, Contracts and Grants team.	Scheduled for the next MOPAC commissioning report.
7	The MPS and MOPAC to provide the Chair with any final comments on the Panel's draft Annual Report 2023/24 by 31 January 2025.	Completed

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	6 May 2025
Presented by:	Amana Humayun and Dan Worsley
Title/Subject	Budget Governance and Internal Control Framework Update
Purpose of the Paper	This paper sets out the quarterly update to the Joint Audit Panel

Recommendations

The Joint Audit Committee is asked to:

- Note the progress and that significant financial challenges remain.
 - Note the need to closely monitor delivery of the efficiency savings and tough choices following finalisation of the 2025/26 budget.
 - Note the need for a joint lobbying approach following submission of the spending review bids to secure the best outcome for the MPS.
-

1. Background/summary

- 1.1. The Joint Audit Panel has requested that a report be provided to each meeting that sets out an update on the internal control framework and an assessment of the effectiveness of these by the respective Chief Finance Officers. This report provides an update on progress since the Joint Audit Committee last met in January 2025.
- 1.2. Since the last update there have been some significant developments including the approval of the 2025/26 budget and the submission of the MPS Spending Review bid to the Home Office. In addition, MOPAC has contributed to the GLA Spending Review submission and the MPS have contributed to the national NPCC/APCC submission.
- 1.3. The budget position continues to be challenging both for 2025/26 and future years. With a 3 year funding settlement anticipated from 2026/27, engagement with the Spending Review in Spring 2025 is crucial. Following submission of the spending review bids, MOPAC and the MPS have agreed to work closely together to share respective lobbying plans and align key messages to secure the best outcome.
- 1.4. The financial position for the 2024/25 continues to improve with the forecast underspend of £18.4 million reported in the last update rising to £28.5 million

as at Period 11. Following confirmation there is no longer a potential liability of £23.5 million in relation to backdated London Allowances the MPS, with MOPAC's support, are proposing to transfer £10 million to the General Reserve, with a further £13.5 million being transferred to a newly established earmarked reserve to manage workforce pressures in 2025/26 and future years.

- 1.5. The final 2025/26 budget was approved on 31st March 2025 and included additional funding for policing totalling £320.6 million, including £50 million one off funding from the Home Office.
- 1.6. The budget is balanced for 2025/26 but is dependent on the MPS delivering efficiencies and tough choices totalling £260 million and MOPAC delivering efficiencies of £7.6 million. Further work is ongoing in the MPS to allocate funding of £32 million, and to finalise how the efficiencies and tough choices will be delivered.
- 1.7. Given the scale of savings to be delivered in 2025/26 close monitoring of the financial position in the MPS will be critical. Governance arrangements already embedded in the MPS have been strengthened through the establishment of a new central function, the Engine Room. This will co-ordinate the design and delivery of efficiencies and tough choices.

2. Quarter 3 Review

- 2.1. The MPS continue to produce monthly reports to supplement the Quarterly reports. A summary of the key elements is set out below.

2024/25 Q3 Monitoring Position

- 2.2. The Q3 monitoring report forecasts an underspend of £24.5 million compared to a forecast underspend of £18.4 million at the end of Quarter 2. The improvement has been achieved through further reductions in the forecast expenditure for New Met for London, newly confirmed funding from the Home Office as well as mitigations to offset the under-delivery of cross-cutting savings.
- 2.3. The Q3 forecast underspend did not reflect the potential cost backdating the London Allowance at a cost of £23.5 million. It was subsequently confirmed that this payment will not be made in 2024/25. The corresponding underspend is to be transferred to reserves.
- 2.4. The approved savings target for 2024/25 is £182.9 million. Of this, £144.1million of identified savings have already been delivered or are on track for delivery by the year end. This leaves £38.8 million that will not be delivered in full by the end of the financial year.

Review of Reserves

- 2.5. Reserves continue to be reviewed as part of the quarterly monitoring. As at Quarter 3 the proposed drawdown from reserves was £186.0 million, a reduction of £8.9 million as compared to the position reported at Quarter 2.
- 2.6. Following confirmation there is no longer a potential liability of £23.5 million in relation to backdated London Allowance the MPS, with MOPAC's support, are proposing to transfer these funds to reserves. £10 million will be transferred to the General Reserve as part of a medium-term strategy to continue to steadily bolster the reserve, increasing the General Reserve from an opening balance of £66.6 million to £76.6 million.
- 2.7. The balance of £13.5m will be used to establish a new earmarked reserve to manage workforce pressure in 2025/26 and future years.
- 2.8. In setting the 2025/26 budget, a detailed review of reserves has been carried out and the Reserves Strategy reviewed and updated. The MOPAC CFO has undertaken a review of the adequacy of reserves and has assessed the level of reserves to be prudent in the context of known future liabilities, risks and funding uncertainties facing MOPAC and the MPS.

3. 2025/26 AND FUTURE YEARS

- 3.1. The final 2025/26 budget was approved on 31st March 2025, incorporating increased funding totalling £320.6m. This included:-
 - £54.3m through the precept, with the Mayor opting to increase the precept by the maximum allowed for police services.
 - An increase of £63.3 million for the National and International Capital City Grant.
 - £45.6 million from the new Neighbourhood Policing Grant, double what had previously been announced as part of the provisional grant settlement.
 - One-off funding of £50 million from the Home Office. Received in 2024/25, this fund is to protect frontline policing in 2025/26.
- 3.2. The budget is balanced for 2025/26 but is dependent on the MPS delivering efficiencies and tough choices totalling £260 million, and MOPAC delivering efficiencies of £7.6 million. Further work is underway in the MPS to allocate funding of £32 million, and to finalise how the efficiencies and tough choices will be delivered.
- 3.3. Although funding has increased substantially in 2025/26 through a combination of non-recurrent and recurrent funding allocations there remains a level of financial risk in 2025/26 and in future years.

- 3.4. The Mayor has decided to use the one-off £50 million funding from the Home Office fully in 2025/26 to protect the maximum policing strength for London of 600 FTE for one year. There is a risk that, without confirmation that this funding will continue in 2026/27, the MPS may have to reduce its workforce (officers and staff) by 600 FTE by the end of March 2026 to manage within its budget in the next financial year.
- 3.5. The Mayor, MOPAC and the MPS are lobbying for this funding to be baselined in future funding settlements, as well as other areas of funding shortfall to be addressed. Should the 2025 Spending Review not baseline this funding or should it prove to be generally unfavourable, the MPS will have to take measures in 2025/26 to reduce its workforce and commence 2026/27 at an affordable level. A process has been agreed between MOPAC and MPS to keep this and other developments under review and ensure that timely decisions are taken, as the future funding environment becomes clearer.
- 3.6. The MPS budget in particular includes challenging savings and efficiency targets including those to be delivered through significant organisational change and the 'tough choices'. The scale and pace of this change adds to the MPS' corporate risk profile, in addition to that caused by ongoing New Met for London reform and operating in a fiscally challenging context.
- 3.7. To deliver these changes, the MPS has set up a dedicated capability ('the Engine Room') to bring together the core functions that will oversee and drive the design and delivery of this organisational change
- 3.8. Despite the additional funding there remain significant budget gaps in future years for both the MPS and MOPAC. Bridging these will in part be dependent on the outcome of the forthcoming Spending Review. The MPS submitted their Spending Review bid to the Home Office on 4 April. This included 2 options, a request for growth of £1.79 billion (in cash terms) by 2028/29 or a "flat settlement" of £0.7 billion (in cash terms) by 2028/29.
- 3.9. In addition, MOPAC has contributed to the GLA Spending Review submission and the MPS have contributed to the national NPCC/APCC submission. Following submission of the Spending Review bids, MOPAC and the MPS have agreed to work closely together on the Spending Review to share respective lobbying plans and align key messages to secure the best outcome.

4. Financial information

- 4.1. There are no direct financial implications arising from this report to the Audit Panel however the role of the Panel in seeking assurances on the budget

governance and internal control environment may influence the control framework.

5. Key risks and metrics

- 5.1. Strong internal controls and governance is needed to support effective financial management and long-term financial resilience. The financial risks and issues are set out in the report.

6. Further considerations

- 6.1. There are no further considerations

7. Conclusion

- 7.1. The financial outlook is challenging and arrangements for internal control and governance continue to be refined and embedded within MPS to ensure that financial risks are managed as effectively as possible. Good progress is however being made.

8. Recommendations

The Joint Audit Committee is asked to:

- Note the progress and that significant financial challenges remain.
- Note the need to closely monitor delivery of the efficiency savings and tough choices following finalisation of the 2025/26 budget.
- Note the need for a joint lobbying approach following submission of the spending review bids to secure the best outcome for the MPS.

Approval / consultation

This paper has been prepared for the Joint Audit Panel.

Name, job title of paper author

Annabel Cowell – Deputy Chief Finance Officer and Head of Financial Management
MOPAC

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	Tuesday 6 th May 2025
Presented by:	Elinor Godfrey, Director of Finance Change
Title/Subject	MPS Finance Services Target Operating Model Review
Purpose of the Paper	This paper provides information on the context for and aspirations of the MPS Finance Services Target Operating Model review.

Recommendations

The Joint Audit Committee is asked to:

- note the plans for the new MPS Finance Services Target Operating Model to urgently address the issues identified by a CIPFA review into MPS financial management;
 - consider how it can support the work, particularly on messaging with internal and external stakeholders.
-

1. Background/summary

- 1.1. Finance Services instigated a review of its Target Operating Model (TOM) at the end of 2024, following a CIPFA review into financial management at the MPS which set out clear priorities for improvement.
- 1.2. The detailed design has now been developed and the change programme is moving into the implementation phase, with an anticipated go-live date of summer 2025. We are closely engaged with wider changes including Met HQ work and review of the Commercial Services operating model.
- 1.3. We have focused on rebalancing resources to strengthen the focus on financial sustainability and resilience, improving the service offer to budget holders and clarifying their accountabilities and responsibilities, moving to more standardisation to ensure a consistent service and release of capacity within the function to focus on value-add activity.
- 1.4. The TOM will urgently address the priorities set out by the CIPFA review, optimising the use of current resources and systems now. This change activity will also set the function up for success as part of wider change activity across the MPS related to the retendering of the Business Process

Outsourcing (BPO) contract and the move to a new Enterprise Resource Planning (ERP) system at the end of 2027.

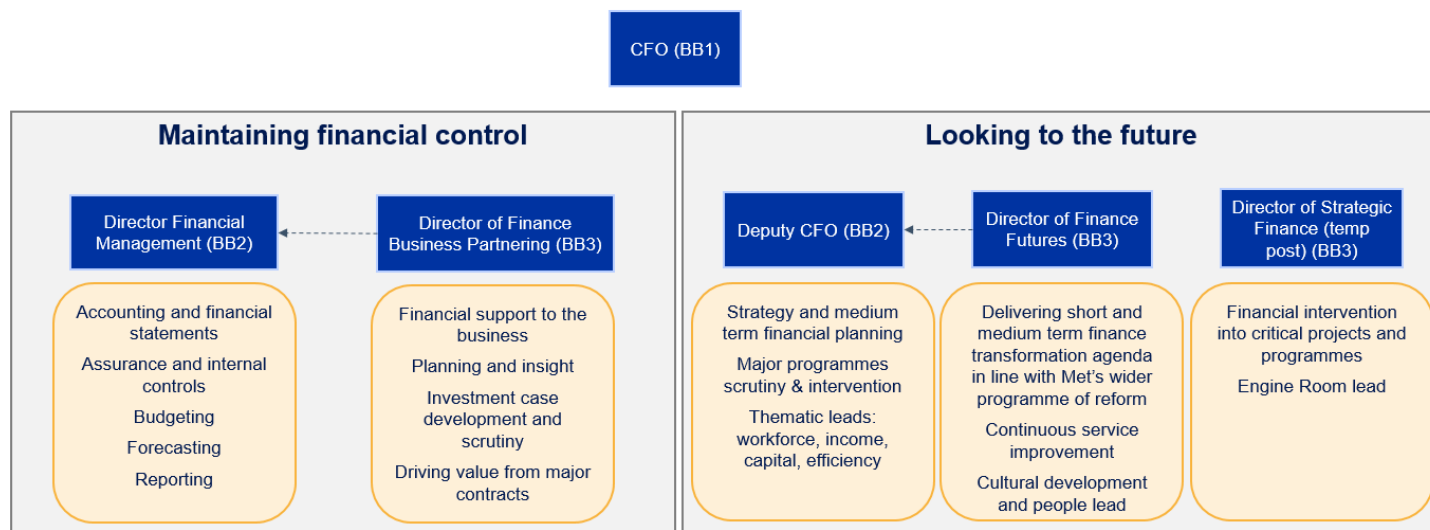
2. The case for change

- 2.1. The MPS commissioned CIPFA to undertake a review of financial management in the organisation, to examine what might be done to build a more effective and authoritative finance team and a more structured approach to budget setting. The review focussed on the support provided by Finance Services to budget holders and the Management Board, and received input from a wide range of stakeholders.
- 2.2. The issues and recommendations can be summarised as follows:
 - **Systems and processes:** Weaknesses undermine the ability and capacity of the finance team to provide the support needed to deliver the Commissioner's reform agenda for the MPS.
 - **People:** Morale within the finance team is low. The operating model to support business partnering needs to be redesigned and the service offer reset. The financial responsibilities of Budget Holders and Budget Managers needs to be reiterated through guidance and training.
 - **Leadership:** Finance has not been regarded as critical to the delivery of the MPS's objectives, lacking capacity and senior management authority. The existing focus on the stewardship of resources needs to be matched by greater attention to financial sustainability, through longer-term thinking and enabling change.
- 2.3. The CIPFA report, as well as HMICFRS PEEL and Value for Money Audit Report findings related to financial management, and the outcomes of our staff Listening Exercise, provide a strong basis for our case for change.

3. Changes already implemented

- 3.1. Many of the CIPFA conclusions supported work already underway:
 - a) Further to the CFO's arrival, senior appointments were made to the two clusters set out by CIPFA (Maintaining Financial Control, and Looking to the Future) including, as recommended, a Deputy CFO (**Diagram 1**).
 - b) Development of monthly flash financial reporting.
 - c) We have begun to strengthen the Medium-Term Financial Plan (MTFP) and capital planning through Spending Review 2025 (SR25), and the finalisation of 2025/26 budgets.

Diagram 1: Senior Management Structure and Responsibilities



4. Vision and key operating model changes

4.1. We have established the following Vision for our new TOM:

Finance Services: a trusted partner, delivering insight to support decision making, managing our financial position and achieving value for money for the people of London.

4.2. **Diagram 2** sets out the key design changes we will make to bring this vision to life, moving us closer to a best practice model seen elsewhere across the public sector. The changes will drive benefits across the critical areas of challenge identified by the CIPFA review. These are significant changes and we are working to implement these with the minimum impact on service in transition and the maximum clarity for our people.

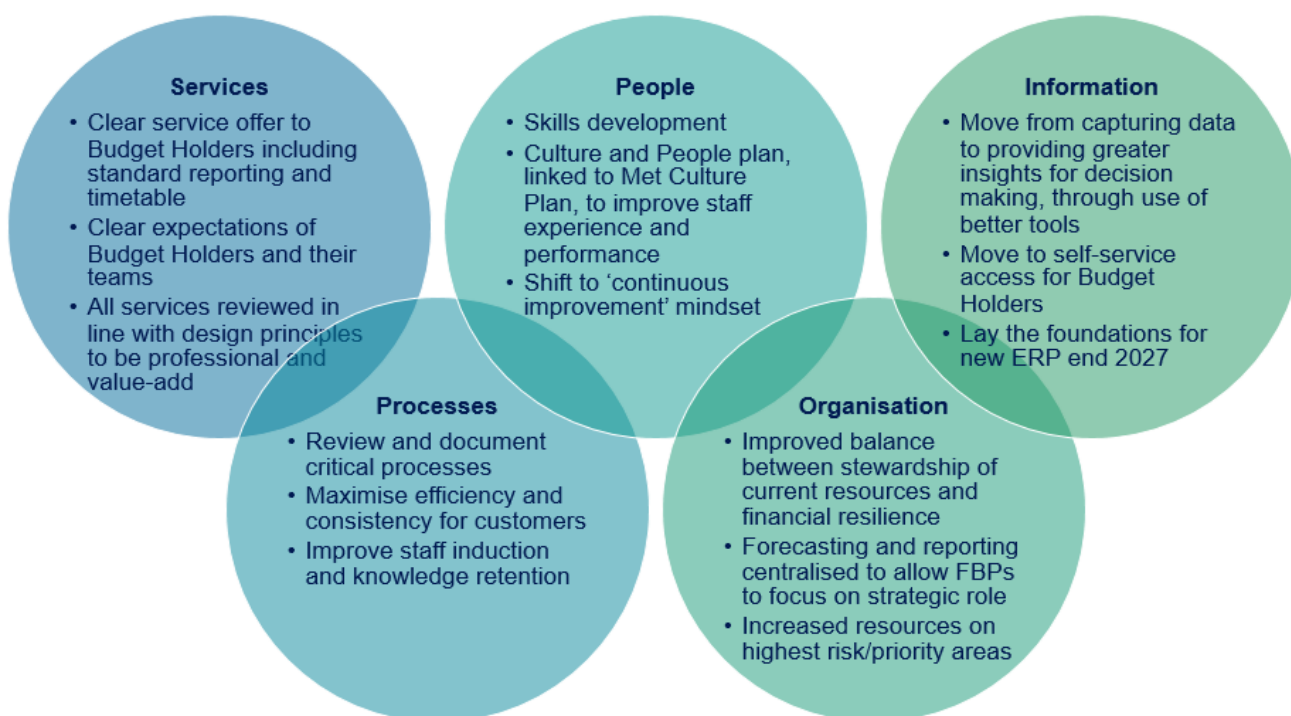
4.3. The role and behaviours of Budget Holders will be key to the success of the new operating model. We have engaged a representative Budget Holder Reference Group to support development of a new Business Partnering Service Offer. Financial Awareness and Budget Holder training is now being rolled out MPS-wide as part of the Leadership Academy, launched April 2025. Work is underway to improve and clarify the financial control framework, including implementing changes agreed by ExCo in March to increase the delegated authorities of ACs, Chief Officers and the CFO through Investment Portfolio Group and revised financial delegation letters to Budget Holders.

4.4. The operating model changes will be a first 'transition state' to urgently address critical gaps and opportunities for improvement in the service, setting the function up for success for future changes related to the retendering of the BPO contract and the move to a new ERP system at the

end of 2027. This end-state will unlock further efficiencies and scope to improve services within a limited headcount within the function.

- 4.5. In the shorter term, implementation of self-service reporting and Enterprise Performance Management (EPM) software over the next year will further improve the Finance service offer, creating capacity in the team to address capacity issues and for more value-add work.

Diagram 2: Key Operating Model Changes



5. Financial information

- 5.1. No additional funding has been sought; the operating model review has focused on optimising the service within the current resource envelope.

6. Conclusion

- 6.1. We are working at pace to make improvements to our operating model, to urgently address the issues raised. These changes will bring about a step-change in financial management across the organisation, and set the function up for success for future service transformation.

7. Recommendations

The Joint Audit Committee is asked to:

- 7.1. note the plans for the new MPS Finance Services Target Operating Model to urgently address the issues identified by a CIPFA review into MPS financial management;

- 7.2. consider how it can support the work, particularly on messaging with internal and external stakeholders.
-

Approval / consultation

This paper has been approved by the Deputy CFO. The TOM design work has been taken through MPS internal governance via the Organisational Design Authority, which has given authority to proceed.

Name, job title of paper author

Elinor Godfrey, Director of Finance Change

Appendices

N/A

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	06 May 2025
Presented by:	Adrian Scott, Chief Strategy and Transformation Officer
Title/Subject	MPS Transformation Portfolio - Quarterly Update
Purpose of the Paper	This paper provides a quarterly update on the Transformation Portfolio, covering progress to date, key risks and delivery challenges, and an update on FY25/26 delivery planning.

Recommendations

The Joint Audit Committee is asked to:

- Note the latest delivery progress against the Portfolio Delivery Plan.
 - Note the activity underway to develop an FY25/26 Portfolio Plan, and the impact of our 2025-26 budget position.
-

1. Key Considerations for the Committee:

1.1. Overall, the portfolio **delivery confidence remains at Amber, consistent with the Amber status reported** to Management Board on 28 January.

1.2. The Transformation Portfolio remains committed to an ambitious programme of delivery as set out in our consolidated portfolio plan (baselined at IPG and Management Board in October 2024), and have made demonstrable progress against the agreed delivery milestones, NMfL commitments, HMICFRS Engage milestones, and Angiolini Recommendations.

2. Summary

2.1. Progress against Portfolio Delivery Plan

- a. As we end the FY24-25 financial year, in the last 12 months, the Portfolio Office have supported simplification of the NMfL portfolio from 26 programmes to 12, and developed a Portfolio Plan that provides a unified view of programmes' critical paths and alignment to strategic requirements including the NMfL Strategy, HMICFRS Engage milestones

and Angiolini Recommendations. The Portfolio Plan agreed in October 2024 represents a significant shift in the maturity of the NMfL portfolio:

- In February 2024, the Portfolio Office reported on 72 milestones; as of April 2025, the Portfolio Office rigorously tracks 450 milestones.
- Improvements in the level of detail maintained by the Portfolio Office are further supported by robust Change Control processes and dependency mapping.
- The improved maturity of the portfolio plan has translated into improved delivery progress; since the plan was baselined in October 2024, 163 milestones have been delivered (compared to 74 milestones in the 5 months prior).

2.2. FY25/26 Planning Activity

- a. The portfolio continues to be refined, And the continued maturing of the portfolio enhances the ability to confidently plan for FY25/26. As such, we have undertaken an 'FY25-26 portfolio definition' exercise over the last 4 weeks, this is aligned with the future direction and is financially affordable. The portfolio team have met with each SRO and PD/PM to discuss in detail:
 - Approach and next steps for FY25/26 planning.
 - Validation & Costing of existing planned activities, confirming they remain in-year priorities / understanding anything that needs to be delayed / re-sequenced.
 - Validation of Gap Analysis findings, including statuses.
 - Identification and costing of potential additional activities.

2.3. Portfolio Management Improvement Plan

- a. A further series of changes and updates to the portfolio management process is underway, including the full definition and implementation of changes recommended in the Management Board paper on major programmes lessons learned, and to also make the changes to Governance and financial delegation approved by ExCo in March 2025. A portfolio management improvement plan was presented to April Investment and Portfolio Group that brings this work together into a Project that IPG will monitor.

2.4. Financial information

- a. A 'FY25-26 Portfolio Definition' exercise has been undertaken, to assess costed activities for FY25-26 against the agreed NMfL budget, noting that known un-costed activities, anticipated in-year demand, and a need to drive consultancy savings will add further budgetary pressure.
- b. To drive an ambitious and financially viable portfolio, that allows for in-year pressures and mitigates delays to delivery and underspend, the April IPG considered the results of the exercise and agreed an initial indicative allocation for FY25-26.
- c. This allocated funding for activities that are already approved (i.e. have business cases / BJPs), that are non-negotiable (i.e. have committed spend / a national mandate / commercial risk) and that are currently in train.
- d. Controls are proposed to enable further allocation via governance, and to monitor spend against forecasts to allow tighter grip in-year. In addition, a prioritisation exercise is proposed to identify headroom of c.10% where necessary over FY25/26 to reduce spend should additional levers be necessary in-year.

3. Key risks and metrics

- 3.1. The scale of change delivered by the Transformation Directorate continues to grow, with increasing demand for resources to support BAU change and emerging / evolving initiatives. Capacity to deliver the portfolio will therefore need to be managed tightly to continue delivering at pace.
- 3.2. There are certain milestone risks and delays to be noted; see Appendix 1 for further detail.

4. Further considerations

- 4.1. N/A

5. Conclusion

- 5.1. Overall, the portfolio **delivery confidence remains at Amber**, and demonstrable progress has been made against the agreed delivery milestones, NMfL commitments, HMICFRS Engage milestones, and Angiolini Recommendations.
- 5.2. The Joint Audit Committee is invited to:
 - a. Note the latest delivery progress against the Portfolio Delivery Plan.
 - b. Note the activity underway to develop an FY25/26 Portfolio Plan, and the impact of our 2025-26 budget position.

- c. Note the portfolio improvement work to provide greater assurance on the governance and delivery of transformation.

5.3. Next steps – ahead of August's Joint Audit Committee, we will:

- a. Conclude FY25/26 planning and prioritisation activity to bring current FY25/26 funding allocations within budgets.
- b. Develop a portfolio-level dashboard through which to quantify, and measure delivery of, programme benefits.
- c. Enact our portfolio improvement plan, drawing on the major programmes lessons learned, and to make changes to the governance and financial delegation approved by ExCo.
- d. Continue to oversee and manage monthly progress with the programme teams, highlighting delivery achievements and barriers, progress in FY25/26 planning, and preparations for the next NMfL plan.

Approval

Report approved by Adrian Scott, Chief Strategy and Transformation Officer

Name, job title of paper author

Oscar Ramudo, Director of Transformation, and Alison Bowler, Deputy Director Portfolio Management

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	6 th May 2025
Presented by:	T/AC Rachel Williams
Title/Subject	To provide a summary of the Nov 24 staff survey findings
Purpose of the Paper	For noting

Recommendations

The Joint Audit Committee is asked to:

- note the high level staff survey responses appended as a full report (Appendix A)
 - note the key points and next steps described in the report
-

1. Background/summary

- 1.1 The staff survey was conducted in October 2024 using a new in-house approach which has reduced cost.
- 1.2 This survey has largely reset the questions and has also included new questions on harassment, bullying and discrimination. Although this has meant limited ability to compare previous responses, it gives better levels of access to data through a dashboard, and new information that can help understand aspects of culture in a deeper way.
- 1.3 The high-level results are included at Appendix A. Every question is displayed in terms of positive, neutral or negative responses and some have additional demographic breakdowns by gender and ethnicity.

2. Paper Content

Response rates and variations

- 2.1. Response rates for the survey are below public sector benchmarks, with 51% of the audience commencing the survey and 39% completing it.
- 2.2. Response rates were higher for police staff and those with longer service, but lower for those with under five years' service or those in response roles. Many respondents also did not complete the demographic questions or

answered 'prefer not to say' which means we may not know as much as we need to about varying experiences within different groups. As part of our next steps we'll be carrying out further engagement with units with lower response rates, whilst also looking at how we can improve participation and confidence to provide demographic details next time around.

