

MPS-MOPAC JOINT AUDIT COMMITTEE

Tuesday, 29 July 2025, 14:00

Teams

Membership

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

Attendees

MOPAC

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
Clare Davies, Chief People and Resources Officer
James Hunter, Head of Strategic Planning and Risk
Oscar Ramudo, Transformation Director
Melanie Williams, Deputy Director of Performance and Assurance
Lindsey Chiswick, Director of Intelligence
Rebecca Bee, Deputy Human Resources Director
Anthony Richards, Head of Human Resources Policy and Reward

Audit Representatives

External Audit Grant Thornton – Mark Stocks, Lucy Nutley, Jasmine Kemp - tbc
Internal Audit – David Esling, Interim Director of Audit Risk and Assurance, Louise Bailey, Interim Deputy Director

Business to be considered:

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**The next meeting of the Audit Committee is
scheduled for 20 October 2025**

MPS-MOPAC JOINT AUDIT COMMITTEE

6 May 2025

Record of the Meeting

PRESENT

Committee:

Jayne Scott – Audit Committee 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
Oscar Ramudo, Transformation Director
Anthony Green, Director of Strategy
Elinor Godfrey, Director of Finance Change
Melanie Williams, Deputy Director Performance and Assurance (item 6)
Rachel Williams, AC Trust and Legitimacy (item 7)
Tracey Westacott (item 13)

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

Audit Representatives:

David Esling, Interim Director of Internal Audit for MPS and MOPAC
Louise Bailey, Interim Deputy Director of Internal Audit for MPS and MOPAC
Mark Stocks, Grant Thornton, External Audit
Lucy Nutley, Grant Thornton, External Audit

1. APOLOGIES FOR ABSENCE, INTRODUCTIONS AND DECLARATIONS OF INTERESTS

- 1.1 An apology was noted from Clare Davies, Chief People and Resources Officer, MPS.
- 1.2 The Chair noted the retirement of Julie Norgrove, Head of Internal Audit for MPS and MOPAC, thanking her for the years of support she had given the committee, MOPAC and the MPS.
- 1.3 The Chair advised that since the January quarterly committee meeting, she had been involved in various meetings with MPS colleagues to discuss the Command and Control programme governance and assurance arrangements.

- 1.4 The Chair advised that she had been appointed on 1 February 2025 as a board member of the National Energy System Operator (NESO).
- 1.5 Committee member Jon Hayes advised that he had been appointed as a non-executive director of the NHS Counter Fraud Authority and a member of the Audit and Risk Committee at the National Lottery Heritage Fund.

2. MINUTES OF MEETING 20 JANUARY 2025

- 2.1 The minutes of the meeting held on 20 January 2025 were agreed. The action update was noted.

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. The committee was advised:

- In the last quarter, the final 2025/26 budget had been published, the MPS Spending Review bid submitted to the Home Office, and MOPAC had contributed to the GLA Spending Review submission.
- Following confirmation from the Home Office of its position against the MPS backdating the London Allowances, an underspend of £28.5m was forecast for 2024/25.
- The 2025/26 budget was dependent on the MPS delivering efficiencies and tough choices.

- 3.2 Dan Worsley thanked the MPS and MOPAC finance and strategy teams for their collaborative work to meet the budget submission deadlines. He advised:

- The 2024/25 underspend would be transferred into the General Reserve and also the earmarked reserve for 2025/26 and future years.
- The MPS has worked with the Home Office and Treasury in developing its Spending Review submission, noting that it was expected to be a tight Spending Review.

- 3.3 The following points were made in discussion:

- The outcome of the Spending Review would determine how quickly the MPS would be able to move the workforce into the required shape and the sequencing of the decisions.
- The scale of the officer and staff moves is significant and the MPS was aware of the potential impact on delivery of transformation and performance.

- 3.4 Noting the level of savings needed in 2025/26, the committee requested that they be kept up to date on the MPS's progress with achieving the savings.

Action 1: The MPS and MOPAC to consider, in consultation with the Chair, how they would ensure that the committee was kept informed of progress with achieving the 2025/26 savings.

Resolved: The Joint Audit Committee:

- Noted the progress and that significant financial challenges remained.

- Noted the need to closely monitor delivery of the efficiency savings and tough choices following finalisation of the 2025/26 budget.

4. MPS FINANCE SERVICES TARGET OPERATING MODEL REVIEW

- 4.1 Elinor Godfrey introduced the paper on the review of MPS Finance Services' Target Operating Model (TOM). The review was instigated following a CIPFA review into financial management at the MPS. The changes included:
- 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.
 - Release of capacity within the function to focus on value-add activity.
- 4.2 The MPS would be moving to a new Enterprise Resource Planning (ERP) system at the end of 2027. It was expected that the new TOM would be implemented by the end of summer 2025.
- 4.3 The following issues were discussed:
- Assurance that the finance team has the expertise and skills required to provide the services.
 - The staffing capacity required to implement the new ERP and conduct business as usual.
 - The MPS's initiatives to address the recruitment challenges and how it would be measuring the success of the changes.
- 4.4 The MPS advised that it considered that the changes would add no additional risks for achieving the required savings.

Resolved: The Joint Audit Committee noted the plans for the new MPS Finance Services' TOM to urgently address the issues identified by the CIPFA review into MPS financial management.

5. MPS TRANSFORMATION PORTFOLIO – PROGRESS UPDATE

- 5.1 Oscar Ramudo introduced the paper which provided an update on the MPS's transformation portfolio, covering progress to date, key risks and delivery challenges and an update on 2025/26 delivery planning.
- 5.2 The committee was advised that the issues of concern included the impact of the required workforce changes on officer and staff morale, delivery of the transformation portfolio, and the additional challenges for leaders, on top of delivery of business as usual. The MPS had mapped the enabling capabilities to be able to see where there might be pressure with potential to effect implementation.

- 5.3 There was a discussion of delivery of the commitments in the New Met for London (MNfL) Plan – what percentage had been fully delivery, what had been part delivered and what that meant.

Action 2: The MPS to consider the how it would provide more detail to the committee of delivery of the NMfL Plan commitments – either outside of the formal meeting or in a quarterly report.

Resolved: The Joint Audit Committee:

- Noted the latest delivery progress against the Portfolio Delivery Plan.
- Noted the activity underway to develop a 2025/26 Portfolio Plan, and the impact of the 2025/26 budget position.
- Noted the portfolio improvement work to provide greater assurance on the governance and delivery of transformation.

6. MPS PERFORMANCE UPDATE

- 6.1 Melanie Williams introduced the paper which provided an update on the MPS performance and the performance management system. The committee was advised that the performance framework for 2025/26 was being developed, which included the establishment of level 1, 2 and 3 measures. The strategic measures at levels 1 and 2 would be supported by measures at level 3, which would be owned locally.
- 6.2 The governance meeting structure to support the system was also being developed and the first meeting of the Strategic Performance Group had been held in April.
- 6.3 The committee noted the detailed performance information in the paper and agreed that this detail would be discussed at a follow up meeting between the committee and the MPS.

Action 3: The committee would discuss the detail of the performance report with the MPS in a separate meeting.

Resolved: The Joint Audit Committee noted the paper.

7. MPS STAFF SURVEY FINDINGS

- 7.1 T/AC Rachel Williams introduced the paper which provided a summary of the findings from the last MPS staff survey.
- 7.2 The following issues were discussed:
- The results and the interactive dashboard were being used by leaders across the MPS to identify themes and priorities for action in their areas.
 - The level of participation in staff surveys could align with the level of expectation of delivery of change. Therefore monitoring that change was delivered and communicating the changes were crucial for increasing participation.

- The MPS had analysed the demographics of who had and had not completed the survey to gain further insight.
 - The MPS was considering whether the survey provided the information it wanted and when the next survey should be held, recognising the risk of survey fatigue. It was noted that the organisation's direction of travel could be ascertained if the questions remained the same for subsequent surveys.
 - The various ways of encouraging participation in staff surveys.
- 7.3 It was agreed that it would be useful for the committee to have a more in-depth discussion with T/AC Rachel Williams on the staff survey results and responses, ahead of the July quarterly meeting.

Action 4: The MPS would arrange for the Joint Audit Committee to have a more in-depth discussion with T/AC Rachel Williams and Clare Davies on the staff survey results and responses, ahead of the July quarterly meeting.

Resolved: The Joint Audit Committee noted the high-level staff survey responses, the key points and the next steps.

8. MPS AUDIT AND RISK REPORT

- 8.1 Anthony Green introduced the report which updated the committee on progress to improve the MPS's approach to risk management and provided key audit and inspection updates. It also summarised key updates from the MPS's Audit and Risk Assurance Committee (ARAC) March 2025 meeting.
- 8.2 The committee endorsed the approach the MPS was taking to risk management, noting that understanding the organisation's risk appetite was fundamental to improving governance.

Resolved: The Joint Audit Committee noted the maturing approach to risk management that the MPS was adopting.

9. MOPAC RISK MANAGEMENT REPORT

- 9.1 Naomi Oldroyd-Simpson introduced the paper which set out a high-level summary of MOPAC's top corporate risks.
- 9.2 The Committee was advised:
- MOPAC was refreshing its approach to risk management, ensuring that it was aligned with its strategic aims.
 - There were significant challenges arising from the financial landscape.
 - Risk scores continue to be regularly reviewed.
 - The technology risk arose from the Transport for London (TfL) cyber incident (TfL provided IT services to a number of organisations within the GLA group, including MOPAC). Once the response to the incident was complete, a lessons learnt exercise would be undertaken and the committee would be informed of the outcome. The Committee emphasised the importance of continued review of cyber risks separate to the general IT delivery risks.

Resolved: The Joint Audit Committee noted MOPAC's current top six corporate risks.

10. DIRECTORATE OF AUDIT RISK AND ASSURANCE (DARA) ACTIVITY REPORT

10.1 David Esling introduced the Internal Audit report which summarised the internal audit activity since the Committee last met, including risk assurance, advisory and counter fraud work, and provided a forward look. It also outlined interim arrangements following the retirement of the Director of Audit, Risk and Assurance.

10.2 The following was discussed:

- DARA had facilitated a control awareness session with the recently formed Met Assurance Forum.
- Significant work completed included the review of Transformation Programme Management in the MPS, which incorporated the response to lessons learnt from the major programmes Connect and Command and Control.
- The revised professional Internal Audit Standards for the public sector were introduced on 1 April. DARA was updating its Charter, Mandate, Strategy and Methodology in line with the standards, and would update the committee on this at their July meeting.
- The follow-up reviews that Internal Audit undertakes are required as part of the Global Internal Audit Standards in the Public Sector as set out by CIPFA guidance. They are usually completed 12 months after the original review (or 6 months if rated limited) and any changes in circumstances would be taken into account.

Action 5: Internal Audit would update the committee at its July meeting on the revised Internal Audit Charter, Mandate, Strategy and Methodology.

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

11. EXTERNAL AUDIT UPDATE

11.1 Lucy Nutley introduced the External Audit report, which provided an overview of the planned scope and timing of the audit of MOPAC and the MPS for the year ending 2025. The following was highlighted:

- The work relating to IFRS16 would be large and complex and CIPFA advice was awaited on whether a lease agreement existed in substance between MOPAC and the MPS.
- The level of 'materiality' had been increased.
- Interim work had commenced and final visits were planned for September 2025.

11.2 Mark Stocks outlined the approach to the Value for Money (VfM) aspect of the audit, advising that there would be a follow up on the two areas flagged in the

2024/25 VfM findings and that Command and Control project management would be assessed. The timetable for the audit had been agreed, with a report to be presented to the committee's October 2025 meeting.

12. IMPLEMENTATION OF 2023/24 EXTERNAL AUDIT RECOMMENDATIONS

12.1 The report from the MPS and MOPAC on the implementation of the actions from the 2023/24 External Audit was discussed. The committee was advised that:

- As a result of much work, the relationship between the two organisations was in a fundamentally different place, although there should always be some tension between an oversight body and the body being overseen.
- The financial recommendations that could have been completed within the financial year had been, and that some aspects of resilience were outside of the MPS's control.

12.2 The committee asked to be updated on the recommendations that were not fully completed.

Action 6: The MPS and MOPAC to report to the July Joint Audit Committee meeting on the outstanding recommendations from the 2023/24 External Audit Value for Money Audit.

Resolved: The Joint Audit Committee noted the progress on implementing the recommendations from the 2023/24 Value for Money Audit.

13. COMMAND AND CONTROL – RAPID RESPONSE REVIEW AND ASSURANCE ARRANGEMENTS

13.1 Adrian Scott introduced the report which provided an update on activity undertaken to improve confidence in delivery of the business-critical Command and Control programme, following the internal Rapid Review, and an external review conducted in January 2025.

13.2 The committee received assurance that the lessons learnt from the reviews would be embedded and applied across the organisation.

Resolved: The Joint Audit Committee:

- Noted the work undertaken to stabilise the Command and Control Programme.
- Endorsed the work underway to deliver improved governance, management processes and financial controls across the change portfolio.

14. CAPITAL STRATEGY 2025/26 – FRAMEWORK SUPPORTING IMPLEMENTATION

Resolved: The Joint Audit Committee noted the 2025/26 capital strategy and the supporting framework.

15. TREASURY MANAGEMENT MID-YEAR REVIEW 2024/25

Resolved: The Joint Audit Committee noted the contents of the report and the Treasury Management activity in the year to date.

16. JOINT AUDIT COMMITTEE WORK PLAN 2025/26 AND TERMS OF REFERENCE

Resolved: The Joint Audit Committee:

- Agreed its work plan for 2025/26, noting that it would be amended as required to reflect emerging issues and changing priorities.
- Agreed the amended terms of reference, noting that they had been endorsed by the MPS and MOPAC.

17. AOB – PUBLICATION OF JOINT AUDIT COMMITTEE PAPERS

- 17.1 There was a discussion of processes required to ensure that there was a balance between the publication of the committee's papers to ensure transparency, versus the need to ensure that the information provided to the committee enabled an open and productive discussion.
- 17.2 The Chair advised that the committee had looked at the practice of other similar organisations and that there appeared to be agreement between the committee, MPS, MOPAC and Internal Audit for a practical approach to this.

Action 7: A written proposal would be shared by the Chair, for discussion and agreement by the MPS and MOPAC ahead of the July 2025 meeting.

Ref	Actions	Status
1	The MPS and MOPAC to consider, in consultation with the Chair, how they would ensure that the committee was kept informed of progress with achieving the 2025/26 savings.	Via the quarterly Budget Governance and Internal Control Framework paper (item 3)
2	The MPS to consider the how it would provide more detail to the committee of delivery of the NMfL Plan commitments – either outside of the formal meeting or in a quarterly report.	Covered in item 4
3	The committee would discuss the detail of the performance report with the MPS in a separate meeting.	Covered in item 6
4	The MPS would arrange for the Joint Audit Committee to have a more in-depth discussion with T/AC Rachel Williams and Clare Davies on the staff survey results and responses, ahead of the July quarterly meeting.	Action closed – Clare Davies not responsible for staff survey results

Ref	Actions	Status
5	Internal Audit would update the committee at its July meeting on the revised Internal Audit Charter, Mandate, Strategy and Methodology.	Covered in item 12
6	The MPS and MOPAC to report to the July Joint Audit Committee meeting on the outstanding recommendations from the 2023/24 External Audit Value for Money Audit.	Agenda item 10.
7	A written proposal for the publication of JAC papers would be shared by the Chair, for discussion and agreement by the MPS and MOPAC ahead of the July 2025 meeting.	Shared with MPS and MOPAC on 16 June. See item 13.

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	29 July 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 headline figures from the recent spending review announcement but the detail won't be known until December.
 - Note work underway to develop a financial oversight framework.
-

1. Background/summary

- 1.1. The Joint Audit Committee 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 Committee last met in May 2025.
- 1.2. Since the last update the draft outturn position for 2024/25 has been reported and the outcome of the Spending Review announced. The exact detail of what the Spending Review means for MOPAC and the MPS will not be known until the provisional grant settlement in December.
- 1.3. The draft outturn position for 2024/25 is an underspend of £38.10 million of which £34.4 million relates to the Met and £3.7 million relates to MOPAC and the VRU. This is an improvement to the underspend of £28.5 million reported in the last update. The MPS are currently proposing to transfer £10.0 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 and a further £10.0 million to the managing the budget reserve. The proposed transfers are subject to DMPC approval.

- 1.4. 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. Given the scale of the 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 Engine Room.
- 1.5. To strengthen financial oversight of the MPS MOPAC are currently in the process of developing a financial oversight framework which is due to be implemented over the next 6 months.
- 1.6. As at Period Two there is a forecast overspend of £13.5 million. Given the Period Two position on revenue budgets comes at an early stage in the year it provides a useful but not definitive view of the potential forecast for the remainder of the year and helps to identify areas to focus on ahead Quarter One.

2. Quarter 1 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 Q4 Monitoring Position

- 2.2. The MPS full-year outturn position is a £34.4 million underspend, representing a £9.9 million positive change from the £24.5 million underspend reported in Quarter 3. Much of the movement (£8.8 million) relates to lower than initially anticipated New Met for London activity levels. The net £34.4 million underspend is comprised of an overspend of £180.0 million on gross expenditure, which includes £36.2 million of undelivered savings, offset by additional income (£52.3 million) and grants (£212.4 million). The use of reserves was also reduced relative to budget (£50.2 million).
- 2.3. The approved savings target for 2024/25 was £182.9 million. Of this, £146.7 million of identified savings have been delivered, leaving a shortfall of £36.2 million of undelivered savings at the end of the year.

2025/26 Q1 Monitoring Position

- 2.4. Quarter One Forecasts are currently being finalised and will be included in the next update report. At Period Two there is a forecast overspend of £13.5 million. Given the Period Two position on revenue budgets comes at an early stage in the year it provides a useful but not definitive view of the potential

forecast for the remainder of the year and helps to identify areas to focus on ahead Quarter One.

- 2.5. The budget includes non-workforce savings of £75m. An update on progress in delivering the savings will be provided as part of the next Joint Audit Committee update.

Review of Reserves

- 2.6. Reserves continue to be reviewed as part of the quarterly monitoring. As at Quarter 4 the drawdown from reserves was £96.0 million, a reduction of £59.7 million as compared to the original budget. This reduction in planned drawdown reflects in part the one-off funding of £50 million the MPS received from the Home Office towards the end of the financial year, which will be used to maintain workforce numbers.
- 2.7. Of the £38.1 million underspend the MPS are proposing to transfer £10 million 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.
- 2.8. In addition the MPS are proposing to transfer £13.5 million to a newly established earmarked reserve to manage workforce pressures in 2025-26 and future years a further £10.0 million will be transferred to the managing the budget reserve.
- 2.9. MOPAC are proposing to transfer £3.7 million to the Budget Resilience Reserve. All transfers to reserves are subject to DMPC approval.

3. Spending Review

- 3.1. The Spending Review was announced on Wednesday 11th June. The Government's headline for investment in policing was positive, that police core spending power in the Spending Review period will grow in real terms by 1.7%.
- 3.2. Whilst the announcement for policing was positive it is important to note the context within which this statement was made:
- It includes Counter-Terror policing.
 - Assumes that the precept will be increased every year to the maximum of allowable, which is essentially taxation.
 - Is a national policing position – no detail has been provided on how the total increase will be apportioned across police forces and this is likely to remain unclear until the provisional police settlement in December 2025.
- 3.3. The Home Office has received an uplift of £200 million capital. There is no clarity yet on how this will be allocated. The MPS and MOPAC will continue

to lobby Home Office ministers regarding the need to invest in the MPS estate to avoid further dilapidation and potential closure of police stations over the next decade.

- 3.4. The Mayor recently published his budget guidance for 2026/27, the MPS are currently working through the potential impact of this and the recent spending review announcement on the forecast budget gaps which are £150.3 million in 2026/27 rising to £203.6 million in 2027/28.