Key headlines

- 2.3. The results show significant challenges and we know the survey was conducted at a time of extraordinary change, with some of the progress we have made not yet widely felt (and now also in the context of tough choices).
- 2.4. Many respondents are enthusiastic about their job and positive about their immediate team and line managers, but a significant number say they are likely to want to leave within the next three years.
- 2.5. The most common reasons given by officers who want to leave were salary and benefit, lack of support from senior managers and the impact of negative public perception. For staff, the main reasons were a lack of support from senior leaders followed by salary and benefits.
- 2.6. Whilst direct comparisons aren't possible (given the changing question set) the scores for issues including uniform, technology and equipment can be assessed as improving.
- 2.7. In relation to culture, there are some positive responses on willingness to challenge and confidence in line managers to act, but there are concerns from those who do report that no action will be taken, and some differences in the confidence of different demographic groups.
- 2.8. Confidence in leaders is low. Values-driven leadership behaviours are intrinsic to our new guiding values and principles. They are embedded into the new End of Year review processes and built into our First-line, mid-line and senior leadership training. We are disappointed in the survey results but determined to embed improvements.
- 2.9. Confidence that the survey will result in action is also low and we will be making communication a key part of next steps, which are described below.

Next steps

- 2.10. The Met results and the interactive dashboard is now being used by leaders across the organisation to identify themes and priorities for action in their area.

- 2.11. These will be reviewed and discussed at CDI Group where escalations and proposals for corporately led activity will be considered for action.

3. Conclusion

- 3.1. The survey results demonstrate that there is work still to do. Although we remain in a period of tough choices that continue to impact our workforce, we will work carefully to understand where we can make a real difference based on the feedback we have received and we will communicate, locally and corporately, the changes we have made.

4. Recommendations

- 4.1. This paper is for noting, there are no decisions sought from the panel.
-

Approval / consultation

This paper is for noting. The Met staff survey results and next steps are governed internally through ExCo and CDI Board.

Name, job title of paper author

DAC Helen Millichap, CDI.

Appendix A

MPS high level report of staff survey responses

Metropolitan Police Staff Survey 2024

Engagement Index Questions

Overall response rate: **39%**

20,070 responses

51,896 employees

Engagement Index Score: **42**

Definitions

Response rate: The proportion of people who completed the survey.

Engagement Index Score: This is a score between 0-100 (negative to positive). It is calculated by allocating a score to the response for questions A1, A10 and E1 (see below) and then taking the average responses across the 3 questions to create an weighted index score.

Note: Answers such as 'Don't know' or 'Prefer not to say' are allocated a middle score.

A1

How often do you feel enthusiastic about your job?

Never: **5%**

Rarely: **18%**

Sometimes / Don't know: **36%**

Often: **31%**

Always: **11%**

A10

How likely are you to want to leave the Met in the next three years?

Very likely: **30%**

Likely: **21%**

Neither likely nor unlikely / Prefer not to say / Don't know: **26%**

Unlikely: **13%**

Very unlikely: **10%**

E1

How likely are you to recommend the Met as a good place to work for friends or family?

Very unlikely: **38%**

Unlikely: **20%**

Neither likely nor unlikely / Can't decide: **21%**

Likely: **16%**

Very likely: **4%**

Section 1: Your Job

A1

How often do you feel enthusiastic about your job?

Never: 5%

Rarely: 17%

Sometimes / Don't know: 36%

Often: 31%

Always: 11%

A2

How challenged do you feel in your job?

My job does not challenge me: 32%

I feel too challenged / Don't know: 5%

I feel sufficiently challenged in my job: 63%

A3a

Thinking about your last end of year review, how much do you agree or disagree that it helped you to understand and/or set your objectives for the year?

No: 39%

Yes, to some extent / Not applicable / I haven't done my end of year review: 50%

Yes, definitely: 11%

A3b

Thinking about your last end of year review, how much do you agree or disagree that it helped you to improve how you do your job?

No: 54%

Yes, to some extent / Not applicable / I haven't done my end of year review: 38%

Yes, definitely: 8%

A3c

Thinking about your last end of year review, how much do you agree or disagree that it left me feeling that my work is valued by the Met?

No: 59%

Yes, to some extent / Not applicable / I haven't done my end of year review: 34%

Yes, definitely: 6%

A4a

When working, how often do you find that you have: The right equipment or tools to do an effective job?

Almost never / Never: **10%**

Only some of the time: **33%**

Most of the time: **45%**

Just about always / Always: **11%**

A4b

When working, how often do you find that you have:
The right information and data to do an effective job?

Almost never / Never: **9%**

Only some of the time: **35%**

Most of the time: **47%**

Just about always / Always: **9%**

A5a

How much do you agree or disagree with these statements? I am able to meet all of the conflicting demands on my time at work?

Strongly disagree: **15%**

Disagree: **24%**

Don't know / Sometimes: **21%**

Agree: **33%**

Strongly agree: **7%**

A5b

How much do you agree or disagree that there are enough staff in my team for me to do my job properly?

Strongly disagree: **36%**

Disagree: **25%**

Don't know / Sometimes: **15%**

Agree: **20%**

Strongly agree: **5%**

A6

How would you rate career progression opportunities available to you at the Met? 0 to 10 scale

0-1 (extremely poor): **21%**

2-4: **21%**

5-6: **41%**

7-8: **15%**

9-10 (extremely good): **3%**

A7

How much do you agree or disagree that the formal training you have received in the last 12 months equips you to do your job?

Strongly disagree: **12%**

Disagree: **16%**

Don't know / Sometimes: **40%**

Agree: **28%**

Strongly agree: **4%**

A8

What are the reason(s) for your dissatisfaction with the formal training? This question was only asked to those who answered Disagree or Strongly disagree to A7.

I've not received enough training: **50%**

The quality of the training was poor: **42%**

The training was not relevant to my role: **42%**

There was a lack of follow up: **23%**

The process of accessing the training took too long: **18%**

Other – please specify: **17%**

The format of the training was not accessible (it was delivered online): **16%**

The format of the training was not accessible (it was delivered in person): **4%**

A9a

How much do you agree or disagree that considering your responsibilities, you feel your pay is reasonable?

Strongly disagree: **36%**

Disagree: **29%**

Neither agree nor disagree / Don't know / Prefer not to say: **15%**

Agree: **18%**

Strongly agree: **2%**

A9b

How much do you agree or disagree that considering your responsibilities, you are satisfied with your total benefits package (e.g. leave and pension) ?

Strongly disagree: **36%**

Disagree: **25%**

Neither agree nor disagree / Don't know / Prefer not to say: **17%**

Agree: **20%**

Strongly agree: **3%**

A10

How likely are you to want to leave the Met in the next three years?

Very likely: **30%**

Likely: **21%**

Neither likely nor unlikely / Prefer not to say / Don't know: **26%**

Unlikely: **13%**

Very unlikely: **10%**

A11

If you are likely to want to leave the Met which of these statements come closest to your view?

This question was only asked to those who answered Very likely or Likely to A10.

I want to leave the Met as soon as possible: **26%**

I want to leave the Met in the next 12 months: **20%**

I want to stay working for the Met for the next 2-3years, but want to leave after this: **34%**

Don't know: **13%**

Prefer not to say: **7%**

A12

What are your top reasons for wanting to leave? This question was only asked to those who answered that they wanted to leave straight away to A11.

Salary and benefits not sufficient: **59%**

Impact of negative public perception or scrutiny: **55%**

Impact of the job on health and wellbeing: **53%**

Lack of support from line managers / senior leaders: **50%**

Lack of promotion or career development opportunities inside the Met: **36%**

Workload too heavy: **30%**

Lack of inclusion or fair treatment: **24%**

Promotion or career progression outside of the Met: **24%**

Wanting a change or a new challenge: **19%**

Intending to retire: **14%**

Caring responsibilities or ill health: **17%**

Personal circumstances: **17%**

Due to poor working relationships: **17%**

Prefer not to say: **2%**

End of contract: **2%**

Don't know: **<1%**

Section 2: Your Managers

B1a

How much do you agree or disagree that your line manager encourages you at work?

Strongly disagree: 5%

Disagree: 7%

Neither agree nor disagree / Don't know: 17%

Agree: 42%

Strongly agree: 30%

B1b

How much do you agree or disagree that your line manager gives you clear feedback so that you can develop?

Strongly disagree: 6%

Disagree: 10%

Neither agree nor disagree / Don't know: 21%

Agree: 37%

Strongly agree: 26%

B1c

How much do you agree or disagree that your line manager recognises you when you have done a job well?

Strongly disagree: 5%

Disagree: 7%

Neither agree nor disagree / Don't know: 17%

Agree: 38%

Strongly agree: 33%

B1d

How much do you agree or disagree that your line manager values your work?

Strongly disagree: 5%

Disagree: 5%

Neither agree nor disagree / Don't know: 16%

Agree: 40%

Strongly agree: 34%

B1e

How much do you agree or disagree that your line manager takes effective action to help you with any problems you raise?

Strongly disagree: **6%**

Disagree: **7%**

Neither agree nor disagree / Don't know: **16%**

Agree: **39%**

Strongly agree: **33%**

B2a

My line manager regularly demonstrates these Met values: Integrity?

Strongly disagree: **2%**

Disagree: **3%**

Neither agree nor disagree / Don't know: **14%**

Agree: **39%**

Strongly agree: **41%**

B2b

My line manager regularly demonstrates these Met values: Courage?

Strongly disagree: **3%**

Disagree: **4%**

Neither agree nor disagree / Don't know: **17%**

Agree: **37%**

Strongly agree: **39%**

B2c

My line manager regularly demonstrates these Met values: Accountability?

Strongly disagree: **3%**

Disagree: **4%**

Neither agree nor disagree / Don't know: **17%**

Agree: **37%**

Strongly agree: **39%**

B2d

My line manager regularly demonstrates these Met values: Respect?

Strongly disagree: **3%**

Disagree: **3%**

Neither agree nor disagree / Don't know: **13%**

Agree: **39%**

Strongly agree: **42%**

B2e

My line manager regularly demonstrates these Met values: Empathy?

Strongly disagree: 4%

Disagree: 4%

Neither agree nor disagree / Don't know: 14%

Agree: 36%

Strongly agree: 41%

B3a

My line manager regularly demonstrates these Met principles: Communities first?

Strongly disagree: 2%

Disagree: 3%

Neither agree nor disagree / Don't know: 33%

Agree: 33%

Strongly agree: 30%

B3b

My line manager regularly demonstrates these Met principles: Front line focused?

Strongly disagree: 2%

Disagree: 3%

Neither agree nor disagree / Don't know: 30%

Agree: 34%

Strongly agree: 31%

B3c

My line manager regularly demonstrates these Met principles: Inclusivity?

Strongly disagree: 3%

Disagree: 3%

Neither agree nor disagree / Don't know: 22%

Agree: 37%

Strongly agree: 36%

B3d

My line manager regularly demonstrates these Met principles: Collaborative?

Strongly disagree: 3%

Disagree: 3%

Neither agree nor disagree / Don't know: 21%

Agree: 37%

Strongly agree: 35%

B3e

My line manager regularly demonstrates these Met principles: Precision?

Strongly disagree: **3%**

Disagree: **3%**

Neither agree nor disagree / Don't know: **25%**

Agree: **35%**

Strongly agree: **34%**

B4

Generally speaking, would you say that poor performance is managed effectively in your team?

Poor performance is managed ineffectively in my team: **31%**

Don't know: **29%**

Poor performance is managed effectively in my team: **40%**

B5

By 'senior managers' we mean individuals who have a leadership role in your immediate OCU / BCU, i.e. Chief Inspectors to Chief Superintendents and the police staff equivalent.

B5a

How much do you agree or disagree with these statements about the senior managers in your team? Those who make honest mistakes and errors are treated fairly.

Strongly disagree: **13%**

Disagree: **12%**

Neither agree nor disagree / Don't know: **30%**

Agree: **33%**

Strongly agree: **12%**

B5b

How much do you agree or disagree with these statements about the senior managers in your team? We are encouraged to report errors, or incidents.

Strongly disagree: **6%**

Disagree: **6%**

Neither agree nor disagree / Don't know: **28%**

Agree: **44%**

Strongly agree: **16%**

B6

Do you directly line manage other staff or officers?

No: **70%**

Yes: **30%**

B7a

How much do you agree with these statements? I feel confident managing others

Strongly disagree: **1%**

Disagree: **4%**

Neither agree nor disagree / Don't know: **7%**

Agree: **56%**

Strongly agree: **32%**

B7b

How much do you agree with these statements? I get the support I need as a line manager

Strongly disagree: **6%**

Disagree: **18%**

Neither agree nor disagree / Don't know: **19%**

Agree: **40%**

Strongly agree: **16%**

B7c

How much do you agree with these statements?

I have had the right formal training to effectively complete my responsibilities as a line manager.

Strongly disagree: **16%**

Disagree: **26%**

Neither agree nor disagree / Don't know: **24%**

Agree: **26%**

Strongly agree: **9%**

Section 3: Your Wellbeing and Safety at Work

C1

How much do you agree with this statement? I can be myself at work

Strongly disagree: **5%**

Disagree: **11%**

Neither agree nor disagree / Don't know: **28%**

Agree: **33%**

Strongly agree: **24%**

C2a

How much do you agree or disagree that you are treated fairly by these people:
Your line manager?

Strongly disagree: **3%**

Disagree: **4%**

Neither agree nor disagree / Don't know: **10%**

Agree: **40%**

Strongly agree: **44%**

C2b

How much do you agree or disagree that you are treated fairly by these people:
Your peers within your team?

Strongly disagree: **1%**

Disagree: **3%**

Neither agree nor disagree / Don't know: **10%**

Agree: **46%**

Strongly agree: **39%**

C2c

How much do you agree or disagree that you are treated fairly by these people:
Colleagues inside or outside your team?

Strongly disagree: **2%**

Disagree: **6%**

Neither agree nor disagree / Don't know: **18%**

Agree: **47%**

Strongly agree: **26%**

C2d

How much do you agree or disagree that you are treated fairly by these people:
Senior leaders in your BCU/OCU?

Strongly disagree: **12%**

Disagree: **26%**

Neither agree nor disagree / Don't know: **30%**

Agree: **26%**

Strongly agree: **12%**

C3

How confident do you feel to challenge inappropriate behaviour at work if necessary? 0 to 10 scale

0-1 (not confident at all): **6%**

2-4: **7%**

5-6: **24%**

7-8: **29%**

9-10 (extremely confident): **34%**

C4

How much do you agree or disagree with this statement? If necessary, inappropriate behaviour is dealt with appropriately in my team

Strongly disagree: **5%**

Disagree: **6%**

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: **27%**

Agree: **41%**

Strongly agree: **21%**

C5a

Have you been subject to or witnessed any of the following in the Met in the last 12 months? Bullying

Yes, while working in my current team / Yes, while working in another team (most negative): **16%**

Prefer not to say: **5%**

No (most positive): **79%**

C5b

Have you been subject to or witnessed any of the following in the Met in the last 12 months? Harassment

Yes, while working in my current team / Yes, while working in another team (most negative): **12%**

Prefer not to say: **5%**

No (most positive): **83%**

C5c

Have you been subject to or witnessed any of the following in the Met in the last 12 months? Discrimination

Yes, while working in my current team / Yes, while working in another team (most negative): **6%**

Prefer not to say: **3%**

No (most positive): **90%**

C5d

Have you been subject to or witnessed any of the following in the Met in the last 12 months? Unwanted or inappropriate sexual behaviour

Yes, while working in my current team / Yes, while working in another team (most negative): **5%**

Prefer not to say: **3%**

No (most positive): **92%**

C6

Thinking about the most recent incident, did you report it to any of the following? This question was only asked to those who answered 'yes' to any of the C5 questions.

A colleague: **21%**

A line manager: **44%**

DPS: **14%**

I didn't report it: **24%**

Prefer not to say: **19%**

Through an anonymous route: **7%**

C7

(If reported in C6) Was appropriate action taken to address the behaviour you experienced?

No: **49%**

Not applicable / Prefer not to say: **26%**

Yes: **25%**

C8

(If 'yes' C7) How satisfied were you with how your allegation was managed?

Very dissatisfied: **5%**

Somewhat dissatisfied: **7%**

Neither satisfied nor dissatisfied / Prefer not to say: **27%**

Somewhat satisfied: **35%**

Very satisfied: **27%**

C9

How confident are you that action will be taken if you were to raise a concern with a supervisor or manager regarding conduct?

Not at all confident: **13%**

Slightly confident: **13%**

Somewhat confident / Don't know: **22%**

Quite confident: **26%**

Extremely confident: **25%**

C10a

In the last 12 months have you experienced any of the following?

A colleague has publicly called out unacceptable language or behaviour.

No: **58%**

Yes, to some extent / Don't know: **29%**

Yes, definitely: **13%**

C10b

In the last 12 months have you experienced any of the following?

A colleague has supported another colleague who has experienced harassment, bullying or discrimination.

No: **57%**

Yes, to some extent / Don't know: **30%**

Yes, definitely: **13%**

C11a

In general, how would you rate your health now? (Overall mental health)

Poor: **22%**

Fair: **31%**

Prefer not to say: **3%**

Good: **34%**

Excellent: **9%**

C11b

In general, how would you rate your health now? (Overall physical health)

Poor: **16%**

Fair: **33%**

Prefer not to say: **3%**

Good: **38%**

Excellent: **9%**

C12

How much do you agree or disagree with this statement? I get the support I need from the organisation to manage my wellbeing.

Strongly disagree: **16%**

Disagree: **20%**

Neither agree nor disagree / Don't know: **33%**

Agree: **26%**

Strongly agree: **5%**

C13

How often do you have a conversation with your line manager about your personal wellbeing?

Never: **18%**

Rarely: **25%**

Sometimes / Don't know / I don't speak to my line manager about my personal wellbeing: **33%**

Often: **17%**

Frequently: **7%**

C14

How satisfied are you with your current work-life balance? 0 to 10 scale

0-1 (completely unsatisfied): **13%**

2-4: **22%**

5-6: **38%**

7-8: **17%**

9-10 (completely satisfied): **9%**

C15

How much do you agree or disagree with this statement? The Met is committed to helping me balance my work and home life

Strongly disagree: **32%**

Disagree: **27%**

Neither agree nor disagree / Don't know: **26%**

Agree: **12%**

Strongly agree: **2%**

Section 4: Your Senior Leaders

D1

By 'senior leaders', we mean the individuals who sit at the top of the Met and are responsible for the overall running of your organisation (i.e. officers who are Commander Level and above and the staff equivalent).

D1a

How much do you agree or disagree with the following statements about your senior leaders?

I have confidence in decisions made by Met senior leaders.

Strongly disagree: **35%**

Disagree: **25%**

Neither agree nor disagree / Don't know: **26%**

Agree: **11%**

Strongly agree: **2%**

D1b

How much do you agree or disagree with the following statements about your senior leaders?

I believe that Met senior leaders are committed to creating an inclusive workplace

Strongly disagree: **24%**

Disagree: **14%**

Neither agree nor disagree / Don't know: **33%**

Agree: **24%**

Strongly agree: **5%**

D2

By 'senior leaders', we mean the individuals who sit at the top of the Met and are responsible for the overall running of your organisation (i.e. officers who are Commander Level and above and the staff equivalent).

D2a

How much do you agree or disagree with this statement about the senior managers within your OCU/BCU? Decisions made by Met senior managers in my OCU/BCU are communicated effectively to my team

Strongly disagree: **20%**

Disagree: **21%**

Neither agree nor disagree / Don't know: **27%**

Agree: **26%**

Strongly agree: **6%**

D2b

How much do you agree or disagree with this statement about the senior managers within your OCU/BCU?

Met senior managers in my OCU/BCU are accessible (i.e. approachable in person or otherwise)

Strongly disagree: **19%**

Disagree: **16%**

Neither agree nor disagree / Don't know: **27%**

Agree: **30%**

Strongly agree: **9%**

D2c

How much do you agree or disagree with this statement about the senior managers within your OCU/BCU?

Met senior managers in my OCU/BCU are committed to creating an inclusive workplace

Strongly disagree: **14%**

Disagree: **10%**

Neither agree nor disagree / Don't know: **40%**

Agree: **28%**

Strongly agree: **8%**

Section 5: Your Organisation

E1

How likely are you to recommend the Met as a good place to work to friends or family?

Very unlikely: **38%**

Unlikely: **20%**

Neither likely nor unlikely / Prefer not to say: **21%**

Likely: **16%**

Very likely: **4%**

E2a

How much do you agree or disagree with these statements?

The team I work in has a set of shared objectives

Strongly disagree: **4%**

Disagree: **9%**

Neither agree nor disagree / Don't know: **20%**

Agree: **51%**

Strongly agree: **17%**

E2b

How much do you agree or disagree with these statements?

The team I work in often meets to discuss the team's effectiveness

Strongly disagree: **8%**

Disagree: **15%**

Neither agree nor disagree / Don't know: **19%**

Agree: **41%**

Strongly agree: **16%**

E2c

How much do you agree or disagree with these statements?

Teams within this organisation work well together to achieve their objectives

Strongly disagree: **11%**

Disagree: **18%**

Neither agree nor disagree / Don't know: **31%**

Agree: **31%**

Strongly agree: **9%**

E3

How much do you agree or disagree with this statement?

I understand how my work contributes to the New Met for London plan and its objectives.

Strongly disagree: **24%**

Disagree: **19%**

Neither agree nor disagree / Don't know: **47%**

Agree: **8%**

Strongly agree: **2%**

E5

How much do you agree or disagree with this statement? I believe that results from previous staff surveys are actioned

Strongly disagree: **26%**

Disagree: **24%**

Neither agree nor disagree / Don't know: **42%**

Agree: **7%**

Strongly agree: **1%**

Engagement Index score by gender and ethnicity

Engagement Index Score: 42

Definitions

Engagement Index Score:

This is a score between 0-100 (negative to positive). It is calculated by allocating a score to the response for questions A1, A10 and E1 (see below) and then taking the average responses across the 3 questions to create an weighted index score.

Note: Answers such as 'Don't know' or 'Prefer not to say' are allocated a middle score.

Gender

Male. Engagement score: **43**

Female. Engagement score: **46**

Prefer not to say. Engagement score: **32**

Ethnicity

White, Engagement score: **44**

Black or Black British, Engagement score: **50**

Asian or Asian British, Engagement score: **50**

Mixed or multiple ethnic groups, Engagement score: **42**

Any other ethnic groups, Engagement score: **42**

Prefer not to say, Engagement score: **33**

Question C3 breakdown by gender and ethnicity

C3

How confident do you feel to challenge inappropriate behaviour at work if necessary? 0 to 10 scale

Some percentages won't total 100% due to rounding. 'Other' has been removed from the Gender options due to a very small sample size.

Gender

Metwide (Number of respondents: 20,700 / 100%)

0-1 (not confident at all): 6%

2-4: 7%

5-6: 24%

7-8: 29%

9-10 (extremely confident): 35%

Gender

Male (Number of respondents: 9,606 / 48%)

0-1 (not confident at all): 5%

2-4: 5%

5-6: 21%

7-8: 30%

9-10 (extremely confident): 38%

Gender

Female (Number of respondents: 6,635 / 33%)

0-1 (not confident at all): 6%

2-4: 8%

5-6: 26%

7-8: 30%

9-10 (extremely confident): 30%

Gender

Prefer not to state gender (Number of respondents: 3,805 / 19%)

0-1 (not confident at all): 9%

2-4: 7%

5-6: 25%

7-8: 25%

9-10 (extremely confident): 34%

Ethnicity

Met wide (Number of respondents: 20,070 / 100%)

0-1 (not confident at all): **6%**

2-4: **7%**

5-6: **24%**

7-8: **29%**

9-10 (extremely confident): **35%**

Ethnicity

White (Number of respondents: 12,438 / 62%)

0-1 (not confident at all): **5%**

2-4: **6%**

5-6: **23%**

7-8: **31%**

9-10 (extremely confident): **35%**

Ethnicity

Black or Black British (Number of respondents: 1,053 / 5%)

0-1 (not confident at all): **7%**

2-4: **6%**

5-6: **28%**

7-8: **27%**

9-10 (extremely confident): **32%**

Ethnicity

Asian or Asian British (Number of respondents: 739 / 4%)

0-1 (not confident at all): **9%**

2-4: **8%**

5-6: **26%**

7-8: **29%**

9-10 (extremely confident): **37%**

Ethnicity

Mixed or multiple ethnic groups (Number of respondents: 639 / 3%)

0-1 (not confident at all): **7%**

2-4: **7%**

5-6: **24%**

7-8: **26%**

9-10 (extremely confident): **37%**

Ethnicity

Any other ethnic groups (Number of respondents: 431 / 2%)

0-1 (not confident at all): **8%**

2-4: **5%**

5-6: **27%**

7-8: **25%**

9-10 (extremely confident): **35%**

Ethnicity

Prefer not to state ethnicity (Number of respondents: 4,770 / 24%)

0-1 (not confident at all): **9%**

2-4: **7%**

5-6: **25%**

7-8: **26%**

9-10 (extremely confident): **34%**

Question C4 breakdown by gender and ethnicity

C4

How much do you agree or disagree with this statement? If necessary, inappropriate behaviour is dealt with appropriately in my team

Some percentages won't total 100% due to rounding. 'Other' has been removed from the Gender options due to a very small sample size.