4. Financial Oversight Framework

- 4.1. MOPAC currently does not have a documented Financial Oversight Framework to reflect its oversight of the MPS budget/ financial management. Current financial oversight activity is based on the Scheme of Delegation and a range of practices that have developed over time.
- 4.2. The Mayor has requested that MOPAC review its financial oversight of the MPS to assure that it is robust, strategic, and addresses areas of concern that have arisen in recent annual budget cycles.
- 4.3. There are other factors also driving the need for MOPAC to develop a documented financial oversight framework. MOPAC's approach to oversight needs to be transparent setting out the range of its oversight and adopting an approach that is published with clear roles, responsibilities, outputs and outcomes.
- 4.4. In addition, the MPS is facing significant financial challenge in its MTFP. They need to deliver savings of £260 million in 2025/26 and currently have a budget gap of £150.3 million in 2026/27 rising to £203.6 million in 2027/28. Given this and the challenging fiscal environment there is a need to have a clear and robust oversight approach to demonstrate value for money in place.
- 4.5. Finally, MOPAC are in the process of reviewing the Scheme of Delegation. Any changes to the Scheme require a clear oversight framework which may need to be enhanced should greater financial autonomy be granted to the MPS. Any additional controls expected of the MPS in response to greater financial autonomy will be subject to a level of oversight.
- 4.6. The objective of this review is to bolster and formalise current arrangements, discontinuing any current activity that has become redundant and replacing it with effective, assuring oversight measures. The review will take into account other existing oversight/ regulatory/ audit/ compliance activities carried out by the MPS itself, and by external bodies such as External Audit to avoid duplication. MOPAC's review will factor in such assurances in refreshing its financial oversight of the MPS to avoid duplication.

- 4.7. This review has commenced and is expected to conclude, with a new approach implemented January 2026.

5. Financial information

- 5.1. 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.

6. Key risks and metrics

- 6.1. 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.

7. Further considerations

- 7.1. There are no further considerations.

8. Conclusion

- 8.1. 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.

9. 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 headline figures from the recent spending review announcement but the detail won't be known until December.
- Note work underway to develop a financial oversight framework.

Approval / consultation

This paper has been prepared for the Joint Audit Committee.

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:	29 July 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 the FY25/26 prioritisation and sequencing exercise.

Recommendations

The Joint Audit Committee is asked to:

- Note the latest delivery progress against the Portfolio Delivery Plan.
 - Note the Prioritisation and sequencing activity undertaken and the savings identified against the FY2025-26 NMfL budget.
 - Note the work underway to deliver the Portfolio Improvement Plan
-

1. Background/summary

- 1.1. The overall Portfolio delivery confidence remains at Amber, consistent with the Amber status due to be reported to Management Board on 31 July.
- 1.2. The Executive Committee 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).
- 1.3. As the organisation transitions to delivering NMfL 2, with an increased focus on performance, the composition of the portfolio will need to evolve. A further focus, led by strategy, on productivity and efficiency is being developed to reduce forecast spend, drive operational productivity as well as maximising income so we can continue to improve performance with existing operational resources.

2. Paper content

- 2.1. Progress against Portfolio Plan

- The Transformation Directorate is supporting 13 Programmes within the portfolio; These include two programmes in initiation as a result of further work being scoped and subsequently brought in (the Victims and Culture Change Programmes). Investment approvals have been given to Professionalism & Vetting (for Open-Source Intelligence (OSINT) Social Media Software and LEDS and a further seven investment requests are being managed through the July IPG (taking place after this paper is submitted to JAC). Portfolio Office has supported the Digital Enablers Programme to increase confidence in their delivery.
- Of our milestones, 57% are on track, 21% are at-risk ('amber') and 22% are delayed ('red'). The proportion of undelivered milestones that are at-risk (amber) or delayed (red) has stayed stable over Q1. Nearly half of these (47%) are owned by Command & Control and Culture Change, around which we have close management oversight.

2.2. Portfolio Management

- The Portfolio Office have conducted a review of all programmatic benefits across the Transformation Portfolio, and all key Programme benefits have been mapped to MPS Strategic Performance Outcomes where applicable – this mapping is going to MPS management board on 31 July 2025.
- Most benefits identified are non-cashable. Given the focus on productivity, we will further explore and quantify non-cashable benefits to further evidence the value-add of the portfolio change activity and inform the wider productivity and efficiency work

2.3. Portfolio Improvement Plan

- The Portfolio Office and colleagues in the wider Transformation Directorate are progressing a plan to mature areas of Portfolio Management to address the lessons learnt discussed at the previous JAC and prepare us for NMfL2 delivery. The Portfolio Improvement Plan has already delivered Governance updates including updating Terms of Reference and Sponsor Guidance and is in the process of developing and implementing improvement across Assurance processes, Business Case process and guidance updates and the establishment of a Tiered Support Approach to target proactive support to our most complex and challenging Programmes. The improvement to benefits identification and management also sits as part of this plan. It is overseen by the IPG.

- In conjunction with Business Change colleagues, as part of the Improvement Plan and in readiness for NMfL2, a Change Support Hub will be established providing an online 'one stop shop' repository for all appropriate guidance, tools and templates, as well as providing access to training material to enhance consistency, as well as support capability development across the organisation.

3. Financial information

3.1. FY25/26 Portfolio Prioritisation Activity

- Transformation Directorate successfully completed a prioritisation exercise with SROs to create adequate headroom to deliver the projected demand on the portfolio and enable it to respond to unexpected risks and allow it to pivot towards NMfL 2 deliverables. In addition, as an output from this work, ACCO supported a proposal to reduce the NMfL budget to enable a contribution of £2m non-workforce efficiencies (NWEs). This will lead to a maximum NMfL transformation allocation of £73m, noting that this allocation is derived by applying an over-programming of 20% (against a budget of £61m) to mitigate underspend. Approval to transact the low impact savings, creating the necessary headroom identified, was supported by ACCO and approved by IPG on 22nd July.

3.2. Draft Q1 Budgetary position

- The Q1 budget position indicates that the NMfL Portfolio is on track against both Revenue and Capital forecasts. A deep-dive on forecasts, demand pipeline and any subsequent prioritisation decision will go to IPG in September. By which time we expect to have further clarity on projected demand on the portfolio, including any NMfL 2 implications and non-workforce efficiencies (NWEs).

4. Key risks and metrics

- 4.1. The NMfL 2 strategy is due for consultation end of July 25. This is currently under review to determine alignment to the Portfolio, and it is likely this will result in changes to the portfolio (e.g. re-aligned programme scope) which may impact some ongoing activity.
- 4.2. Parallel activity to agree an increase to the Delivery Partner contract ceiling was shared and agreed at IAM, procurement for longer term consultancy support is being progressed over the Summer in consultation with SROs and ACCO, linked to the review of the Transformation Directorate design. This is critical to ensure adequate resourcing for change delivery in the short and long term.

5. Further considerations

5.1. n/a

6. Conclusion

- 6.1. Overall, the portfolio delivery confidence remains at Amber, and demonstrable progress has been made against the agreed delivery milestones and NMfL commitments, HMICFRS Engage milestones, and Angiolini Recommendations
- 6.2. The Joint Audit Committee is invited to:
- Note the latest delivery progress against the Portfolio Delivery Plan
 - Note the Prioritisation and sequencing activity undertaken and the impact on the Portfolio FY25-26 Budget position
 - Note the potential Portfolio scope impact of the NMfL2 strategy consultation.
- 6.3. Next Steps ahead of November's Joint Audit Committee, we will:
- Approve the FY25/26 planning and prioritisation activity to bring the current FY25/26 funding allocations within budget.
 - Continue to oversee and manage monthly progress with the Programme teams, highlighting delivery achievements and management of delivery risks, progress in FY25/26 planning, and preparations for NMfL2

Approval / consultation

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

Appendices

Portfolio Report for July IPG attached for information – this is official sensitive and should not be published

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	29 July 2025
Presented by:	Adrian Scott, Chief Strategy and Transformation Officer
Title/Subject	MPS Audit and Risk Report
Purpose of the Paper	To update JAC on the outcomes from the Audit and Risk Assurance Committee; the output from the corporate risk refresh; to provide key audit and inspection updates and the draft submission of the Annual Governance Statement (AGS) 2024/25.

Recommendations

The Joint Audit Committee is asked to:

- note the refreshed corporate risk register (Annex A) and the outcome of the ARAC discussion in relation to the deep dives into two corporate risks;
 - note the steps being taken towards the implementation of risk appetite and tolerance;
 - note the draft Annual Governance Statement 2024/25 (Annex C); and
 - note the insight and inspection activity being conducted by HMICFRS.
-

1. Background/summary

- 1.1. This paper provides Joint Audit Committee with the outcome of discussions at the Audit and Risk Assurance Committee (ARAC) on 26 June 2025.

2. Improving the Met's approach to risk management

- 2.1. In May we informed JAC of improvements in the Met's approach to risk management, especially at the corporate level. We informed you that ExCo sought additional work ahead of the next ExCo risk meeting (22 July), which included supporting risk owners in defining risks and assessing whether management plans were effective enough that risks could be de-escalated.
- 2.2. This work has been completed and has resulted in several risks being remitted to the business group or corporate group governance level. We have also worked with risk owners to define four new risks (these will be presented to ExCo on 22 July for ratification):

Risk Theme	Risk Owner
Underinvestment in Estates	Chief People & Resources Officer
Supply Chain Vulnerabilities	Chief People & Resources Officer

Productivity & Morale	Chief People & Resources Officer
Operation Northleigh (Grenfell Tower)	AC Frontline Policing

2.3. Upon ExCo's agreement to the changes outlined in this report at the quarterly risk meeting in July, the refreshed corporate risk register will consist of 13 risks, as detailed in Annex A.

2.4. Deep dives into two corporate risks were reported at ARAC on 26 June:

- **Victim Care** - key points were presented by DAC Adelekan, marking a six-month follow-up since the last review. Key enhancements covered established governance (including the CJ Gold Group, the appointment of an LRO and a Victim Care Improvement Group), improved data collection provided monthly by MO14, increased resources, and collaboration with the CPS to create and deliver a trial Integrated Victim Service, focused on domestic abuse.

ARAC were satisfied the deep dive had assured an overall improvement and validated a reduction in likelihood from High to Medium/Low, with the target position (Likelihood – Low and Impact – High) anticipated within six months as controls become more embedded and the data provision and insights are enhanced. ARAC requested a further deep dive in 6-months to ensure the effectiveness of the controls is as anticipated.

- **Standards** - AC Taylor provided a detailed synopsis of the work done to manage the risk. Considerable effort, along with improved confidence measures, has demonstrably reduced cases indicating that the risk is controlled to a certain extent.

Upon review of the controls and the assurance measures in place as detailed within the deep dive report, ARAC agreed the likelihood of the risk has reduced to Likelihood – Low, and Impact – High, and the risk should be remitted to Professionalism for onward control and review.

2.5. **Risk maturity**

- To ensure we understand how well our risk management framework is embedded across the Met, we conduct a risk maturity self-assessment annually. This allows us to identify areas for improvement, and ultimately enhance our ability to achieve objectives, improve resilience, and make better decisions. Over the last few years, we have moved to a 'self-assessment' model. This year, we have revised the self-assessment questionnaire to ask more specific questions; this was circulated to all OCUs and BCUs for cascade on 17 June, with a return date by 29 July. Indicative findings will be reported to ARAC in September, and the responses will enable us to focus our efforts and offer tailored support where maturity is low, ultimately strengthening overall capability.

2.6. Risk appetite and tolerance

- ARAC were updated on the outcomes of the six-month risk appetite and risk tolerance pilot in Frontline Policing (2 BCUs) which concluded in May. They were informed that our analysis indicates that while some routine tasks were handled well, the overall effectiveness and influence applying risk appetite and risk tolerance had on decision-making were not clear or mature enough to adequately help them achieve their strategic objectives.
- We are now exploring how to more effectively integrate business planning with the practical application of risk appetite and risk tolerance, especially as we work to align strategy and financial decisions.
- In July, ExCo will consider their risk appetite in terms of a set of corporate risk themes, and the level of risk they are comfortable tolerating. We will then hold individual consultations with Chief Officers to ascertain their insights on risk appetite and tolerance and to decide on the most effective implementation approach for their business group.

3. Audit

3.1. We have seen progress in key strategic areas as identified by DARA:

- **Risk and assurance:** we have simplified risk governance structures, with clear reporting lines to the most appropriate groups; this will mean corporate risk is regularly reviewed at ExCo and ultimately lead to an increased understanding of the totality of risk across the organisation. We now have dedicated Business Group risk SPOCs in post and have established a Met-wide Assurance Forum; in the long term, each Business Group will map existing sources of assurance, evaluate their effectiveness and respond with an appropriate level of oversight.
- **Workforce:** the Met's baseline affordable design has been agreed (meaning we understand where our people need to be) and we continue to build our overall capability in workforce planning. This has been negatively impacted by the lack of an effective resource management system, which will be addressed through the ongoing Met Business Services programme.
- **Demand and performance:** we have completed the Met's Force Management Statement, which sets out an organisational view of demand, resources and capability, including where there are gaps. This represents a significant step forward in our understanding. We have also finalised the Met's new performance framework, with a clearer focus across a narrower range of outcomes. The second phase of A New Met for London (NMfL) will set out how the organisation intends to achieve the outcomes within the framework. Organisational learning is an important part of improving performance, but our ability to measure and assess success in this area is hampered by a lack of clarity and maturity in the metrics we use.

- Our **portfolio** will be reviewed in light of NMfL 2, since it is likely to mean changes in priority. However, we have put in place stronger processes and governance to ensure programmes are properly established, progress tracked, and risks identified.
- 3.3 ARAC agreed that the ECAP (Annex B) should be discontinued in its current form, with relevant activity and updates captured as part of a revised DARA and MPS assurance approach. This will be agreed over the next quarter to identify the most appropriate mechanism for ensuring appropriate assurance and oversight.
- 3.5 The MPS and DARA are currently reviewing the approach to the monitoring of outstanding audit action progress and reporting to committees. This is in line with a proposed refreshed approach of reporting by DARA. This should lead to a more robust review of delivered actions to ensure that actions are phased appropriately according to the ability to deliver and ratification that the controls are effectively implemented.
4. Annual Governance Statement (AGS)
- 4.1. The draft AGS (Annex C) assesses the robustness of the Met's governance controls across the CIPFA framework, with the Commissioner under a statutory duty to approve an AGS. For 2024/25, the MPS' self-assessment is that, while there continues to be progress in several areas, there remains a need for further improvement.
- 4.2. Evidence has been drawn from a substantial body of material, including assessments provided by senior leaders across all major commands, HMICFRS inspections, DARA audits and the corporate risk register.
- 4.3. The draft AGS has been submitted to Grant Thornton, alongside the draft Accounts, with formal sign-off by the Commissioner in September. The final AGS will be shared for noting with JAC at its next meeting.
5. Inspection
- Summer Insights Plan (June-September 2025)**
- 5.1. HMICFRS has begun a programme of insight activity over four consecutive months, focused on the following thematic PEEL areas:
1. Managing offenders & suspects (completed 2-5 June);
 2. Investigations & Neighbourhood Policing (completed 30 June-3 July);
 3. Leadership & workforce (11-14 August); and
 4. Public treatment & responding to the public (8-11 September).
- Integrity inspection**
- 5.2. An Integrity Inspection will begin on 15 September; this will consist of a case file review and fieldwork over a period of around six weeks. This inspection is a combination of HMICFRS' rolling programme for assessing forces' vetting

arrangements and how they identify and tackle corruption, and an inspection of professional standards.

6. Financial information

- 6.1. 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.

7. Key risks and metrics

- 7.1. 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 objective.

8. Further considerations

- 8.1. 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.

9. Conclusion

- 9.1. This report updates Joint Audit Committee with the progress being made to strengthen risk and audit processes in the Met and increase maturity.

Approval / consultation

James Hunter – Deputy Director Strategic Planning and Risk
Anthony Green – Director of Strategy
Adrian Scott – Chief Strategy and Transformation Officer

Name, job title of paper author

Rosiân Budgen, Senior Audit & Risk Manager
Tracy Rylance, Senior Audit & Risk Manager

Appendices

Annex A – Corporate Risk Register - Official Sensitive
Annex B – ECAP Update - Official Sensitive
Annex C – MPS Annual Governance Statement 2024/25

Annual Governance Statement 2024/25

Commissioner of Police of the Metropolis

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Introduction

To meet the demands of policing London effectively, the Metropolitan Police Service (the MPS) must have strong governance, with clear mechanisms and relationships through which the organisation is directed and controlled. This means robust decision-making processes and internal controls that support and strengthen our operational activity.

The MPS conducts an annual review of the effectiveness of its systems of internal control and publishes this statutory Annual Governance Statement (AGS) with the Statement of Accounts. The AGS has been completed using input from the relevant senior officers and staff and in consideration of the opinion of the Directorate of Audit, Risk and Assurance (DARA). It also outlines the findings of the MPS's Statement of Internal Control Survey, which seeks the views of senior leaders across the organisation. The survey is aligned to the seven Chartered Institute of Public Finance and Accountancy (CIPFA) Governance Principles (see Appendix).

In summary, the MPS' Statement of Internal Control is that, while there continues to be progress in some areas, there remains a need for further improvement). **The DARA audit opinion is awaited and will be included once it is published.**

Further, Grant Thornton published their Value for Money (VfM) audit of the MPS. The audit concluded 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 recommendations for improvement. Grant Thornton continue to monitor the position regarding financial sustainability, and may consider the appropriateness of issuing a statutory recommendation. All activity relating to the VfM report is being monitored, with quarterly updates being progressed through the MPS' Audit and Risk Assurance Committee (ARAC) and the independent Joint Audit Committee (JAC).

Improvements identified in this report will be tracked as part of an overall assurance process that also measures progress against key recommendations by His Majesty's Inspectorate of Constabulary, Fire & Rescue Services (HMICFRS) and others, and against A New Met for London (NMfL) and the MPS' 2025/26 Business Plan.

The MPS in 2024/25

As the MPS began to recover from the fallout of a number of high-profile issues in the first years of the 2020s, the last 12 months presented new significant strategic challenges, most notably in relation to a serious budget deficit, which has required both reorganisation of MPS resources and service reductions ('Tough Choices').

The MPS budget has been set, once again, amid ongoing work to rebuild the organisation's strategic and financial planning capabilities and, most significantly, at the same as delivering major reform, in line with NMfL, to address the findings of Baroness Casey and HMICFRS. The MPS had a structural funding gap as a result of inflationary pressure on its cost base, along with increased demand pressures and reform ambition - which was not met by equivalent increases in funding. For 2025/26, the funding gap was as high as £450m. To ensure an affordable plan for 2025/26, the MPS was forced to balance its expenditure plans against available income, using all the levers at its disposal: realising efficiencies, reducing services, and scaling back reform under NMfL. Because most of the MPS cost base is people costs, using these levers will ultimately lead to a reduction in the size of the MPS' workforce and a redesign of some of its functions.

The MPS sought to balance spend between operational performance and reform. Rather than making "blanket" savings across the entire organisation, the MPS also made strategic choices to:

- Seek to retain some ability to undertake proactive and preventative activity – but that is not to say it will not be severely compromised.
- Retain a significant focus on public protection.
- Ensure the MPS continues to reform and fix its foundations, supporting the frontline in delivering for London.

Although the MPS received additional income, including from the Mayor's Office for Policing and Crime (MOPAC), and we have developed an ambitious efficiency programme, major changes to, and reductions in, the MPS workforce remain necessary. To manage this, an interim capability (the 'Engine Room') will implement the organisational and operational changes needed to address the budget gap, whilst organising and deploying the MPS' resources better.

One significant highlight in 2024/25 was the MPS being moved out of the Engage phase of monitoring by HMICFRS which had been introduced in June 2022. Following regular submissions to the Police Performance Oversight Group (PPOG) on the progress of improvement and reform plans, and as a result of this and the findings in several HMICFRS inspections undertaken throughout 2024/25, the MPS were moved into the standard 'Scan' phase.

In addition to the work undertaken to successfully move out of Engage, HMICFRS conducted a follow-up of the handling of the sexual and criminal exploitation of children in 2024, and found that through a renewed focus on child exploitation, its links to missing children and the language officers and staff use, the MPS has made improvements since its previous inspection. Notwithstanding the progress made, HMICFRS noted more work is needed to further improve these areas and provide a consistently good service. The MPS has embraced this and has begun strengthening gains already made. For example, a new mandatory training course for all officers and staff concerning Victim Blaming has been introduced.

Also, as part of their follow-up activity, HMICFRS reviewed an outstanding PEEL action concerning how the MPS answers calls for service and how it identifies vulnerability at the first point of contact. They found that the recommendations concerning this action have all been completed.

The MPS conducted its annual assessment whereby senior managers across all disciplines were given the opportunity to provide feedback against each of the CIPFA governance areas. This process was supported by the ARAC meeting for 2024/25, in a bid to improve oversight and promote the AGS process wider across all Business Groups. The key findings of this activity were:

- There continues to be increased confidence in behaviour and integrity and processes in places to both identify and manage poor behaviour and misconduct are robust.
- Financial issues are a barrier to some areas of delivery, including those included within NMfL. However, financial management is generally considered strong at business group level, with oversight meetings and budget controls in place.
- Whilst there have been improvements concerning data provision, there are still challenges, with CONNECT being cited as an issue in several responses, as well as concerns over the level of financial data available, and timeliness of access to data.
- Although there were positive comments concerning the Leadership and NMfL training sessions, and the way in which the MPS Learning Management System (LMS) is supporting training and PDRs, there remain concerns around the lack of specific training, which may cause challenges in recruiting and retaining officers and staff.
- Risk management continues to improve, with most business groups noting local risk registers and processes to identify, capture and manage/escalate risks. There are areas where more work needs to be done, which has been recognised, and plans are in place to address this through regular annual risk maturity assessments.
- There are areas of good assurance in the MPS, and financial and performance processes are captured in appropriate level meetings in most business groups.

These findings were built into the MPS' improvement plan (the ECAP). Further details can be found in Section 7.

Operationally, 2024/25 was challenging. Operation Brocks, the MPS' response to the regular large-scale demonstrations relating to the Israel/Hamas conflict, had a significant impact on resources. However, there was significant progress throughout the year:

- Continued to roll out innovation through the use of Live Facial Recognition, which has helped to improve arrests including a number for robbery, violent crime and wanted sexual offenders;

- Rolled out and implemented Crime Management Units (CMUs) across Basic Command Units (BCUs), which facilitate better crime allocation based on vulnerability, proportionality and solvability.
- Continued with the 'V100', which takes all VAWG offences reported to the MPS with a named suspect across a rolling 12-month period and uses a 'crime harm index' to score and identify those who pose the highest risk to women and girls. The work has seen more than 100 of the most dangerous offenders in London convicted as a result.
- Delivering dedicated NMfL training to all non-supervisory ranks and grades including delivering the Mid-Level Leadership Programme for all Inspectors and Band C managers, and rolling out the Senior Level Leadership Programme for all senior managers;
- Launched the London Race Action Plan (LRAP) in September 2024, to enable the MPS to become a service that is more inclusive, diverse and representative of London.

Assessment of current position

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The MOPAC Public Attitude Survey showed that 45% of Londoners agree that the MPS do a *good job locally*, with 36% stating the MPS does a fair job, and only 19% of respondents believing the MPS do a poor/very poor job. This is mirrored in the Crime Survey for England and Wales (CSEW), where 47.9% of respondents surveyed in London agreed police in their area do a good/excellent job. This is in line with the England and Wales average of 48.2 per cent and above our most comparable forces – Greater Manchester Police (GMP) at 44.7%, West Midlands at 43.8% and West Yorkshire at 45.6%.

Internally, the MPS has continued to improve its culture:

- Designed and built Culture, Diversity & Inclusion directorate;
- Developed and launched the Culture Plan;
- Published the London Race Action Plan (LRAP); and
- Established a dedicated LRAP team.

In response to the MPS senior leadership AGS survey, feedback shows that all business groups recognise that integrity is an area in which the MPS continues to improve, but that there are still misconduct issues being raised and investigated. Confidence is high that there are processes in place to both identify and manage misconduct cases.

DARA published a follow-up audit into the Grievance Management Framework during 2024/25. This area had been formally reviewed during 2023, and DARA reported Limited assurance. However, DARA noted in the follow-up that the control framework is showing clear signs of improvement and have upgraded the assurance rating to Adequate. Improvements noted include promoting the grievance framework, increasing wellbeing and mental health support provisions, and implementing greater understanding of the grievance process.

2. Ensuring openness and comprehensive stakeholder engagement

The MPS maintains strong, collaborative working relationships with stakeholders and partners across London. These relationships are held at both a local and central level. Locally, MPS officers and staff work closely with local authorities, safeguarding partnership groups, the business community and many others to successfully deliver outcomes. Centrally, and at a strategic level, the MPS works closely with MOPAC and the Home Office to deliver More Trust, Less Crime and High Standards in concert with the Mayor's Police and Crime Plan and The government's own missions.

Examples of good stakeholder engagement and collaboration in 2024/25 are:

- Following the violent disorder across the UK, in connection with the tragic killing of three girls in Southport on 29 July 2024, thousands of MPS officers moved to 12-hour shifts and were mobilised in London to manage mass public order operations. The MPS supported the national policing effort by deploying 200 officers to other forces, and took a leading

role in the collective mobilisation of the criminal justice system to accelerate perpetrators to justice.

- The MPS published a Stop and Search Charter, shaping the future of how one of policing's most effective but contentious tactics is used in London. The creation of this charter was a commitment to significant change and was co-produced with communities, following a year and a half of engagement with more than 8,500 Londoners.
- Operation Reckoning, which focused on organised acquisitive crime related to the theft, handling, and onward criminal supply of mobile phones, working in partnership with the National Crime Agency, City of London Police, Europol and British Transport Police.
- The MPS continues to work with international partners and agencies to identify and arrest criminals, ensuring they are brought to justice. In March, Zhenhou Zou – a Chinese PHD student who had been living in London – was convicted of raping 10 women, following an extensive and complex MPS investigation. This required sensitive handling, with MPS officers visiting China to conduct enquiries, and hosting Chinese officials in London to foster an effective working relationship.
- The Israel/Hamas conflict continued throughout 2024 and into early 2025, which impacted upon to levels of public concern, especially within the Jewish and Muslim communities. The MPS continued to ensure that there was an increased level of engagement with those communities.

Among senior leaders, good processes were reported in all business groups, with some suggesting more engagement was required with some sections of communities with low trust and confidence in the MPS. In specialist areas, there is a clear understanding within the MPS of their remit, but this isn't always understood by the wider public.

3. Defining outcomes in terms of sustainable economic, social and environmental benefits

The MPS maintains an Environmental Management System (EMS) aligned to ISO 14001 to provide a systematic and best practice approach to managing environmental and sustainability risks and impacts arising from operations (including all support and enabling services). Key elements of the EMS include the Environment and Sustainability Policy and the Environment and Sustainability Strategy 2023-2025, the latter of which has three aims:

- To reduce the MPS' impact on the environment;
- To become a more resource-efficient and resilient organisation; and
- To embed environmental sustainability considerations in decision-making.

The Sustainability Management Plan (SMP) for 2024/25 was developed based on key environmental and sustainability risks and comprised activities across the MPS aimed at improving environmental and sustainability performance.

Quarterly Environment and Sustainability Boards (ESBs) were held during 2024/25, reporting on progress against SMP activities. At Quarter 4 of 2024/25 (the end of the financial year), 65% of all SMP activities were reported as complete, with 25% slightly off track but rolling over into the next financial year for completion early in 2025/26. The remaining 10% of activities were reported as off-track, and largely due to the decision (in light of operational and budgetary constraints) to reduce activities to prioritise statutory compliance and efficiency measures.

Examples of notable activity during 2024/25 are:

- Development of a pipeline of buildings decarbonisation projects to deliver the MPS Net Zero programme, with total Public Sector Decarbonisation Scheme (PSDS) grant funding secured to date of £19.4m. Ten projects were completed by year end, with a further six projects on-site and approaching completion (now scheduled for completion by end of Q1, 2025/26). In addition, there are a further six projects scheduled for completion by March 2026.
- Development of an EV charging infrastructure project initiation document, and two EV Charger Trials undertaken, with further pilots being progressed.
- In July 2024, DARA rated the assurance in this area as 'Adequate'. The key findings centred on the strategic governance of the Environment and Sustainability function, and alignment of the Environment and Sustainability strategy with wider MOPAC and MPS strategies.

The new SMP for 2025/26 was developed during Quarter 4 of FY 2024/25 and formally launched during Quarter 1 FY 2025/26.

4. Determining the interventions necessary to optimise the achievement of intended outcomes

The 2025/26 MPS Business Plan has been developed in the context of increasing demand on the MPS and significant budget challenges. The plan outlines the steps taken to balance the 2025/26 budget – mainly through efficiencies, service reductions, additional income and borrowing – and the resulting impact on the services provided to Londoners and on the MPS workforce.

To ensure progress against the plan, it will be subject to robust governance and accountability arrangements:

- A quarterly progress report will be taken to Management Board. It will set out overall progress against our strategic, operational and financial commitments, and determine any refinements that need to be made to the plan in-year. This report will be coordinated by Strategy and Transformation, but all business groups will need to report on their own commitments. They will also identify and track emerging pressures and demand in year.
- The Investment and Portfolio Group will oversee transformation portfolio delivery and will report key strategic progress into the Business Plan Progress Report each quarter.
- The Strategic Performance Group will monitor overall organisational performance and will report key strategic progress into the Business Plan Progress Report each quarter.

Each business group will also maintain their own business plan for 2025/26, level, translating organisational strategic priorities into key activity. This Business Plan serves as the guiding framework for all other plans, ensuring consistency and alignment across the organisation. The Business Plan also defines resource allocation and funding priorities.

This year, the MPS has implemented an improved approach to its Force Management Statement (FMS), an annual self-assessment which determines current and future demand and capacity and capability to meet it. The MPS has begun to integrate FMS production and delivery into its annual

business planning cycle, helping to develop a more robust understanding of demand and the strategic choices made as a result.

The workforce design decisions made by the MPS 'Engine Room' have partially informed the workforce assessment presented in the FMS.

5. Developing the entity's capacity, including the capability of its leadership and the individuals within it

In terms of addressing the experience gap through better supervision and continued leadership development, the MPS has delivered:

- Dedicated NMfL training to all non-supervisory ranks and grades
- The Mid-Level Leadership Programme (MLLP) for all Inspectors and Band C managers;
- The Senior Level Leadership Programme (SLLP) for all senior managers;

Both the MLLP and SLLP include physical attendance for three to five days, as well as follow-up online activities and workshops. Attendance and completion of all activities are managed through the LMS.

The MPS has also continued to develop the practical application of leadership and supervision, making progress in key areas. In terms of governance, the Leadership and Learning Transformation Programme Board (chaired by Director L&D) reports into the Investment and Portfolio Group and through to Executive Committee (ExCo) as required. An additional layer of operational oversight is provided by the Leadership Development Oversight Group, chaired at Assistant Commissioner level, with Chief Officer representatives from each business group.

6. Managing risks and performance through robust internal control and strong public financial management

The MPS maintains critical governance for internal control and strong public financial management. Following the introduction of a revised governance structure in 2023/24, a further review of its effectiveness was undertaken during 2024/25, and the structure retained as follows:

- Executive Committee (ExCo) meetings, chaired by the Commissioner, were previously established, and sit every two weeks. Previously, the themes were split into separate meetings concerning Investment, Transformation & Technology, and Performance, People & Culture. The meetings are no longer separate, but will still be occurring on a fortnightly basis. In addition, to promote the management of risk more effectively, risk will be discussed formally on a quarterly basis. ExCo's remit will now be to:
 - Review and agree corporate risks every quarter and assigns risk owners;
 - Ensure corporate risk owners can access support across the organisation;
 - Determine organisational risk appetite and tolerance levels;
 - Consider emerging risks and issues;
 - Commission the annual refresh of the corporate risk register.

- Audit and Risk Assurance Committee (ARAC) chaired by a Non-Executive Director (NED) ensures the MPS uses risk management to improve corporate decision-making, monitors risks to the delivery of the MPS' strategic priorities and objectives, and ensures those risks are being managed effectively across the organisation. ARAC reports to ExCo on a quarterly basis.
- Joint Audit Committee (previously Joint Audit Panel) continues to provide advice to the MPS and its Commissioner and independent assurance on the adequacy and effectiveness of its internal control environment and risk management framework. It also advises on and assures MPS financial processes.

The MPS provides updates to:

- London Policing Board - the Board provides specialist advice and constructive challenge to effectively support the Mayor in holding the MPS to account for delivering wide-ranging reform, as part of its strategic oversight framework.
- Investment, Advisement and Monitoring (IAM) - the Deputy Mayor for Policing and Crime uses IAM to oversee the MPS' financial investments and management of assets and ensure all MOPAC investment is managed in accordance with the Police and Crime Plan and the aims and ambitions of the Mayor. The meeting provides an opportunity to scrutinise initial investments, monitor their implementation and track benefits.

The MPS now ensures the findings of Grant Thornton's Value for Money audit (and progress against its recommendations) are reviewed by ARAC, as well as Joint Audit Committee.

During 2024/25, the MPS continued to pursue an increase in risk management maturity. The MPS has:

- Refreshed its corporate risk register to ensure it is focused on the areas of most concern and brought more rigour to how corporate risk is managed by strengthening the deep-dive process;
- Improved how risk is managed at business group and other levels, through clearer and better processes and documentation, and appointed dedicated resource to each of the business groups to provide support, guidance and advice on risk management; and
- Developed and launched foundation online risk management training for everyone in the MPS. It combines online training together with point of need videos to improve access to training for all staff. The training can be undertaken independently without the need for scheduled courses which can be supplemented with more tailored face to face training post completion.

The MPS has most recently begun to improve assurance activity across the organisation. This has included the initial development of a corporate assurance framework to provide guidance and support to business groups and the establishment of an Assurance Forum to bring together assurance practitioners across the MPS. It meets quarterly and will include DARA in its membership.

In the drive to make the MPS an IT enabled, data driven organisation, achievements in 2024/25 include:

- Digital Enabling Programme is established and reports into Investment Portfolio Group (IPG)
- Digital & Data Strategy has been refreshed and is being overseen through Information Management Group (IMG)
- Refreshed Cyber Strategy was signed off by Management Board in Jan 25. This will be monitored through IMG.

DARA undertook audits concerning financial and commercial controls in:

- Expenses – this was graded Limited, after DARA found that the control framework is not designed adequately and key controls are absent or not operating effectively;
- Strategic Framework for Management of MPS Contracts – this was graded Limited, after DARA found that the approach lacks clarity and needs to be supported by a more effective control framework.

7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Audit and inspection processes are now well established in the MPS, having been reviewed in 2022/23. HMICFRS recommendations and Areas for Improvement (AFI) are:

- Collated on a central tracker; and assigned to the most appropriate overall senior MPS lead, with an initial action plan;
- Shared with MOPAC within a set timeframe; and
- Updated quarterly, including through the HMICFRS Monitoring Portal.

Internal audit high-risk actions are tracked by Strategy and Transformation and reported to ARAC and the Joint Audit Committee. Outstanding actions are reviewed by the relevant senior lead on a quarterly basis. Strategy and Transformation has regular meetings with DARA and advise the business on risk interventions to meet their audit action delivery targets. Limited audits are reported individually to ARAC, with a full action plan update provided by the auditee.

External audits are undertaken by Grant Thornton and owned internally by MPS Finance. The MPS intends to bring external audits and DARA audits closer by improving governance and monitoring, with oversight through ARAC.

The MPS' organisational learning (OL) environment continues to develop, with activities including:

- The OL function is now present on BCU Blueprint and established in almost all target BCU/OCUs.

- The MPS OL App is in general operation and its final iteration, with focused capture, sharing and management of learning. High Harm/Risk learning is regularly routed through the OL App to end-point users.
- Working to support the Culture Strategy on Culture Organisational Development and Psychological Safety to support a learning environment, including a reframing of Learning Through Reflection out of professional standards to OL team.

Improvement Plan

As reported last year, 2024/25 saw the development of a more strategic approach to the MPS' governance improvement plan. Actions were fully captured in the MPS' broader ECAP. The ECAP set out the MPS' progress against the underlying strategic issues identified by DARA. The MPS worked closely with DARA to clearly articulate tangible actions and controls in the following thematic areas:

- Strategic framework (including business planning);
- Governance, risk and assurance;
- Managing cultural and organisational change;
- Improving demand and resource allocation;
- Managing capacity and capability;
- Improved Supervision;
- Corporate policy and process;
- Organisational learning capability;
- Demonstrating effectiveness (including measurement of outcomes); and
- Information management, data quality, and digital capability.

ECAP's effectiveness will be reviewed during 2025, with any changes articulated in the 2025/26 AGS.

Declaration

In 2025/26, the MPS will take steps to address the matters raised in this document to further enhance its governance arrangements. The MPS is satisfied that these steps will ensure that MPS governance processes are effective in a changing environment. The MPS will continue to monitor their implementation.

Sir Mark Rowley QPM
Commissioner of Police of the Metropolis

Appendix: Background and Governance Framework

Scope of responsibilities

The Commissioner of Police of the Metropolis is responsible for the governance of the MPS, including maintaining appropriate governance and risk management processes, and for ensuring there is a sound system of internal control which facilitates the effective exercise of these functions. The Commissioner is required to appoint a professionally qualified Chief Financial Officer (CFO) for the MPS. Under the Police Reform and Social Responsibility Act 2011 the CFO has a personal fiduciary duty for the proper financial administration of the MPS. As an independent legal entity or corporation sole, the Commissioner is required to produce an Annual Governance Statement.

Accountability

The Mayor of London and the Deputy Mayor for Policing and Crime holds the MPS to account against the Mayor's Police and Crime Plan. The Mayor's Office for Policing and Crime (MOPAC) holds the Commissioner to account for efficient and effective policing, management of resources and expenditure.

Governance Framework

The MPS has developed its governance model in accordance with CIPFA/International Federation of Accountants (IFAC) Framework for Good Governance in the Public Sector (July 2014), and subsequent CIPFA/SOLACE Delivering Good Governance in Local Government Framework (April 2016) and Guidance for Policing Bodies in England and Wales (July 2016). This AGS explains how the Commissioner of Police of the Metropolis has complied with the Code for the financial year 2022/23, and meets the requirements of section 6 of the Accounts and Audit Regulations (England and Wales) 2015 in relation to the publication of a statement on internal control.

In adopting this framework the MPS accepts that:

- Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
- The fundamental function of good governance in the public sector is to ensure that entities achieve their intended outcomes while acting in the public interest at all times.

The MPS is statutorily responsible for conducting, at least annually, a review of the effectiveness of its system of internal control. This takes place between January and April.

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	29 July 2025
Presented by:	Melanie Williams
Title/Subject	Performance & Insights
Purpose of the Paper	An overview of the new performance framework and example of Monthly Reporting to Strategic Performance Group.