Gender

Metwide (Number of respondents: 20,700 / 100%)

Strongly disagree: 5%

Disagree: 6%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 27%

Agree: 41%

Strongly agree: 21%

Gender

Male (Number of respondents: 9,606 / 48%)

Strongly disagree: 4%

Disagree: 5%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 22%

Agree: 45%

Strongly agree: 24%

Gender

Female (Number of respondents: 6,635 / 33%)

Strongly disagree: 6%

Disagree: 8%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 33%

Agree: 37%

Strongly agree: 24%

Gender

Prefer not to state gender (Number of respondents: 3,805 / 19%)

Strongly disagree: 6%

Disagree: 7%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 29%

Agree: 37%

Strongly agree: 17%

Ethnicity

Met wide (Number of respondents: 20,070 / 100%)

Strongly disagree: 5%

Disagree: 6%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 27%

Agree: 41%

Strongly agree: 21%

Ethnicity

White (Number of respondents: 12,438 / 62%)

Strongly disagree: 4%

Disagree: 6%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 26%

Agree: 43%

Strongly agree: 22%

Ethnicity

Black or Black British (Number of respondents: 1,053 / 5%)

Strongly disagree: 6%

Disagree: 6%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 36%

Agree: 36%

Strongly agree: 16%

Ethnicity

Asian or Asian British (Number of respondents: 739 / 4%)

Strongly disagree: 7%

Disagree: 7%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 29%

Agree: 37%

Strongly agree: 20%

Ethnicity

Mixed or multiple ethnic groups (Number of respondents: 639 / 3%)

Strongly disagree: 6%

Disagree: 5%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 29%

Agree: 37%

Strongly agree: 23%

Ethnicity

Any other ethnic groups (Number of respondents: 431 / 2%)

Strongly disagree: 7%

Disagree: 4%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 29%

Agree: 36%

Strongly agree: 24%

Ethnicity

Prefer not to state ethnicity (Number of respondents: 4,770 / 24%)

Strongly disagree: 7%

Disagree: 7%

Neither agree nor disagree / Don't know / Not applicable / This isn't relevant to me: 28%

Agree: 37%

Strongly agree: 21%

Question C5a breakdown by gender and ethnicity

C5a

Have you been subject to or witnessed any of the following in the Met in the last 12 months? Bullying

Some percentages won't total 100% due to rounding. 'Other' has been removed from the Gender options due to a very small sample size.

Gender

Metwide (Number of respondents: 20,700 / 100%)

Yes, while working in my current team / Yes, while working in another team (most negative): **16%**

Prefer not to say: **5%**

No (most positive): **79%**

Gender

Male (Number of respondents: 9,606 / 48%)

Yes, while working in my current team / Yes, while working in another team (most negative): **12%**

Prefer not to say: **4%**

No (most positive): **83%**

Gender

Female (Number of respondents: 6,635 / 33%)

Yes, while working in my current team / Yes, while working in another team (most negative): **20%**

Prefer not to say: **6%**

No (most positive): **75%**

Gender

Prefer not to state gender (Number of respondents: 3,805 / 19%)

Yes, while working in my current team / Yes, while working in another team (most negative): **17%**

Prefer not to say: **8%**

No (most positive): **75%**

Ethnicity

Met wide (Number of respondents: 20,070 / 100%)

Yes, while working in my current team / Yes, while working in another team (most negative): **16%**

Prefer not to say: **5%**

No (most positive): **79%**

Ethnicity

White (Number of respondents: 12,438 / 62%)

Yes, while working in my current team / Yes, while working in another team (most negative): **14%**

Prefer not to say: **4%**

No (most positive): **82%**

Ethnicity

Black or Black British (Number of respondents: 1,053 / 5%)

Yes, while working in my current team / Yes, while working in another team (most negative): **22%**

Prefer not to say: **6%**

No (most positive): **72%**

Ethnicity

Asian or Asian British (Number of respondents: 739 / 4%)

Yes, while working in my current team / Yes, while working in another team (most negative): **22%**

Prefer not to say: **9%**

No (most positive): **70%**

Ethnicity

Mixed or multiple ethnic groups (Number of respondents: 639 / 3%)

Yes, while working in my current team / Yes, while working in another team (most negative): **19%**

Prefer not to say: **5%**

No (most positive): **77%**

Ethnicity

Any other ethnic groups (Number of respondents: 431 / 2%)

Yes, while working in my current team / Yes, while working in another team (most negative): **22%**

Prefer not to say: **6%**

No (most positive): **72%**

Ethnicity

Prefer not to state ethnicity (Number of respondents: 4,770 / 24%)

Yes, while working in my current team / Yes, while working in another team (most negative): **17%**

Prefer not to say: **8%**

No (most positive): **74%**

Question C9 breakdown by gender and ethnicity

C9

How confident are you that action will be taken if you were to raise a concern with a supervisor or manager regarding conduct?

Some percentages won't total 100% due to rounding. 'Other' has been removed from the Gender options due to a very small sample size.

Gender

Metwide (Number of respondents: 20,700 / 100%)

Not at all confident: **13%**

Slightly confident: **13%**

Somewhat confident / Don't know: **22%**

Quite confident: **26%**

Extremely confident: **25%**

Gender

Male (Number of respondents: 9,606 / 48%)

Not at all confident: **11%**

Slightly confident: **11%**

Somewhat confident / Don't know: **20%**

Quite confident: **28%**

Extremely confident: **30%**

Gender

Female (Number of respondents: 6,635 / 33%)

Not at all confident: **15%**

Slightly confident: **15%**

Somewhat confident / Don't know: **24%**

Quite confident: **25%**

Extremely confident: **22%**

Gender

Prefer not to state gender (Number of respondents: 3,805 / 19%)

Not at all confident: **18%**

Slightly confident: **13%**

Somewhat confident / Don't know: **24%**

Quite confident: **23%**

Extremely confident: **22%**

Ethnicity

Met wide (Number of respondents: 20,070 / 100%)

Not at all confident: **13%**

Slightly confident: **13%**

Somewhat confident / Don't know: **22%**

Quite confident: **26%**

Extremely confident: **25%**

Ethnicity

White (Number of respondents: 12,438 / 62%)

Not at all confident: **11%**

Slightly confident: **12%**

Somewhat confident / Don't know: **21%**

Quite confident: **28%**

Extremely confident: **28%**

Ethnicity

Black or Black British (Number of respondents: 1,053 / 5%)

Not at all confident: **17%**

Slightly confident: **12%**

Somewhat confident / Don't know: **21%**

Quite confident: **23%**

Extremely confident: **17%**

Ethnicity

Asian or Asian British (Number of respondents: 739 / 4%)

Not at all confident: **19%**

Slightly confident: **13%**

Somewhat confident / Don't know: **26%**

Quite confident: **24%**

Extremely confident: **19%**

Ethnicity

Mixed or multiple ethnic groups (Number of respondents: 639 / 3%)

Not at all confident: **15%**

Slightly confident: **13%**

Somewhat confident / Don't know: **23%**

Quite confident: **26%**

Extremely confident: **24%**

Ethnicity

Any other ethnic groups (Number of respondents: 431 / 2%)

Not at all confident: **16%**

Slightly confident: **14%**

Somewhat confident / Don't know: **25%**

Quite confident: **22%**

Extremely confident: **23%**

Ethnicity

Prefer not to state ethnicity (Number of respondents: 4,770 / 24%)

Not at all confident: **18%**

Slightly confident: **13%**

Somewhat confident / Don't know: **25%**

Quite confident: **23%**

Extremely confident: **21%**

Question D1b breakdown by gender and ethnicity

D1b

I believe that Met senior leaders are committed to creating an inclusive workplace. By 'senior leaders', we mean the individuals who sit at the top of the Met and are responsible for the overall running of your organisation (i.e. officers who are Commander Level and above and the staff equivalent).

Some percentages won't total 100% due to rounding. 'Other' has been removed from the Gender options due to a very small sample size.

Gender

Metwide (Number of respondents: 20,700 / 100%)

Strongly disagree: **14%**

Disagree: **24%**

Don't know / Sometimes: **33%**

Agree: **24%**

Strongly agree: **5%**

Gender

Male (Number of respondents: 9,606 / 48%)

Strongly disagree: **23%**

Disagree: **13%**

Don't know / Sometimes: **32%**

Agree: **27%**

Strongly agree: **6%**

Gender

Female (Number of respondents: 6,635 / 33%)

Strongly disagree: **15%**

Disagree: **20%**

Don't know / Sometimes: **35%**

Agree: **26%**

Strongly agree: **5%**

Gender

Prefer not to state gender (Number of respondents: 3,805 / 19%)

Strongly disagree: **15%**

Disagree: **35%**

Don't know / Sometimes: **32%**

Agree: **15%**

Strongly agree: **3%**

Ethnicity

Met wide (Number of respondents: 20,070 / 100%)

Strongly disagree: **14%**

Disagree: **24%**

Don't know / Sometimes: **33%**

Agree: **24%**

Strongly agree: **5%**

Ethnicity

White (Number of respondents: 12,438 / 62%)

Strongly disagree: **14%**

Disagree: **20%**

Don't know / Sometimes: **33%**

Agree: **28%**

Strongly agree: **5%**

Ethnicity

Black or Black British (Number of respondents: 1,053 / 5%)

Strongly disagree: **11%**

Disagree: **18%**

Don't know / Sometimes: **39%**

Agree: **25%**

Strongly agree: **7%**

Ethnicity

Asian or Asian British (Number of respondents: 739 / 4%)

Strongly disagree: **15%**

Disagree: **22%**

Don't know / Sometimes: **33%**

Agree: **22%**

Strongly agree: **8%**

Ethnicity

Mixed or multiple ethnic groups (Number of respondents: 639 / 3%)

Strongly disagree: **13%**

Disagree: **30%**

Don't know / Sometimes: **28%**

Agree: **23%**

Strongly agree: **6%**

Ethnicity

Any other ethnic groups (Number of respondents: 431 / 2%)

Strongly disagree: **15%**

Disagree: **28%**

Don't know / Sometimes: **32%**

Agree: **19%**

Strongly agree: **7%**

Ethnicity

Prefer not to state ethnicity (Number of respondents: 4,770 / 24%)

Strongly disagree: **15%**

Disagree: **34%**

Don't know / Sometimes: **32%**

Agree: **16%**

Strongly agree: **3%**

Response rates – distribution

The response rates do not total 100% as they are shown for each group not by total sample size. Missing data has not been included.

Officers and staff

Respondent numbers are represented as a % when compared with overall numbers from wider workforce data.

Officers: **40%**

Police staff: **56%**

Length of service

Respondent numbers are represented as a % when compared with overall numbers from wider workforce data.

Less than 2 years: **25%**

2 to 4 years: **18%**

5 to 9 years: **45%**

10 to 14 years: **39%**

15 to 19 years: **44%**

20 to 24 years: **47%**

25 to 29 years: **56%**

30 years and over: **79%**

Survey response rates across Met functions

Met overall: **39%**

Frontline Policing: **36%**

Specialist crime: **52%**

BCU: **34%**

BCU-Emergency response: **29%**

Specialist Operations: **45%**

Operations and Performance: **42%**

Digital, Data and Technology: **77%**

Communications and Engagement: **54%**

People and Resources: **44%**

Strategy and Transformation: **48%**

Professionalism: **61%**

Report to:	MPS/MOPAC Joint Audit Committee
Date of the meeting:	6 May 2025
Presented by:	Chief Strategy and Transformation Officer
Title/Subject	MPS Audit and Risk Report
Purpose of the Paper	To update JAC on progress to improve the Met's approach to risk management; to provide key audit and inspection updates.

Suitable for publication

Recommendations

The Joint Audit Committee is asked to:

- **Note** the improved approach to risk management that the Met is adopting.
-

1. Background/summary

- 1.1. The principal focus over the last quarter has been on identifying further improvements in the Met's approach to risk management, especially at the corporate level. This report summarises that approach (which was endorsed by the Met's Executive Committee (ExCo) on 24 April), as well as key updates from the Met's Audit and Risk Assurance Committee (ARAC) meeting on 4 March.

2. Improving the Met's approach to risk management

- 2.1 In the last two years, we have brought more rigour to how corporate risk is managed in the Met and have improved how risk is understood and managed at business group and other levels. This has included:
 - The introduction of a refreshed ARAC, chaired by a NED, has resulted in greater risk maturity, stronger governance and increased oversight of strategic risks and issues. Through ARAC, we have streamlined the corporate risk deep-dive process, giving risk owners the opportunity to assure themselves sufficient controls are in place.
 - Training more than 100 people in risk management in person and launching online training via LMS, available to the entire Met.
 - Running a six-month risk appetite and tolerance pilot in Frontline Policing, launching in two BCUs (CN and EA) in January 2025.
 - Refreshing the corporate risk register formally once a year and we have implemented a more dynamic escalation/de-escalation process. Regular movement off and onto the register indicates the process is working.
- 2.2 However, we recognised that ExCo did not understand the totality of the risk that the Met carries and that those risks should be reviewed more frequently and

intrusively at the most senior levels. ExCo discussed corporate risk at their meeting on 24 April and agreed that:

- An item covering corporate risk should be on the ExCo agenda each quarter. This item would be supported by the Corporate Risk Register.
- The output of the discussion should be to further refresh the corporate risk register, ahead of next quarter's item (Annex A is the proposed register taken to the meeting). This would include supporting risk owners in defining risks and assessing whether management plans in place were effective enough that specific risks could be de-escalated. ExCo identified new, significant risks relating to people and trust and legitimacy, which will form part of the refreshed register.
- Certain risks and issues – notably Vetting and CONNECT – could be managed at a lower level. The Cyber risk should remain on the register.
- The Met should consider how to expand risk appetite and tolerance into corporate risk management. This work has already begun.

2.3 We are also reviewing audit and risk governance to ensure risk is managed at the appropriate level. This will include refreshing the roles, responsibilities and membership of ARAC and improving the connections and, where appropriate, escalations between corporate risk and risks managed in group governance.

2.4 Assistant Commissioners and Chief Officers will continue to use their respective leadership meetings to focus on risk management, with increased support from SPOCs (single points of contact) from the Strategic Planning and Risk team, who have been aligned to Business Groups to provide guidance, oversight and help to improve the effectiveness of risk management practices.

3. Audit and Inspection

3.1. With regard to the Met's Effective Controls Action Plan, which sets out progress against the underlying strategic issues and associated actions identified by DARA, in March 2025 ARAC agreed that, while oversight of progress against these actions is necessary, providing this oversight at ARAC when there is already governance that does so would be inefficient. We therefore categorised ECAP actions into three areas: those that will continue to report progress into ARAC for oversight; those that will no longer be progressed due to changes in the Met landscape (including Tough Choices); and those that are being progressed but are already part of a defined Transformation programme or governed elsewhere. ARAC agreed that the next step would be to develop milestones for the streamlined ECAP. These plans would be regularly brought back to ARAC for scrutiny so that members could better understand the progress.

3.3 ARAC also noted outstanding high priority actions from Limited reports:

- **Financial Assurance – Expenses (Chief People and Resources Officer):** to address the risk of payment of inappropriate, invalid and/or fraudulent claims, including duplicate, unauthorised or unsupported amounts, a review of the current risk profile and exposure will be undertaken with a paper submitted to

the next ARAC meeting in June to consider risk appetite. Additional controls will be explored, such as disaggregation and expected repayment rates. Longer-term future contracts will ensure issues raised in the report are avoided.

- **Strategic Framework for Management of MPS Contracts (Chief People and Resources Officer):** the Cabinet Office's Contract Management Standards will be used as a baseline and the rollout will prioritise gold contracts. Following Operation GREENTIP and actions from the external review, a remediation plan has been developed, which requires contract owners to check exit provisions of expired contracts to ensure all data deletion has taken place. All those involved in managing tiered contracts will undertake the Government Commercial Function's Contract Management Foundation Training. A specialist recruitment agency has been appointed to fill Band U-and-above vacancies in Commercial Services. Roles at this level require candidates to sit the Government Commercial Function's Assessment Development Centre.

- 3.4. Following the insight activity reported to JAC in the last report, on 22 January, HMIC agreed to return the Met to their default phase of monitoring ('Scan'). The decision was supported by the fact HMICFRS were able to close the causes of concern issued in the 2023 inspection on the Met's handling of the sexual and criminal exploitation of children; and the 2022 PEEL inspection. The decision was further supported by the progress made against matters related to the Daniel Morgan Independent Panel report.
- 3.5. HMICFRS and the Care Quality Commission (CQC) conducted a large custody inspection between 17 February and 28 March 2025. The inspection included a comprehensive custody record audit, interviews and focus groups. We anticipate the report to be published in early summer.
- 3.6. This was the last custody inspection to be held under the rolling six-year programme, since custody will form part of the new PEEL 2025-27 framework. Two other new core questions are part of the framework: Safeguarding (replaces Vulnerability) and Fraud. The Met's 12-month Evidence Applicable Period will open in October 2025, with the Final Evidence Collection phase in October 2026.

4. Financial information

- 4.1. It is anticipated the costs associated with the areas of work identified in the corporate risk register will be met from the relevant unit's staff and officer budgets.

5. Key risks and metrics

- 5.1. This paper reflects aspects of the Met's corporate risk report and ECAP, which assist the Met to manage and track risk to achieving its objectives.

6. Further considerations

- 6.1. Individual control owners should ensure their work to prevent and mitigate corporate risk has a positive race and diversity impact. Equality Impact Assessments will be undertaken on significant programmes of work.

7. Recommendation

- 7.1. The Joint Audit Committee is asked to:

- **Note** the improved approach to risk management that the Met is adopting.
-

Approval / consultation

Paper approved by Adrian Scott, Chief Strategy and Transformation Officer.

Name, job title of paper author

Rosiân Jones, Senior Audit and Risk Manager, Strategy and Transformation

Tracy Rylance, Senior Audit and Risk Manager, Strategy and Transformation

Appendices

Appendix A – Summary of proposed corporate risk register (ExCo April 2025) -
official sensitive

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	6 May 2025
Presented by:	Head of Planning, Performance and Risk, MOPAC
Title/Subject	MOPAC Risk Management Report
Purpose of the Paper	This paper sets out a high-level summary of MOPAC's top corporate risks.

Recommendations

The Joint Audit Committee is asked to:

- Note MOPAC's current top six corporate risks.
-

1. Background/summary

- 1.1. This six-monthly update provides a refreshed assessment of MOPAC's top six corporate risks.
- 1.2. During the reporting period, focus was on managing business continuity and cyber resilience risks, following the TfL cyber security threat in September 2024. These risks are managed within the MOPAC Business Continuity Plan, also reviewed in September 2024 following the attack, and included in the corporate risk register and Governance Improvement Plan (GIP), which are regularly reviewed to ensure appropriate mitigations.
- 1.3. The upcoming appointment of a new CEO marks a pivotal moment. We are planning for a smooth leadership transition to maintain momentum and deliver the 2025/29 Police and Crime Plan, published in March 2025, without disruption.

2. Paper content

Top Six High-Rated Risks:

- 2.1. Three risks rated high in impact. Three additional risks have been included as part of the top risks. While their potential impact is medium, they remain plausible and need to be monitored closely due to the likelihood of occurrence.
- 2.2. Types of risks:
 - 1 Operational
 - 1 Reputational
 - 1 Financial

- 2 Strategic
- 1 Technology-related

2.3. Includes impact and likelihood scores.

3. Financial information

- 3.1. MOPAC operates within a defined budget aligned to the Mayor's consolidated GLA budget and subject to Assembly scrutiny.
- 3.2. Internal controls include quarterly financial reporting, value for money reviews, and oversight from the Chief Finance Officer, Directorate of Audit Risk and Assurance (DARA), and external auditors to ensure economy, efficiency, and effectiveness in using public funds.
- 3.3. A balanced budget for 2025/26 has been set, with ongoing reliance on reserves.
- 3.4. MOPAC's risk management framework and proposed integrated performance and planning mechanism will help manage budgets and respond to financial pressures effectively.

4. Key risks and metrics

4.1. Interdependencies/Cross Cutting Issues

The follow-up to the Baroness Casey review of the MPS may not demonstrate the desired improvements is a cross-cutting risk that has influenced risk for both MOPAC and the MPS.

4.2. Risk 1 – Strategic – Likely (Likelihood) – High (Impact)

"At a time of reducing budgets and impact on headcount, there is a risk that MOPAC may not have the necessary capability and capacity to respond to existing and new challenges and priorities- including delivering the Police and Crime Plan, and that staff morale and wellbeing may be negatively affected".

- 4.3. Reduced staffing levels may impact institutional resilience, increase workload pressures, and negatively affect staff morale and wellbeing. If MOPAC lacks the capacity and capability to fulfil its core responsibilities, its ability to achieve strategic objectives is compromised. This includes the effective implementation of the new Police and Crime Plan 2025/29, as well as fulfilling MOPAC's statutory duties under the Police Reform and Social Act 2011. If not managed, this could diminish organisational performance, and MOPAC's ability to conduct effective oversight of the MPS.
- 4.4. The overall risk score for impact has remained the same and the score will be reviewed once the new corporate business plan, and MOPAC's strategic plan has been delivered and implemented.

Strategic aim impacted: Improving the criminal justice service and supporting victims; Building safer and more confident communities and Reducing violence and criminal exploitation.

Cross-cutting with corporate risk categories: Strategic, People, Compliance, Financial, Operational and Reputational.

4.5. **Risk 2 – Reputational – Possible (Likelihood) / High (Impact)**

“There is a risk that the follow-up review to the Baroness Casey’s Review does not show the desired improvements in the MPS/MOPAC relationship and wider system performance, which could impact adversely outcomes for Londoners”.

4.6. Failure to show meaningful progress may present a reputational risk for MOPAC, particularly in its role of oversight and assurance.

4.7. MOPAC has played an integral role in setting up the London Policing Board (LPB), a key recommendation from Baroness Casey’s review, to hold the MPS accountable within a public-facing forum for their progress against the Casey review recommendations. MOPAC has developed a performance framework and refreshed its internal oversight framework.

Strategic aim impacted: Supporting and overseeing the MPS to deliver trusted, effective policing.

Cross-cutting with corporate risk categories: Strategic, Operational and Reputational.

4.8. **Risk 3 – Technology – Possible (Likelihood) / High (Impact)**

“IT system failures continue to hinder MOPAC’s ability to conduct its business efficiently and effectively, with knock-on impacts for all work done and staff engagement”.

4.9. The prolonged nature of these disruptions may cumulatively affect staff engagement, morale, and the timely delivery of core functions, including strategic oversight, commissioning, and programme delivery.

Strategic aim impacted: Conducting business efficiently and effectively.

Cross-cutting with corporate risk categories: Strategic, People, Operational and Technology.

4.10. **Risk 4 – Operational – Possible (Likelihood) / Medium (Impact)**

“MOPAC is dependent on third parties (including Criminal Justice System and other statutory partners) or volunteers to provide numerous services and with a challenging economic situation, there is a risk some may be unable to fulfil their obligations- wholly or in part – or give as much time, negatively impacting our ability to improve outcomes for Londoners”.

- 4.11. There is a risk that some partners may be unable to fulfil their obligations fully or may have limited capacity to engage at the required level. This could lead to delays, reduced service quality, or gaps in delivery, ultimately impacting MOPAC's ability to drive improvements in safety and justice outcomes for Londoners. This risk is being managed through ongoing partnership engagement and joint planning mechanisms, but remains one of MOPAC's top six risks, given the interdependent nature of MOPAC's service delivery.

Strategic aim impacted: Improving the criminal justice service and supporting victims; Building safer and more confident communities and Reducing violence and criminal exploitation.

Cross-cutting with corporate risk categories: Strategic, Operational and Reputational.

- 4.12. **Risk 5 – Strategic – Possible (Likelihood) / Medium (Impact)**
“The MOPAC-MPS relationship may not operate optimally from either/ both perspectives resulting in a weakening in MOPAC's oversight and therefore, the transparency and accountability expected by Londoners”.

- 4.13. There is a risk that the working relationship between MOPAC and the MPS may not function effectively due to misaligned priorities, insufficient information sharing, or a lack of clarity in roles and responsibilities. This could impair MOPAC's ability to provide robust oversight, weakening its statutory oversight function and diminishing public confidence in policing accountability.

Strategic aim impacted: Supporting and overseeing the MPS to deliver trusted, effective policing.

Cross-cutting with corporate risk categories: Strategic, Compliance, Financial, Information.

- 4.14. **Risk 6 - Financial – Possible (Likelihood) /Medium (Impact)**
“There is a risk to the sustainability and resilience of MOPAC's mid-term financial plan, with a lack of clarity around the continuity and/ or amount of external funding available, which could impact our ability to deliver the Police and Crime Plan effectively.”

- 4.15. A lack of clarity in future funding commitments, particularly in relation to ring-fenced or time-limited grants, creates challenges in long-term planning. This could constrain MOPAC's ability to effectively deliver the priorities set out in the Police and Crime Plan (PCP). If not addressed, this uncertainty may impact delivery against strategic PCP priorities, limit flexibility in resource allocation, and weaken strategic responsiveness.

Strategic aim impacted: Improving the criminal justice service and supporting victims; Building safer and more confident communities and Reducing violence and criminal exploitation.

Cross-cutting with corporate risk categories: Financial, Strategic, Operational and Reputational.

5. Further considerations

- 5.1. Further considerations include aligning risks with MOPAC's corporate aims, priorities, and decision-making processes. This involves linking each risk to the corporate KPI it most impacts.
- 5.2. MOPAC evaluates risk at project, programme, directorate, and corporate levels, with risk alignment occurring in a forum that represents the diversity of MOPAC staff and facilitates transparent risk assessment. Identified risks and controls acknowledge that equality, diversity, and community engagement should be treated as strategic priorities. Further consideration is required on the use of impact assessments to ensure the impact of the risk on wider social and ethical issues is considered.

6. Conclusion

- 6.1. MOPAC is making significant progress in refreshing and improving its approach to risk management. Through the risk and governance working group, the top six corporate risks have been identified and agreed upon for assessment and proactive management. In parallel, all corporate risks are actively tracked via MOPAC's corporate risk register.
- 6.2. To strengthen governance, a process is being implemented to regularly engage with both the MOPAC board and the Senior Leadership Team (SLT). Additionally, a proactive risk culture is being embedded across the organisation, with the proposed introduction of risk champions and ongoing collaboration within the risk and governance working group.
- 6.3. While recognising that some areas of risk controls require further development, MOPAC is committed to continuous improvement and building robust risk management practices.

7. Recommendations

The Joint Audit Committee is asked to:

- Note MOPAC's current top six corporate risks.

Approval / consultation

Content included in this paper has been drafted by the PMO lead, and the Head of Planning, Performance and Risk, following consultation with MOPAC Board. The paper is then reviewed and cleared by the CFO and Director of Finance and Corporate Services to ensure key risks are reflected and strategic priorities.

Name, job title of paper author

Naomi Oldroyd-Simpson, Head Planning, Performance and Risk, MOPAC.

Appendices

Appendix 1 – MOPAC Corporate Risk Summary Position.