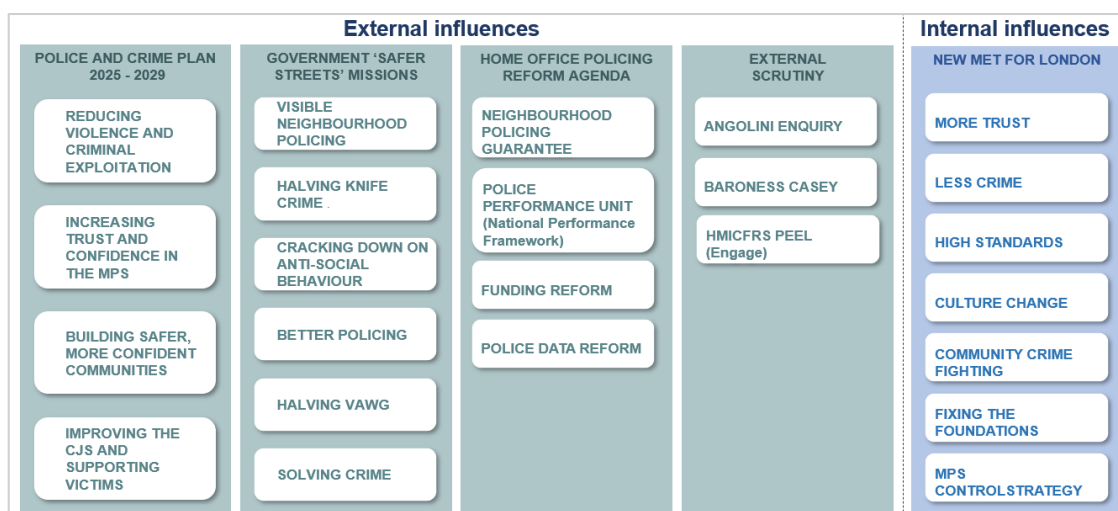
Recommendations

The Joint Audit Committee is asked to:

- note the development of the performance framework
 - note the performance position highlighted in the appendix slides
-

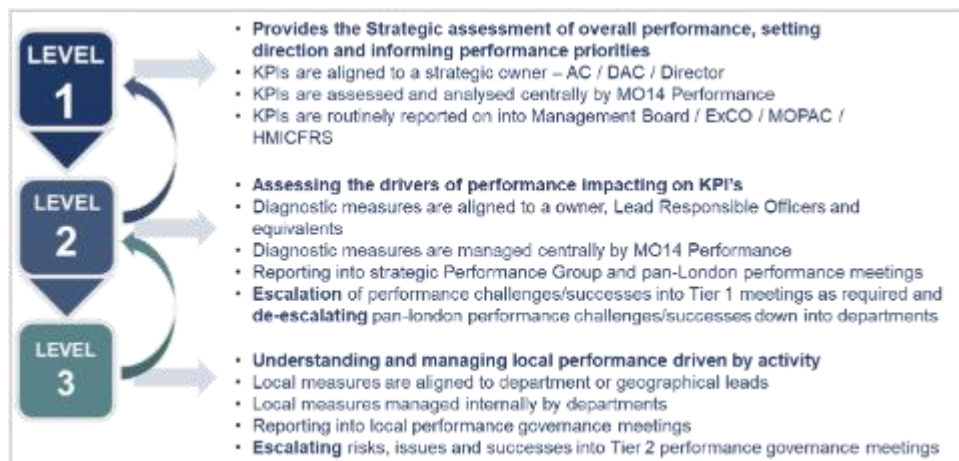
1. Background/summary

- 1.1. The MPS Performance Framework for 24/25 had 50 Key Performance Indicators (KPIs), with 145 performance metrics underpinning them, effectively totalling 195 performance measures. Utilising that performance framework proved challenging, due the volume, and the tactical nature of the metrics.
- 1.2. The proposal for FY25/26 was to reduce the volume of measures, that are more strategic in nature and provides a set of focused performance indicators. Our initial aspiration was to reduce level 1 measures to around 20, however through engagement and iteration this has landed at 32 measures across operational and enabling services.
- 1.3. Work was carried out so that the performance framework was fully aligned to strategic planning and considered both internal and external influences of importance. As shown in the following:



2. Performance measures and ambitions

- 2.1. The ambition for this year was to establish level 1 measures that are reported on regularly at strategic level, supported by level 2 measures which are brought into focus based on analysis and direction of travel assessments.
- 2.2. The measures at level 1 & 2 are further supported by level 3 measures which are owned locally within OCUs/departments/business groups and are called upon when relevant to broader performance issues and risks. These levels are explained in the following diagram:



Aspirations/targets in the categories of 'sustain/improve/accelerate' supporting operational level 1 measures have been developed and assigned to each measure. In addition, aspirations of where MPS wants to be against the measures have been established and agreed through Strategic Performance Group and EXCO.

sustain	This has been applied to metrics that have improved during the last financial year. This reduction should be maintained into FY 25/26 or improved on further. For example, if the metric is forecasted to increase, the performance achieved this year should be sustained, thus providing a reduction.
improve	This has been applied to metrics that need to improve on their performance from last year and where stretch targets could be applied. An assessment has been made on a reasonable reduction based on the forecasted values.
accelerate	This has been applied to metrics that need a specific focus. They are a cause of concern, and the ambition is to accelerate improved performance where it is needed most, setting realistic targets that should be achievable with additional focus.

The performance measures are managed through the performance management system and supported by visualised products that now feed into all relevant performance meetings in support of decision making. An example of the monthly reporting provided to Strategic Performance Group is provided in the Annex.

3. Conclusion

There has been substantial effort to focus the performance framework and supporting system towards the measures and outcomes to drive improvement. There has been engagement across all levels and embedding is well underway. The long-term ambition is that this performance framework is sustainable but will be reviewed and adjusted to meet organisational requirements.

Recommendations

4. note the development of the performance framework.
note the performance position highlighted in the appendix slides

Approval / consultation

Lindsey Chiswick, Director of Tasking & Performance

Name, job title of paper author

Melanie Williams, Deputy Director for Performance & Assurance

APPENDIX NOT FOR PUBLISHING

Appendices

Strategic Performance Group Reporting - Example

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	29 July 2025
Presented by:	Anthony Richards
Title/Subject	Payroll Assurance Framework
Purpose of the Paper	To provide an update on work to strengthen the MPS Payroll Assurance and Governance Framework

Recommendations

The Joint Audit Committee is asked to:

- Note the progress made on strengthening and embedding the payroll assurance framework to reduce the potential overall risk relating to payroll and expenses inaccuracies.
 - Provide feedback on the approach to date and opportunities to improve the framework.
-

1. Executive Summary

- 1.1. This paper provides an overview of work to strengthen and embed a more effective Payroll Assurance Framework (PAF) and update on the future assurance approach that will oversee operations delivered by our third-party service provider. The PAF framework is designed to ensure payroll integrity, compliance, and risk management in a context where transactional activities are delivered by a third-party Service Provider and payroll functions have transitioned to a self-service model. The paper outlines progress made, emerging risks, and next steps to further strengthen oversight.

2. Background and context

- 2.1. The MPS outsourced HR, Payroll, Finance and Commercial activities to Sopra Steria (SSL) in 2015. SSL is responsible for transacting MPS Payroll activities. Met Business Services is responsible for assuring the delivery of these services.
- 2.2. Payroll, as a core financial and operational process, presents significant risk if not managed with robust oversight and assurance mechanisms. It is important to note that in response to previous funding shortfalls, the organisation transitioned to a self-service HR and payroll model supported by our external service provider. Limited investment was made in reporting tools and addressing the wider technology landscape to bring together relevant resourcing data sets. While this model has delivered cost efficiencies and

streamlined certain administrative tasks, it has also introduced new challenges. Specifically, it has made it more difficult to pinpoint where process failures may occur. Whether within the internal workflows, employee inputs, or the service provider's processing systems.

2.3. Under the existing arrangement SSL are responsible for the execution of the MPS payroll, including gross-to-net calculations and payment processing. MBS maintains oversight, performs data verification and carries out compliance and assurance in the following areas: Payroll/Reconciliation, Overpayments, Cash Expenses, Barclay Card expenditures and Pensions delivery of service. This clear segregation of duties supports independent assurance and strengthens accountability.

2.4. The HR and Finance functions had previously implemented a Payroll Assurance framework and although successful in some areas, there has been some areas where insufficient controls were in place to identify failures which has resulted in inaccuracies relating to allowance and expense payments.

2.5. A DARA internal audit also identified weaknesses in the framework. Findings included

- Lack of automated controls and assurance in data entry resulting in non-compliance in the areas of expenses and allowances.
- Lack of integration between the duty rostering system (CARMS) and the ERP (PSOP) resulting in many overpayment cases (Change of Hours, Rostering change) for allowances.
- Manual assurance and controls are not enough to mitigate the risks of an aging technology lacking automated controls and compliance checks.
- It is worth noting that several of the DARA recommendations to mitigate the above risks require system enhancement which are currently not financially or technologically feasible. However, these are being captured as requirements for the new Oracle Fusion platform.

2.6. In 2024 the MPS removed themselves from the Cabinet Office ISSC2 framework that was used to deliver services to a range of Government entities (now known as the Synergy Cluster). The reason for that decision was that to have greater control of the technology and outsourcing arrangements. MPS formally exit the framework on 30 September 2025.

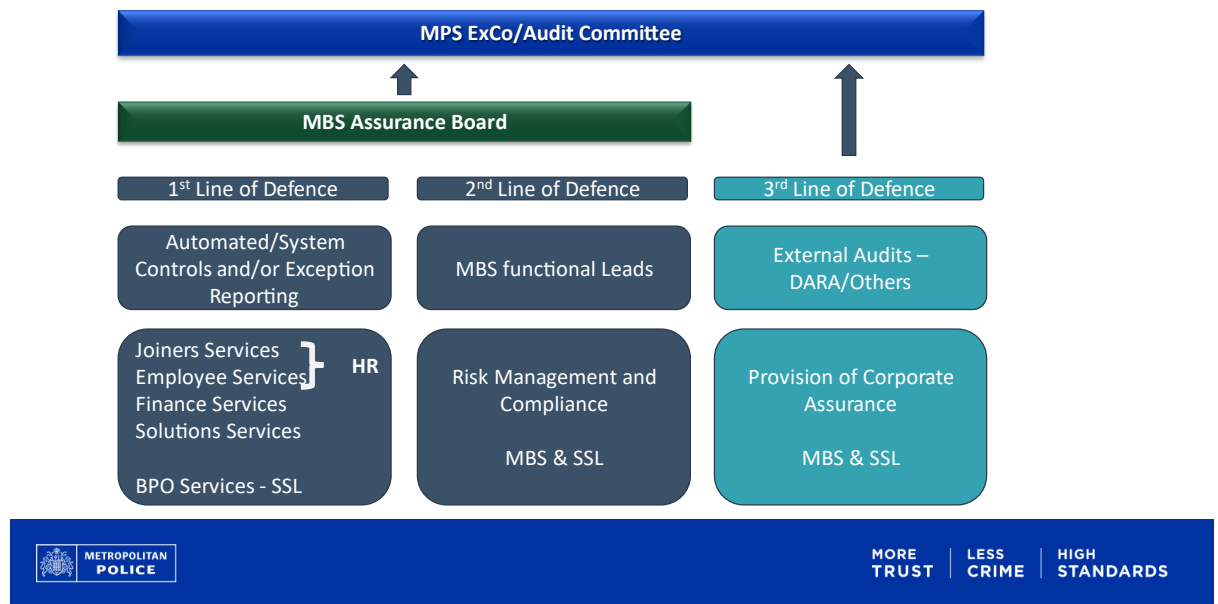
2.7. Work to strengthen the assurance framework and associated governance was therefore commissioned.

3. Activity to strengthen the PAF

3.1. We are introducing a new governance and assurance board from October 2025. The development and implementation of an updated Payroll Assurance Framework (PAF) will be supported by a new MBS Assurance Board & Governance Framework to provide clear governance, effective risk management, and internal control over the end-to-end payroll processes. The

revision of the PAF and governance offers a structured approach to monitor the service provider performance, ensure regulatory compliance, and safeguard the organisation against financial, operational and reputational risk. The board will also be responsible for monitoring activities of SSL, ensuring that they are operating with the correct controls. The Board will have representation from senior leaders in the MPS, SSL and also DARA representatives.

Proposed Framework – MBS Services



3.2. We are ensuring that the new PAF includes the following elements

Activity	Description	Status	Comments
Governance & Oversight	Ownership and accountability, policy framework and stakeholder communication	In progress	Will be implemented from October 2025
Risk Management	Payroll risk register and mitigations	In Progress	Will be completed by September 2025
Compliance and Regulatory Assurance	Legal compliance, audit trail and third-party assurance	Completed	
Payroll Processing Controls	Data Validation, Segregation of Duties, System controls and Error Handling	In progress	95% completed. Payroll sign-off moving to MPS to fully complete
Financial Assurance	Reconciliation & Reporting, Cost	Completed	

	Allocation and Approval hierarchy		
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3.3. A new approach to the payroll controls framework with the following core control areas have been implemented:-

Control Category	Description	Frequency	Owner
Access Management	Segregation of duties, restricted access to payroll systems	Ongoing	SSL/MBS
Approval Controls	Authorised approval of salary changes, starters, and leavers (mix or manual and auto controls)	Monthly	SSL
Data Validation	Reconciliation between PSOP and Payroll Module	Monthly	SSL/MBS
Payment Verification	Audit reports checked for anomalies before payments	Before payday	SSL*
Statutory Compliance	PAYE, NI, pensions auto-enrolment, etc	Monthly/ Annual	MBS
Variance & Trend Analysis	Flag inconsistencies through comparison with prior periods	Monthly	MBS
Audit Trail	Maintain change logs and documentation	Ongoing	SSL/MBS
Exception Reporting	Escalate unusual transactions and non-compliance cases	Weekly	MBS

* Sign-off of Payroll has currently been delegated to SSL. However, MBS are in discussion with SSL to bring this responsibility back into MPS and MBS will take accountability for this role. The aim is for the sign-off process to be owned by MBS from October 2025.

3.4. We are looking for opportunities to implement new controls through automation. The introduction of Met Business Services provided an opportunity to reflect on current Assurance activities and identify quick actions that can be undertaken/implemented in the current environment while ensuring we prepare for the future replacement of current technology, that is due to go-live in October 2027, where most of the assurance and compliance will be delivered as part of the system configurations and integrated workflows between the new CARMS replacement and PSOP replacement.

3.5. Although there are several actions which cannot be undertaken as a result of aging technology and/or financial implications, there are many activities that are currently underway to support the implementation of new automated controls to reduce the risks. This includes;-

- Automated removal of allowances upon changes in role (resulting in a rapid decrease of overpayment cases) – this will be in place by September 2025.
- MBS approvals of monthly payroll to be implemented by October 2025
- Continuous engagement with line managers and leaders to educate on impact of late notices of leavers or changes of roster and expense compliance issues and how to rectify.
- Production of compliance dashboards through Oracle Analytical Cloud for Senior Leaders and Budget holders will be rolled out through the Autumn of 2025 to O/BCUs.

4. Financial information

- 4.1. Implementation of the assurance framework is cost-neutral and is being delivered within existing budgets.
- 4.2. New financial reports will allow MBS to have greater visibility of the exceptions and/or errors at an earlier stage.

5. Conclusion

- 5.1. The Payroll Assurance Framework has provided a structured approach to managing risks within an outsourced, self-service payroll model. Continued refinement is required to address residual risks and improve transparency.
- 5.2. Further improvements will be made with the implementation of the new Oracle Fusion platform in October 2027 where more of the controls will be automated and therefore less manually intensive.
- 5.3. The Committee is asked to note improvements that have made to Payroll Assurance Framework, the additional controls and the plans to introduce a new MBS Assurance Board to assist the organisation to manage our risks and controls in this area.

Approval / consultation

- Prior governance via DARA Audit activity and MPS Op Risk Board

Name, job title of paper author

Mark Wilson, Director Met Business Services (MBS)

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	29 July 2025
Presented by:	Head of Planning, Performance and Risk, MOPAC
Title/Subject	MOPAC Annual Governance Statement 2024/25
Purpose of the Paper	This paper sets out a high-level summary of MOPAC's 2024/25 draft Annual Governance Statement and improvements intended through the Governance Improvement Plan, including key deliverables in 2024/25.

Recommendations

The Joint Audit Committee is asked to:

- a. Note the draft Annual Governance Statement for 2024/25 (Appendix A)
 - b. Note the improvements intended in MOPAC Governance through the Governance Improvement Plan.
-

1. Background/summary

1.1. Purpose of the Report

This report is submitted to the Joint Audit Committee to provide an overview of MOPAC's 2024/25 Annual Governance Statement and key areas for improvement.

1.2. Draft MOPAC Annual Governance Statement 2024/25

The draft Annual Governance Statement (AGS) for 2024/25, included at Appendix A, outlines the framework, processes, and procedures in place to enable the Mayor's Office for Policing and Crime (MOPAC) to fulfil its functions effectively in alignment with the new PCP, while continuing to ensure value for money.

1.3. Governance Improvement Plan (GIP)

The full GIP, which is an internal and unpublished document, is currently under review, with enhanced processes being piloted to track progress against delivery. MOPAC Board members will be asked to decide on the next steps for any recommendations outstanding prior to the 2023/24 AGS. This will include assessing the ongoing viability of each recommendation.

If a decision is made not to proceed with a recommendation, this will be formally recorded and logged, and communicated with a rationale, back to this Committee, DARA and included in the 2025/26 AGS.

2. Paper content

2.1. Introduction

- The AGS reflects MOPAC's governance performance in 2024/25. It covers both MOPAC and VRU, recognising their shared governance framework.
- The statement is informed by performance against the last 2023/24 AGS, governance/assurance related outcomes, and an anonymous senior leadership CIPFA governance survey; to assess how MOPAC was perceived to be performing against the seven CIPFA principles: integrity, effective intervention, stakeholder engagement, leadership, capability, outcomes, risk, and transparency.

2.2. Context

- New Deputy Mayor for Policing and Crime appointed (Oct 2024), following the resignation of Sophie Linden who served in office between 2016-2024.
- New Police and Crime Plan (2025–29) launched, in March 2025, setting strategic direction.

2.3. Strategic Objectives

- Four priorities: *Reducing violence and criminal exploitation, Building safer and more confident communities, Supporting and overseeing the MPS to deliver trusted, effective policing; and Improving the criminal justice service and supporting victims.*
- Delivery through oversight, commissioning, performance management and partnerships.

2.4. Governance Position

- A 2024/25 Directorate of Audit, Risk and Assurance (DARA) led audit into MOPAC's internal governance arrangements concluded in the final report shared in May 2025 that an **adequate control framework** supports the internal governance of MOPAC.
- Recommendations focused on improving decision-making, assurance, and governance efficiency. Implementation of actions is currently underway.

2.5. Key Deliverables against 2023/24 Annual Governance Plan

Area	Commitment (from 2023/24 Statement)	Progress/Outcome (2024/25)
London Policing Board (LPB) Review	Review MOPAC's internal governance for strategic oversight of MPS.	Full review completed by May 2025.
Community Scrutiny Transformation	Identify a target operating model to streamline community scrutiny.	Completed with costed options; piloted in Hackney; now part of joint MOPAC/MPS programme.
VRU and MOPAC Transparency Collaboration	Increase transparency and oversight for DMPC and VRU Director.	Enhanced internal transparency; shared monthly and quarterly violence trend reports.
Procurement Transformation Strategy	Align with national procurement policy and develop internal capabilities.	Strategy published; actions progressed in Corporate Procurement Team Development Plan.
Performance Monitoring (VRU)	Agree KPIs for each VRU priority area.	KPIs now tracked across all priority areas within a performance framework.
MOPAC Commissioned Services Data Standardisation	Improve data collection, analysis, and management.	Standardised metrics; began collecting person-level data for better oversight.
Partnership Strategy	Define MOPAC's stakeholder engagement approach.	Draft Stakeholder Engagement Strategy developed and ready for launch.

2.6. Additional Governance and Assurance Improvements during 2024/25

Area	Details
Risk Management	Framework refreshed per Government's Orange Book; improved templates and awareness.
Transparency	On-time responses to Mayor's Questions improved (39% → 51%); continued publication of decisions and reports.

MPS Oversight	MOPAC's role in MPS exiting Engage process recognised by HMICFRS.
Information Governance	Strengthened with permanent DPO and updated policies; no further regulatory action post 2023/24 breach.
Commissioning Improvements	Commissioning Improvement Group reviewed grant/contract processes for transparency and ethics.