Appendix A: MOPAC Corporate Risk Overview

MOPAC Corporate Risks – May 2025

Rank	Orange Book Risk Category	Risk Description	Risk Owner	Overall Rating	Severity Score
1	Strategic	At a time of reducing budgets and impact on headcount, MOPAC may have the necessary capability to respond to existing and new challenges and priorities, including delivering the PCP and that staff morale and well-being may be negatively affected.	Chief People Officer	MAJOR	22
2	Reputational	The Baroness Casey's review follow up may not show the desired improvements in the MPS/MOPAC relationship and wider system performance, which could impact adversely outcomes for Londoners.	Director of Strategy & Oversight	MAJOR	19
3	Technology	IT System failures continue to hinder MOPAC's ability to conduct its business efficiently and effectively, with knock-on-impacts for all work done and staff engagement.	Chief Finance Officer	MAJOR	19
4	Operational	MOPAC is dependent on third parties (including CJS, other statutory parties and volunteers) to provide numerous services. Given the challenging economic situation, some MOPAC partners may be unable to fulfil their obligations, negatively impacting our ability to improve outcomes for Londoners.	Director of Commissioning & Partnerships	SIGNIFICANT	14
5	Strategic	The MOPAC/MPS relationship may not operate optimally from either/both perspectives resulting in a weakening in MOPAC's oversight and therefore, the transparency and the accountability expected by Londoners.	Director of Strategy & Oversight	SIGNIFICANT	14
6	Financial	MOPAC's mid-term financial plan is not sustainable and/or resilient, particularly because the continuity and or amount of external funding is not confirmed, which could impact our ability to deliver on the PCP effectively.	Chief Finance Officer	SIGNIFICANT	14

Category	Definition	Severity Scoring
Insignificant	The consequences of the risk are so minor that have little or no effect on MOPAC. This is typically associated with a very low likelihood.	1
Minor	The risk may cause a slight inconvenience or a small loss but has a limited effect. This is usually associated with a low to medium likelihood.	2-7
Significant	The risk has a noticeable impact that cause moderate disruption and some effort to recover from. This is usually associated with a medium likelihood.	8-18
Major	The risk would cause serious consequences, impacting MOPAC's strategic objectives. This is typically associated with a medium to high likelihood.	19-22
Severe	The risk would result in catastrophic consequences that could seriously damage MOPAC. Immediate action and mitigation is necessary. This would be associated with a very high likelihood.	23-25

MOPAC Corporate Risks – May 2025

Count of 'Live' Risks by Impact / Likelihood Rating

IMPACT	5. Very High					
	4. High			2	1	
	3. Medium		5	5		
	2. Low	1	6	6		
	1. Very Low		1	1		
		1. Highly Unlikely	2. Unlikely	3. Possible	4. Likely	5. Highly Likely
LIKELIHOOD						

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	Tuesday 6 May 2025
Presented by:	Interim Director of Audit, Risk and Assurance, HIA for MOPAC and the MPS
Title:	Directorate of Audit, Risk and Assurance Activity Report
Purpose of the Paper:	Provides an update on Internal Audit activity since the Committee last met, including risk and assurance, advisory and counter fraud work and a forward look. It also outlines interim arrangements following the retirement of the Director of Audit, Risk and Assurance.

Recommendations

The Joint Audit Panel is asked to consider the outcome of DARA work undertaken since it last met and note the status of current and planned activity.

1. Background

- 1.1 The Director of Audit, Risk and Assurance retired from public service on the 30 April 2025. David Esling, previous Head of Audit and Assurance in DARA, has been appointed as Interim Director for a period of six-months, whilst a recruitment campaign is completed. An interim Deputy Director has also been appointed. Continuity of the provision of professional audit services will be preserved across the DARA client base.
- 1.2 The audit work programme is aligned to MOPAC and Met strategic objectives, providing assurance on mitigation of key risks with a specific emphasis on providing professional advice in support of the Police and Crime Plan (PCP) New Met for London (NMFL). Key review activity supports objectives in ensuring the most efficient and effective use of resources as the significant financial challenges continue, and management of transformation activity.
- 1.3 Current activity is highlighted at **Appendix** with the outcome of concluded reviews summarised below. The Vetting Control Framework, Professional Standards, Risk Management, Offender Management and MOPAC VRU Commissioning Framework and Grants Allocation and Management, reviews are at draft report. Audits in progress include; MPS Budgetary Control, MPS Decision Making and MOPAC Commissioning Impact and Firearms Command Follow Up. Further work planned includes McCloud Implementation and follow ups of Strategic Contract Management and Cloud Security and Management.

- 1.4 At this stage it is anticipated that 85 - 90% of the planned work programme will be completed to at least draft report at the time of the annual report in July 2025.

2. Outcome of Review Activity

- 2.1. DARA continue to work in liaison with Strategy colleagues on the Effective Control Action Plan (ECAP), the strategic response to underlying issues arising from review activity. This quarter focus has been to align accountability for key actions with the appropriate Met governance forum to facilitate effective oversight, and to ensure planned activity is working towards desired outcomes.
- 2.2 The series of Advice Notes produced by DARA; 'The Value of Internal Control', 'Management Control of Police Overtime' and 'Raising Fraud Awareness', have been finalised and are being integrated into existing Met learning platforms/forums. This was supplemented with a DARA facilitated control awareness session with the recently formed Met Assurance Forum.
- 2.3 Significant work completed includes the review of **Transformation Programme Management**, which incorporates the response to lessons learnt from the major programmes Connect and Command and Control. The advisory report has been shared with the business and meetings held to discuss key observations and findings. There is significant work to be done to develop a robust programme management framework and address the findings of the lessons learnt reviews. DARA are working with the Transformation Director and Portfolio Office to progress the development of an appropriate improvement plan. Capacity and capability concerns will need to be addressed and any limitations assessed.
- 2.4 There continues to be positive engagement between DARA and on the business critical **MBS Programme**. DARA produced a composite analysis of all the reported lessons learnt and facilitated a workshop in March with the leadership team, as they looked to avoid previous issues that have led to significant programme failure. DARA also attended the MBS Delivery group advising on mapping and analysis of core processes and system functionality requirements. They are also working in liaison with the recently appointed Finance Lead on the design of an effective internal control framework for core systems. This will continue to feature in the audit plan for the coming year.
- 2.5 Key outcomes of further work concluded this quarter includes:
- **Framework Supporting Handling of Non-Police Firearms – Limited Assurance:** There is a need for an overarching framework clarifying the corporate position on ownership, accountability, and non-compliance issues for NPFs to be supported by more clearly defined policy and process, risk management and training to support frontline officers where the key risk of harm lies. Action has been agreed with senior management to address the issues identified.

- **Management of Major ICT Contracts – Adequate Assurance:** An adequate control framework supports contract management with risks generally managed effectively, although improvement is needed in the governance of the innovation element of contractual arrangements in particular.
- **MOPAC Internal Governance Framework – Adequate Assurance:** Terms of reference support internal governance boards within MOPAC, which are supported by appropriate senior representation and management information. There is a need, however, to better understand and manage the interdependencies between boards and to more clearly define respective roles and responsibilities for decision making.
- **Covert Accounts Control Framework:** Carried out at the request of finance colleagues, DARA advice is to address resilience within the Covert Finance Unit impacting on the effective operation of cash handling controls. This is to be supported by more robust procedures and supervisory checks.
- **Counter Fraud Governance Framework Review:** Action has been agreed with Professional Standards senior management to improve governance and promote fraud prevention and awareness, and the integration of fraud risk management into the corporate approach, aligned to the wider counter corruption programme of work. Progress will be reported in the Professional Standards update to the next meeting of this Committee.
- **Framework Supporting Youth Offending Teams Follow Up – Adequate improved from Limited Assurance:** Action has been taken to better define roles and responsibilities, improve vetting and define objectives for YOTs. A risk assessment to support objectives and action plans is to be conducted and training needs properly defined and supported by a delivery plan.
- **Expenses Framework Follow Up – remains Limited Assurance:** Some improvements have been made within confines of the existing system a number of key controls, however, are not operating effectively. Ensuring a robust risk assessment for expenses is undertaken as part of the MBS Programme, supported by clearly defined assurance requirements is key to strengthening the control environment.
- **MOPAC Business Support (incl. Business Continuity) – remains Limited Assurance:** Some progress has been made in drafting key documentation, such as the Business Continuity Plan and Shared Service ICT agreements, they have not yet, however, been approved and published and issues continue post a cyber incident.
- **MOPAC FMC Compliance Follow Up – Adequate Assurance:** Action has been taken to address a number of findings of the original review with the development of a defined improvement plan, aligned to the revised Target

Operating Model for Corporate Services and key priorities. This is to be taken further forward following wider consideration of MOPAC Board.

- **Counter Fraud Activity:** The National Fraud Initiative for 2024/25 exercise has generated 25 reports and 6074 matches under investigation. All Pension related reports have been referred to SSCL/Equiniti and Payroll reports to the Directorate of Professional Standards. All Creditor reports are being assessed and investigated by DARA. Progress is currently being assessed. The Counter Fraud team are also concluding an investigation into the potential unauthorised use of MOPAC funds for a public event, and conducting pro-active data analysis for the Firearms Command review.

3. Internal Audit Standards and Audit Planning

- 3.1 The Director chaired the annual seminar of the national Police Audit Group on 9 April, which focused on the revised professional Internal Audit Standards for the public sector introduced on 1 April. Cipfa guidance and advice formed the basis for discussion and sharing of best practice.
- 3.2 DARA is updating its Charter, Mandate, Strategy and methodology in line with the standards. It will also conduct a self- assessment in line with further Cipfa guidance due to be published with the outcome reported in the Annual Report. An External Quality Assessment against the revised professional standards will take place at the end of the year.
- 3.3 DARA have commenced consultation on the plan for the coming year with the MPS draft to be presented to ARAC and MOPAC draft to its Board, in early June. This will be supported by consideration of the Internal Audit Charter, Mandate and Strategy, which will submitted to the joint Audit Committee in July alongside the audit plan for the coming year.
- 3.4 The plan will continue to be risk based and aligned to agreed policing priorities and objectives. Reviewing transformation and programme governance will remain an area of focus, given the risk profile. This will continue to support ARAC and the Joint Audit Committee in their respective roles and will include reporting on implementation of agreed action following current reviews.

4. Financial Information

- 4.1 No direct financial implications. There is a risk of loss, fraud, waste and inefficiency if agreed actions are not implemented effectively. Savings and recoveries as a result of activity can be directed towards core policing.

5. Key Risks

- 5.1. No direct implications. DARA's approach and work programme is designed to strengthen MOPAC and the Met's management of key risks.

6. Equality and Diversity Impact

- 6.1. The MOPAC and MPS commitment to diversity and inclusion are considered in review activity. The DARA work plan is designed to provide as wide a range of coverage of MOPAC and the MPS as possible.

Author: David Esling, Interim Director of Audit, Risk and Assurance

Appendix: Internal Audit Review Activity -Official Sensitive

Background Papers:

Advice Note 1 The Value of Internal Control

Advice Note 2 Management Control of Police Overtime

Advice Note 3 Raising Fraud Awareness

Presentation: Major Programmes – Lesson Learnt

Joint Audit Plan for the Mayor's Office for Policing and Crime and the Commissioner of the Police of the Metropolis

Year ending 31 March 2025

May 2025



Contents

Section	Page
Key developments impacting our audit approach	3
Introduction and headlines	10
Identified risks	13
Group audit	21
Our approach to materiality	23
IT audit strategy	26
Interim audit work	28
Value for money arrangements	30
Logistics	36
Fees and related matters	40
Independence considerations	42
Communication of audit matters with those charged with governance	44
Delivering audit quality	46
Appendices	48

01 Key developments impacting our audit approach

Local Audit Reform

External factors

Proposals for an overhaul of the local audit system

On 18 December 2024, the Minister of State for Local Government and English Devolution, Jim McMahon OBE, wrote to local authority leaders and local audit firms to announce the launch of a strategy to overhaul the local audit system in England. The proposals were also laid in Parliament via a Written Ministerial Statement.

- The government’s strategy paper sets out its intention to streamline and simplify the local audit system, bringing as many audit functions as possible into one place and also offering insights drawn from audits. A new Local Audit Office will be established, with responsibilities for:
- Coordinating the system – including leading the local audit system and championing auditors’ statutory reporting powers;
- Contract management, procurement, commissioning and appointment of auditors to all eligible bodies;
- Setting the Code of Audit Practice;
- Oversight of the quality regulatory framework (inspection, enforcement and supervision) and professional bodies;
- Reporting, insights and guidance including the collation of reports made by auditors, national insights of local audit issues and guidance on the eligibility of auditors.

The Minister also advised that, building on the recommendations of Redmond, Kingman and others, the government will ensure the core underpinnings of the local audit system are fit for purpose. The strategy therefore includes a range of other measures, including:

- setting out the vision and key principles for the local audit system;
- committing to a review of the purpose and users of local accounts and audit and ensuring local accounts are fit for purpose, proportionate and relevant to account users;
- enhancing capacity and capability in the sector;
- strengthening relationships at all levels between local bodies and auditors to aid early warning system; and
- increased focus on the support auditors and local bodies need to rebuild assurance following the clearing of the local audit backlog.

Our Response

Grant Thornton welcomes the proposals, which we believe are much needed, and are essential to restore trust and credibility to the sector. We are keen to work with the MHCLG, with existing sector leaders and with the Local Audit Office as it is established to support a smooth transition to the new arrangements.

Key developments impacting our audit approach

Local Context	Our Response
<p>In our 2023/24 Auditors Annual Report (AAR), our Value for Money work identified the following risks of significant weakness (as reported in our 2023/24 audit plan):</p> <ul style="list-style-type: none">• Trust and Confidence• Governance Structure• Standards and Compliance• Project Delivery - CONNECT and Command and Control• Financial sustainability – budgeting and impact of major capital projects <p>2024/25 has been a challenging year for Mayor’s Office for Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS) as they continue their response to the serious concerns raised by Baroness Casey and HMICFRS’ 21/22 PEEL Report. Addressing Trust and Confidence has been a priority focus, with the MPS continuing to build upon Commissioner Sir Mark Rowley’s Turnaround plan of ‘More Trust, Less Crime, High Standards’. This work cumulated in the MPS being removed from HMICFRS’ enhanced monitoring process, referred to as ‘Engage’ in January 2025.</p> <p>To support change in MPS, in July 2023, the ‘New Met for London’ plan was published. New Met for London is a clear two-year mission, developed in liaison with 10,000 Londoners, to restore policing by consent through tangible objectives that align with community priorities.</p> <p>It has been estimated that the initial, indicative cost of delivering ‘A New Met for London’ will be approximately £366m through 2023/24 and 2024/25. The Mayor of London has provided an additional £52.3m a year towards the cost of this plan, through an increase in the precept and additional business rates.</p> <p>A balanced budget was set for 2024/25, though this is reliant on the delivery of £187 million savings and £156 million use of reserves. The S25 statement published in March 2024 acknowledges that this use of reserves is unsustainable, and reserve balances need to be built.</p>	<ul style="list-style-type: none">• Our Value for Money work will continue to review and assess the significant risks identified under all three elements of value for money work. We will consider the work of MOPAC and CPM to implement the recommendations made and agreed in prior years

Key developments impacting our audit approach

Local Context

New accounting standards and reporting developments

- Local authorities and police bodies have to implement IFRS 16 Leases from 1 April 2024. The main difference from IAS 17 will be that leases previously assessed as operating leases by lessees will need to be accounted for on balance sheet as a liability and associated right of use asset. More information can be found on slide 10.
- The FRC issued revisions to ISA (UK) 600 ‘Audits of group financial statements (including the work of component auditors)’. The revised standard includes new and revised requirements that better aligns the standard with recently revised standards such as ISQM 1, ISA 220 (Revised) and ISA 315 (Revised 2019). The new and revised requirements strengthen the auditor’s responsibilities related to professional scepticism, planning and performing a group audit, two-way communications between the group auditor and component auditor, and documentation. The changes are to keep the standard fit for purpose in a wide range of circumstances and the developing environment.

Our Response

- Our 2024/25 audit work will include a detailed review of MOPAC’s implementation of IFRS 16. We have identified the implementation of this standard as a significant risk of material misstatement. Further details of the risk and our proposed approach are included on page x
- Our 2024/25 audit work will include enhanced procedures in respect of audits of group financial statements as required by the updated auditing standard.

Key developments impacting our audit approach (continued)

Our commitments

- As a firm, we are absolutely committed to audit quality and financial reporting in the police sector. Our proposed work and fee, as set out further in this joint Audit Plan, has been agreed with both Directors of Finance.
- To ensure close work with audited bodies and an efficient audit process, our preference as a firm is either for our UK based staff to work on site with you and your staff or to develop a hybrid approach of on-site and remote working. This is also in compliance with PSAA contract guidance which requires us to commit to onsite working.
- We will continue to have meetings with the Deputy Mayor for Policing and Crime (DMPC) and Commissioner of the Police of the Metropolis (CPM) twice a year, and with the MOPAC and MPS Chief Finance Officers quarterly as part of our commitment to keep you fully informed on the progress of the audit
- We continue to attend private meetings with the Joint Audit Panel, to brief them on the status and progress of the audit work to date.
- Our VfM work will continue to consider the arrangements in place for you to secure economy, efficiency and effectiveness in the use of your resources.
- We will continue to provide you and the Joint Audit Panel with sector updates providing our insight on issues from a range of sources via our Audit Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretation, discuss issues with our experts and create networking links with other clients to support consistent and accurate financial reporting across the sector.
- With the ongoing financial pressures being faced by local authorities, in planning this audit we have considered the financial viability of the MOPAC and MPS. We will keep this under review throughout the duration of our appointment as auditors of the MOPAC and MPS.
- There is an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to ongoing financial pressures. We are required to identify a significant risk with regard to management override of controls.
- There is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue – refer to page 17.



IFRS 16 Leases



Summary

IFRS 16 Leases is now mandatory for all Local Government Police bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.” In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major change from the requirements of IAS 17 in respect of operating leases.

There are however the following exceptions:

- leases of low value assets (optional for LG)
- short-term leases (less than 12 months).

Lessor accounting is substantially unchanged leading to asymmetry of approach for some leases (operating). However, if a police body is an intermediary lessor, there is a change in that the judgement, as to whether the lease out is an operating or finance lease, is made with reference to the right of use asset rather than the underlying asset. The principles of IFRS 16 will also apply to the accounting for PFI assets and liabilities.

Systems and processes

We believe that most Police Bodies will need to reflect the effect of IFRS 16 changes in the following areas:

- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that will require updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance
- accounting for what were operating leases
- identification of peppercorn rentals and recognising these as leases under IFRS 16 as appropriate

Planning enquiries

We have received a management working paper that outlines the potential impact of this new standard on the Force's financial statements. The assessment indicates a material impact on the financial statements and therefore we have assessed the implementation of IFRS 16 as a significant risk of material misstatement. Our procedures will include understanding the Force's lease arrangements and internal controls in place.

At the planning stage of the audit, MOPAC has not yet assessed the financial impact of peppercorn leases held or the impact of IFRS16 on PFI liabilities.

The Backstop



Local Government National Context – The Backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- for years ended 31 March 2023 and earlier by 13 December 2024; and
- for years ended 31 March 2024 by 28 February 2025; and
- for years ended 31 March 2025 by 27 February 2026.

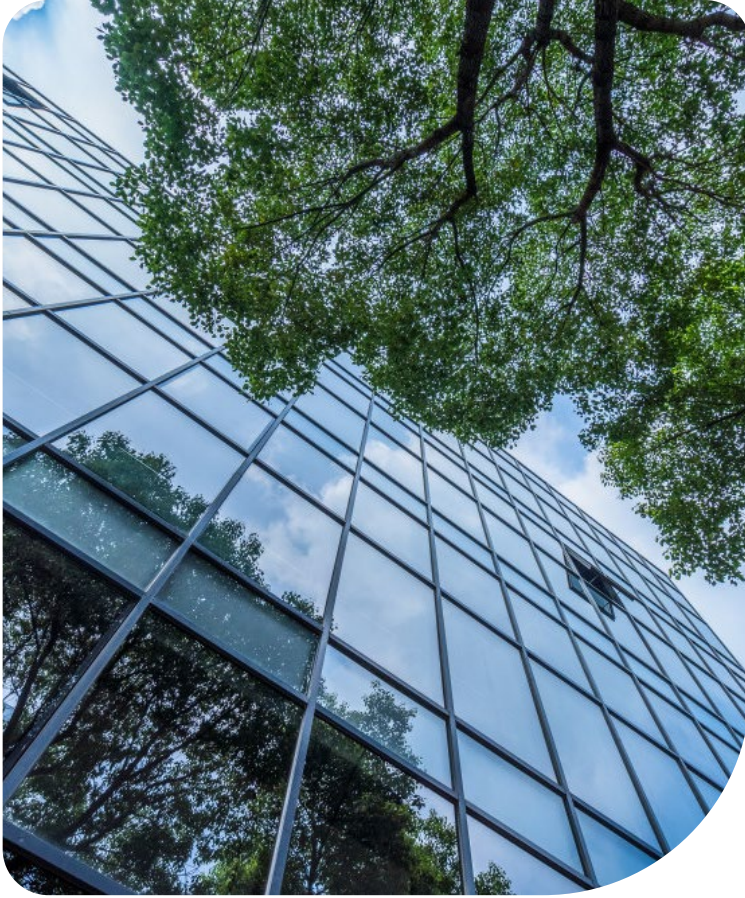
The Statutory Instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Local Government National Context – Local Audit Recovery

MOPAC and MPS have not been impacted by the backstop arrangements, having had recent years of accounts signed off with unqualified opinions in advance of the backstop dates.

02 Introduction and Headlines

Introduction and headlines



Purpose

- This document provides an overview of the planned scope and timing of the statutory audit of Mayor's Office for Policing and Crime ('MOPAC') and the Commissioner of Police of the Metropolis ('MPS') for those charged with governance. Those Charged with governance are the Deputy Mayor for Policing and Crime (DMPC) for MOPAC, and the Commissioner of Police of the Metropolis.

Respective responsibilities

- The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of MOPAC and the MPS. We draw your attention to these documents.

Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the CPM, MOPAC Group's financial statements that have been prepared by management with the oversight of those charged with governance; and we consider whether there are sufficient arrangements in place at the MOPAC Group and the CPM for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or those charged with governance of your responsibilities. It is the responsibility of the MOPAC Group and CPM to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the MOPAC Group and CPM is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the MOPAC Group and CPM's business and is risk based.

Introduction and headlines (continued)

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- The risk that the revenue cycle includes fraudulent transactions (rebutted).
- The risk of management override of controls (presumed risk).
- The risk that the valuation of land and buildings in the accounts is materially misstated.
- The risk that the valuation of the net pension fund liability in the accounts is materially misstated.
- The risk that the completeness and valuation of the IFRS 16 disclosure in the accounts is materially misstated.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Group Audit

The MOPAC Group is required to prepare group financial statements that consolidate the financial information of MOPAC and MPS.

Materiality

We have determined planning materiality to be £71m (PY £58.6m) for the Group, which equates to 1.7% of the prior year gross expenditure. The benchmark used in the prior year was 1.4%. This will be reassessed on the receipt of draft financial statements for 2024/25.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. As part of our risk assessment, we have considered the impact of unadjusted prior period errors.

Clearly trivial has been set at £3.5m (PY £3.1m).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has identified the following risks of significant weakness:

- Workforce Planning
- Governance Structure
- Force Performance
- Project Management – CONNECT and Command and Control
- Financial sustainability – budgeting and impact of major capital projects

These mirror the weaknesses identified and communicated for 2023/24, for which our work remains ongoing.

We will continue to update our risk assessment until we issue our Auditor's Annual Report.

Audit logistics

Our interim visit will take place in March – April 2025 and our final visit will take place in July to September 2025. Our key deliverables are this Joint Audit Plan, our Joint Audit Findings Report and Joint Auditor's Annual Report.

The scale fee for the audit, set by Public Sector Audit Appointments will be £370,073. (PY: £340,125) for MOPAC (and the MOPAC group) and £312,479 (PY: £289,654) for CPM. This fee is subject to the MOPAC Group and CPM delivering a good set of financial statements and working papers.

We anticipate increases in the fee of £3,600 + VAT for expert support of property valuations and £10,000 + VAT for additional VfM work on the Command and Control project arrangements. In addition, we will need to undertake additional work on the implementation of IFRS 16. It is not possible to estimate the cost of this work at present.


We have complied with the Financial Reporting Council's Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements

03 Identified risks

Significant risks identified


Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Risk Relates to	Reason for risk identification	Audit team’s assessment	Planned audit procedures
Management override of controls (presumed risk)	Group, MOPAC and MPS	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.	MOPAC and the MPS face external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance. We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.	<ul style="list-style-type: none">• Review of accounting estimates, critical judgements and significant decisions made by management• Evaluate the design and implementation of controls• Review of accounting policies and any changes to those policies• Testing of journals entries for appropriateness• Review of unusual significant transactions



“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).



Management should expect engagement teams to challenge management in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management’s assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

Significant risk	Risk Relates to	Reason for risk identification	Audit team's assessment	Planned audit procedures
The revenue cycle includes fraudulent transactions (rebutted)	Group, MOPAC and MPS	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at MOPAC and the group, we have determined that the risk of fraud arising from revenue recognition for all revenue streams can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of police authorities, including MOPAC/CPM and the group, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk for MOPAC / CPM and the Group</p>	<p>We do not consider this to be a significant risk for MOPAC and the Group and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.</p> <p>Our standard procedures include the following work:</p> <ul style="list-style-type: none"> • Evaluate the MOPAC / CPM and the Group's accounting policies for recognition of income for appropriateness and compliance with the Code; • Update our understanding of the system for accounting for the income and evaluate the design of associated processes and controls; • Agree on a sample basis relevant income and year end receivable/income accruals to invoices and cash payment or other supporting evidence; • We will carry out testing on sample basis of invoices issued in the period prior to and following 31 March 2025 to determine whether income is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.

Significant risks identified (continued)

Significant risk	Risk relates to	Reason for risk identification	Audit team's assessment	Planned audit procedures
Valuation of land and buildings	Group and MOPAC	<p>MOPAC re-values land and buildings on a rolling basis over a five-year period to ensure that carrying value is not materially different from current value at the financial statements date.</p> <p>The valuation of land and buildings represents a key accounting estimate which is sensitive to changes in assumptions and market conditions. Management has engaged the services of a valuation expert to assist in determining the current value as at 30 September 2024.</p> <p>We therefore identified valuation of land and buildings as a significant risk, particularly key assumptions and inputs applied by the valuer at financial statement date to determine the current value of the assets</p>	<p>Within the valuation of MOPAC's specialised operational land and building sites, the valuer's estimation of the value has several key inputs, which the valuation is sensitive to. These include the build costs, the size and location of the sites and any judgements that have impacted this assessment and the condition of the property site. Non-specialised asset valuation estimates are sensitive to inputs including market rent, yields and size of asset.</p> <p>Pinpointing the significant risk:</p> <p>We plan to pinpoint the significant risk around the following:</p> <ul style="list-style-type: none"> • Assets that are material; • Assets where the change in valuation is outside our expectation based on market indices; • Significant changes in key assumptions applied in valuation of assets from the prior year; and • Other factors considered to increase the risk of material misstatement based on auditor judgement. 	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work. We will engage our own valuer to assess the instructions to the MOPAC (and group's) valuer; • evaluate the competence, capabilities and objectivity of the valuation expert; • write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; • challenge the information and assumptions used by the valuer to assess the completeness and consistency with our understanding. We will engage our own valuer to assess the group's valuer's report and the assumptions that underpin the valuation; • carry out testing of data provided to the valuer to gain assurance if it is complete and accurate; • test revaluations made during the year to see if they had been input correctly into MOPAC and (group's) asset register; and • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different from current value at year end.

Significant risks identified (continued)

Significant risk	Risk relates to	Reason for risk identification	Audit team's assessment	Planned audit procedures
Valuation of the pension fund net liability	Group, MOPAC and MPS	<p>The Police Officer Pension schemes pension fund liability as reflected in the balance sheet and notes to the accounts represent significant estimates in the financial statements. This estimate by its nature is subject to significant estimation uncertainty, being very sensitive to small adjustments in the assumptions used.</p>	<p>We do not believe there is a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation or due to the source data used in their calculation (unless any significant events have occurred, such as significant special events (i.e. redundancies, bulk transfers or outsourcing), material transfers or material membership movements which the actuary (Avison Young) may not have taken into account.)</p> <p>However, we have concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. The actuarial assumptions used are the responsibility of MOPAC Group and CPM but should be set on the advice given by the actuary. However, MOPAC Group and CPM may choose to use different assumptions than those proposed by their actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates, where our consulting actuary has indicated that a 0.1% change in these two assumptions would have approximately 2% effect on the liability.</p> <p>We have therefore identified the valuation of the pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the pension fund valuation; • assess the accuracy and completeness of the information provided by the MPS to the actuary to estimate the liability; • test the consistency of the pension fund net liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; and • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as an auditor's expert) and performing any additional procedures suggested within the report. This will include the potential impact of the McCloud/ Sergeant ruling.

Significant risks identified (continued)

Significant risk	Risk relates to	Reason for risk identification	Audit team's assessment	Planned audit procedures
Implementation of IFRS 16	Group, MOPAC and MPS	IFRS 16 Leases is now mandatory for all local government bodies from 1 April 2024. The standard replaces IAS 17 Leases, and the three interpretations that supported its application (IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating leases – incentives, and SIC-27 Evaluating the substance of transactions involving the legal form of a lease). Under the new standard the current distinction between operating and finance leases is removed for lessees and, subject to certain exceptions, lessees will recognise all leases on their balance sheet as right of use (ROU) assets, representing the right to use the underlying leased assets, and a corresponding liability representing its obligation to make lease payments.	<p>In accordance with IAS 8 Basis of preparation of financial statements and paragraph 3.3.4.3 of the Code, disclosures of the expected impact of IFRS 16 were included in the 2023-24 financial statements. Initial review by MOPAC and MPS indicated the impact of implementing IFRS 16 would be material. The Code adapts IFRS 16 and requires that the subsequent measurement of the ROU asset where the underlying asset is an item of property, plant and equipment is measured in accordance with section 4.1 of the Code. The implementation of IFRS 16 is a significant change to the disclosures made by MOPAC and MPS in their financial statements with regards to leases.</p> <p>At a national level, work is ongoing to determine whether arrangements in England and Wales, between the Police and Crime Commissioner and the Chief Constable – in this case, CPM and MOPAC – constitute a lease. While there is no contract between these two bodies, the Code interpretation of IFRS 16 does not require that there is a contract, if the substance of the agreement appears to be a lease. At the point of writing, an agreement had not been reached, we will continue to liaise with our technical team and the finance team to ensure disclosures made are complete and accurate.</p>	<p>Our work will include, but not be limited to:</p> <ul style="list-style-type: none"> Documenting our understanding of the processes and controls in place by management to ensure that the ROU assets and corresponding liabilities are not materially misstated. Reviewing steps implemented by management to identify lease agreements that are impacted by IFRS 16 (including those on peppercorn rentals) and confirming they meet the requirements of the CIPFA Code of Audit Practice (Code). Reviewing accounting policies and disclosures in relation to IFRS 16. Reviewing and reperforming calculations to determine the future lease liabilities using present value calculations Reviewing and reperforming calculations on PFI liabilities to ensure they meet the requirements of IFRS 16 and the Code.

Other risks identified

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for another risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk	Risk relates to	Reason for risk identification	Planned audit procedures
Existence of Operating Expenditure/Accounts Payable	Group, MOPAC and MPS	We have determined that Operating Expenditure/Accounts Payable represent significant classes of transactions which rely on highly automated processing with little or no manual intervention. Therefore, MOPAC and the MPS’s controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them.	We will: <ul style="list-style-type: none">• evaluate the design and implementation of controls over Operating Expenditure/Accounts Payable transactions
Occurrence, Completeness and Accuracy of Police Officer and Staff Expenditure	Group, MOPAC and MPS	We have determined that Police Officer and Staff Expenditure represent significant classes of transactions which rely on highly automated processing with little or no manual intervention. Therefore, MOPAC and the MPS’s controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them.	We will: <ul style="list-style-type: none">• evaluate the design and implementation of controls over Police Officer and Staff Expenditure transactions



“The auditor determines whether there are any risks of material misstatement at the assertion level for which it is not possible to obtain sufficient appropriate audit evidence through substantive procedures alone. The auditor is required, in accordance with ISA (UK) 330 (Revised July 2017), to design and perform tests of controls that address such risks of material misstatement when substantive procedures alone do not provide sufficient appropriate audit evidence at the assertion level. As a result, when such controls exist that address these risks, they are required to be identified and evaluated.” (ISA (UK) 315)

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Reports and Annual Governance Statements and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the MOPAC and MPS.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statements are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
 - issuing a report in the public interest or written recommendations to the PCC Group and Chief Constable, under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act;
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

04 Group Audit

Group audit scope and risk assessment

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Risk of material misstatement to the MOPAC group	Planned audit approach and level of response required under ISA (UK) 600 Revised	Response performed by	Risks identified	Auditor
Mayor’s Office for Policing and Crime	Yes	Full scope audit performed by Grant Thornton UK LLP	Group auditor	Management override of controls Valuation of land and buildings Valuation of pension fund net liability Implementation of IFRS 16 Accuracy and existence of creditors liability	Grant Thornton UK
Commissioner of Police of the Metropolis	Yes	Full scope audit performed by Grant Thornton UK LLP	Group auditor	Management override of controls Valuation of pension fund net liability Accuracy and existence of creditors liability	Grant Thornton UK

Key changes within the group

- None identified.

Fraud and litigation

We have not been made aware of any actual or attempted frauds in the year during our planning procedures performed to date. Should any factors arise in relation to fraud risk or actual or attempted fraud we ask that you inform us of this at the earliest possible opportunity.

05 Our approach to materiality

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
	Determination We have determined planning materiality (financial statement materiality determined at the planning stage of the audit) based on professional judgement in the context of our knowledge of MOPAC and MPS, including consideration of factors such as stakeholder expectations, industry developments, financial stability and reporting requirements for the financial statements	<ul style="list-style-type: none"> We determine planning materiality in order to: <ul style="list-style-type: none"> establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements assist in establishing the scope of our audit engagement and audit tests determine sample sizes and assist in evaluating the effect of known and likely misstatements in the financial statements
	Other factors An item does not necessarily have to be large to be considered to have a material effect on the financial statements	<ul style="list-style-type: none"> An item may be considered to be material by nature when it relates to: <ul style="list-style-type: none"> instances where greater precision is required (e.g. senior officer remuneration and audit fees)
	Reassessment of materiality Our assessment of materiality is kept under review throughout the audit process	<ul style="list-style-type: none"> We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality
	Matters we will report to the Audit Committee Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.	<ul style="list-style-type: none"> We report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. In the context of the MOPAC and MPS, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £3.5m (PY £3.1m). If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.



Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Amount (£)	Qualitative factors considered
Materiality for the MOPAC Group financial statements	71,000,000	<p>We determined the financial statement materiality based on a proportion of the prior year gross expenditure of the MOPAC Group. The main users of the Group's accounts primary interest is in the cost of providing services and how the Group manages its spending. As such, we conclude that the gross expenditure is the most appropriate benchmark to set the materiality levels for the MOPAC Group.</p> <p>We have used a benchmark of 1.7% of gross revenue expenditure (PY 1.4%) to calculate the materiality amount, giving a materiality level of £74m. Auditing standards require us to cap materiality at the level of the smallest component. Therefore, the materiality of CPM at £71m will be applied to the financial statements as a whole.</p>
Materiality for the MOPAC financial statements	71,000,000	<p>We determined the financial statement materiality based on a proportion of the prior year gross expenditure of MOPAC. The main users of MOPAC's accounts primary interest is in the cost of providing services and how the Group manages its spending. As such, we conclude that the gross expenditure is the most appropriate benchmark to set the materiality levels for the MOPAC.</p> <p>We have used a benchmark of 1.7% of gross revenue expenditure (PY 1.4%) to calculate the materiality amount, giving a materiality level of £74m. Auditing standards require us to cap materiality at the level of the smallest component. Therefore, the materiality of CPM at £71m will be applied to the financial statements as a whole.</p>
Materiality for the CPM financial statements	71,000,000	<p>We determined the financial statement materiality based on a proportion of the prior year gross expenditure of the CPM. The main users of the CPM accounts primary interest is in the cost of providing services and how the Group manages its spending. As such, we conclude that the gross expenditure is the most appropriate benchmark to set the materiality levels for the CPM.</p> <p>We have used a benchmark of 1.7% of gross revenue expenditure (PY 1.4%) to calculate the materiality amount.</p>
Performance Materiality	49,400,000	<p>Performance Materiality is based on a percentage of the overall materiality. We have determined to apply 70% of overall materiality (CPM materiality) considering the requirements of ISA 320.</p>

06 IT audit strategy

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audit and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audit will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach, we will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
Oracle EBS (PSOP)	Financial reporting	<ul style="list-style-type: none">A detailed review of the IT General Controls related to security management, development and maintenance and technology infrastructure will be carried out by our internal IT specialists team in the 24/25 financial year. Their previous review in 2023/24 identified no significant control deficiencies over Oracle EBS.We will place reliance on the work performed in 2023/24 in relation to the design effectiveness of IT General Controls and update our understanding of any changes in the system since the prior year. We will review and assess the impact of any changes on the planned audit approach.We will also follow up on any recommendations the IT team make in the 2024/25 review in relation to IT general control to assess whether these have been actioned by management.
Active Directory	Financial Reporting	<ul style="list-style-type: none">A detailed review of the IT General Controls related to security management, development and maintenance and technology infrastructure will be carried out by our internal IT specialists team in the 24/25 financial year.We will place reliance on the work performed in 2023/24 in relation to the design effectiveness of IT General Controls and update our understanding of any changes in the system since the prior year. We will review and assess the impact of any changes on the planned audit approach.We will also follow up on any recommendations the IT team make in the 2024/25 review in relation to IT general control to assess whether these have been actioned by management.
ManhattanONE	IFRS 16	<ul style="list-style-type: none">A detailed review of the IT General Controls related to security management, development and maintenance and technology infrastructure will be carried out by our internal IT specialists team in the 24/25 financial year.

07 Interim audit work

Interim Audit Work

Details of work to be conducted at interim audit:

Description	Work commentary	Findings
Capital additions and disposals	<p>We have requested a listing of capital additions and disposals which reconciles to the month 9 fixed asset register and general ledger.</p> <p>We have selected a sample of additions and disposals for testing and requested supporting evidence.</p>	<p>We have received supporting evidence for capital additions and have processed this. Further questions have been raised but not as yet responded to.</p> <p>We have received no supporting evidence for capital disposals</p>
Depreciation	<p>In a change to our audit approach, we are performing substantive testing on depreciation instead of substantive analytical procedures. We requested a listing of depreciation which reconciles to the month 9 fixed asset register and general ledger.</p> <p>We have selected a sample of depreciation transactions for substantive testing and requested supporting evidence.</p>	<p>We have received the deprecation listing, selected a sample for testing and received supporting evidence from the finance team. Our work in this area remains in progress.</p>
Payroll starters, leavers and changes in circumstances	<p>We requested the payroll starters, leavers and change in circumstances listings for the year.</p> <p>We have selected samples of starters, leavers and changes in circumstances for testing and requested supporting evidence.</p>	<p>We have received listings, chosen samples and requested supporting evidence for starters, leavers and changes in circumstances.</p> <p>Testing is in progress for starters and leavers, further questions have been raised, but not as yet responded to.</p> <p>We have received no supporting evidence for change in circumstance testing</p>

08 Value for Money Arrangements

Value for Money Arrangements

Approach to Value for Money work for the period ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.

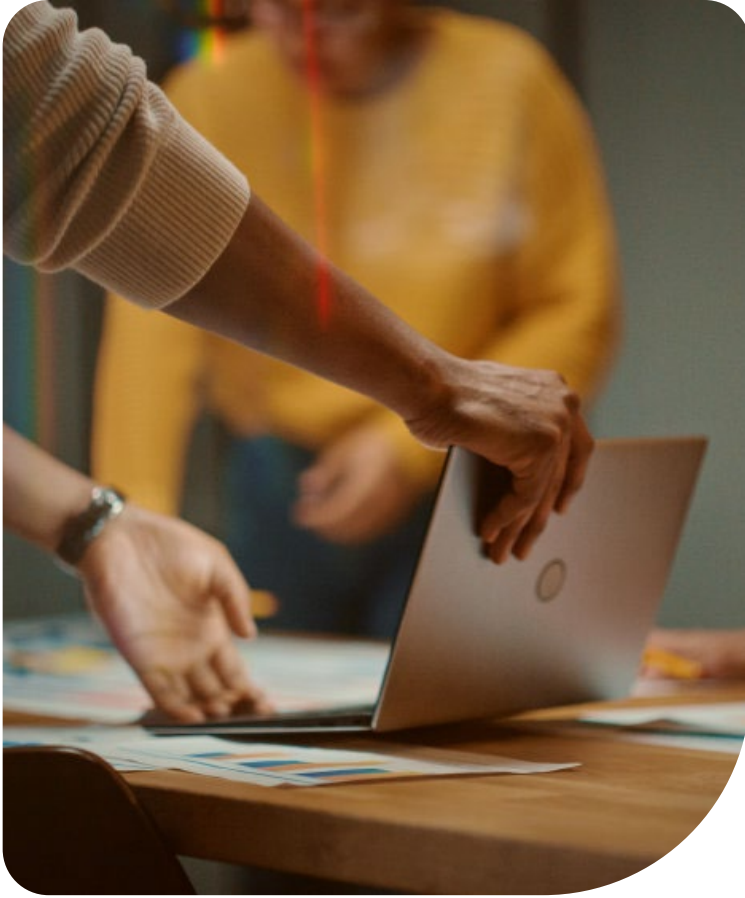


Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Risks of significant VFM weaknesses



As part of our initial planning work, we considered whether there were any risks of significant weakness in the body's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we have identified are detailed on the table overleaf along with the further procedures we will perform. We will continue to review the body's arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the second table below.

Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements.

Risks of significant weakness in VFM arrangements (continued)

Risk assessment of the MOPAC Group and CPM VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor’s work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2024/25. We will continue to evaluate risks of significant weakness and if further risks are identified , we will report these to those charged with governance. We set out our reported assessment below:

Criteria		2023/24 Auditor judgement on arrangements	2024/25 risk assessment	2024/25 risk-based procedures
Financial sustainability Relates to MOPAC and CPM	R	We concluded that during 2023/34 and into 2024/25 that MOPAC and CPM were facing significant financial challenges. Significant weakness in arrangements were identified and we have retained our key recommendations pertaining to the budget gap and reliance on reserves.	One risk of significant weakness identified pertaining to budget gap and unsustainable reliance on revenue reserves	Given the risk of significant weakness identified, we will undertake additional risk-based procedures to assess whether a significant weakness exists. This will focus on arrangements for reducing the budget gap and revenue reserve management.

We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our auditor’s annual report. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. We report our value for money work in our Auditor’s Annual Report. Any significant weaknesses identified once we have completed our work will be reflected in your Auditor’s Report and included within our audit opinion.

- G

No significant weaknesses in arrangements identified or improvement recommendation made.
- A

No significant weaknesses in arrangements identified, but improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendations made.

Risks of significant weakness in VFM arrangements (continued)

Criteria	2023/24 Auditor judgement on arrangements	2024/25 risk assessment	2024/25 risk-based procedures
Governance Relates to MOPAC and CPM	<div>R</div> <p>A number of governance reviews have been undertaken during 2023/24 assessing the effectiveness of current corporate and strategic meetings and structures within the CPM and MOPAC. Key changes include introduction of: the London Policing Board (LPB; the Budget and Business Planning Implementation Group (BPIG); a new Strategic Planning Framework; and the introduction of the IPG. The structural changes are positive and there is a clear desire from both CPM and MOPAC to ensure that these changes support improved policing in London.</p> <p>We identified a significant weakness in arrangements in respect of the relationship between MOPAC and CPM and raised a key recommendation to demonstrate better and more open accountability.</p> <p>We concluded that performance in relation to vetting were sufficiently improved to address the significant weakness in arrangements identified in 2022/23. We therefore removed the key recommendation and raised an improvement recommendation to support CPM in ensuring momentum continues.</p> <p>We noted that workforce planning information related to early progress with the “Resourcing the Met” programme as used to inform 2024/25 budget setting. We thus removed this improvement recommendation.</p> <p>Work was ongoing in relation to three improvement recommendations raised in 2022/23 concerning review of MOPAC’s Scheme of Delegation, review of the wider finance team capacity and CPM approach to priority based budgeting. We retained these improvement recommendations.</p>	Two risks of significant weakness identified in relation to the relationship between MOPAC and CPM and Trust and Confidence (performance improvement)	Given the risks of significant weakness identified, we will undertake additional risk-based procedures to assess whether a significant weakness exists. This will focus on the relationship between MOPAC and CPM and Trust and Confidence (performance improvement)

We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our auditor’s annual report. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. We report our value for money work in our Auditor’s Annual Report. Any significant weaknesses identified once we have completed our work will be reflected in your Auditor’s Report and included within our audit opinion.

- G

No significant weaknesses in arrangements identified or improvement recommendation made.
- A

No significant weaknesses in arrangements identified, but improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendations made.

Risks of significant weakness in VFM arrangements (continued)

Criteria	2023/24 Auditor judgement on arrangements	2024/25 risk assessment	2024/25 risk-based procedures
Improving economy, efficiency and effectiveness Relates MOPAC Group and CPM	<p>R</p> <p>Clear progress has been made in improving performance during 2023/24. This is evidenced by HMICFRS closing one of the four causes of concern on 13 November 2024. Despite these improvements CPM remains in Engage with these three causes of concern remaining and in HMICFRS's PEEL 2023-25 inspection was rated as inadequate. We have therefore concluded that during 2023/24 that the challenge to deliver sustained performance across CPM services remains. Significant weakness in arrangements remain and we have retained our key recommendation.</p> <p>We concluded during 2023/24 and continuing in 2024/25 the significant weakness in arrangements relating to Command and Control project continued. The refreshed Full Business Case (FBC) informing the decision pertaining to the project's future is pending. We retained the key recommendations pertaining to ongoing management of this project.</p> <p>We concluded that the CONNECT project is sufficiently progressed to address the significant weakness in arrangements identified in 2022/23. We therefore removed the key recommendation and raised an improvement recommendation in this area.</p> <p>We concluded that during 2023/24 and continuing into 2024/25 workforce planning remains a significant challenge. The work in train gathered momentum during Quarter 4 2023/24, but work is ongoing in this area. Significant weakness in arrangements identified and we retained the key recommendation in this area.</p> <p>We subsumed our prior year recommendation from the financial sustainability criteria that workforce plans arising from the "Resourcing the Met" Programme are aligned to the MTFP into this key recommendation to reflect the co-dependency of emerging workforce plans in medium term financial planning.</p>	<p>Three risks of significant weakness identified in relation to the improving performance, Command and Control project arrangements and workforce planning.</p>	<p>Given the risks of significant weakness identified, we will undertake additional risk-based procedures to assess whether a significant weakness exists. This will focus on improving performance, Command and Control project arrangements and workforce planning.</p> <p>In particular, we will undertake a detailed assessment of the project arrangements for Command and Control and the associated costs of the project.</p>

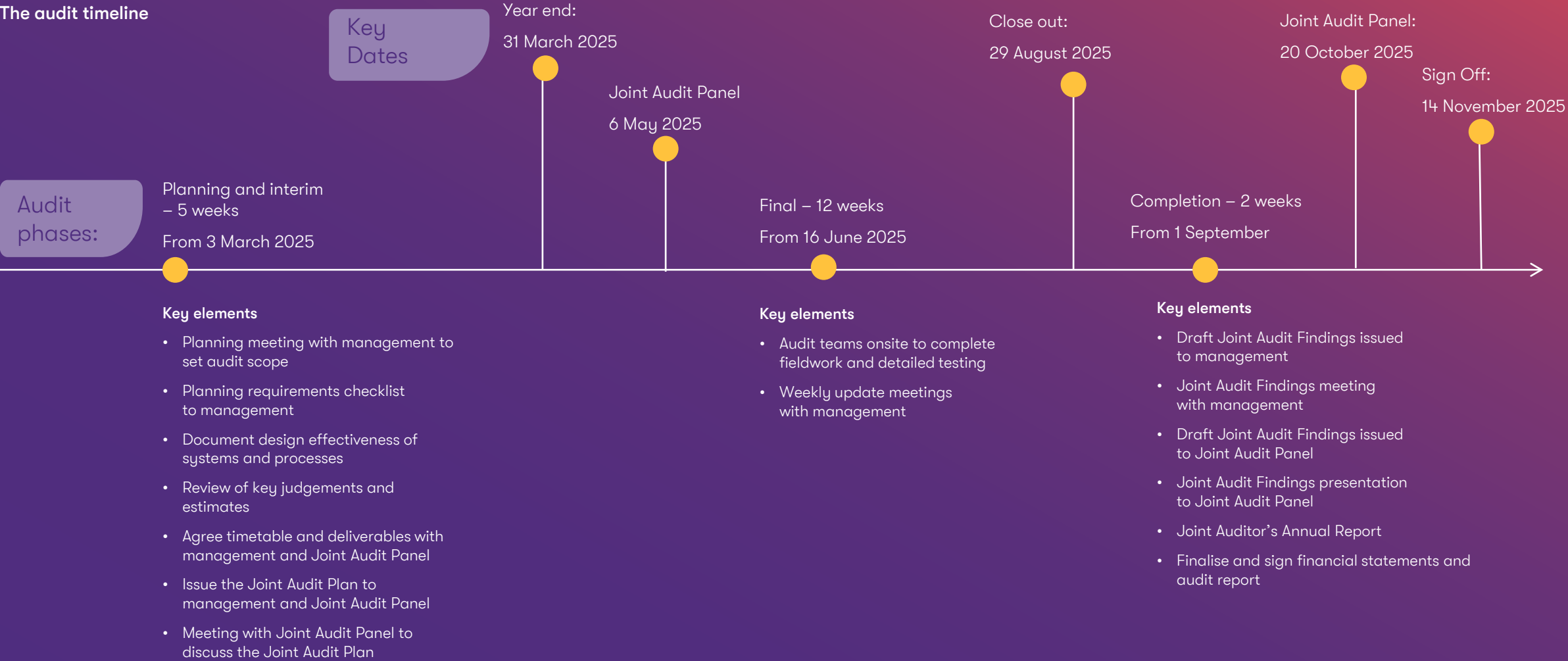
We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our auditor's annual report. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. We report our value for money work in our Auditor's Annual Report. Any significant weaknesses identified once we have completed our work will be reflected in your Auditor's Report and included within our audit opinion.