2.7. Areas for Improvement - 2025/26

Governance Principle	Improvement Actions
Openness & Stakeholder Engagement	Publishing the Stakeholder Engagement Strategy, to be complemented by the development of a defined and pragmatic approach to coordinated external stakeholder engagement and improve the accessibility and regularity of published information
Effective Interventions & Decision Making	Enhance data-driven decisions with better data, impact assessments, and assurance frameworks; implement revised delegation scheme; improve integration of VRU and MOPAC governance.
Leadership & Capability	Formalise succession planning and leadership development to strengthen organisational resilience.
Risk, Finance & Performance	Improve risk ownership and reporting; align risks across levels; use AI for early warnings; integrate budget and performance into governance.
Transparency & Audit	MOPAC to clarify MPS oversight via London Policing Board with thematic focus; expand public dashboards for VRU performance.
Outcomes & Sustainability	VRU will promote evidence-based, sustainable practices; build partner capacity; explore innovative commissioning.

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.

4. Key risks and metrics

- 4.1. MOPAC may lose critical capability in the delivery of assurance, risk oversight, and governance improvement due to the current fixed-term status of Governance and Assurance-related roles, which are at risk due to efficiency saving requirements. As these are currently MOPAC's only dedicated resources for these functions, staff departures could leave MOPAC without the capacity to deliver effective assurance. This creates an organisational vulnerability, with mitigations being considered. **Impact High / Likelihood High**

5. Further considerations

- 5.1. This year's Annual Governance Statement (AGS) aligns more closely with the National Audit Office (NAO) guidance on good practice principles. In essence, this means presenting a fair and balanced account of our 'corporate story'. The emphasis has been on using plain English, reducing word density, and incorporating diagrams and visuals to convey key messages more effectively.
- 5.2. The AGS has not intended to cover all aspects of our work. Rather, it aims to be candid about our main challenges while remaining concise and focused. It is standard practice to outline key risks and mitigations, as this year's AGS does, and to list our principal internal governance boards and groups. While some organisations also include information on the diversity of board/group membership, we have instead chosen to highlight the purpose and frequency of our key internal governance arrangements. This is an area we may consider expanding on in future AGSs.

6. Conclusion

- 6.1 The 2024/25 Annual Governance Statement reflects MOPAC's continued commitment to transparency, accountability, and improvement. It presents a clear and honest view of our governance arrangements, key challenges, and the steps being taken to strengthen oversight and assurance.
- 6.2 Looking ahead, MOPAC will aim to continue to refine its governance approach in line with best practice, ensuring that decision-making is evidence-based, inclusive, and resilient. The Joint Audit Committee's support in reviewing and feeding back on this statement is an important part of that journey.

7. Recommendations

The Joint Audit Committee is asked to:

- a. Note the draft Annual Governance Statement for 2024/25 (Appendix A)
- b. Note the improvements intended in MOPAC Governance through the Governance Improvement Plan.

Approval / consultation

The Annual Governance Statement (AGS) was prepared by the Head of Planning, Performance and Risk, following consultation with MOPAC Board and Senior Leadership Team. The AGS has been signed by the Deputy Mayor for Policing and Crime, Kaya Comer-Schwartz, and Chief Executive Officer, Darren Mephram. An unsigned version is published on the GLA website.

The Director of Finance and Corporate Services has reviewed and approved this cover paper to ensure key risks are appropriately reflected.

Name, job title of paper author

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

Appendices

Draft Annual Governance Statement for 2024/25 (Appendix A)



Annual Governance Statement 2024/25

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1. Introduction

This Annual Governance Statement (AGS) sets out how MOPAC's governance arrangements supported the delivery of its responsibilities during 2024 to 2025. It explains how MOPAC managed risk, maintained internal control, and provided effective oversight, particularly in a complex and changing environment.

The AGS is an opportunity to reflect on how MOPAC applied the principles of good governance in practice. It draws on evidence from internal and external audit, performance reports, senior leadership self-assessment, and staff feedback. It highlights the progress made, the challenges faced, and how MOPAC intends to continue improving.

This statement covers both MOPAC and VRU, recognising their shared governance framework. It is published alongside the Statement of Accounts and follows the principles set out in the CIPFA Delivering Good Governance in Local Government Framework.

2. Context

The Mayor's Office for Policing and Crime (MOPAC) oversees the Metropolitan Police Service (MPS) to secure professional, efficient, and effective policing in London. MOPAC sets priorities for policing and community safety, commissions services, agrees the policing budget, and; holds the MPS Commissioner accountable for service delivery.

The Mayor, as Police and Crime Commissioner, is responsible for setting the strategic direction and holding the Met to account. This includes formal oversight of the MPS, performance scrutiny, and strategic policy development.

Kaya Comer-Schwartz was appointed London's new Deputy Mayor for Policing and Crime (DMPC) in October 2024, following the resignation of Sophie Linden who served in office between 2016-2024.

In March 2025, a new Police and Crime Plan (PCP) was published. It sets out the Mayor's high-level priorities for policing, crime, and community safety in London from 2025 to 2029. The Mayor's aim is to make London safer for all, by being tough on crime and on its underlying causes.

3. MOPAC's Strategic Objectives

The Mayor's PCP 2025 to 2029 sets the direction for policing and crime reduction across London. MOPAC supports the Mayor in delivering this plan through strategic oversight, commissioning, and coordination of services that reduce harm and improve public confidence in policing.

The strategic priorities for the period are:

- Reducing violence and criminal exploitation

- Building safer and more confident communities
- Supporting and overseeing the MPS to deliver trusted, effective policing
- Improving the criminal justice service and supporting victims

These are underpinned by our statutory duty to ensure the efficiency, effectiveness, and maintenance of the MPS. MOPAC delivers its responsibilities through:

- Oversight and scrutiny
- Strategic commissioning
- Performance management
- Partnerships and collaboration
- Evidence and insight

MOPAC and the VRU has around 300 staff, organised across directorates including Commissioning and Partnerships, Finance and Corporate Services, HR and Secretariat, Strategy and MPS Oversight, and the Directorate of Audit, Risk and Assurance (DARA). Specialist teams hosted by MOPAC include the Violence Reduction Unit (VRU) and the Independent Victims Commissioner for London.

Directorate of Audit, Risk and Assurance (DARA)

DARA is the lead internal audit provider to the GLA group supporting the Mayor's collaboration agenda by delivering shared services to the GLA, London Fire Brigade, London Legacy Development Corporation, Old Oak and Park Royal Development Corporation, and provides a service to the National Police Chiefs Council. As a result, overheads are reduced, and more efficient use made of audit resources. DARA work in partnership with the private sector drawing on skills available in specialist areas.

The London Victims' Commissioner

Claire Waxman was appointed by the Mayor of London as London's first Independent Victims' Commissioner in 2017 and re-appointed in May 2021. Her role is to work alongside victims and survivors, amplifying their voices and promoting their interests with criminal justice partners, to ensure that they are heard and that lessons are learnt to inform and shape practices, policies, and service provision. Claire reports directly to the DMPC and plays a significant role in stakeholder engagement and overseeing the delivery and performance of MOPAC's Victims' commissioning service.

3.1 How we work

Oversight: We hold the MPS responsible for providing a professional and effective service.

Partnership Boards: We collaborate with partners on various areas including crime, victims, and safety.

Community Scrutiny: We help communities review the work of the MPS.

Commissioning: We commission crime prevention and reduction services (pan-London and in collaboration with London boroughs). We also commission a range of services supporting victims of crime, tackling perpetrators of crime, and reducing reoffending.

Advisory Functions: Independent advisors help us enhance MPS services.

Scrutiny of MOPAC: The Police and Crime Committee holds us accountable for overseeing the MPS.

Assurance: We work with independent bodies that audit and provide assurance to MOPAC and the MPS.

National MPS Oversight: We collaborate with other bodies overseeing the MPS.

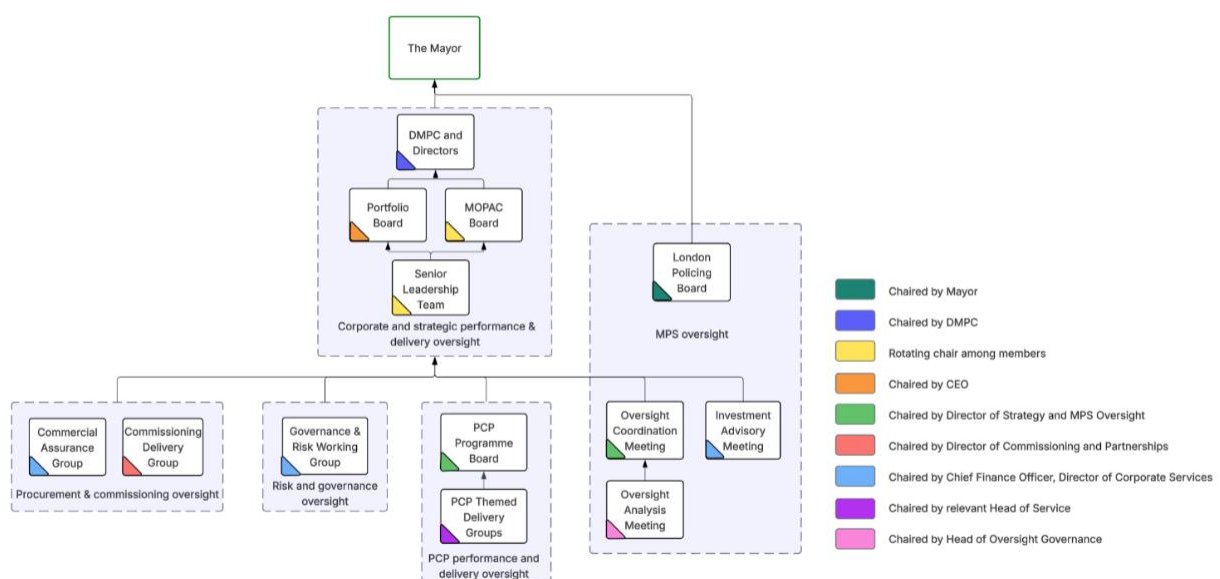
This framework ensures governance, decision making, and risk oversight are embedded throughout MOPAC.

3.2 Internal governance framework and management structure

MOPAC's key internal Governance Boards (2024/2025)	
DMPC and Directors Chair: DMPC Frequency: Fortnightly Purpose: To gain DMPC approval of delegated Decisions and issues escalated from MOPAC Board; To agree Budget, Decisions, Mayoral Policy, and Delivery Unit (MPDU) reporting and work plan proposals, For the Board to be accountable to the DMPC.	MOPAC Board Chair: Rotating – Director level Frequency: Weekly Purpose: Strategic and operational leadership of MOPAC to approve Decisions under the Scheme of Delegation and/or escalate Decisions as appropriate to DMPC, Budget, performance, and risk monitoring, Ensuring MOPAC has the capability to deliver current and future business needs including workforce planning and infrastructure considerations.
Portfolio Board Chair: CEO Frequency: Monthly Purpose: To oversees core programmes and projects, balancing changes with business as usual to optimise outcomes for Londoners. It manages strategic benefits and operational efficiency, focusing on the PCP and MOPAC Change Programme, prioritising resources based on strategic direction and cross-portfolio risks.	Police & Crime Plan Programme Board Chair: Director of Strategy/MPS Oversight Frequency: Quarterly Purpose: To ensure MOPAC and partners' work aligned with 2022-25 PCP outcomes, addresses delivery issues, and escalates strategic impacts to the Portfolio Board. Meetings report successes, challenges, and next quarter priorities, with updates to the Portfolio Board and DMPC.
Commercial Assurance Group (CAG) Chair: CFO	Commissioning Delivery Group (CDG) Chair: Director of C&P

Frequency: Fortnightly Purpose: Brings together representatives from MOPAC and VRU to provide assurance on procurement and commercial activities. It serves as a pre-decision scrutiny advisory meeting, offering recommendations and guidance, but does not make decisions. It is a source of assurance to the Board.	Frequency: Monthly Purpose: Oversees key areas within Commissioning and Partnerships (C&P) linked to the Mayor's PCP. It ensures effective delivery of projects, manages risks, and provides strategic direction. CDG assures all commissioning activity aligns with MOPAC's principles but does not make formal decisions.
Senior Leadership Team Chair: Rotating – SLT level Frequency: Monthly Purpose: Discuss corporate business matters and their impact on the organisation, explores delegated decision power (e.g., Delegated Decision Records - DtRs), and considers the reporting mechanism based on these discussions.	Governance & Risk Working Group Chair: CFO Frequency: Bi-monthly Purpose: To support continuous improvement and provide strategic oversight to identify, assess, and manage responses to internal and external audits and cross-cutting corporate risks, ensuring robust risk management, regulatory compliance, and effective delivery of strategic objectives. Corporate risks are serious organisational threats that could impact MOPAC's mission, efficiency, MPS oversight, and reputation.

MOPAC's internal governance structure 2024/25:



4. VRU Strategic Objectives

In 2023, London's Violence Reduction Unit (VRU) published its refreshed strategy, emphasising the collective role we all play in sustainably reducing violence and ensuring everyone feels safe in the city. The VRU's vision is to work alongside communities to create change and opportunities for all.

The VRU's three impact goals set out what we need to change in our communities and how we'll work in partnership to achieve them.



5. Assessment of current position

A 2024/25 Directorate of Audit, Risk and Assurance (DARA) led audit into MOPAC's internal governance arrangements concluded in the final report shared in May 2025 that an **adequate control framework supports the internal governance of MOPAC.**

The audit provided recommendations for additional key controls that need improvement to enhance and facilitate decision-making, provide greater assurance over the delivery of strategic priorities and objectives, and increase the efficiency and effectiveness of governance operations. The findings were anticipated, and measures have already been approved by MOPAC Board to directly respond to the recommendations.

The following section assesses MOPAC's position against each of the seven principles of the CIPFA framework for good governance in the public sector. To support this an anonymous survey was conducted of the MOPAC Board and Senior Leadership Team (SLT)

5.1 Risk Management & Financial Planning

We have refreshed MOPAC's approach to risk management to align with Government's *Orange Book*¹ ensuring consistency with government practice, strengthening accountability, and supporting more informed, evidence-based decision making.

We have in place a Risk Management Framework and Risk Appetite Statement, which are embedded through quarterly 'Get to Know' sessions with staff. The Framework sets out MOPAC's strategic approach and provides practical guidance on how risks and issues are identified, assessed, and managed across MOPAC.

Risk processes, including the corporate risk register, are reviewed bi-monthly by the Governance and Risk Working Group (GRWG), which includes representatives from Board. The VRU contributes to the corporate risk register and maintains its own overarching risk register, reviewed quarterly, with programme-level risk registers for specific initiatives.

The GRWG supports continuous improvement across MOPAC by overseeing delivery against the Governance Improvement Plan (GIP). The GIP outlines specific actions to address areas for improvement identified through the AGS self-assessment, the MOPAC business continuity plan, and internal/external audit recommendations, ensuring that enhancements to governance, risk management, and internal control arrangements are delivered effectively.

Corporate Risk Register

MOPAC's corporate risks are reported quarterly to the Joint Audit Committee². We have refreshed our templates to provide an increased focus on risks which have a cross-departmental, organisational-wide impact, highlighting how interconnected different parts of the business are and interdependencies. This approach allows us to better understand how risks build up across different areas, how they might combine, and what the overall impact could be. It also enables collaboration across teams, so they don't work in isolation and use the corporate register to inform decision-making at a leadership level.

During the reporting period, particular attention was given to managing business continuity and cyber resilience risks, following the Transport for London (TfL) cyber security threat. These risks are managed within the frameworks of the MOPAC Business Continuity Plan, which was reviewed following the incident, in September 2024. They are also included in MOPAC's corporate risk register and GIP. These documents are reviewed regularly to ensure that appropriate mitigations are in place.

¹ <https://www.gov.uk/government/publications/orange-book>

² <https://www.london.gov.uk/programmes-strategies/mayors-office-policing-and-crime/governance-and-decision-making/mopac-finance-and-audit/mopacmps-audit-panel>

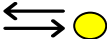
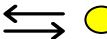
Risk Assessment 2024-25

We use a 5x5 scoring methodology to assess the impact and likelihood of risks materialising, ensuring consistent risk assessment. This approach also enables risk-informed decision-making and allows us to focus our resources on the most significant risks. MOPAC's top six risks are listed below.

- 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.

Key										
Risk Assessment end of March 2025	HL		Likely		Possible		Unlikely		HU	
Risk Trend	Risk Increase		Risk Decrease		No risk movement					
Links to other corporate risks	Pe [People] Com [Compliance] Rep [Reputational] Op [Operational] Fi [Financial] Stra [Strategic] Inf [Information]									

Risk description	Examples of Activities to manage risk
R1 Strategic - This risk is about MOPAC's ability to respond to existing and new challenges and priorities amidst reducing budgets and the impact of this on headcount, including delivering the PCP. It also highlights concerns that staff morale and well-being may be negatively affected. Pe, Com, Fi, Op, Rep 	Frequent MOPAC board oversight addresses resourcing needs and capacity issues through strategic workforce planning, critical activity tracking and appropriate PMO tracking of key projects. The People Strategy 23- 26 sets out objectives and actions to drive high performance and staff engagement including consideration of wellbeing. A new Planning and Performance Manager will join next month to enhance business planning, performance analysis,

	and resource allocation to meet various requirements.
R2 Reputational - This risk is about the possibility that the follow-up to Baroness Casey's review may not demonstrate the desired improvements in the MPS/MOPAC relationship and wider system performance, potentially leading to worse outcomes for Londoners. Stra, Op 	MOPAC established the London Policing Board (LPB) to hold the MPS accountable for progress on Casey review recommendations. An external review of the LPB's effectiveness ensures independence, with findings guiding improvements and follow-up on Casey's recommendations. MOPAC representatives sit on various important governance committees of the MPS such as EXCO, the Investment & Portfolio Group and the Audit, Risk & Assurance Committee which allows sight of progress in delivering MPS reform.
R3 Technology - This risk is about IT system failures that continue to hinder MOPAC's ability to conduct its business efficiently and effectively, following the TfL cyber threat in September 2024, causing knock-on impacts on all work done and staff engagement. Pe, Op, Stra 	These risks are managed within the MOPAC Business Continuity Plan, reviewed in September 2024 following the attack, and included in the corporate risk register and Governance Improvement Plan (GIP). Both are regularly reviewed to ensure appropriate mitigations.
R4 Operational - This risk is about MOPAC's dependence on third parties (including within the Criminal Justice System, other statutory parties, and volunteers) to provide numerous services. Due to the challenging economic situation, some partners may be unable to fulfil their obligations, negatively impacting MOPAC's ability to improve outcomes for Londoners. Stra, Rep 	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.
R5 Strategic - This risk is about the possibility that the MOPAC/MPS relationship may not function optimally from either or both perspectives, leading to a weakening of MOPAC's oversight and, consequently, the transparency and accountability expected by Londoners. Inf, Com, Fi 	MOPAC and the MPS will enhance strategic alignment through frequent leadership engagement to agree on shared priorities. MOPAC's oversight, including the London Policing Board (LPB), will continue to monitor progress against the New Met for London (NMFL) plan, Baroness Casey's findings, and the PCP.
R6 Financial - This risk is about the sustainability and resilience of MOPAC's mid-	MOPAC has a three-year Mid-term financial plan (MTFP), and action is underway to

term financial plan, especially due to the uncertainty regarding the continuity and amount of external funding, which could impact MOPAC's ability to deliver on the PCP effectively.

Rep, Op, Stra



address the deficit forecast in years 2 and 3. MOPAC has a Reserves Strategy which includes a General Reserve which has been bolstered for three consecutive financial years.

Financial Management (full details in Annual Statement of Accounts)

MOPAC operates within a defined budgetary framework that is aligned to the Mayor's consolidated GLA budget and subject to Assembly scrutiny.

Internal controls include quarterly financial reporting, value for money (VfM) reviews and oversight from the Chief Finance Officer, Directorate of Audit, Risk and Assurance (DARA) and external auditors. These controls help ensure economy, efficiency, and effectiveness in the use of public funds.

In June 2024, DARA reviewed MOPAC's Budgetary Control Framework and concluded an adequate control framework was in place with some controls needing to improve.

Value for Money (VfM)

We demonstrated VFM during 2024/25 through effective budget management, the careful reprofiling of commissioned services and the prudent, planned use of reserves. MOPAC's approach to financial planning and management in 2025/26 aligns to the governance principles set out in this Statement.

MOPAC's full year approved budget for 2024/25 was £76.788 million. Subject to the approval of all carry forwards, the final outturn is £73.017 million, resulting in an underspend of £3.771 million. This includes £2.840 million within MOPAC (excluding the VRU) and £0.932 million in the VRU. The underspend is largely due to the reprofiling of commissioning programmes and lower demand led services.

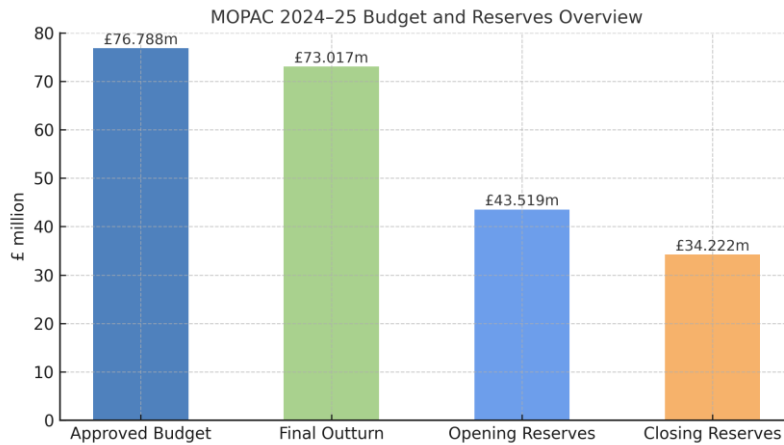
Financial Planning and Sustainability

MOPAC's opening reserves balance for 2024/25 was £43.519 million. Assuming the proposed carry forwards and transfers are agreed, the closing reserves balance will be £34.222 million, representing a net drawdown of £9.298 million. This supports multi-year commissioning and provides budget resilience.

A balanced budget has been set for 2025/26, with ongoing reliance on reserves. MOPAC and MPS continue to monitor reserve level, with the aim of maintaining total reserves above £125 million across the medium term to ensure financial sustainability and resilience.

The chart below presents MOPAC's approved budget and final outturn for 2024/25, alongside the opening and closing reserve positions. It highlights the overall underspend

during the year and the drawdown from reserves to support commissioned activity and financial resilience.



An internal survey among the MOPAC Board and Senior Leadership Team (SLT) revealed mixed awareness of value for money processes. Addressing this inconsistency will be a focus for 2025/26.

5.2 Implementing good practices in transparency, reporting & audit to deliver effective accountability

Performance Reporting (MOPAC)

We send a comprehensive monthly report³ to the Police and Crime Committee (PCC), detailing key performance information against agreed objectives and outcomes. The DMPC and MOPAC officers regularly attend PCC meetings, and the DMPC, CEO, and CFO appear as required by the Budget and Performance Committee. MOPAC publishes both MPS and MOPAC operational and financial performance reports⁴ on a quarterly basis.

In the year 2024/25, MOPAC:



answered 752 written Mayor's Questions, of which 51% were submitted ahead of, or on time. To provide some context, most of these questions require input from the MPS and therefore MOPAC does not have complete control over the response rates. **This is an increase from 39% in the 2023/24 reporting year.**



answered 106 Freedom of Information requests, 73% of which were responded to on time. **This is a decrease from 79% in the 2023/24 reporting year.**

³ <https://www.london.gov.uk/about-us/londonassembly/meetings/documents/s116213/06a%20Appendix%201%20-%20Report%20to%20the%20Police%20and%20Crime%20Committee.pdf>

⁴ <https://www.london.gov.uk/programmes-strategies/mayors-office-policing-and-crime-mopac/keep-date-mopac-work/mopac-publications>

Performance against FOI and MQs is reviewed regularly by the MOPAC SLT and DMPC. Mayoral and DMPC Decisions, Oversight Board agendas and minutes continue to be published on the website.

MOPAC London Policing Board (LPB)

In last year's Annual Governance Statement, we committed to reviewing MOPAC's internal governance to ensure a more strategic approach to overseeing the efficiency and effectiveness of the MPS. This review focuses on assessing the LPB's performance against its objectives, evaluating its strategic direction, Board practices, Terms of Reference, and overall goals. It will also identify successes, challenges, lessons learned, and opportunities for improvement. The findings will inform a follow-up review of progress against Baroness Casey's recommendations, highlighting the proactive steps taken by the LPB and MOPAC to enhance Board effectiveness. The review is expected to conclude by the end of May 2025, with MOPAC receiving the final report shortly thereafter.

MPS Exits Engage Process with MOPAC's Oversight

The MPS successfully exited the Engage process in January 2025, following significant improvements in areas such as call handling, child exploitation, public protection, and workforce planning. MOPAC played a crucial role in overseeing these enhancements, ensuring that the MPS met the necessary standards and continued to progress towards sustainable improvements.

HMICFRS were clear that exiting Engage does not mean all areas of concern have been resolved. But the inspectorate was assured the force has credible and sustainable plans in place to address the issues identified and these are starting to see impact. Therefore, the same level of intense monitoring that takes place under Engage is not needed.

In explaining his decision at Police Performance Oversight Group (PPOG), Sir Andy Cooke cited the public scrutiny taking place through MOPAC as a key factor in his decision to move MPS out of Engage. Through MOPAC's oversight, including the LPB, we will continue to monitor progress against the New Met for London (NMFL) plan, Baroness Casey's findings, and the PCP.

Overhaul of Community Scrutiny & Engagement

In our last Annual Governance Statement, we committed to identify a preferred target operating model for removing duplication and streamlining MOPAC's approach to community scrutiny mechanisms. This has now been completed with costed options for delivery. A pilot has also been underway in Hackney, testing some of the key principles, and the learning from this will feed into the final implementation. This work is now being taken forward through the joint MOPAC/MPS Community Scrutiny Transformation Programme.

Partnership Reference Group (VRU)

The VRU Partnership Reference Group (PRG), established in September 2018, aims to reduce violence across London. Chaired by the Mayor, it includes representatives from various sectors such as voluntary, community, youth groups, health, education, police, probation, and local government. The 32 London boroughs are represented by the London Councils Executive Member for Community Safety.

The PRG meets quarterly, with agendas, reports, and minutes available online. The VRU Director reports to the PRG. Additionally, a PRG executive board meets beforehand to enhance service coordination across London, involving the MPS, local authorities, youth services, health services, criminal justice agencies, and City Hall. This board focuses on effective practices, identifying challenges, guiding actions, and sharing best practices.

Young Futures Prevention Partnerships (VRU)

London's VRU has responsibility for establishing and overseeing the implementation of the Government's Young Futures Prevention Partnerships, a key delivery programme for its broader Safer Streets mission. This initiative will work to ensure the right referral routes and the latest evidence on risk factors for young people are being used; and addressing local systemic challenges.

Enhancing Transparency and VRU/MOPAC Collaboration

In our last Annual Governance Statement, we committed to MOPAC and the VRU working together to increase transparency and provide greater oversight for the DMPC and the Director of the VRU. This ongoing collaboration has led to enhanced internal transparency through the development of analytical outputs, such as monthly and quarterly violence trends.

The VRU's Research, Monitoring, Evaluation & Learning (RMEL) team regularly meets with MOPAC's E&I team to share insights and signpost relevant publications. The VRU's performance reporting and Evidence Hub ensure public transparency.

Contracts and Grants

Police and Crime Commissioners must publish information⁵ to be held accountable, as mandated by the Police Reform and Social Responsibility Act 2011. This includes spending details. MOPAC has enhanced transparency by publishing more detailed information on its website, allowing the public to view MOPAC's contracts and grants register, alongside the Finance and Performance Quarterly Report.

Contract awards over £25k in value are published on Contracts Finder and/ or Find a Tender Service as required for compliance with legislation, therefore publication on the website is not required in addition.



An internal survey among the MOPAC Board and SLT highlighted the need for a better framework to publish documents in a timely manner. Addressing this inconsistency will be a focus for 2025/26.

⁵ <https://www.london.gov.uk/programmes-strategies/mayors-office-policing-and-crime/governance-and-decision-making/mopac-finance-and-audit>

5.3 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Governance and Compliance at MOPAC

MOPAC ensures the MPS acts lawfully through its governance framework, supported by the London Policing Ethics Panel, which provides independent advice on complex policing issues. This advice informs oversight and supports DMPC meetings with the MPS.

- MOPAC's financial management aligns with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010), as noted in the Code of Practice on Local Authority Accounting.
- MOPAC complies with various statutory requirements, publishing decisions in line with transparency orders. New requirements are monitored by MOPAC's Governance and Risk Working Group.
- MOPAC has an anti-fraud policy, with DARA providing counter-fraud services. Both MOPAC and the VRU have a code of conduct and values promoting integrity. MOPAC's whistleblowing policy allows staff to raise concerns about honesty and integrity.

Information Governance

Resource in the Information Governance team has been strengthened with the recruitment of a permanent Data Protection Officer (DPO) and a Data and Information Governance Officer, eliminating reliance on external support. All staff are required to complete annual mandatory data protection training, as per the NHS Data Security and Protection Toolkit, and new starters must complete an e-learning course on information security and data protection during induction.

Since the data breach in 2023/24, MOPAC has received no further reprimands or regulatory action. All data protection policies and processes have been reviewed and updated, with annual reviews planned. The DPO ensures compliance with data protection legislation, including monitoring programmes. The Information Governance team collaborates with Data Protection Champions to improve documentation, processes, and raise awareness. They are reviewing Records of Processing Activities, DPIAs, and data processing agreements, while supporting various projects and colleagues.

Commissioning Improvement Activity

MOPAC's approach to commissioning is reinforced within the new Police and Crime (25-29) and is grounded within five core principles: Londoners are the driving force of our work. Through listening to Londoners, London's victims of crime and London's service users we can understand how to make a positive impact with real meaning, from policy development through to commissioning, service delivery and service evaluation.

- We are relentless in our pursuit of equality, inclusion and diversity.
- We recognise all assets and strengths of London's diverse communities, leading through empowering others and enabling outcomes.

- We foster collaboration and co-production with partners, providers and service users.
- We use a broad range of evidence to inform commissioning and contributing our own insight evidence through reflection and evaluation.

The Commissioning Improvement Group (CIG), established following the completion of the Commissioning Academy training programme in late 2021, continues to drive the continuous improvement of MOPAC's approach to commissioning. This commitment to continuous improvement reflects MOPAC's dedication to integrity and ethical values.

In Q3 2024/25, CIG initiated a review of MOPAC's grant and contract management processes, which will continue into 2025/26. This review, conducted in collaboration with the Procurement, Contracts, and Grants team, aims to share good practices across MOPAC and identify opportunities for further development, ensuring that our processes are transparent and ethically sound.



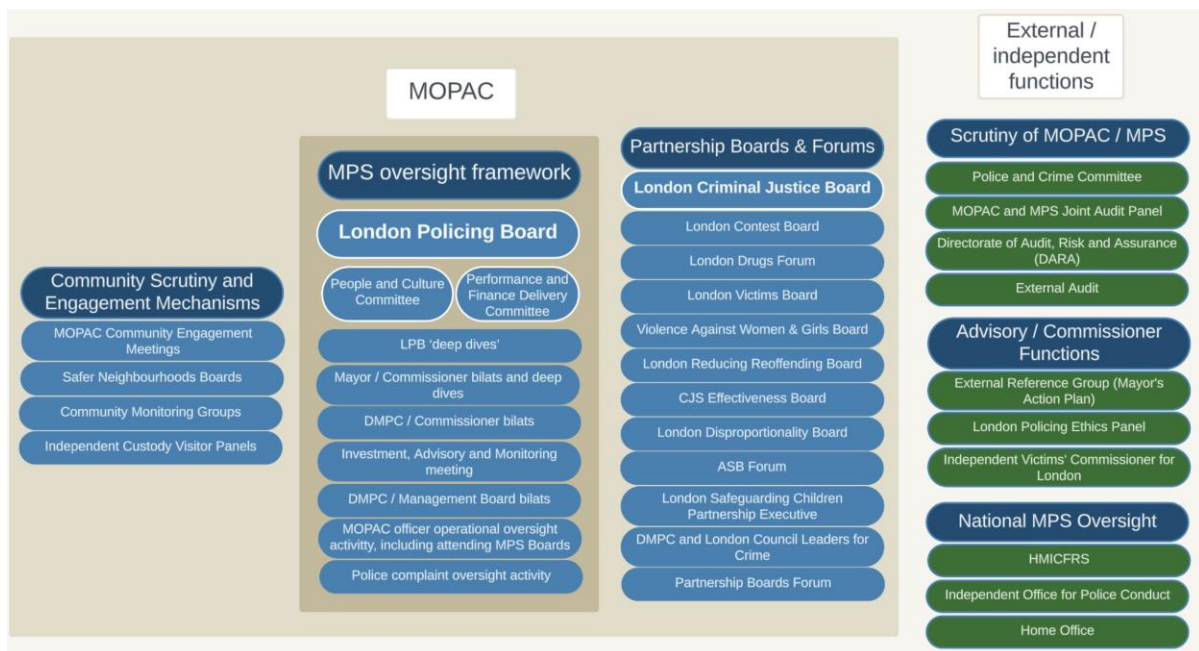
An internal survey among the MOPAC Board and SLT highlighted that ethical policies were not easily accessible, resulting in low awareness of this documentation. This has recently been addressed through a new draft Corporate Policy Framework, which provides a structured approach for developing, reviewing, approving, and maintaining organisational policies.

5.4 Ensuring openness and comprehensive Stakeholder Engagement

Collaborating with partners is essential for delivering the Mayor's PCP objectives. MOPAC has a statutory duty to work with stakeholders, including criminal justice agencies, local authorities, voluntary sector, and private sector organisations to reduce crime and oversee the MPS.

MOPACs new Partnership Strategy

In our last Annual Governance Statement, we committed to defining MOPAC's overarching approach to stakeholder relationships across MOPAC through a new Partnership Strategy. This has been completed, and we have developed a draft Stakeholder Engagement Strategy outlining processes and actions to embed. The strategy will be launched in summer/spring 2025.

MOPAC Partnership, Oversight and Advisory Arrangements 2024/25**MPS Oversight Governance**

To support continual improvement, MOPAC has shifted from individual MPS Assistant Commissioner (AC) portfolio-led bilats to monthly thematic oversight sessions and ad hoc briefings as needed. During this AGS reporting period, MOPAC officer assessments identified that the previous format did not allow for in-depth analysis of issues, often covering multiple areas that the AC was not fully immersed in. This meant the right actions were not always identified or followed through. Baroness Casey noted that MOPAC had been ‘pushed into the tactical, away from the strategic’ in its oversight. By shifting to a pre-agreed list of 12 areas for thematic oversight, we aim to adopt a more strategic approach. This will create opportunities for more candid and direct oversight of the MPS, allowing for a deeper focus on specific areas to better understand what is working well, what is not, and to identify challenges, barriers, and opportunities.

Consultation Process for the Mayor's PCP 2025-2029

In developing the Mayor's PCP 2025-2029, a comprehensive consultation process was undertaken to ensure the PCP reflects the priorities and concerns of Londoners. Over 4,000 residents participated through surveys and public meetings, providing valuable insights into community needs and expectations. Key partners, including the MPS, local authorities, health services, criminal justice partners, and voluntary groups, were also consulted. This collaborative approach ensured that the PCP is well-informed and aligned with the strategic objectives of all stakeholders, fostering a safer and more confident community.

Community scrutiny and engagement

Increasing trust and confidence in the MPS is a key MOPAC priority, and we know both are associated with effective police engagement. Transparency and accountability are also important factors in building public trust. In line with this, MOPAC has carried forward work

to overhaul community scrutiny and engagement through the Community Scrutiny Transformation Programme, which aims to ensure our mechanisms are as transparent, inclusive, and effective as possible.

Outcomes:

Hackney Community Police Scrutiny Panel Pilot:

- Continued to meet and review stop and search encounters, including Body Worn Video.
- Provided opportunities to test key principles within the London-wide community scrutiny transformation programme.

London Independent Custody Visiting Scheme:

- Forms an important part of our community scrutiny structure and informs police custody practice.

Volunteer Independent Custody Visitors:

- Made 510 visits to police custody suites across London.
- Engaged with over 1800 detainees to check on their rights and entitlements.

Capacity Building:

- Recruited 45 new Independent Custody Visitors during the year.

London Policing Board Engagement:

- Worked with designated Board members to bring the voice of Londoners into the London Policing Board.
- Included members attending local community engagement events and meetings of the London-wide Stop and Search Community Monitoring Network.
- Brought together the Chairs of the local community monitoring groups.

VRU Key Activities

Theme	Output
Embedding Youth Voice	Young People's Action Group (YPAG): Ages 16-24, lived experience of violence or school exclusion. Roles: Shape programmes, promote inclusive practices, tackle online harms, increase opportunities, advocate for young women and girls. Activities: Co-develop strategy, design interventions, influence systems, champion youth participation.
Embedding and Championing the Role of Youth Practitioners	Youth Practitioners' Advisory Board (YPAB): Co-chaired by London Youth, experienced frontline youth workers. Roles: Guide VRU's work, provide expertise, maintain sector relationships, centralise youth practitioners' voices.
Working in Partnership with Stakeholders and Communities	Approach: Partnership rooted in prevention and early intervention. Stakeholders: Young people, NHS, schools, MPS, local

	authorities, various organisations.
Education	Initiative: London's first Inclusion Charter. Support: Nearly all London boroughs, 20 national charities. Engagement: Pan-London network, best practice.
Health	NHS London: Violence Reduction lead appointed. Representation: VRU's Partnership Reference Group. Steering Group: Co-chaired by NHS Violence Reduction Lead and VRU Director.
Community Safety Partnerships	Collaboration: All London borough community safety teams. Coordination: Quarterly meetings, outreach after critical incidents. Updates: Trends, funding, collaborative projects, voluntary and community sector support.
The MPS	Partnership: Shared objectives to tackle violence. Support: Full-time Chief Inspector embedding violence reduction work.
Working with Charities and the Voluntary Sector	Network: Top 15 VCS organisations in London. Leverage: Local knowledge and insights to respond to community needs.



An internal survey among the MOPAC Board and SLT revealed that respondents felt MOPAC is open and transparent. However, they identified the need for more accessible, regular, and proactive publications. Resourcing this work was noted as a challenge. Addressing this inconsistency will be an area of focus for 2025/26.

5.5 Defining outcomes, sustainable economic, social, and environmental benefits

Serious Violence Duty (VRU)

The Serious Violence Duty (SVD) came into effect nationally in January 2023, ensuring that councils and local services collaborate to better understand, develop, and implement plans that prevent violence and reduce harm to communities. In London, Community Safety Partnerships (CSPs) are responsible for delivering the SVD at a local level.

Key Outcomes:

Support for Local Authorities:

- Development of Serious Violence Strategic Needs Assessments and Serious Violence Strategies.
- Allocation of Home Office funding across all London boroughs to enhance the reach and impact of prevention work.

Research and Strategic Assessment:

- Conducted further research to support a new pan-London strategic assessment of violence.
- Explored improvements in analysis to assist London boroughs.

Violence and Vulnerability Reduction Action Plans:

- Each of the 32 London boroughs has developed Violence and Vulnerability Reduction Action Plans.
- Ensured consistency in efforts to reduce violence across London.
- Provided opportunities to share good practice, research, and evidence.