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

09 Logistics

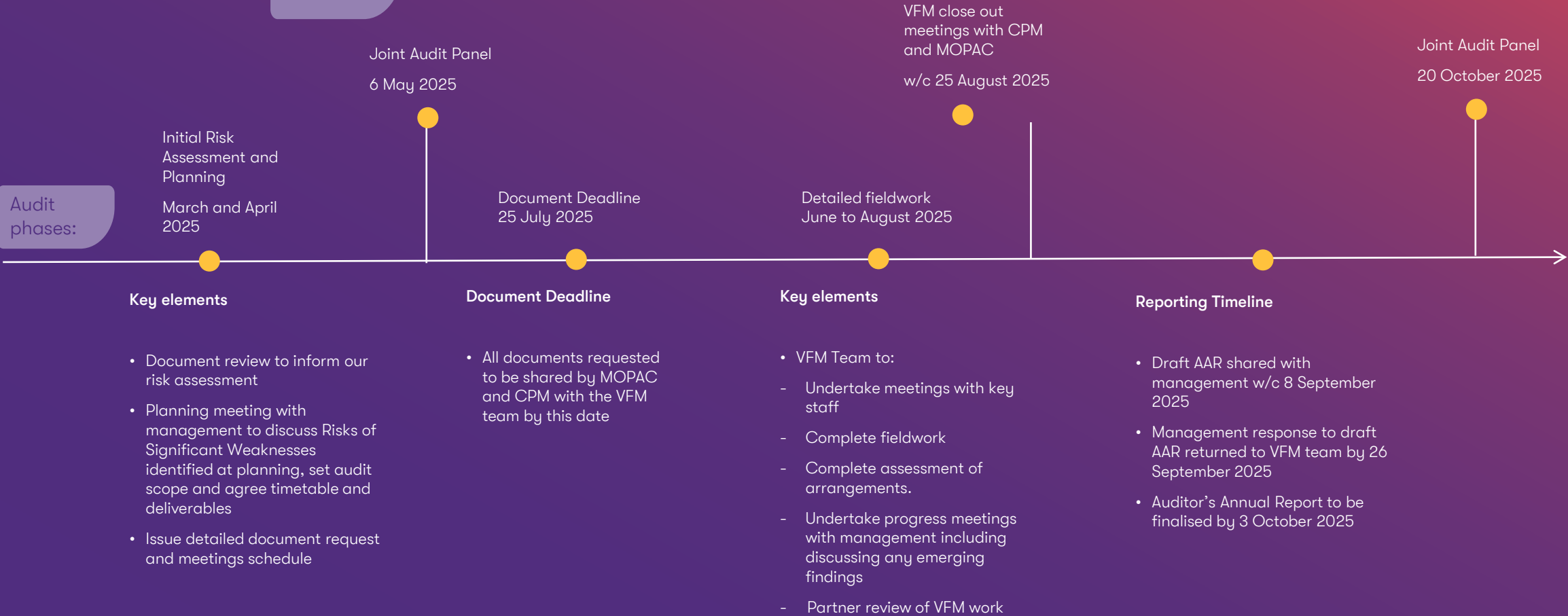
Logistics – financial statement audit

The audit timeline



Logistics – Value for Money Audit

The audit timeline



Our team and communications

Grant Thornton core team

Mark Stocks
Key Audit Partner

- Key contact for senior management and Audit Committee
- Responsible for overall quality assurance and audit opinion

Lucy Nutley
Senior Audit Manager

- Responsible for overall audit management and quality assurance of audit work
- Resource management
- Performance management reporting
- Oversight of Value for Money work and conclusions

Jasmine Kemp
Audit Manager

- Audit planning
- Review of audit documentation
- Performance management reporting

Kieran McDermid
Audit Manager

- On-site audit team management
- Day-to-day point of contact for finance team
- Audit fieldwork

Lisa Mackenzie
VFM Senior Manager

- Lisa will lead our Value for Money work
- Responsible for meeting with MOPAC and CPM staff members and concluding on the efficacy of arrangements for obtaining value for money

We have engaged our specialist IT audit team to work on the IT General controls.

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none">• Annual client service review	<ul style="list-style-type: none">• The Audit Plan• Audit Progress and Sector Update Reports• The Audit Findings• Auditor’s Annual Report	<ul style="list-style-type: none">• Audit planning meetings• Audit clearance meetings• Communication of issues log	<ul style="list-style-type: none">• Technical updates• Chief accountant’s workshop
Informal communications	<ul style="list-style-type: none">• Open channel for discussion		<ul style="list-style-type: none">• Communication of audit issues as they arise	<ul style="list-style-type: none">• Notification of up-coming issues

10 Fees and related matters

Our fee estimate

Our estimate of the audit fees we will charge is set out in the table across, along with the fees billed in the prior year

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC’s [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2017, PSAA awarded a contract of audit for Mayor’s Office for Policing and Crime (MOPAC) and the Commissioner of the Police of the Metropolis (the MPS) to begin with effect from 2018/19. The scale fee set out in the PSAA contract for the 2024/25 audit is £682,552.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor’s annual report for the previous Audit Year (exception for new clients in 2023/24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

	Audit Fee for 2023/24 (£)	Proposed fee for 2024/25 (£)
MOPAC	346,850	370,073
CPM	296,379	312,479
Use of expert – Wilks, Head and Eve	3,600	3,600*
VfM – Command and Control review	0	10,000**
Total (Exc. VAT)	£646,829	£696,152

*estimated fee based on 2023/24

** We are also undertaking additional work on the Command and Control project arrangements. We estimate that the additional fee will be £10,000 + VAT.

An additional fee will be charged for audit work performed on the implementation of IFRS 16. This will be calculated based on the amount of time spent by the audit team and IT audit team and will be reported to those charged with governance at a later date. We are unable to estimate the value of this fee at this point.

Our fee estimate:

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the PCC and Chief Constable will:

- prepare a good quality set of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

11 Independence considerations

Independence considerations

As part of our assessment of our independence at planning we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and MPS or MOPAC that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with MPS or MOPAC or investments in the MOPAC Group held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the MOPAC Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and MPS or MOPAC
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the MOPAC Group’s board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council’s Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office’s Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

12 Communication of audit matters with those charged with governance

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	●	●
Views about the qualitative aspects of the MPS and MOPAC Group accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

13 Delivering audit quality

Delivering audit quality

Our quality strategy

We deliver the highest standards of audit quality by focusing our investment on:

Creating the right environment

Our audit practice is built around the markets it faces. Your audit team are focused on the Public Sector audit market and work with clients like you day in, day out. Their specialism brings experience, efficiency and quality.

Building our talent, technology and infrastructure

We've invested in digital tools and methodologies that bring insight and efficiency and invested in senior talent that works directly with clients to deploy bespoke digital audit solutions.

Working with premium clients

We work with great public sector clients that, like you, value audit, value the challenge a robust audit provides, and demonstrate the strongest levels of corporate governance. We're aligned with our clients on what right looks like.

Our objective is to be the best audit firm in the UK for the quality of our work and our client service, because we believe the two are intrinsically linked.

How our strategy differentiates our service

Our investment in a specialist team, and leading tools and methodologies to deliver their work, has set us apart from our competitors in the quality of what we do.

The FRC highlighted the following as areas of particularly good practice in its recent inspections of our work:

- use of specialists, including at planning phases, to enhance our fraud risk assessment
- effective deployment of data analytical tools, particularly in the audit of journals

The right people at the right time

We are clear that a focus on quality, effectiveness and efficiency is the foundation of great client service. By doing the right audit work, at the right time, with the right people, we maximise the value of your time and ours, while maintaining our second-to-none quality record.

Bringing you the right people means that we bring our specialists to the table early, resolving the key judgements before they impact the timeline of your financial reporting. The audit partner always retains the final call on the critical decisions; we use our experts when forming our opinions, but we don't hide behind them.

Digital differentiation

We're a digital-first audit practice, and our investment in data analytics solutions has given our clients better assurance by focusing our work on transactions that carry the most risk. With digital specialists working directly with your teams, we make the most of the data that powers your business when forming our audit strategy.

Oversight and control

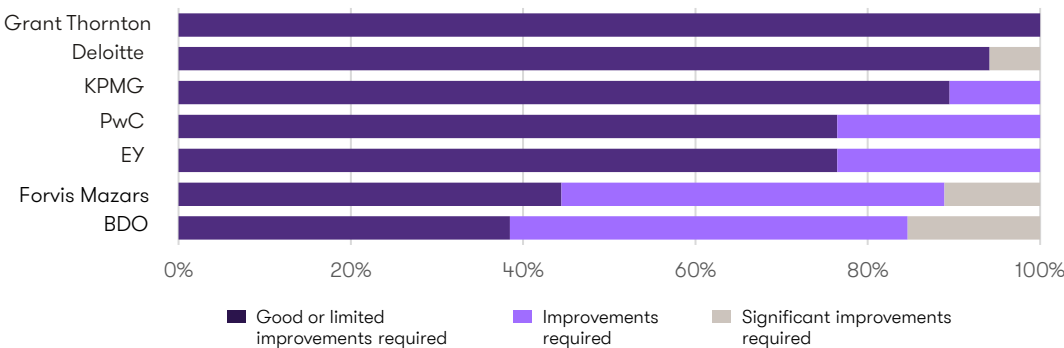
Wherever your audit work is happening, we make sure that its quality meets your exacting requirements, and we emphasise communication to identify and resolve potential challenges early, wherever and however they arise. By getting matters on the table before they become "issues", we give our clients the time and space to deal with them effectively.

Quality underpins everything at Grant Thornton, as our FRC inspection results in the chart below attest to. We're growing our practice sustainably, and that means focusing where we know we can excel without compromising our strong track record or our ability to deliver great audits. It's why we will only commit to auditing clients where we're certain we have the time and resource, but, most importantly, capabilities and specialist expertise to deliver. You're in safe hands with the team; they bring the right blend of experience, energy and enthusiasm to work with you and are fully supported by myself and the rest of our firm.

Wendy Russell
Partner, UK Head of Audit



FRC's Audit Quality Inspection and Supervision Inspection
(% of files awarded in each grading, in the most recent report for each firm)



15 Appendices

New or revised accounting standards that are in effect

First time adoption of IFRS 16

Lease liability in a sale and leaseback

- IFRS 16 was implemented by LG bodies from 1 April 2024, with early adoption possible from 1 April 2022. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.
- This year will be the first year IFRS 16 is adopted fully within Local Government.

IAS 1 amendments

Non-current liabilities with covenants

- These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to IAS 7 and IFRS 7

Supplier finance arrangements

- These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS reporters Future financial reporting changes

IFRS reporters future financial reporting changes

These changes will apply to local government once adopted by the Code of practice on local authority accounting (the Code).

Amendments to IAS 21 – Lack of exchangeability

IAS 21 has been amended by the IASB to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are expected to be adopted by the Code from **1 April 2025**.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, adds guidance on the SPPI criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the Code **in future years**.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 provides reduced disclosure requirements for eligible subsidiaries. A subsidiary is eligible if it does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is a voluntary standard for eligible subsidiaries and is expected to be adopted by the Code **in future years**.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the statement of profit or loss as well as introduce specific disclosure requirements. Some of the key changes are:

- Introducing new defined categories for the presentation of income and expenses in the income statement
- Introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal.
- Disclosure of management defined performance measures
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 is expected to be adopted by the CIPFA Code **in future years**.



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Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	6 May 2025
Presented by:	Amana Humayun and Dan Worsley
Title/Subject	Implementation of the Actions from the External Audit Annual Report 2023/24 Update
Purpose of the Paper	This report provides an update on the management responses to the recommendations made following the 2023-24 value for money audit.

Recommendations

The Joint Audit Committee is asked to:

- Note the progress on implementing recommendations from the 2023-24 value for money audit.
-

1. Background/summary

- 1.1. This paper provides an update on the agreed recommendations made by Grant Thornton in their statutory audit of value for money arrangements for 2023-24.

2. Paper content

- 2.1. Under the Local Audit and Accountability Act 2014, MOPAC and the MPS are required to have an independent audit of arrangements for securing economy, efficiency and effectiveness (value for money) in our use of resources. This audit is conducted by our statutory auditor (Grant Thornton) on an annual basis.
- 2.2. Grant Thornton concluded in 2023-24 that there are significant weaknesses in arrangements relating to financial sustainability, governance and improving economy, efficiency and effectiveness. Grant Thornton issued a number of key and improvement recommendations at this stage. They also noted that they would continue to monitor the position regarding financial sustainability, and would consider the appropriateness of issuing a statutory recommendation (this did not take place).

- 2.3. The report includes 5 key recommendations and 6 improvement recommendations. The proposed management responses are attached at Appendix One.

3. Financial information

- 3.1. There are no direct financial implications arising from this report.

4. Key risks and metrics

- 4.1. As set out in the External Auditors 2023/24 Annual Report.

5. Further considerations

- 5.1. There are no direct implications to consider.

6. Conclusion

- 6.1. This paper provides an update on the agreed recommendations made by Grant Thornton in their statutory audit of value for money arrangements for 2023-24.
- 6.2. Progress will continue to be monitored throughout the financial year, with updates provided to the Joint Audit Committee on a quarterly basis.

7. Recommendations

- 7.1. Note the progress on implementing recommendations from the 2023-24 value for money audit.

Approval / consultation

The CPM updates have been presented to the MPS Audit and Risk Assurance Committee. MOPAC updates have been considered by the MOPAC CFO. Progress against implementing these – and all MOPAC-related External Audit recommendations – will be monitored by MOPAC's Risk & Governance Working Group

Name, job title of paper author: Annabel Cowell – Deputy CFO and Head of Financial Management MOPAC

Appendices

Appendix One – Annual Report 2023/24 – Update on Recommendations

Appendix One – Annual Report 2023/24 – Update on Recommendations

Rec	Recommendation	Progress Update
KR1	<p>MOPAC and CPM should continue their work to set a balanced budget for 2025/26 and future years that enables the build back of reserves to ensure their financial resilience, alongside minimising the requirement to achieve a challenging savings programme. They should set a minimum level of reserves that will maintain to ensure financial resilience.</p>	<p>MOPAC Update Following approval of the Mayor's consolidated budget on 25th February 2025, the final MOPAC/MPS budget was approved on March 31st. This was balanced for 2025/26, with significant savings to be delivered in 2025/26 and in future years.</p> <p>The Reserves Strategy was also approved on March 31st. Currently the total reserves balance (including both General and earmarked) is expected to fall to £124.0 million in 2027-28. Based on the MOPAC CFO's current assessment of budget risk, total reserve levels should not fall below £125 million. In view of this, the CFO assessment is that MOPAC and MPS should ensure that the total reserves balance continues to be proactively replenished to avoid a level below £125 million across the MTFP.</p> <p>CPM Update CPM agree this recommendation. The budget for 2025/26 will be reviewed in light of confirmation of funding through Police Grant Settlement and GLA budget. Plans already exist to deliver a balanced budget based on current funding assumptions and these will continue to be developed and implemented. We have already begun discussions with Home Office and NPCC with respect to the future years multi-year spending round which is due to be completed in Spring 2025. This will inform the level of future growth/savings to be assumed in the MTFP. This will include the design of the capital programme and financing assumptions.</p> <ul style="list-style-type: none"> • Draft Budget submitted as per deadline to MOPAC • Business Group Level budget exercise undertaken identifying Risks/issues • Updated Budget paper discussed at Management Board on 28th Jan updating board on extra funding through Home Office settlement and the treatment of additional one-off funding • 25/26 Capital Programme has been reviewed further to the Nov 24 submission developing the profile and costing which reduce the 2526 requirement and improves affordability • Approach to Spending Review discussed at Management Board on 28th Jan – ongoing engagement with NPCC/Home office and MOPAC.

Rec	Recommendation	Progress Update
KR2	<p>CPM and MOPAC must improve their relationship to:</p> <ul style="list-style-type: none"> - Better demonstrate accountability to improve public trust - Refresh NMfL and agree how the Plan will be delivered - Agree a clear set of priorities including how NMfL will be implemented within the available finance <p>Both organisations should be accountable for delivery</p>	<p>MOPAC Update</p> <p>MOPAC and the MPS continue to strengthen their relationship to ensure meaningful oversight for Londoners. There was significant collaboration between the two organisations for the 2025/26 budget build including several DMPC-Commissioner- Mayor's Office budget workshops to agree budget principles, tough choices scope and 'red lines' - areas to be protected from savings. The Mayor, the DMPC and the Commissioner have agreed to prioritise and protect frontline policing as far as possible.</p> <p>Discussions are on-going on appointing a suitable person / body to revisit Casey at the 2 year point, as recommended in the report.</p> <p>CPM Update</p> <p>The Performance and Finance Delivery Committee met on the 25 of February. Discussions are on-going on appointing a suitable person / body to revisit Casey at the 2year point, as recommended in the report, which will include progress against NMfL, the portfolio for 25-26 and reporting.</p>
KR3	<p>A baseline assessment of resources and demand for BCUs should be prioritised as part of thew "Resourcing the Met" Programme to fully understand where resources are, and where they are most needed (both geographically and operationally) before further modelling and movement of resources takes place. The overall resulting workforce plan should be aligned with financial planning as the financial risk around deliverability of the plan can be quantified.</p>	<p>CPM Update</p> <p>The Resourcing the Met (RtM)programme has sought to lay the foundations for a more effective and efficient deployment of resources to meet demand. This Programme has improved the data and information that we can access to balance resources against organisational demand. Nevertheless, our budget position requires significant work to implement our tough choices, using our emerging data and baseline, therefore we have established a multi-disciplinary team with a dedicated full-time Board Lead to deliver them. It will implement both non-workforce and workforce changes, including how we make the required workforce movement and reductions to meet an affordable design. The RtM programme is now formally closed, however the remaining scope to be delivered by the end of this financial year has been bought into this activity.</p> <p>A separate programme (Frontline Policing Transformation Programme) of work is underway to review the BCUs and working in collaboration to deliver precise community-crime fighting and victim support that responds to the needs of our local communities and seeks to address six key pain points across the frontline policing operating model, including Prioritisation & Precision.</p>

Rec	Recommendation	Progress Update
KR4	CPM must continue its arrangements in response to HMICFRS concerns. The ongoing suite of actions to respond to HMICFRS alongside delivering wider transformation needs to be resourced and overseen appropriately. This will enable the Met to deliver priority actions required to address HMICFRS concerns in alignment with the NMfL priority actions	<p>CPM Update The revisits were all delivered as planned. We provided the inspectorate with a strategic briefing ahead of each visit and conducted a hot debrief to learn what they found.</p> <p>As a result of what HMICFRS saw during this process, they agreed we have delivered against our plans, and removed the MPS from Engage on 22 January 2025.</p> <p>The MPS submitted their response to the HMICFRS Peel Assurance Framework consultation on the 23rd December.</p>
KR5	CPM must present the programme Full Business Cost for approval at the earliest opportunity to facilitate a return to programme delivery. The lessons learned from the project reset period and those from other projects such as CONNECT should inform how the project can be managed better following reset. Any recommendations arising from DARA's planned review of programme financial management during 2024/25 should be implemented at the earliest opportunity.	<p>CPM Update The Full Business Case (FBC) was presented to ExCo and, subsequently, MOPAC in December 2024. The FBC was approved and Decision Papers were received on 13th January 2025. The FBC will be updated as part of the closure of the current phase of work. The current phase will complete by 6th March 2025, and one of the priorities is to ensure that all preparatory work is complete to enable the next phase (Refinement and Deployment) to be successful. This preparation has included a review of Lessons Learned and the adoption of good practice from CONNECT.</p> <p>The Met await the DARA review in order to identify lessons and implement any recommendations.</p>

Rec	Recommendation	Progress Update
IR1	<p>CPM and MOPAC should:</p> <ul style="list-style-type: none"> - Embed scrutiny and challenge put in place via the budget governance and internal control framework to ensure the ongoing affordability and timing of the capital programme - Finalise the Estates Strategy and estate investment plan and build this into the update and refresh of the Capital Strategy for 2025/26 ready for delivery in the next financial year 	<p>MOPAC Update MOPAC has reviewed and challenged both the quantum of proposed capital investment for each area of spend, the prioritisation of the proposals to ensure these are consistent with the Police and Crime Plan, and the phasing of the proposed spend to ensure that the organisation has the capacity and capabilities to deliver.</p> <p>In 2025-26, MOPAC are developing a financial oversight framework which will include oversight of the capital programme.</p> <p>The draft Estates strategy is due to be shared formally with MOPAC for comment the beginning of May, with a target publication date of September 2025. The approved strategy will inform the 2026/27 budget setting process including the capital strategy and capital programme.</p> <p>CPM Update Scrutiny of the capital programme is embedded within both the budget setting process and in year financial monitoring.</p> <p>In the absence of capital funding, external borrowing will form the basis for financing the capital programme. The costs of borrowing are factored into the budget and MTFP. Capital financing costs will need to increase significantly to fund a larger estates strategy, which will need to be considered from a VFM and affordability perspective as part of the CSR discussions and budget setting.</p> <ul style="list-style-type: none"> • Work started on financial delegations and authorities within the 25/26 budget, covering BAU, change programme and capital elements • Agreement in principle to an NAO secondee to support this work
IR2	<p>Continue the roll out of Priority Based Budgeting in CPM to identify further opportunities for efficiencies</p>	<p>CPM Update The MPS have developed an ambitious efficiency programme as part of the 2025-26 budget setting process. This delivery of the efficiencies will be overseen by a new Savings and Efficiency Office. This programme will be built on for future years to continue to identify future efficiencies.</p> <ul style="list-style-type: none"> • Leadership and scope confirmed • Principles for allocating cross cutting business group savings set out with Finance Business Partners and savings and efficiencies office • Set up activity around the wider team and governance processes underway

Rec	Recommendation	Progress Update
IR3	Continue the work to enhance the capacity of the wider finance function in CPM	<p>CPM Update An external review of finance services has been commissioned to identify opportunities to improve the finance service offer and inform a new target operating model. A target operating model should be in place for March 2025, with implementation during the Summer of 2025.</p> <ul style="list-style-type: none"> • Staff Sessions held • Staff Reference Groups created and volunteers requested • Organisational design authority attended • Management Board engaged • CIPFA FM Review discussed at Management Board on 28th Jan for buy-in and support
IR4	MOPAC should complete its review of the Scheme of Delegation and Consent during the next 12 months.	<p>MOPAC Update The review of the Scheme of Consent and Delegation has been delayed due to a lack of resources, and a change in DMPC in late 2024. The Mayor has asked for a revised MOPAC Financial Oversight Framework which will be developed in 2025-26. The Scheme of Consent and Delegation will be reviewed/ updated following the development of this Framework.</p>
IR5	Close management of vetting team performance should continue to ensure improvement in vetting times continues and is sustained. Contractor vetting should be transitioned to the national contractor vetting service within the next 12 months and consideration given to charging suppliers for contractor vetting.	<p>CPM Update Meeting held between DAC Valentine and Chief Constable Alex Franklin-Smith on 14/1/25; agreement to have an exploratory discussion with Deputy Chief Constable on increasing Warwickshire capacity. Awaiting diary availability.</p> <p>Scoping discussion with commercial held on 3 December, with a view to receiving commercial advice on proposal. At time of progress update, advice not received; escalated to Commercial Director – DDaT. March milestone may be at risk.</p>

Rec	Recommendation	Progress Update
IR6	<p>CPM must complete the post implementation review during 2024/25 to confirm the investment in CONNECT is justified and the lessons learned captured.</p> <p>Ongoing spend must be closely monitored to facilitate mitigating action should potential overspend be identified.</p> <p>Any recommendations arising from DARA's planned review of programme financial management during 2024/25 should be considered on completion of the review.</p>	<p>CPM Update</p> <p>The MPS await the DARA review in order to identify lessons and implement any recommendations.</p>

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	6 May 2025
Presented by:	Amana Humayun
Title/Subject	Capital Strategy 2025/26 – Framework Supporting Implementation
Purpose of the Paper	This paper sets out the 2025/26 capital strategy and the supporting framework

Recommendations

The Joint Audit Committee is asked to:

- Note the 2025/26 capital strategy and the supporting framework.
-

1. Background/summary

- 1.1. The capital strategy as set out at Appendix 1 is a requirement of the CIPFA Prudential and Treasury Management Codes and forms the foundation of MOPAC's long-term planning and delivery of its capital investment. The strategy sets the parameters for the capital programme, which will be updated each year, and will help to ensure that capital resources are used efficiently to achieve the best possible outcomes within constrained budgets.
- 1.2. In developing the strategy consideration has been given to various factors including Mayoral Priorities, delivery of the Commissioners New Met for London Plan, internal and external influences and statutory duties.
- 1.3. The 2025/26 capital strategy was approved on March 31st and covers the 20-year period to 2043/44. The cost of the strategy over 20 years is c£4.2bn, of which £1.5bn relates to the detailed 5 year capital programme for the period 2024/25 – 2028/29.
- 1.4. The main areas of investment are:-
 - Property Services: broadly split between estates transformation work to bring standards up to a newly defined 'New Met for London' standard (the Central Estates and Transforming the Workplace programmes), and essential maintenance of the estate through Business as Usual (BAU) and forward works activity.
 - Fleet Services: the MPS currently maintains a fleet of c5,000 vehicles. The majority of proposed capital investment relates to the purchase of

new vehicles (the Vehicle Replacement Programme) with smaller amounts spent on areas such as telematics and electric charging infrastructure.

- Digital Data and Technology: investment across core IT infrastructure, IT replacement (e.g. laptops), implementation of technology and systems to support transformation and contributions to national IT programmes (e.g. the Home Office's Emergency Services Network ESN/ESMCP).
- Counter Terrorism Policing HQ (CTPHQ): investment in data, technology and transformational activity in support of the strategic priority of 'Protecting London from Terrorism'.
- Reform investment in major change programmes including New Met for London. Investment to support the reform agenda is also included in the other main areas and will support reform outcomes.

- 1.5. The strategy will be funded through a combination of borrowing, which forms the main source of funding, capital receipts, third party contributions, revenue and capital grant which is ring fenced to deliver counter terrorism projects.

Control Framework

- 1.6. The capital strategy sets out in detail the control framework within which the strategy and capital programme are set, and delivery monitored.
- 1.7. The capital strategy including the capital programme were updated as part of the 2025/26 budget setting process, with proposals scrutinised by MPS Executive Committee (ExCo), the MOPAC CFO and MOPAC officers and the Deputy Mayor. Affordability and the impact on the medium-term financial plan have played a key consideration.
- 1.8. Capital projects included in the programme are subject to further scrutiny at both the MPS Investment Portfolio Group and MOPAC's Investment Advisory Monitoring Meeting (IAM) before they are given approval to proceed.
- 1.9. Delivery of the capital programme is monitored monthly by both the MPS and MOPAC, with updates published quarterly as part of the MOPAC performance report. The London Policing Board with its supporting Performance and Finance Delivery Committee provide further opportunities to scrutinise capital investment.
- 1.10. MOPAC however recognises that the control framework could be further improved and are looking to develop a formal Financial Oversight framework which will include capital spend.

2. Financial information

- 2.1. There are no direct financial implications arising from this report. Following approval of the capital programme all MPS capital investment follows a

clearly defined governance process with review by the MPS Executive Committee (ExCo) and IAM meeting and approval by the Deputy Mayor for Policing and Crime.

3. Key risks and metrics

- 3.1. A strong control framework is needed to ensure the capital strategy is affordable, aligns with Mayoral priorities and delivers in line with its objectives.

4. Further considerations

- 4.1. There are no further considerations.

5. Conclusion

- 5.1. The capital strategy forms the foundation of MOPAC's long-term planning and delivery of its capital investment. A strong control framework is key given the affordability constraints within which investment needs to be prioritised and delivered.

6. Recommendations

The Joint Audit Committee is asked to:

- 6.1. Note the 2025/26 capital strategy and the supporting framework.

Approval / consultation

This paper has been prepared for the Joint Audit Panel.

Name, job title of paper author

Annabel Cowell – Deputy Chief Finance Officer and Head of Financial Management
MOPAC

Appendix One - Mayor's Office for Policing and Crime – Capital Strategy 2025-26 to 2028-29

1. Introduction

- 1.1. The CIPFA Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which forms the foundation of the authority's long-term planning and delivery of its capital investment. These codes apply equally to Policing bodies. It sets the parameters for the capital programme, which will be updated each year and will help to ensure that capital resources are used efficiently to achieve the best possible outcomes within constrained budgets.
- 1.2. Authorities, including policing, continue to operate in an extremely challenging financial environment with reduced levels of government funding and how capital resources are acquired, deployed and managed is a key part of the strategic response.
- 1.3. Whilst this strategy covers the period 2025-26 to 2028-29 it is being published in the context of a one-year Government funding settlement for 2025-26. Longer term questions about investment in technology and estates will be further explored through the multi-year Spending Review process which Government has indicated will take place in Spring 2025 and the capital strategy will be updated accordingly.
- 1.4. The Prudential Code for Capital Finance in Local Authorities (The Code) sets a framework to ensure that the capital expenditure plans of local authorities are affordable, prudent, and sustainable. The Code which is published by the Chartered Institute of Public Finance (CIPFA), has legislative backing. As part of the prudential approach the code requires authorities to have in place the capital strategy. It says:
'In order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy that sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes'.
- 1.5. This Strategy has been prepared in accordance with the Prudential Code 2021 to meet the following objectives and benefits:
 - Ensure capital investment is targeted towards strategic priorities and outcomes;
 - Capital investment complements revenue spend on services, are affordable and proportionate;
 - Stewardship of assets is properly considered in capital planning;
 - Capital investment is prudent, sustainable, affordable, provides value for money;
 - Capital projects are delivered on time and within budget;
 - External borrowing and other long-term liabilities are within prudent and sustainable levels;
 - The risks associated with investments for service and commercial purposes are proportionate to our financial capacity; and

- Treasury management and other investment decisions are in accordance with professional good practice.
- 1.6. MOPAC and the MPS will deliver its capital programme through effective and coherent processes for formulating the capital programme with clear criteria:
- To ensure that capital investment continues to be directed towards meeting corporate objectives;
 - For approving and amending the capital programme and the scrutinising decisions relating to capital planning, and;
 - For managing resources holistically to support spending priorities with regard to long term sustainability.

2. Context and Strategic Intentions

- 2.1. The Mayor's vision is for London to be the safest global city, by boosting police presence in neighbourhoods, tackling violence in all its forms, renewing focus on safeguarding vulnerable people and improving Londoners' confidence in the service provided. Achieving these goals involves transforming how the MPS operates at every level, operating with a more efficient establishment, whilst at the same time as meeting the rising volume and complexity of crime.
- 2.2. In 2023, the Commissioner launched the New Met for London Plan (NMfL) to address issues raised by Baroness Casey and the findings from the HMICFRS PEEL inspection. Supporting this ambition and addressing the acute challenges faced by the Metropolitan Police Service (hereafter 'MPS') in the short term on driving the focus on More Trust, Less Crime and High Standards has been considered as part of the development of the capital strategy. The Commissioner has developed this new strategy that will initially focus on 3 priorities that will stabilise and build new foundations for the MPS whilst simultaneously building momentum for wider reform and the implications for the estate.
- 2.3. In addition, the strategy has also taken account of other Mayoral priorities and ambitions including Net Zero Carbon and the delivery of 50 per cent affordable housing on sites that are disposed of across the GLA Group.
- 2.4. Significant capital investment is required over the short to long term and the proposals within this strategy supports the Mayor's overall vision, delivers the ambition set out in the NMfL Plan and provides investment in buildings and the technology needed to drive forward transformation.
- 2.5. Given the timelines for setting the budget, the budget and Medium Term Financial Plan (MTFP) have been prepared under these existing priorities and what was known at the time in relation to the new Police and Crime Plan, a draft of which will be published for consultation by late 2024. The final version of the Police and Crime Plan 2025-29 was published on 31st March 2025, and will inform the budget and MTFP for future years.

3. Capital Investment

- 3.1. The aim of capital investment is to ensure MOPAC and the MPS has the assets required to meet its objectives. This includes fulfilling statutory duties and pursuing priorities

set out in the NMfL Plan. Capital investment must be responsive to economic, legislative and demographic changes.

- 3.2. The process for prioritising projects in accordance with the corporate objectives is set out later in the strategy. Ensuring that the evaluation criteria reflect objectives is a key part of the prioritisation process.

4. Statutory Duties

- 4.1. It is essential that MOPAC and MPS statutory duties are met. This requires ongoing capital investment both to maintain existing assets and to meet changing needs. This statutory requirement is a key consideration in the prioritisation process.
- 4.2. The broad areas of investment are as follows:
- **Property Services:** broadly split between estates transformation work to bring standards up to a newly defined ‘New Met for London’ standard (the Central Estates and Transforming the Workplace programmes), and essential maintenance of the estate through Business as Usual (BAU) and forward works activity.
 - **Fleet Services:** the MPS maintains a fleet of c5,000 vehicles. The majority of proposed capital investment relates to the purchase of new vehicles (the Vehicle Replacement Programme) with smaller amounts spent on areas such as telematics and electric charging infrastructure.
 - **Digital Data and Technology:** investment across core IT infrastructure (e.g. networks, hosting, maintenance, application and service upgrades), IT replacement (e.g. laptops), implementation of technology and systems to support transformation and contributions to national IT programmes (e.g. the Home Office’s Emergency Services Network ESN/ESMCP).
 - **Counter Terrorism Policing HQ (CTPHQ):** investment in data, technology and transformational activity in support of the strategic priority of ‘Protecting London from Terrorism’. Much investment in this space is sensitive and further detail cannot be set out in this document, however from a funding perspective all CTPHQ expenditure is matched by ring-fenced grants or third-party contributions.
 - **Reform** investment in major change programmes including New Met for London. Investment to support the reform agenda is also included in the other main areas and will support reform outcomes.

5. Influences

Internal influences

- 5.1. **Reform (including New Met for London):** The Commissioner has developed, consulted on and published the two-year NMfL plan. This sets out three priorities for reform: community crime-fighting, culture change and fixing our foundations. The Capital Strategy and Programme reflects the Commissioner’s requirements of the MPS to invest in the capabilities it needs for operational policing. The capital strategy and programme may be further reviewed to ensure that it continues to meet operational requirements.
- 5.2. **Digital Data and Technology:** The MPS is committed to ensuring everyone has the data and technology they need to do their jobs. Citizens will be able to use a variety of digital channels to communicate with us, report crime and carry out routine

transactions. The investment in maintaining the core IT estate, services and keeping the MPS up-to date with advances in technology is critical to providing front line officers and support staff with the technology they need to deliver the service to focus on what matters most to Londoners.

- 5.3. **Property Services:** A new Estates Strategy is being developed to reflect changing operational requirements arising from New Met for London. Delivery of the strategy will require significant investment to achieve increased capacity, locations closer to the communities we serve, improved quality of accommodation whilst also maximising value for money and reducing environmental impacts. The draft estates strategy will set out a standard to meet New Met for London requirements. It is estimated that the total cost of this is £2.3bn billion over the next 10 years. At this stage, until affordability can be assessed, the capital programme is only seeking approval for the additional element in the 2025-26 budget of £41.7 million. The longer-term programme will be considered as part of the 2026-27 capital programme.
- 5.4. **Net Zero Carbon:** The MPS commissioned specialist consultants and engaged in activities to address the challenges of Net Zero Carbon by 2030 in line with the Mayor's manifesto (NZC2030). Having undertaken an impact assessment of delivering this, the MPS developed a Heat Decarbonisation Plan in 2023 and continues to assess the requirements for electric vehicle charging infrastructure while implementing NZC measures as part of schemes in this capital programme where funding opportunities arise. The MPS is part of the GLA's NetZero 2030 working group, reporting monthly on progress in planning for the 2030 target.
- 5.5. **Fleet:** The MPS requires sufficient fleet to operate effectively. The Vehicle Replacement Programme is influenced by the changing needs of the organisation, recent expansion of officer FTEs via the Police Uplift Programme, and reflects emerging technological or environmental requirements, such as emerging electric vehicle technology and Net Zero Carbon. To achieve the full ambition will require additional funding/investment that is currently not available. there is a significant operational risk in the medium term if the decisions made by vehicle manufacturers mean MPS has to buy EVs because of the changing market and legislation, because the infrastructure to achieve this is currently unfunded.

External influences

- 5.6. **Economic conditions:** Inflation, driven by various factors, has declined in the last 12 months however has been higher than previously experienced. This has led to rising interest rates that has increased the cost of delivery as well as borrowing costs. Prevailing market conditions may also have an impact upon the MPS's ability to generate capital receipts via the disposal of surplus properties.
- 5.7. **Government/Mayoral priorities:** Changes in Government priorities, and legislation may influence the MPS's Capital Strategy and investment. Mayoral priorities have been taken into account in developing the capital programme. Of particular note are:
 - The GLA Group commitment to doing all it can within its statutory powers to support a more unified, coherent and streamlined approach to housing delivery. This includes a commitment, following the Kerslake review, to 50 per cent affordable housing on all sites disposed of across the GLA group.

- Investment in reducing carbon emissions and Net Zero Carbon in response to the Mayor's ambitious target of making London net zero carbon by 2030. There is however a funding gap to achieve the Mayor's ambition and how this can be funded continues to be considered through work with the Greater London Authority.

5.8. **Pace of technological change:** Advances in technology can change public expectations of service and accessibility. This includes the technology that the MPS uses and increasing uses of advanced technology in criminality.

6. Policies and Funding

- 6.1. MOPAC and MPS comply with the CIPFA Code of Practice for Treasury Management in Public Services. All decisions by MOPAC about capital financing are taken in the context of the CIPFA Prudential Framework. The Framework provides authorities with borrowing flexibility, provided controls on affordability, sustainability and prudence are met.
- 6.2. Net borrowing over the medium term will only be for a capital purpose. Borrowing will be contained within the borrowing limits agreed by the Mayor of London for MOPAC, as indicated in the Treasury Management Strategy. The link to the 2025-26 strategy can be found here: **Link to be added**
- 6.3. The Local Government Act 2003 requires MOPAC to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision, issued in 2012. The MOPAC Group will make a minimum revenue provision in accordance with:
- The capital financing requirement method for any borrowing undertaken prior to 2008-09, and for all borrowing undertaken since that date supported through the revenue grant settlement.
 - For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, starting in the year after the asset becomes operational. A review of the MRP policy will be carried out before the finalisation of the budget.
- 6.4. Based on the statutory responsibilities and local arrangements within which MOPAC operates in, all the assets, liabilities and reserves are recognised on the MOPAC Balance Sheet. This reflects the fact that MOPAC retains control over all assets including those which are held, which are disposed and who has access to use the assets and therefore controls the long-term risk and rewards of ownership.
- 6.5. Under the MOPAC (including the MPS) Financial Regulations, the acquisition, disposal and maintenance of long-term assets are the responsibility of the Deputy Mayor for Policing and Crime (DMPC) through the MOPAC Capital Programme.

7. Approach

Definition of Capital Expenditure

- 7.1. Capital expenditure is spending on assets that will provide a benefit beyond the current financial year and is defined in financial statements as: 'Expenditure on the acquisition, creation or enhancement of fixed assets.'

Prioritisation Process

- 7.2. Capital schemes are prioritised based on the following:
- Schemes entirely funded by external grant with no impact on the revenue budget;
 - Approved projects that enable compliance with statutory or legal duties (e.g. Health and Safety);
 - Planned projects that enable compliance with legal and statutory duties (e.g. Health and Safety);
 - Schemes that support MOPAC and MPS priorities including transformation and reform, and;
 - Other Schemes.
 - In evaluating project proposals, the following will be considered:
 - The whole life cost implications of the proposed scheme, including those arising from ongoing maintenance requirements, both capital and revenue;
 - How the investment will play a part in managing the medium to long term demand for services;
 - How the investment will be made to maximise the benefits across a range of priorities and objectives and support transformation and reform, and;
 - Ability to deliver so that projects are accepted into the programme can realistically be delivered in accordance with the timescales indicated by the phasing of the project within the multi-year programme.
- 7.3. The criteria and evaluation criteria will be reviewed on a regular basis.
- 7.4. Affordability within the wider MTFP is a key consideration. The most significant investment proposed from 2025-26 is for estates. A phased approach is proposed, and this will be linked to key deliverables and outcomes as defined in the future estate's strategy.
- 7.5. In updating the Capital Programme, the MPS followed the following process:
- A capital scrutiny process as part of the budget development. The scrutiny process included a review of all capital estimates with a view to reducing optimism bias where appropriate, reviewing risk and contingency, and a review of capacity to deliver.
 - A review of the anticipated capital receipts, both in terms of the expected values and timing, has been undertaken, and receipts are consistent with the planned programme of works.
 - Further work is underway prior to the finalisation of the capital programme.

8. Governance

- 8.1. The capital programme, capital strategy and the treasury management strategy are intrinsic parts of a medium-term financial strategy. Formal approval is required to approve the role in multi-year capital programme. This will formally be achieved when the final MOPAC budget is set as part of the Mayor's Consolidated Budget

process. This will ensure that the revenue implications of the capital programme are reflected in the revenue budget.

- 8.2. Where individual schemes are formally approved for acceptance into the capital programme, the capital budgets for the relevant financial years will also be deemed to have been approved. Amendments to the programme will require approval in accordance with the scheme of delegation. In exceptional circumstances a new scheme may need to be progressed outside the normal annual cycle and the decision to allow the scheme to be considered will be made by the DMPC.
- 8.3. All MPS capital investment follows a clearly defined governance process with review and approval by the Investment and Portfolio Group (IPG), MPS Executive Committee (ExCo) and MOPAC Investment Advisory and Monitoring meetings (IAM). Internal governance adopts the HMT Green Book and Better Business Cases guidance including the Five Business Case model through Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) stages. As per Green Book guidance, an adjustment for optimism bias is included in the development of business cases.

Monitoring the Capital Programme

- 8.4. The S151 officer is responsible for ensuring that there is an effective system for capital monitoring. This will ensure that capital investment is delivered on time and within allocated resources, whilst meeting the objectives and outcomes. Capital programme monitoring will be undertaken quarterly and reported to the MPS Management Board and Executive Committee. Oversight of the quarterly capital monitoring will be carried out by MOPAC and will be considered by the DMPC as part of the quarterly financial and performance monitoring reporting process.

Risk Management

- 8.5. The approach to risk management for the Capital Programme is in line with the wider MOPAC and MPS corporate approach, with risks managed at three levels (portfolio, programme and corporate). Overall risk management arrangements are audited on a yearly basis by the Directorate of Audit, Risk and Assurance. Portfolio risks are managed according to four major themes: complexity of delivery, commercial dependency, business change, and finance and resources.
- 8.6. Other risks to the Capital Programme include:
- An over-estimation of, for example, the capacity, capabilities, and optimism of delivery of the programme;
 - Limited capacity for further borrowing. Future needs will be scrutinised closely by MOPAC and MPS in the context of cost, benefit and affordability;
 - Inflation, which may put pressure on capital budgets. Scenario planning around different levels of inflation is part of MPS strategic financial planning to help anticipate issues and risks and put in place suitable mitigations;
 - Changes to interest rates which may affect capital financing costs. We work closely with the GLA Treasury Function to secure favourable long-term borrowing rates where possible, and
 - Economic conditions, which may affect the ability to dispose of surplus assets or the amount of income generated by their sale.

- Overall medium term sustainability of the capital programme given the increasing impact of capital financing on revenue budgets, and the absence of a general capital grant from government.

9. Capital Programme

Proposed Capital Programme 2024-25 to 2028-29

- 9.1. The MOPAC Group Capital Programme is delivered and managed by the MPS with strategic oversight from MOPAC. Over the five-year period to 2028-29 the MPS estimates total capital expenditure of c£1.51 billion. The estimates for 2025-26 recognise the underspend from 2024-25, details of which are set out in the 2024-25 Q2 performance monitoring report.
- 9.2. The key areas of investment within the capital programme are detailed below.
- 9.3. **Property Services (£555.1 million)** which is made up of:
- ***Forward Works and Business as Usual Expenditure (£513.4 million)***
 - The majority of which is proposed to be used to help “fix the foundations” of our estate. This investment will help to ensure that the estate does not deteriorate further, and buildings are kept open, compliant with relevant H&S regulations and ready to support physical improvements to meet operational policing needs in future years. A limited amount is planned to be spent on important security works and on a range of initiatives including supporting the rollout of Taser to Neighbourhood Officers and also some critical improvements to the VRES compounds to mitigate the impact of and potential for future electric vehicle fires.
 - ***Bringing buildings up to NMfL standards (£41.7 million)***
 - A maximum of £41.7m of additional funding for estates is planned for 2025/26. The MPS have undertaken a rapid review to consider the ambition in 2025/26 in light of the need for difficult choices and the serious challenges with the estate. Of this c£29.5m would be used to address the backlog of areas needing critical repairs and c£6.3m would be used to address the backlog of areas requiring pro-active maintenance. c£5.8m will be used for essential cross-estate building quality, security and efficiency initiatives and to support operational activities. The draft estates strategy is being developed and will be submitted for approval in the coming months. As part of this, MPS has developed a New Met for London standard for buildings. It is estimated that the total cost of this is £2.3bn billion over the next 10 years. At this stage, until affordability can be assessed, the capital programme is only seeking approval for the 2025-26 budget of £41.7 million. The longer-term programme will be considered as part of the 2026-27 capital programme.
- 9.4. **Fleet Services (£154.1 million)** which is made up of:
- ***Vehicle Replacement Programme***, which is essentially the purchase and fit-out of new vehicles. Smaller amounts are set aside for investment in zero emissions technology, including piloting electric charging infrastructure and equipment such as telematics.
- 9.5. **Digital Data and Technology (£343.5 million)** which is made up of:

- **IT Core Infrastructure**
 - Based on Technology Roadmaps for replacements of end-of-life equipment and planned service upgrades and includes networks, hosting and data centres this programme will include enhancements to the Connect application; upgrade of the Mission Critical Voice Platform (999 calls); rollout of the new Enterprise Voice solution (replacing desk phones); infrastructure maintenance including investment in Cyber security, and application and infrastructure upgrades to current services.
 - **IT Replacement Programme**
 - This programme will refresh devices, including laptops & radios on a rolling 4-year replacement cycle.
 - **Contributions to Home Office Programmes**
 - Emergency Services Network (ESN) and National ANPR Service (NAS).
- 9.6. **Counter Terrorism Policing HQ (CTPHQ) (£112.5 million):**
- **CTPHQ expenditure** is matched by capital contributions and therefore does not have an impact on the MPS' overall financing requirement (and is therefore cost neutral to the MPS MTFP).
- 9.7. **Met Ops – Covert and Forensics (£44.4 million)**
- **Covert** – on-going investment in covert policing assets
 - **Forensics** - relates to investment in Digital Forensic capabilities including Kiosks and increasing the number of Digital Forensic Hubs
- 9.8. **Reform including New Met for London (£300.5 million)** which is mainly made up of:
- **Transformation NMFL Programme** – New Met for London technology investments including relating to modernising communications systems.
 - **Transformation Flexible Service Portfolio and Met CC**
 - Digital enabling projects for Enterprise data archive, governance, automation and analytics projects; order uplift project (Fleet); evidential data archive; new Criminal exhibits system; and Met Business Services (MBS) project to implement a new Resource Management replacement, and a replacement financial, commercial and HR system.
 - **New Met for London (NMfL)** – investment in capabilities to enable the delivery of the reform set out in New Met for London, including data and technology, public order policing and modernising learning.
- 9.9. The breakdown of the proposed capital programme 2024-25 – 2028-29 is set out at Appendix A.
- 10. Sources of funding**
- 10.1. Investment is governed by the Prudential Code for Capital Finance in Local Authorities (Prudential Code). The Prudential Code provides MOPAC with the regulatory framework within which it has discretion over the funding of capital expenditure and the level of borrowing it wishes to undertake to deliver capital plans and programmes.
- 10.2. The strategy is intended to maximise the financial resources available for investment in service provision and improvement within the NMfL ambition and the Mayoral

priorities. At the same time, it seeks to ensure that all business cases have a robust self-sustainable financial model that deliver against priorities and its objectives.

- 10.3. The funding available to MOPAC consists of:
- Capital Receipts
 - Government and Contributions
 - Revenue Resources
 - Borrowing (which is the main basis of the capital programme).
- 10.4. The value of the proposed capital programme is £1.51 billion between 2024-25 and 2028-29 and the forecast of resources to fund the capital programme over the 5 years is set out at Appendix B.
- 10.5. There is an increased dependency on borrowing to support the capital programme and this is forecast to increase significantly in future years. The main reason for this is a reduction in capital receipts and other sources of funding. With no capital grant funding available from the government (other than that ringfenced for Counter-Terror Policing), pressures on the revenue budget to make substantial revenue contributions to capital, borrowing is becoming the main source of funding. The significant increase in borrowing is being carefully considered as part of the longer term MTFP and the Treasury Management Strategy. Affordability will continue to be considered on an annual basis and revisions to the capital programme will be made should they be necessary.

Borrowing

- 10.6. MOPAC has discretion to undertake borrowing on capital schemes if the borrowing is deemed value for money and meets the following criteria as set out in the Prudential Code:
- Affordable;
 - Sustainable;
 - Prudent, and;
 - Proportionate for the size of the organisation.
- 10.7. Capital financing costs over this five-year period are shown in Appendix B.

20 Year Capital Requirement

- 10.8. This Capital Strategy forecasts capital investment requirements over the 20-year period to 2043-44. Total expenditure over 20 years is estimated at c£4.6 billion with £1.5 billion of expenditure over the five years of the published Capital Programme and a further £3.1 billion between 2029-30 and 2043-44. Of the total expenditure, c£417.8million is in CTPHQ, which as noted earlier, is fully matched by funding.
- 10.9. There are many uncertainties over this longer time horizon on both the funding and expenditure side and expenditure plans are more robust over the initial five years. Beyond the initial five years, for now, it is assumed that capital expenditure will mostly be to continue to invest in maintaining and improving the estate (physical and digital) and fleet replacement with an average estimate for each of the three 5-year tranches of c£377 million for Digital Data and Technology (DDaT) and c£107.1 million for Transformation. The MPS and MOPAC will need to balance capital investment in the longer term against available funding and revenue commitments.

- 10.10. The full 20-year view is attached at Appendix A is based on current price i.e., excluding inflation. Appendix A sets out expenditure for the first 5 years and schedule 1 b) sets out the expenditure for the final 15 years grouped into five-year tranches. It should be noted that in the 5-year capital programme there is provision for planned energy efficiency works and activities, which with Public Sector Decarbonisation Scheme (PSDS) funding, are helping to reduce carbon emissions but the full costs of Net Zero Carbon 2030 are not included in these estimates as the cost of these and the funding arrangements are being taken forward by the GLA as part of the carbon budget process.
- 10.11. Funding over the first five years is set out in Appendix B. Funding for the subsequent 15 years, shown in five-years tranches is also shown in Appendix B. All prices are current.

11. Treasury Management

- 11.1. The requirements to borrow is driven by prior year capital expenditure and future capital plans as outlined in the capital strategy. The method and timing of financing this borrowing requirement and managing the associated risks of these financing decisions are covered within MOPAC's treasury management strategy. This includes strategies to manage the overall level of debt and to manage the timing and profile that debt is repaid so no one year has large amounts of debt to be refinanced or repaid and that the balance of debt outstanding is appropriate for the forecast Capital Financing Requirement (CFR) which reduces over the useful life of the assets financed by borrowing.
- 11.2. MOPAC's current and forecast debt position and borrowing strategy are reported and approved within the annual Treasury Management Strategy (TMS) received by the DMPC prior to the financial year that it applies. The TMS sets several Prudential Indicators as prescribed by the CIPFA Treasury Management Code of Practice. These include a projection of capital expenditure, external debt and use of internal borrowing and MOPAC's overall borrowing requirement, which is known as the capital financing requirement (CFR). The Prudential Indicators include the operational boundary and the authorised limit for external debt which is a statutory limit determined under Section 3(1) of the Local Government Act 2003: *'A local authority shall determine and keep under review how much money it can afford to borrow'*.
- 11.3. The annual Treasury Management Strategy includes the policy for the repayment of debt known as the Minimum Revenue Provision (MRP). MOPAC adopts the principle of making revenue provision for the repayment of debt over the useful life of the assets being created/purchased that were financed by borrowing. The approach to budgeting for MRP has changed from 2025-26 onwards and has resulted in a reduction in the budgeted capital financing costs relating to MRP provision. This is due to the change of asset life of property from 25 to 50 years and transformation projects from 10 to 20 years.

Prudential Indicators

- 11.4. Details of MOPAC's Prudential Indicators can be found within the Treasury Management Strategy 2025-26.

12. Revenue Implications of Capital Expenditure

- 12.1. The revenue implications of capital expenditure need to be considered both when:
- Determining overall size of the capital programme and how it is to be financed, particularly the amount of prudential borrowing to be undertaken, and;
 - Evaluating individual projects.
- 12.2. In addition, as part of the asset planning process the running costs of existing assets need to be considered to determine priorities for maintenance, enhancement, and replacement of assets and, accordingly, for the development of suitable capital investment proposals.
- 12.3. The key constraints on MOPAC's ability to fund capital expenditure is its ongoing revenue budget position. In considering how much capital investment it can afford, MOPAC will estimate the overall impact of future revenue budgets and exercise prudence to ensure that the level of capital investment is sustainable.
- 12.4. The Chief Finance Officer will advise the DMPC on the overall size and financing of capital expenditure as part of the report to set the final budget in March each year asking to approve the role in multi-year capital programme. Decisions on the revenue budget and the capital programme will be taken at the same time to ensure they are joined up.
- 12.5. When individual project proposals are being evaluated, it is essential that the revenue implications are fully understood so that the aggregate revenue effective of projects accepted into the capital programme matches what is been assumed in determining the overall size of the programme and its funding.

Costs of Prudential Borrowing

- 12.6. Where MOPAC undertakes prudential borrowing, it incurs debt charges in the form of repayments of principal and interest payments which depends on the terms of the loan. As part of the treasury management function MOPAC takes out loans on the best terms available to meet its overall prudential borrowing requirements rather than loans related to specific projects. A common interest rate, reflecting the overall cost of borrowing and standard repayment periods, depending on the type of asset is therefore used to assess the financing costs on projects.