Annual Review and Support:

- The VRU will continue to support local CSPs in annually reviewing and refreshing their plans.

Improvement of Data Access:

- MOPAC and the VRU will work to improve community safety partners' access to a range of pan-London community safety data covering policing, health, transport, and fire safety.
- Enhanced understanding of local issues and trends.

Outcomes Focused Performance Framework (VRU)

The VRU established an Outcomes Focused Performance Framework that embodies its public health approach and commitment to community-led responses to violence. By using a data-driven, evidence-based approach supported by robust measures, the Framework ensures the VRU is maximising its impact, with clearly defined, measurable outcomes that guarantee transparency and value for money.

VRU work is organised into priority areas, with the first five areas reflecting the contexts within which violence occurs, and the sixth priority area, 'Systems and Sector,' capturing research, data insights, and policy advocacy work. All programmes are aligned to the Framework, with practitioner guidance ensuring the approach is embedded into commissioning processes.

Data Standardisation & Performance Reporting for our Commissioned Services

In our last Annual Governance Statement, we committed to implement a project that would improve the way we collect, analyse, and manage data from our commissioned services to better understand their impact. Over the past 12 months, we have made significant progress in this area by standardising management information (MI) metrics across key areas such as referrals, starts, demographics, needs, interventions, and exits.

Key Outcomes:

Standardisation of MI Metrics:

- Standardised metrics across key areas including referrals, starts, demographics, needs, interventions, and exits.
- Enabled meaningful analysis and strategic oversight.

Enhanced Insight:

- Facilitated better insight into service usage and outcomes.
- Improved understanding of the impact of commissioned services.

New Phase of Data Collection:

- Focused on person-level data collection.
- Further enhanced MOPAC's ability to make evidence-based commissioning decisions.
- Addressed inequalities more effectively.

Oversight and Alignment:

- Work overseen by a cross-organisational steering group.
- Aligned with broader strategic priorities, including business planning and organisational transformation.

Commitment To Sustainability and Reducing Carbon Emissions

As referenced in MOPAC's final budget report 2025-26, in 2024/25, the MPS made significant strides towards achieving Carbon Net Zero by 2030.

- **Decarbonisation Projects:** The MPS invested £30 million in decarbonisation projects and energy efficiency measures, reducing carbon emissions by over 1,800 tonnes CO₂e annually across 21 buildings. Additionally, £15 million worth of projects are underway to decarbonise seven more buildings, expected to reduce annual carbon emissions by 880 tonnes CO₂e.
- **Grant Funding:** The GLA awarded the MPS a grant of just under £1 million to develop an innovative design for decarbonising the Empress State Building.
- **Public Sector Decarbonisation Scheme (PSDS):** The MPS delivered 13 projects under PSDS 3b, costing approximately £30 million, and started six projects under PSDS 3c, with forecast costs of around £15 million.
- **Electric Vehicle Initiatives:** The MPS initiated three fully electric Incident Response Vehicle trials and launched an ultra-rapid charging pilot for various response vehicle types.
- **Project Winston:** Continued rollout of vehicle telematics, with 1,000 vehicles now fitted.
- **LED Replacement Programme:** Progressed further with the estate-wide LED replacement programme.
- **ULEZ Compliance:** Ensured the MPS fleet within the Ultra-Low Emission Zone (ULEZ) remains fully compliant, with over 1,200 electric, hybrid, or hydrogen vehicles.

These initiatives reflect the Mayor's commitment to sustainability and reducing carbon emissions. In 2025/26, we will continue to build on these achievements, focusing on further decarbonisation efforts and enhancing the electric vehicle infrastructure to support the transition to a greener future.



An internal survey of the MOPAC Board and Senior Leadership Team suggested that the organisation can sometimes adopt a reactive approach, which may limit long-term planning. A strong focus on the current financial year was seen to contribute to short-term thinking. Some respondents also noted that environmental and economic impacts are not always fully considered in decision-making. Addressing these areas will be a priority for 2025/26.

5.6 Determining the interventions necessary to achieve the intended outcomes.

MPS Oversight Analysis Group

MOPAC has continued to strengthen the internal Oversight Analysis group, to improve MOPAC's oversight over the MPS and improve the join-up between meeting outputs. Insights are gathered from across the organisation and recurring concerns are discussed to agree an oversight plan to take forward. A new monthly oversight note has been developed, which highlights the highest oversight risks for the organisation and is presented to the Board and the DMPC. Where required, discussion to agree escalation will take place at this level to ensure that we are continuing to have the right tools to oversee the MPS. Colleagues from MOPAC and the MPS meet monthly and agree focus areas for discussion between the Mayor, DMPC and senior MPS officers. Internal colleagues meet regularly to progress actions and share insights to inform oversight conversations.

Evaluation and Management of Commissioned Services

MOPAC actively manages all its commissioned services to understand how they are meeting the outputs and the outcomes they were commissioned to deliver. For all services and projects where there is a provider there are formal grant and contract management arrangements in place which enable officers to monitor service delivery effectively and work with providers to identify any areas for improvement and how to respond to challenges they may face. This includes how to manage increases in demand which can put services under strain. Shared management arrangements are in place with other statutory organisations where MOPAC co-commissions services, to ensure there are clear governance arrangements

In addition MOPAC continues to formally evaluate/ and undertake research into its commissioned services to assess how they meeting the outcome, deliver impact and to gain learning to support improvements in future delivery. Their impact and these evaluations are carried out by MOPAC's Evidence and Insight team or external independent evaluators and are published on MOPAC's website.

Key Outcomes:

Formal Evaluations:

- Conducted by MOPAC's Evidence and Insight team or external independent evaluators.
- Published on MOPAC's website for transparency.

Ongoing Monitoring:

- Effective monitoring of service delivery through grant and contract management.
- Collaboration with providers to identify areas for improvement and respond to challenges.

Continuous Improvement:

- Emphasis on determining necessary interventions to achieve intended outcomes.
- Thorough analysis of evaluation findings and ongoing monitoring data to identify effective strategies and practices.
- Ensures commissioned services are adaptable to emerging needs and challenges.

Collaboration with Procurement:

- The Commissioning and Partnerships directorate works closely with the Procurement, Contracts, and Grants team.
- Collation of lessons learned and dissemination of good practice in procurement.
- Preparation for the introduction of the new Procurement Act in Q4 2024/25 and 2025/26 to ensure compliance and brief commissioned service providers on any changes.

Procurement Transformation Strategy

In last year's Annual Governance Statement, we committed to mirror the national transformation of public sector procurement policy and develop MOPAC's procurement capabilities. We published the internal MOPAC Procurement Transformation Strategy 2024, setting out roles and responsibilities for procurement, and progress the actions in the Indicative Corporate Procurement Team Development Plan. The Improvement Plan is due to close in June 2025 moving towards business as usual.

Improvements to VRU procurement processes

The VRU also committed to developing a Research, Evaluation, and Learning Partner Framework to streamline procurements, aiming to increase capacity, reduce risk, and enhance user experience. This is ongoing. The VRU paused this development due to the Procurement Act 2023 but continues to improve commissioning and procurement processes to ensure value for money.

VRU Commitment to Performance Monitoring and Alignment

In our last Annual Governance Statement, the VRU committed to agreeing a key performance indicator for each priority area, highlighting outcomes that will benefit Londoners the most.

This commitment has been fulfilled. The VRU now tracks intervention, priority area, and VRU level KPIs within a comprehensive performance monitoring framework. This framework has informed the refreshed GLA performance framework, with ongoing work to align with GLA and Police & Crime Plan reporting mechanisms.

Dashboards and Tools (VRU)

Interactive performance dashboards are now live across the team, with a public-facing version expected in 2025. The VRU has published an Evidence Hub, a platform designed to share learning from its substantial portfolio of research and evaluation, aiming to be a one-stop shop for evidence and learning around violence reduction interventions.

In collaboration with GLA Intelligence and MOPAC E&I, the VRU has developed an Area Prioritisation Tool, which integrates a range of indicators across violent crime, public health, and public perception metrics to inform strategic commissioning both internally and across our partners.



An internal survey among the MOPAC Board and SLT revealed that missing or unavailable data limits evidence-based decision making. Addressing this inconsistency will be an area of focus for 2025/26.

5.7 Developing MOPAC's capacity, including the capability of its leadership and staff

Leading Workforce Excellence - MOPAC's Commitment to Diversity and Development

The CEO leads the MOPAC Board, through which the current MOPAC People Strategy was agreed, and its progress reviewed and iterated as required. Organisation development and design are regularly considered alongside leadership and skills requirement to deliver MOPAC's vision. MOPAC Board work with the wider senior leadership team to ensure strategic input and operational delivery whilst developing this cross-leadership group. In 2024 the People Managers Forum has become embedded enabling all managers to work together, provide peer support and develop their management calibre. MOPAC appraises and develops its staff through annual performance reviews with a learning and development approach set out to consider and deliver group or individual learning.

The MOPAC People Strategy aim is to develop a high-performing, inclusive, and engaged workforce to support MOPAC's and the VRU's joint vision of London as a safe city for all. Our priorities continue to evolve following the publication of the Police and Crime Plan 2025-2029, which inform MOPAC's future strategic focus. This is set out in three main objectives with the key developments in 24/25 being:

- **Strengthening Organisational Identity, Culture & Connection:** Resetting the MOPAC vision and mission and working on a strategic business plan and directorate plans so staff understand their part in delivering the overall vision.
- **Equipping Individuals & the Organisation for Success:** Improving probation and onboarding processes, developing whole organisation policy framework including guidance, policy register, review requirements and forward plan and importantly simple, easy navigable access for all staff, revising workplace adjustment policy, and delivering targeted training such as Power BI and Leading with Impact courses.
- **Becoming an Adaptable & Resilient Organisation:** Implementing corporate services redesign, reducing the vacancy factor, embedding the Priority Projects team enabling flexible targeted resourcing, and collaborating and creating a GLA group People Strategy and interventions, including talent development.
- **Promoting Equality, Diversity, and Inclusion:** Fundamental to these is the achievement of MOPAC's EDI Strategy including a prime objective to achieve a diverse workforce representative of London. In the last year we launched an EDI frame *Inclusion – Everyone's Responsibility* setting out the various roles, responsibilities and activities of all employees, leadership, managers, staff networks, inclusion champions and HR. This is supported by new tools including maturity assessment, and Inclusion Impact Assessment. Staff demographics and diversity pay gaps are tracked with resultant action plans or iterations to the Strategy. With a focus on disability, we have seen self-reporting increase, a thriving disability staff network and the provision of neurodiversity briefings to all staff.

These efforts ensure that MOPAC remains equipped to meet its strategic priorities and continues to foster a supportive and effective working environment



An internal survey among the MOPAC Board and SLT showed agreement that MOPAC has a learning culture, but the documentation or process to consider learning needs across groups and individuals needs to be more explicit.

Respondents noted the lack of formal succession planning for leadership roles and associated leadership development. This insight will feed into the People Strategy plans for 2025/26.

6. Significant control challenges in 2024/25

TfL Cyber Incident

In September 2024, TfL (MOPAC's IT supplier) was attacked by a sophisticated threat actor, as reported by the National Crime Agency (NCA) and National Cyber Security Centre (NCSC). The attacker breached TfL's network, gaining privileged access to some systems. TfL contained the incident and took robust steps to respond and investigate.

As MOPAC's data processor, this affected MOPAC in several ways: personal data of MOPAC staff was compromised, including emails and names, and staff passwords were affected. The incident was reported to the ICO, which did not take regulatory action against MOPAC or TfL.

The MOPAC Business Continuity Plan was reviewed in September 2024 following the attack. We are currently working through recovery plans, responding to lessons learnt, and reviewing practices to reduce future risks.

7. Areas for improvement MOPAC

The self-assessment of MOPAC's governance, risk management and internal control arrangements have confirmed that the overall framework remains sound and supports the achievement of strategic objectives.

However, as part of a commitment to continuous improvement, MOPAC have identified are six principal areas of improvement that this year's assessment has highlighted:

1. Risk Management

Improve integration of risk into governance and decision making by aligning risk registers across directorates and introducing more structured risk reporting including quarterly performance reports.

2. Financial Planning and Value for Money

Respond to internal audit recommendations by better integrating budget and performance considerations at MOPAC Board and DMPC meetings, through the development of an integrated planning and performance mechanism.

3. Transparency and Stakeholder Engagement

Strengthen publication processes and external communications, including the development of a coordinated approach to stakeholder engagement and the introduction of a more focused thematic oversight programme for the London Policing Board.

4. Evidence-Based Decision Making

Address gaps in data availability and strategic focus to ensure governance is underpinned by robust evidence and long-term planning. Improve integration with VRU within formal governance and decision-making structures.

5. Leadership and Organisational Capacity

Formalise succession planning and consider associated leadership development requirements supporting organisational resilience and capability across MOPAC.

6. Internal Governance and Decision Making

Implement improvements to MOPAC's internal governance arrangements through the revised Scheme of Corporate Delegation⁶, strengthening the assurance framework and ensuring risk is built into all formal decision points.

These areas for improvement will be included in Governance Improvement Plan (GIP). Progress will be monitored through MOPAC's internal governance structures and will form part of the regular assurance and reporting cycle.

⁶ https://www.london.gov.uk/sites/default/files/mopac_scheme_of_delegation_october_2016.pdf

8. Governance Improvement Plan 2025-26

Principle of good governance	Improvement action
Ensuring openness and comprehensive Stakeholder Engagement	Develop a defined and pragmatic approach to coordinated external stakeholder engagement and improve the accessibility and regularity of published information.
Effective Interventions and Decision Making	Strengthen evidence-based decision making by improving data availability, Impact Assessments (IA's), developing a robust assurance framework for decision making, and implementing the revised Scheme of Corporate Delegation (ScoD) to ensure effective internal governance arrangements.
	Improve integration of VRU and MOPAC within joint governance and reporting frameworks to enhance transparency, decision making, reporting, and accountability.
	The VRU will support effective interventions and evidence-based decision making by a continued focus exploring the needs of groups disproportionately impacted by violence. This includes implementing the recommendations from the recently completed Pan London Strategic Needs Assessment for serious violence.
Leadership, Capacity, and Staff Capability	Formalise succession planning and consider associated leadership development requirements supporting organisational resilience and capability across MOPAC.
Risk Management, Financial Control, and Performance Assurance	Improve risk integration into governance through clear ownership, enhanced risk reporting, alignment of directorate and corporate risks, the introduction of an AI early warning system and ensuring risk considerations are built into key decision points.
Risk Management, Financial Control, and Performance Assurance	Respond to internal audit recommendations by integrating budget and performance considerations into governance structures to improve value for money oversight.
Transparency, Reporting, and Audit	Develop effective MPS oversight with clarity of scope, approach, and impact for London Policing Board (LPB), which will include a new work programme, clarified areas of focus. A reduction in Bi-Lateral meetings with a move towards thematic oversight.
	The VRU will work towards increased transparency and public accountability with the continued development and external publication of interactive performance dashboards in 2025.

Defining Outcomes and Ensuring Sustainability	The VRU will continue its commitment to ensuring sustainability through its evidence informed approach and emphasis on capacity building across its delivery partners and the wider sector. The VRU will seek to explore innovative approaches to commissioning (e.g. such as the use of Learning Partners) to enhance the evidence base.
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9. Statement of Assurance

MOPAC’s governance arrangements are designed to ensure that we take an appropriate and proportionate approach to managing risk. The arrangements are not designed to eliminate all risks but rather provide a reasonable degree of assurance of MOPAC’s effectiveness in managing the risks.

We are satisfied that the steps set out above have addressed the need for improvements that were identified in the review of effectiveness. We will continue to monitor their implementation and operation during the year and as part of MOPAC’s next annual review.

Signed

Signed

Kaya Comer-Schwartz
Deputy Mayor for Policing and Crime

Darren Mephram
Chief Executive

Appendix 1 – MOPAC’s Statutory Functions

MOPAC’s functions and responsibilities

MOPAC’s functions and responsibilities are set out in the relevant legislation (including but not limited to the Police Reform and Social Responsibility Act 2011). Overarching responsibilities include:

a. Overarching Duties

MOPAC must secure the maintenance of the MPS and ensure that it is efficient and effective. It does this by holding the MPS Commissioner to account for the exercise of their functions including:

- the duty to have regard to the PCP;
- the duty to have regard to the national Strategic Policing Requirement;
- the effectiveness and efficiency of the MPS Commissioner’s arrangements for co-operating with other persons in the exercise of the MPS Commissioner’s functions;
- the effectiveness and efficiency of the MPS Commissioner’s arrangements under section 34 (engagement with local people);
- the exercise of the MPS Commissioner’s functions under Part 2 of the Police Reform Act 2002 in relation to the handling of complaints;
- the extent to which the MPS Commissioner has complied with section 35 (value for money);
- the exercise of duties relating to equality and diversity imposed on the MPS Commissioner;
- and the exercise of duties in relation to the safeguarding of children and the promotion of child welfare that are imposed on the MPS Commissioner by sections 10 and 11 of the Children Act 2004.

b. Information

MOPAC is required by legislation to publish information which it considers to be necessary to enable the persons who live in London to assess:

- the performance of MOPAC in exercising its functions; and
- the performance of the Commissioner in exercising the Commissioner’s functions.

Where the manner and timing of publication are specified in legislation MOPAC must comply with this. The information necessary to enable this must be published as soon as practicable after that time or the end of that period.

c. Police complaints system

Government reforms introduced in 2020 (under the Policing and Crime Act 2017 and supporting regulations) delivered significant changes to the complaints system. The focus was on delivering a less adversarial, simpler and more customer-focused process. A new right to independent review was introduced for complainants dissatisfied at the handling or outcome of their complaint to the police. This was designed to further improve the transparency and integrity of the complaints process. MOPAC set up a Complaints Review Team to conduct this part of the regulations.

d. His Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS)

MOPAC is required to respond formally to HMICFRS reports. MOPAC comments, together with any comments submitted by the Commissioner and any response to those comments by MOPAC, must be published within 56 days of the publication of any report. If the published report includes a recommendation, MOPAC comments must include an explanation of:

- the action MOPAC has taken or proposes to take in response to the recommendation; or
- why MOPAC has not taken, or does not propose to take, any action in response.

The Home Office review of PCCs conducted in 2020 has amended the Specified Information Order 2021 to include the requirement to publish a summary of the force's performance against the HMICFRS PEEL inspection.

Mayor's Office for Policing and Crime (MOPAC) and Commissioner of Police of the Metropolis (CPM) Audit Progress Report and Sector Update

Audit progress report and sector updates

July 2025



Agenda

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Audit Progress Report

Introduction



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This paper provides the Joint Audit Committee (JAC) with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Joint Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government](#) | [Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at July 2025

Financial Statements Audit

We undertook our initial planning for the 2024/25 audit in March – April 2025. Our final visit to work on your draft financial statements began in late June 2025 and will conclude in September 2025.

Our interim fieldwork includes:

- Updated review of the MOPAC and CPM's control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Understanding how MOPAC and CPM make material estimates for the financial statements
- Early work on emerging accounting issues, including IFRS16

In April we issued a detailed audit plan, setting out our proposed approach to the audit of the 2024/25 financial statements.

We received the draft financial statements on the 18 June 2025 with our audit work commencing on 16 June 2025. Working papers were provided during the first week of our audit and were of the expected quality.

We have also completed our initial digital work with no issues arising to date.

Overall, we are making good progress on the audit at this early stage. We will report our work in the Audit Findings Report and aim to give our opinion on the Statement of Accounts following Joint Audit Committee on 20 October 2025.

Value for Money

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 MOPAC and CPM's work to implement our recommendations remains ongoing.

As part of our risk assessment, we agreed with management that we would perform a deep dive review on the Command and Control project. This is due to the significance of this project and the delays to its implementation.

We have commenced our fieldwork procedures on value for money and have not noted any matters which would require a revision to our risk assessment to date. We will continue to update our risk assessment until we issue our Auditor's Annual Report.

We anticipate issuing our Auditor's Annual Report to Joint Audit Committee on 20 October 2025.

Progress at July 2025 (cont.)

Meetings

We met with MOPACs Finance Officers in April 2025 and CPMs Finance officers in March 2025 as part of our regular liaison meetings and we continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. We also meet with your Interim Deputy Director of Audit, Risk & Assurance (DARA) to discuss coordinate our understanding of the organisation's risks and internal controls.

Events

We provide a range of workshops, along with network events for members and publications to support the Police and Crime Commissioner and Chief Constable. Members of your finance team attended our Accounts Workshop in March 2025, where we highlighted financial reporting requirements for the 2024/25 accounts and gave insight into elements of the audit approach.

Further details of the publications that may be of interest to the Police and Crime Commissioner, Chief Constable and JAC members are set out in our Sector Update section of this report.

Audit Fees

PSAA have published their scale fees for 2024/25:

2024/25 audit fee scale – PSAA

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 for expert support for land and building valuations and £10,000 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.

Please note that all audit fees are subject to VAT.



Audit Deliverables

Below are some of the audit deliverables planned for 2024/25

2024/25 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the MOPAC and CPM 2024/25 financial statements.	April 2025	Complete
Audit Findings Report The Audit Findings Report will be reported to the Joint Audit Committee.	October 2025	Not yet due
Auditors Report This includes the opinion on your financial statements.	October 2025	Not yet due
Auditor’s Annual Report This report communicates the key outputs of the audit, including our commentary on the MOPAC and CPM's value for money arrangements.	October 2025	Not yet due

Policing Sector Update

Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up-to-date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logo below:



Grant Thornton Publications
Insights from sector specialists
Accounting and regulatory updates

Observations, learning and good practice from 2024 force management statements

A force management statement (FMS) is a self-assessment that chief constables (and London equivalents) prepare and submit to His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) each year.

In this document, HMICFRS outline the findings from their assessment of around 60 percent of FMSs in England and Wales in 2024. This includes an outline of 12 high-level learning points and HMICFRS' assessment against these. HMICFRS also share advice and good practice examples.

The full report can be found [here](#).

An inspection into how effectively the police investigate crime

The effective investigation of crime is fundamental to the legitimacy of policing and to public confidence. It is integral to the concept of policing by consent. The service provided to victims directly affects the level of public trust and confidence in policing and the wider criminal justice system. It also influences how safe people feel and it prevents future offending.

When a crime is reported, the public have a right to expect that the police will record and investigate it effectively. They also have a right to expect that the service they receive includes regular updates, and that it is consistent with the rights contained in the Code of Practice for Victims of Crime.

Therefore, as part of their 2022–25 programme of inspections, HMICFRS have inspected how effectively the police investigate crime.

The full report can be found [here](#).

NPCC - May 2025



Investing in tech would free up 15 million hours of police time

As police chiefs set out their strategy for use of data and digital technology over the next five years, they make the case for government investment to enable police to roll out technology that has been successfully trialled across England and Wales.

The independent Policing Productivity Review of forces in England and Wales reported examples of science and technology driving productivity. The Office of the Chief Scientific Adviser to Policing estimates that these projects saved 347,656 of workforce hours per year and led to direct savings of £8.2 million a year in costs. If they were scaled nationally, and similar gains were made in all 43 forces, potentially up to 15 million hours, worth £370m per year, could be saved and reallocated each year.

The full report can be found [here](#).

Wider sector updates

A briefing for audit committees on the wider sector updates across Public Sector Audit, Financial Reporting and the responsibilities of Audit Committee members

Challenges faced in implementing IFRS 16 (1)

IFRS 16 is an international accounting standard that changes how leases are reported in financial statements. It requires organisations to bring most leases onto the balance sheet, recognising both a right-of-use asset (the value of the leased item) and a lease liability (the obligation to make future lease payments). This change improves transparency by more comprehensively reporting the extent of an organisation's leasing commitments on the balance sheet. It replaces the previous distinction between operating and finance leases for lessees under IAS 17.

In the UK public sector, IFRS 16 is adopted through the CIPFA Code of Practice on Local Authority Accounting. After several deferrals, it is now mandatory for local authorities and police authorities from 1 April 2024, impacting the 2024/25 financial year.

As local authorities and police authorities prepare their 2024/25 financial statements and apply IFRS16 for the first time, several areas are proving particularly challenging. These challenges are not just technical — they have implications for governance, transparency, and the accuracy of financial reporting. The Audit Committee plays a key role in providing oversight and assurance. The table below sets out some areas which can present difficulties, along with suggested questions for finance teams and Audit Committees to consider.

Area of difficulty	Description	Challenge questions to ask the Finance team
Completeness of lease records	One of the most fundamental requirements of IFRS 16 is that all lease arrangements must be identified and recorded. This includes not only formal lease contracts but also informal or embedded leases that may be part of broader service agreements. Many authorities conducted a one-off review of leases as they prepared for the transition but without ongoing processes, there is a risk that new leases entered into during the year may not be captured. This could result in incomplete or inaccurate entries in the financial statements.	(a) How does the finance team ensure that all lease agreements, including those entered after the initial review, are identified and properly recorded? (b) What approach does the finance team take to work with other departments in identifying and reporting lease arrangements, especially those that might be informal or embedded in other contracts? (c) What processes or controls are in place to keep the lease register accurate and up to date throughout the year?

Challenges faced in implementing IFRS 16 (2)

Area of difficulty	Description	Challenge question to ask the Finance team
Holdover leases (expired leases still in use)	In some cases, a property lease agreement may have ended but the authority continues to occupy and use the premises. These are known as holdover leases. The challenge here is determining whether the continued use of the asset creates a new lease under IFRS 16. This depends on whether there are still enforceable rights and obligations between the authority and the landlord. Making this assessment often requires legal judgment and careful documentation. The most challenging aspect of holdover leases is determining the lease term. Management must consider whether there is an implied contract, the term of the arrangement, and whether there are any continuing enforceable rights or obligations, as well as any significant costs or penalties from terminating the arrangement.	(a) Have any holdover leases been identified, and how has the finance team assessed whether these should be treated as leases under IFRS 16? (b) Where there was uncertainty, has legal advice been sought, and are the assumptions and judgments clearly documented? (c) What approach has been taken to determine the lease term for agreements that are open-ended or automatically renew?
Peppercorn or nominal rent leases	Some leases involve little or no payment — for example, a community building leased for £1 per year. These are known as peppercorn leases. Even though the payments are minimal, IFRS 16 requires the authority to recognise a right-of-use asset on its balance sheet at fair value. This can be difficult, especially if there is no recent valuation or if the asset is unique.	(a) Have any lease arrangements been identified where the payments are nominal or zero? If so, how have these been assessed under IFRS 16? (b) What process has been followed to determine the fair value of the right-of-use assets in these cases? (c) Is there sufficient documentation and evidence to support the valuation approach taken?

Challenges faced in implementing IFRS 16 (3)

Area of difficulty	Description	Challenge question to ask the Finance team
Lease modelling and use of external advisors	Some authorities have relied on external advisors to calculate the lease liabilities and right-of-use assets required under IFRS 16. While this can be helpful, it has created challenges where the advisors have not provided the underlying data or assumptions used in the calculations. Without this information, it becomes difficult for the finance team to explain or support the figures in the accounts.	(a) Have external advisors been involved in the lease accounting process, and if so, do they have access to the detailed inputs and assumptions used in the calculations? (b) Can the finance team fully explain and support the lease figures presented in the financial statements? (c) What documentation and internal checks are in place to ensure the accuracy and completeness of lease calculations and disclosures?
Variable lease payments linked to indices or rates	Some lease payments vary based on inflation or other financial indices. For example, a lease might include annual increases linked to the Consumer Prices Index (CPI). Under IFRS 16, the authority must estimate future payments based on known changes to these indices. This requires careful judgment and can affect the accuracy of the lease liability recorded.	(a) How has the finance team addressed lease arrangements that include variable payments? (b) Have known changes to inflation rates or other relevant indices been factored into the lease calculations, and how has this been documented?
Group leases and consolidation	In some cases, leases exist between a council and its wholly owned subsidiary, or arrangements between a police and crime commissioner and the chief constable may in some circumstances meet the definition of a lease. These leases must be included in the individual accounts and then adjusted on consolidation. This can be complicated, especially if different entities within the group use different accounting standards.	(a) How has the finance team identified and accounted for lease arrangements between group entities? (b) What steps have been taken to align accounting policies in preparing group accounts? (c) How are intra-group leases treated in the consolidated financial statements, and what documentation supports this treatment?

Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

Public Sector Internal Audit Standards

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

Financial Management Code

<https://www.cipfa.org/fmcode>

Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crosssectoral-guidance-notes-2021-edition>



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Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	29 July 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 continued 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	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.	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. 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. CPM Update Final Budget submission approved by Management Board and sent to MOPAC ahead of publication including 5 year Capital and updates on the Medium Term Financial Plan Programme review • Capital Planning 2024/2030 paper presented on 11th March and implementing 2025/26. Work in progress on debt ceiling and long term revenue pressures to inform business planning for 2026/27 onwards. • Final Budget Submission presented to Management Board on 18th March • Final budget approved March 31st and published on the MOPAC internet site • Reserves work underway

Rec	Recommendation	Progress Update
KR2	CPM and MOPAC must improve their relationship to: - 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 Both organisations should be accountable for delivery	MOPAC Update Work to develop a documented financial oversight framework has commenced and is due to be fully implemented by January 2026. MOPAC and MPS have continued to work on identifying a lead reviewer, developing a draft terms of reference and agreeing time frames for the Casey progress review. CPM Update Discussions on the 2 year Casey review are still ongoing with MOPAC. The Performance and Finance Delivery Committee has met, and a full discussion took place on the portfolio and the MPS approach to tracking their transformation activity. This was scrutinised in public. This was supplemented with a private briefing with the lead London Policing Board member Tough choices and the impact on the portfolio has also been set out for London Policing Board via the Commissioner's Report submitted to MOPAC and the London Policing Board on 1 May. This was scrutinised in public. Work is now ongoing to refresh the NMFL, engagement with MOPAC has been discussed with the Deputy Mayor, that work will conclude over the coming months.

Rec	Recommendation	Progress Update
KR3	A baseline assessment of resources and demand for BCUs should be prioritised as part of the "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.	CPM Update The MPS Engine Room has been set up as an interim capability to make the organisational and operational changes needed to address the MPS budget gap, whilst organising and deploying our people aligned to their priorities. Work to reset and reduce the 'org design' across the whole MPS to ensure it is in line with our policing priorities, it is affordable (within budget) and that officers and staff are in core priority roles is in progress and has resulted in the removal of c.1800 officer and c.450 staff posts. Rather than making blanket cuts to services, the MPS have made strategic choices to protect emergency response, neighbourhood policing and public protection. In addition to the investments made in fixing the foundations, through strengthening functions such as culture, finance and human resources. A key outcome of the Engine Room will be to develop enduring capability within the Met to manage their workforce in an efficient demand driven and people centric way. This includes the build of end to end capabilities to support workforce changes, a sustainable, demand-driven workforce deployment plan, updated HR policies & processes, 5 of which have already been updated, and integrated data & insights. A Workforce Resourcing Board has been stood up to track and monitor our workforce plans across staff, officers and agency/contractor and put in place necessary plans if controls are required.
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	CPM Update As the MPS are now in routine arrangements it is proposed that this recommendation is closed

Rec	Recommendation	Progress Update
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.	CPM Update No update the MPS await the DARA review in order to identify lessons and implement any recommendations. As of May 25 the DARA audit (Transformation - Programme Management Framework) is still in draft.

Rec	Recommendation	Progress Update
IR1	CPM and MOPAC should: - 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	MOPAC Update Work to develop a documented financial oversight framework has commenced and is due to be fully implemented by January 2026. The framework will include oversight of the capital programme. The draft Estates strategy was shared formally with MOPAC at the beginning of June. A cross functional working group, which includes both members of staff from MOPAC alongside colleagues from the GLA are currently in the process of reviewing the strategy and feeding back their comments, along with those of the DMPC to the MPS. There is target publication date of September 2025. The approved strategy will inform the 2026/27 budget setting process including the capital strategy and capital programme. CPM Update Financial Control Framework paper presented to ExCo on 25th March which confirmed agreement to the high-level principles, spending limits and Investment Portfolio Group gateway process on condition of the pipeline of investment being presented regularly Financial Control Framework paper presented to Joint Audit Panel on 6th May Draft Budget Delegation Letters with CFO for approval Estates Strategy Meeting with DMPC June 25, which detailed the capital investment over the next 10 years to deliver an estate which is legally compliant, provides accommodation for Officers to standard, and planned expenditure within the approved published capital plan which is sufficient to address this.
IR2	Continue the roll out of Priority Based Budgeting in CPM to identify further opportunities for efficiencies	CPM Update Delivery activity for many efficiency initiatives has commenced. Business Group level efficiencies were allocated out in March The Savings and Efficiencies Office has worked closely with Senior Finance Business Partners, Efficiency Leads and Assistant Commissioners / Chief of Staff to allocate out cross business group savings – for some savings further work will be undertaken to either a) articulate the underpinning delivery plan to enable targeted budget reductions or b) develop a prioritisation mechanism as the saving represents a tough choice rather than an efficiency

Rec	Recommendation	Progress Update
		Collaborative reporting working group established which the Savings and Efficiencies Office is a member of, to develop a cohesive reporting view on delivery of savings in-year
IR3	Continue the work to enhance the capacity of the wider finance function in CPM	CPM Update Financial awareness for all and budget holder e-learning packages created and now part of Leadership Academy syllabus. Organisational Design Authority approved detailed design in April 25 HR engaged and process (including timelines) part of project plan Joint Audit Committee briefed on new Target Operating Model in May 25 New Job Descriptions being finalised for Hay Review, ahead of agreeing detailed HR Change process with Trade Unions
IR4	MOPAC should complete its review of the Scheme of Delegation and Consent during the next 12 months.	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, this is currently being developed and is due to be implemented from January 2026.. The Scheme of Consent and Delegation will be reviewed/ updated following the development of this Framework.

Rec	Recommendation	Progress Update
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.	CPM Update The NPVS has now said it wishes to take on this work from the MPS and for it to be transitioned over a three-year period. A workshop is being arranged within the next month to develop this proposal. Ultimately, the decision will be whether to proceed with this or develop the MPS' own charging function. Due to the delays in receiving commercial advice and National Police Vetting System offering a proposal, the planned milestones have slipped. They will be reset upon agreement of a way forward, which is expected to be June. ExCo agreement will take longer due to the lead-in time for secure a slot on the agenda.
IR6	CPM must complete the post implementation review during 2024/25 to confirm the investment in CONNECT is justified and the lessons learned captured. Ongoing spend must be closely monitored to facilitate mitigating action should potential overspends be identified. Any recommendations arising from DARA's planned review of programme financial management during 2024/25 should be considered on completion of the review.	CPM Update The MPS await the DARA review in order to identify lessons and implement any recommendations.

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	Tuesday 29 July 2025
Presented by:	Director of Audit, Risk and Assurance, Head of Internal Audit for MOPAC and the MPS
Title:	MOPAC and MPS Draft Internal Audit Annual Report 2024/25
Purpose of the Paper:	Provides the internal audit annual opinion for the Mayor's Office for Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS) internal control environment and summarises the activities and performance of the Directorate of Audit, Risk and Assurance.

Recommendations

The Joint Audit Committee is recommended to consider the draft Internal Audit Annual Report of the Director of Audit, Risk and Assurance and note the annual opinion on the adequacy and effectiveness of the MOPAC and MPS internal control environments.

1. Background

- 1.1 The annual opinion of the MOPAC and MPS internal control environments is based on an assessment of the effectiveness of governance, including risk management and of the internal control framework and takes account of other internal and external review activity as appropriate.

2. MOPAC Internal Control Environment

- 2.1 The Director of Audit, Risk and Assurance has concluded that 'MOPAC has an adequate internal control environment supporting achievement of its strategic objectives, which generally operates effectively. Fully embedding the revised internal governance, risk management, and decision-making arrangements will drive progress in meeting agreed policing priorities and objectives.'
- 2.2 MOPAC published the new Police and Crime Plan (PCP) 2025-2029, whilst overseeing action and plans to secure Met reform and increase trust and confidence. The revised oversight governance structure continued to embed aiming to provide full transparency and accountability to Londoners with the London Policing Board (LPB) meeting four times during the year.
- 2.3 Monthly Investment and Monitoring Advisory Meetings continued to consider investment decisions aligned to the PCP and New Met for London (NMfL) transformation objectives with subsequent DMPC decisions recorded publicly.

Work has not yet concluded on a revised MOPAC Scheme of Consent and Delegation and Financial Regulations to better align the framework with legislative guidance.

- 2.4 Budget objectives need to be clearly defined and risk management processes to be strengthened. A balanced budget has been set for 2025/26, with ongoing reliance on reserves. MOPAC and Met continue to monitor reserve levels, with the aim of maintaining total reserves above £125 million across the medium term to ensure financial sustainability and resilience.
- 2.5 In September 2024, MOPAC's IT provider, Transport for London (TfL), was attacked by a sophisticated threat actor. The attacker breached TfL's network, gaining privileged access to some systems. TfL contained the incident and took robust steps to respond and investigate. A DARA follow up review of MOPAC's Business Support, including IT Asset Management and Business Continuity highlighted control weaknesses which have been worsened by the cyber-attack.

3. MPS Internal Control Environment

- 3.1 The Director of Audit, Risk and Assurance has concluded that 'The current internal control environment within the MPS has limited effectiveness in supporting the achievement of its strategic objectives. Progress has been made with a clear and structured improvement plan in place. This plan aims to develop a more mature and cohesive control environment that is essential for defining, coordinating, and monitoring the delivery of agreed strategic priorities.'
- 3.2 Development of NMfL2 is a key initiative for 2025/26, providing the framework for the Met to review its strategic priorities within the current financial and operational landscape. Steps have been taken towards a more cohesive Strategic Planning Framework, and the Met has begun to integrate Force Management Statement (FMS) production into its annual business planning cycle. A Met Business Plan for 2025/26, setting out the performance ambition, areas of focus across core policing activity and reform and the allocation of the budget, is awaiting formal sign-off. This is due to be embedded in business group activity.
- 3.3 Corporate governance arrangements have been further developed during 2024/25, following an external post-implementation review of the structure introduced in 2023. There have been further changes with the merging of the Investment Group and the Transformation Group into a single Investment and Portfolio Group. A 'New Finance for the Met' programme has been initiated which includes enhancing the business partnering model, with clearer accountabilities and improved finance service offer to support budget holders with effective discharge of their responsibilities.
- 3.4 More action is required to further embed risk management across the Met supported by clear articulation of risk appetite; a greater understanding of internal control; and a strategic approach to assurance that is clearly defined, understood and properly supported.

- 3.5 The scale and affordability of the transformation portfolio continues to present significant challenges in terms of the ability to deliver across all programmes. Lessons learnt from major programmes have reinforced the need for robust governance and a cohesive approach to risk management, assurance and benefits management at programme, portfolio, and organisational level. This is being progressed through a Portfolio Improvement Plan that will be key to ensuring sustainable improvement which facilitates directing and enabling resources to deliver against agreed strategic priorities within definitive timescales.
- 3.6 Work continues in developing a workforce plan for the Met supported by demand analysis. This will require greater understanding and insight on workforce (including those on adjusted duties) to enable decision making. Embedding and aligning this activity with the need to demonstrate organisational learning, maintain continuity of leadership in key areas and ensure a robust mechanism exists for matching roles to those with appropriate expertise, will lever resources and help to build further capability and capacity.
- 3.7 Continued progress has been made in identifying and exiting those individuals whose behaviour falls below expectations. More has been done to align strategy, organisational structure and process to cultural ambitions, e.g. publication of the London Race Action Plan and Met Culture Plan.
- 4. Directorate of Audit, Risk and Assurance