Feasibility Costs

- 12.7. The cost of developing a proposed capital project must be charged to revenue until it is assessed that there is a high degree of certainty that an economic benefit will flow from the new asset. Such costs are therefore chargeable to revenue where the project does not go ahead. Where the project does go ahead, any costs incurred in financial periods prior to the commencement of the project, for which the accounts have been closed, must also remain charged to revenue.
- 12.8. Such cost depends on the size and complexity of the proposed project and how far the proposal is developed before a decision is taken not to proceed. Increasing costs are committed at the following stages:
- Engagement of a project manager;
 - Engagement of a specialist external advisors;
 - Commissioning of a feasibility study;

- Commissioning of further work in advance of a main procurement process, e.g. ground investigation, outline design, enabling works, and:
- Commencement of main procurement process entering a contract.

Appendix A

Planned Expenditure 2024-25 to 2028-29

	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	TOTAL £m
PSD- Forward Works and BAU	88.3	93.2	162.3	118.5	51.0	513.4
Fleet	35.0	37.5	26.1	30.3	25.1	154.1
DDaT	62.3	69.7	70.0	67.9	73.5	343.5
CTPHQ	32.9	20.5	19.0	18.6	21.4	112.5
Met Operations- Covert and Forensics	9.8	7.8	11.8	9.2	5.8	44.4
Sub Total Excluding Transformation	228.4	228.7	289.2	244.6	176.8	1,167.7
Transformation NMfL Programme Command & Control	68.6	37.1	22.5	19.5	5.1	152.8
Transforming Investigation and Prosecution	8.1	0.0	0.0	0.0	0.0	8.1
Operational Support Services	0.2	0.0	0.0	0.0	0.0	0.2
Learning and Professionalism Transformation	0.1	0.5	0.5	0.0	0.0	1.1
TD NMFL Programmes	13.1	30.4	41.4	13.9	0.0	98.9
PSD - Bringing existing MPS buildings to a NMFL quality standard	0.0	41.7	0.0	0.0	0.0	41.7
Transformation - long term estimate	3.0	0.0	9.0	12.0	15.4	39.4
Sub Total Transformation	93.7	109.8	73.5	45.4	20.5	342.2
Total Programme Cost	321.6	338.4	362.7	290.0	197.3	1,510.0

Planned Expenditure 2029-30 to 2043-44

	2029/30 - 2033/34 £m	2034/35 - 2038/39 £m	2039/40 - 2043/44 £m	TOTAL £m
PSD- Forward Works and BAU	203.1	203.1	203.1	888.4
Fleet	192.4	176.1	194.8	717.4
DDaT	430.0	350.0	350.0	1,473.5
CTPHQ	104.6	98.6	102.1	417.8
Met Operations- Covert and Forensics	38.4	38.8	41.0	162.6
Sub Total Excluding Transformation	968.6	866.7	891.0	3,659.8
Transformation NMfL Programme Command & Control	8.3	5.9	0.0	166.9
Transforming Investigation and Prosecution	0.0	0.0	0.0	8.1
Operational Support Services	0.0	0.0	0.0	0.2
Learning and Professionalism Transformation	0.0	0.0	0.0	1.1
TD NMFL Programmes	0.0	0.0	0.0	98.9
PSD - Bringing existing MPS buildings to a NMFL quality standard	0.0	0.0	0.0	41.7
PSD- Central Estates Programme	0.0	10.1	0.0	66.1
PSD- Transforming the Workplace	0.0	0.0	0.0	178.3
Transformation - long term estimate	97.0	100.0	100.0	336.4
Sub Total Transformation	105.3	115.9	100.0	897.7
Total Programme Cost	1,073.8	982.6	991.0	4,557.4

Appendix B

Funding 2024-25 to 2027-28

MPS Capital Programme 2024-25-2028-29	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	Total £m
Capital Receipts	3.0	13.8	4.3	8.9	14.5	44.5
Capital Grants and Third-Party Contributions	53.5	36.8	32.6	31.3	33.4	187.6
Borrowing	265.1	287.9	322.4	246.5	146.1	1,268.0
Revenue Contributions	0.0	0.0	3.3	3.3	3.3	9.9
Total	321.6	338.4	362.7	290.0	197.3	1,510.0

Funding 2029-30 to 2043-44

MPS Capital Programme 2029-30-2043-44	2029-30- 2033-34 £m	2034-35- 2038-39 £m	2039-40- 2043-44 £m	Total £m
Capital Receipts	3.5	61.3	1.7	66.5
Capital Grants and Third-Party Contributions	146.0	148.5	153.1	447.6
Borrowing	907.8	756.3	819.8	2,483.9
Revenue Contributions	16.5	16.5	16.5	49.5
Total	1,073.8	982.6	991.0	3,047.5

Capital Financing Costs 2024-25 to 2028-29

Capital Financing Costs	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	Total £m
Provision for repayment of debt	87.9	108.2	120.5	139.4	156.9	612.9
External interest	37.0	49.8	58.4	66.0	64.7	275.9
Total	124.9	158.0	178.9	205.4	221.6	888.8

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	6 May 2025
Presented by:	Amana Humayun
Title/Subject	MOPAC Treasury Management Mid-Year Review for 2024-25
Purpose of the Paper	This report sets out the 2024/25 Treasury mid-year performance for the first six months of 2024/25.

Recommendations

The Joint Audit Committee is asked to:

- Note the contents of the report and the treasury management activity in the year to date.
-

1. Background/summary

- 1.1. This report reviews the 2024/25 treasury management activity for the six month period to 30 September 2024 and reports on the prudential indicators as required by CIPFA's Treasury Management Code of Practice. The detailed update is attached at Appendix One.
- 1.2. All treasury activities were conducted within the parameters of the 2024/25 Treasury Management Strategy Statement (TMSS), alongside best practice suggested by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Central Government
- 1.3. In the six months to 30 September 2024 no additional short or long term borrowing has been undertaken in the period. No rescheduling of debt was undertaken during the six months ending 30 September 2024.
- 1.4. As at 30 September 2024 MOPAC's capital investment being financed by borrowing was £478.75m.
- 1.5. It is likely that further borrowing will be required by the end of the current financial year and the cash flow position and projections are under review to inform the requirement.
- 1.6. MOPAC's investment balances increased from £7.39m at 31 March 2024 to £331.14m at 30 September 2024.

- 1.7. Returns on MOPAC's investments during the Reporting Period were £10.69m against a full year income receivable budget of £13.30m, achieving 80.30% against budget.
- 1.8. As at 30 September 2024 MOPAC had received net interest of £2.64m:

	Budget £m	Actuals as at 30/09/24 £m
Interest Payable for External Borrowing	25.90	8.04
Interest Receivable	-13.30	-10.68
Net position	12.60	-2.64

2. Financial information

- 2.1. The financial implications are set out in the report. The impact of the Treasury Management activity is reflected in the 2024/25 budget and the forecast position for the year is included in the quarterly financial monitoring reports.

3. Key risks and metrics

- 3.1. The investment strategy is set to reflect the low risk appetite of MOPAC, and in line with the principles of the CIPFA Code of Practice. Borrowing is currently all fixed rate and with the Public Works Loans Board (PWLb) in order to provide certainty of exposure.
- 3.2. Whilst every effort is made to minimise the likelihood of an incident the failure of for example a counter party would generate risks to the sum deposited and reputational risk for MOPAC

4. Further considerations

- 4.1. There are no further considerations.

5. Conclusion

- 5.1. This report reviews the 2024/25 treasury management activity for the six month period to 30 September 2024, and confirms that all treasury activities were conducted within the parameters of the 2024/25 Treasury Management Strategy Statement (TMSS).
- 5.2. In the six months to 30 September 2024 no additional short or long term borrowing has been undertaken. It is likely that further borrowing will be required by the end of the current financial year and the cash flow position and projections are under review to inform the requirement.

6. Recommendations

The Joint Audit Committee is asked to:

- 6.1. Note the contents of the report and the treasury management activity in the year to date.

Approval / consultation

This paper has been prepared for the Joint Audit Panel.

Name, job title of paper author

Annabel Cowell – Deputy Chief Finance Officer and Head of Financial Management
MOPAC

Appendix 1 - MOPAC 2024-25 Q2 Treasury Management Report

Appendix 1 MOPAC 2024-25 Q2 Treasury Management Report

Introduction

- 1.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services, the CIPFA Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing and Communities (DLUHC) Guidance on Local Government Investments. It provides details of MOPAC's investment and borrowing activities for the period from 1 April 2024 to 30 September 2024 (the Reporting Period) and highlights any relevant issues.
- 1.2 MOPAC's investment balances in the London Treasury Liquidity Fund (LTLF) were £331.14m at 30 September 2024. Returns on MOPAC's investments during the Reporting Period were £10.68m against an interest receivable budget for the full year of £13.30m (80.30%).
- 1.3 MOPAC's external borrowing reduced from £479.55m on 1 April 2024 to £478.75m at 30 September 2024.
- 1.4 All treasury activities have been conducted within the parameters of MOPAC's Treasury Management Strategy Statement for 2024-25 (TMSS) which was approved on 18 March 2024.
- 1.5 Treasury management has been delegated to the Greater London Authority (the GLA) under Section 401(A) of the GLA Act. The GLA relies on its own officers together with those of London Treasury Limited (LTL), its wholly owned subsidiary authorised and regulated by the Financial Conduct Authority (FCA), to deliver its treasury management shared service.

Economic Update

- 1.6 The Link Group (Link) has been appointed as treasury advisors to the GLA and the treasury management shared service participants. The information and commentary provided in this section are from Link.
- 1.7 The Bank of England further initiated its easing cycle by lowering interest rates from 5.0% to 4.75% at its November meeting. Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the 0.25% Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November, Link have significantly revised their central forecasts for the first time since May. In summary, Bank Rate forecast is now 0.50–0.75% higher than previously forecasts, whilst PWLB forecasts have been materially increased to not only reflect our increased concerns around the future path of inflation, but also the increased level of government borrowing over the term of the current Parliament.
- 1.8 After consideration of the 30 October Budget, Link's central case is that policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% per annum by the end of 2024 and staying at those levels until at least 2026. The Bank forecasts CPI to be 2.7% per annum (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8%.

- 1.9 The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.
- 1.10 Link's central view is that monetary policy is sufficiently tight at present to cater for some further moderate rate cuts, the extent of which, however, will continue to be data dependent. The next reduction in Bank Rate is forecast to be made in February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November).
- 1.11 Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025. The fact that the November MPC rate cut decision saw a split vote of 8-1 confirms that there are already some concerns around inflation, and with recent public sector wage increases beginning to funnel their way into headline average earnings data, the market will be looking very closely at those releases.

Interest rate forecasts

- 1.12 As part of its advisory services, Link provides interest rate forecasts. Link's latest forecasts dated 11 November 2024 are set out in the table below.
- 1.13 The PWLB rate forecasts set out below are for the Certainty Rate (i.e. the PWLB standard interest rate reduced by 0.20%, calculated as Gilts plus 0.80%) which has been accessible to most authorities since 1 November 2012.

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

Source: Link

2 Treasury Management Strategy Statement and Investment Strategy Update

- 2.1 There are no changes to MOPAC's TMSS and investment strategy.
- 2.2 During the reporting period, all treasury management operations have been conducted in full compliance with MOPAC's Treasury Management Practices (TMP's) as set out in MOPAC's TMSS.
- 2.3 MOPAC is both a participant in the GLA treasury management shared service and a limited partner in LTLF. As part of its shared service, the GLA provide MOPAC with a monthly cashflow, investment and borrowing report. As principal portfolio manager of LTLF, LTL also provides MOPAC with monthly and quarterly investment reports in relation to its investment in LTLF.

Treasury Management position at 30 September 2024

Treasury Management Position	Actual at 30/09/24	
	Amount	Rate
Long-Term Borrowing	£478.8m	3.23%
Short-Term Borrowing (Variable Rate)	£0m	
Total External Borrowing (A)	£478.8m	3.23%
PFI Liabilities	£91.0m	
Finance Lease Liabilities	£81.0m	
Total Other Long-Term Liabilities (B)	£172.0m	
Total Gross Debt (A+B)	£650.8m	
Capital Financing Requirement	£1,009.0m	
Less Other Long-Term Liabilities	-£172.0m	
Underlying Capital Borrowing Requirement (C)	£837.0m	
Under/(Over) Borrowing (C-A)	£358.3m	
Investments: Short/Long-Term (D)	£331.1m	
Total Net Borrowing (A-D)	£147.7m	

Interest Receivable and Payable	Actual at 30/09/24	2024-25 Budget (Full Year)	Actual vs Budget (%)
Interest Receivable	£10.68m	£13.30m	80.3%
Interest Payable for External Borrowing	£8.04m	£25.90m	31.0%

Borrowing Activities

- 2.4 The table below shows the movement in external borrowing during the Reporting Period.

External Borrowing (£m)		Long-Term	Short-Term	Total
Balance at 31 March 2024		£479.55m	£110.00m	£589.55m
Add New Loans		£0m	£0m	£0m
Less Loans Repaid		-£0.80m	-£110.0m	-£110.80m
Balance at 30 September 2024		£478.75m	£0m	£478.75m

3 Investment Activities

- 3.1 MOPAC's investment balances increased from £7.389m at 31 March 2024 to £331.140m at 30 September 2024.

4 Investment Performance

- 4.1 Returns on MOPAC's investments during the reporting period were £10.68m against an interest receivable budget for the year of £13.30m, achieving 80.30% against budget.

5 Prudential and Treasury Management Indicators

- 5.1 It is a statutory requirement to determine and keep under review prudential and treasury management indicators for MOPAC.

Capital Expenditure Prudential Indicators

Capital Expenditure and Capital Financing Requirement	Actual at 30/09/24	2024-25 Budget (Full Year)
Capital Expenditure	£104m	£341m
Capital Financing Requirement	£1,009m	£1,326m

External Debt Prudential Indicators

Authorised Limit for External Debt (£m)	2024-25
Authorised Limit (External debt only -excluding PFI liabilities)	£1,261m
External Debt at 30 September 2024	£478.75m
Headroom	£782.25m

Operational Boundary for External Debt (£m)	2024-25
Operational Boundary (External debt only – excluding PFI Liabilities)	£1,136m
External Debt at 30 September 2024	£478.75m
Headroom	£657.25m

Treasury Management Prudential Indicators

Limits for Maturity Structure of Borrowing (%)	Upper Limit	Lower Limit	Actual at 30/09/24
Under 12 months	50	0	1%
12 months and within 2 years	20	0	1%
2 years and within 5 years	20	0	9%
5 years and within 10 years	35	0	17%
10 to 20 years	35	0	22%
20 to 30 years	50	0	46%
30 to 40 years	25	0	3%
40 to 50 years	20	0	0%

Report to:	MPS-MOPAC Joint Audit Committee
Date of the meeting:	6 May 2025
Presented by:	Jayne Scott, Chair
Title/Subject	Joint Audit Committee Work Plan 2025-26 and Revised Terms of Reference
Purpose of the Paper	This paper seeks agreement of the Joint Audit Committee's draft agendas for 2025-26 and the revised terms of reference.

Recommendations

The Joint Audit Committee is asked to consider and agree its proposed 2025-26 work plan and the revised terms of reference.

1. Background/summary

- 1.1. The Committee will want to be satisfied that its work plan for 2025-26 will enable it to discharge its responsibilities, as set out in its terms of reference, while being flexible to enable it to respond to emerging issues that arise.
- 1.2. The work plan sets the agendas and reporting requirements for the MPS and MOPAC for each of the Committee's 2025-26 meetings.
- 1.3. The Committee reviewed its terms of reference in 2024 and, following consultation on the proposed changes with the MPS and MOPAC, seeks final sign-off.

2. Paper content

Work Plan 2025-26

- 2.1. The draft work plan for the Joint Audit Committee for 2025-26 is at Appendix 1 and is designed to ensure that the Committee is able to effectively discharge its functions in line with its revised terms of reference (Appendix 2). The Committee will want to have the ability to flex the agendas to respond to issues that arise, and the work plan can be amended and added to during the year as agreed by the Committee.
- 2.2. The intention is for the Committee to continue to meet on a quarterly basis with the option to arrange additional ad hoc meetings should it be determined necessary. Briefing sessions and deep dives (may be joint with

the MPS's Audit and Risk Assurance Committee) may supplement formal meetings.

- 2.3. An annual review of the Committee's effectiveness will be conducted in the period between May and July 2025 and reported to the October 2025 meeting.

Terms of Reference

- 2.4. In 2024 the Committee reviewed its terms of reference to ensure there was clarity on what it is able to deliver. The changes included a focus on assessing overall performance delivery alongside budget setting and monitoring, and a clearer focus on the Committee's reporting.
- 2.5. The draft revised terms of reference were shared with the MPS and MOPAC at the October 2024 meeting for comment and feedback. A further version incorporating suggested changes was shared in February 2025 for final comment.
- 2.6. The revised terms of reference incorporating suggested changes by the MPS and MOPAC is now presented for final sign-off (Appendix 2).
- 2.7. The Committee will again review its terms of reference as part of its effectiveness review. The work plan will be amended, as necessary, to reflect any significant changes to the terms of reference.

3. Financial information

- 3.1. There are no immediate financial implications arising from this report.

4. Key risks and metrics

- 4.1. There are no immediate risk implications arising from the report. Note that the Joint Audit Committee has a remit to help develop the MPS and MOPAC risk management strategies and frameworks and to review the effectiveness of their risk management and assurance frameworks in operation.

5. Conclusion

- 5.1. The Committee will want to be satisfied that the work plan will enable it to discharge its responsibilities, as set out in its terms of reference, while being flexible to enable it to respond to emerging issues that arise.

6. Recommendations

- 6.1. The MPS-MOPAC Joint Audit Committee is asked to consider and agree its draft 2025-26 work plan and sign-off the revised terms of reference.

Approval / consultation

The MPS and MOPAC have been consulted on the draft work plan and revised terms of reference. Jayne Scott, Chair of the MPS-MOPAC Joint Audit Committee approved the paper.

Name, job title of paper author

Sarah Egan, MPS Oversight and Governance Officer, MOPAC

Appendices

Appendix 1: Proposed Joint Audit Committee Work Plan 2025-26

Appendix 2: MPS-MOPAC Joint Audit Committee Terms of Reference – April 2025

Joint Audit Committee Work Plan 2025/26

29 July 2025

QUARTERLY REPORTS	
	MPS and MOPAC Budget Governance and Internal Control Framework Update [joint paper]
	MPS Transformation Portfolio Update
	MPS Audit and Risk Report
	Grant Thornton External Audit Report – Financial Statement Audit Draft Audit Findings
6-MONTHLY AND ANNUAL REPORTS	
	MPS Performance Delivery Framework
	MPS Payroll Assurance Framework
	MPS Annual Governance Statement [annual]
	MOPAC Annual Governance Statement and Governance Improvement Plan [annual]
	MPS Counter Fraud Strategy [annual]
	MOPAC Counter Fraud Strategy [annual]
	DARA Internal Audit Draft Annual Report 2024/25 [annual]
	DARA Internal Audit Draft Plan 2025/26 [annual]
	Joint Audit Committee Review of Effectiveness [annual]
To Note	
	Treasury Management Statement 2025/26 [annual]
	Draft Statement of Accounts 2024/25 MOPAC and MOPAC Group [annual]
	MPS Write-off of Irrecoverable Debts 2024/25 [annual]

20 October 2025

QUARTERLY REPORTS	
	MPS and MOPAC Budget Governance and Internal Control Framework Update and Deep Dive [joint paper]
	MPS Transformation Portfolio Update
	MPS Audit and Risk Report
	Grant Thornton External Audit Report – Value for Money Audit Findings
	DARA Internal Audit Activity Report
6-MONTHLY AND ANNUAL REPORTS	
	MOPAC Risk Management Report [6-monthly]
	MPS Commercial Services Update [annual]
	Joint Audit Committee Annual Report [annual]
To Note	
	Treasury Management Outturn 2024/25 [annual]

26 January 2026

QUARTERLY REPORTS	
	MPS and MOPAC Budget Governance and Internal Control Framework Update and Deep Dive [joint paper]
	MPS Transformation Portfolio Update
	MPS Audit and Risk Report
	Grant Thornton External Audit Report – Final Annual Audit Report
	DARA Internal Audit Activity Report
6-MONTHLY AND ANNUAL REPORTS	
	MOPAC Governance Improvement Plan [6-monthly]
	MOPAC Oversight Arrangements – Review
	MOPAC Commissioning [annual]
	MPS Estates Strategy Review – meeting date tbc
	MPS Culture, Diversity and Inclusion [annual]
	Joint Audit Committee Annual Report [annual]
To Note	
	Accounting Policies and Key Judgements 2025/26 [annual]

Xx April 2026

QUARTERLY REPORTS	
	MPS and MOPAC Budget Governance and Internal Control Framework Update and Deep Dive [joint paper]
	MPS Transformation Portfolio Update
	MPS Audit and Risk Report
	Grant Thornton External Audit Report – Audit Strategy
	DARA Internal Audit Activity Report
6-MONTHLY AND ANNUAL REPORTS	
	MOPAC Risk Management Report [6-monthly]
To Note	
	Treasury Management Mid-Year Review 2025/26 [annual]
	Capital Strategy 2026/27 – Framework Supporting Implementation [annual]
	Joint Audit Committee Work Plan 2026/27 [annual]

MPS-MOPAC Joint Audit Committee

TERMS OF REFERENCE

Composition of the Committee

The Joint Audit Committee comprises a Chair and four members, who are independent of the Mayor's Office of Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS). Where it is considered that specialist skills are required, the Committee is able to seek approval from the Deputy Mayor for Policing and Crime (DMPC) and Metropolitan Police Commissioner to add to the membership accordingly.

Representatives of the MOPAC Board and the MPS Executive Committee are required to attend the formal meetings of the Committee. The MPS commits two Executive Committee members as a minimum to each meeting. Attendees are to include:

- **MOPAC:** Chief Executive; Director of Strategy and MPS Oversight; Chief Financial Officer.
- **MPS:** Chief People and Resources Officer; Chief Strategy and Transformation Officer; Chief Finance Officer; Deputy Director Strategic Planning and Risk and when required for specific items, Director Performance and Insights, Met Operations.

Also attending each meeting will be the Head of Internal Audit for MOPAC and the MPS, and a representative of external audit.

Purpose

The Joint Audit Committee is responsible for enhancing public trust and confidence in the governance of MOPAC and the MPS. It assesses how effectively and efficiently resources are being used to provide value for money and provides an independent view on organisational processes. This is achieved by:

- Advising the DMPC and the Metropolitan Police Commissioner according to good governance principles.
- Providing independent assurance on the adequacy and effectiveness of the MOPAC and MPS internal control environments and risk management frameworks.
- Independently scrutinising financial and non-financial performance to the extent that it affects the MOPAC and MPS exposure to risks and weakens internal control.

It also assists MOPAC in discharging its statutory responsibilities, which include holding the MPS to account for delivery against the Police and Crime Plan (PCP) and of its transformation portfolio.

Objectives

The Joint Audit Committee has a rolling programme of meetings, typically meeting four times a year (April, July, October, and January). In effectively discharging its function it is responsible for:

Internal Control Environment and Governance Framework

- Satisfying itself as to the effectiveness of the internal control framework in operation within MOPAC and the MPS.
- Considering the Annual Governance Statements together with associated action plans for addressing areas of improvement.

Corporate Risk Management

- Helping to develop the MOPAC and MPS risk management strategies and frameworks; ensuring an appropriate framework is in place for assessing and managing key risks to MOPAC and the MPS.
- Reviewing the effectiveness of the risk management and assurance frameworks in operation.
- Undertaking a series of deep dives into key risks to consider the effectiveness of existing or proposed controls and considering risks escalated by the MPS Audit and Risk Assurance Committee where these are unlikely to deliver target risk scores.

Financial Reporting and Budgeting

- Considering the financial risks to which MOPAC and the MPS are exposed (including those that relate to treasury management) and approving measures to reduce or eliminate them or to insure against them.
- Reviewing the effectiveness of the annual budget setting process including reconciling budget, policy, priorities and resources, and reviewing the in-year financial performance against budget.
- Considering significant financial strategies (including treasury and commercial management), policies and any implications if changes are made to them.
- Reviewing the annual accounts, including considering accounting policies and any changes to accounting policies.
- Considering the counter fraud strategies for MOPAC and the MPS and the effectiveness of the framework supporting the identification, management and reporting of fraud.

Performance Delivery

- Reviewing the MPS performance delivery framework and assessing its effectiveness to deliver the objectives laid out in the Police and Crime Plan, MPS Strategic Plan and address HMICFRS and Casey Review and other external review recommendations.
- Considering the effectiveness of MOPAC oversight to achieve MPS transformation and delivery of the Police and Crime Plan.

Internal Audit

- Advising the DMPC and Metropolitan Police Commissioner on the appropriate arrangements for internal audit and approving the Internal Audit Charter and Strategy.
- Approving (but not directing) the internal audit annual programme.
- Overseeing and giving assurance to the DMPC and Metropolitan Police Commissioner on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk. This may include receiving reports from the MPS Audit and Risk Assurance Committee and MOPAC's Risk and Assurance Group on the follow-up of internal audit recommendations.
- Considering the Director of Audit, Risk and Assurance Annual Report and annual opinion on the internal control environment for MOPAC and the MPS; reviewing action taken to address any areas for improvement.

External Audit

- Considering the external audit plan and associated fees.
- Reviewing the external auditor's Audit Findings Report and Annual Audit Letter and any other reports, and reviewing action taken on the implementation of agreed recommendations.

Reporting

The Joint Audit Committee will produce an annual report to the DMPC and the Metropolitan Police Commissioner which will be published on the Joint Audit Committee webpage, advising them of the effectiveness of the overall assurance framework, the effectiveness of the performance delivery framework to achieve MPS objectives and the effectiveness of MOPAC's oversight.

Annual Review of the Audit Committee's Effectiveness

An annual appraisal of the Joint Audit Committee's effectiveness is to be carried out to identify areas for improvement. A summary will be included in the Joint Audit Committee's annual report.

Annual performance appraisals of members are to be conducted by the Chair of the Committee. An annual performance appraisal of the Chair is to be conducted by the DMPC and the Metropolitan Police Commissioner.
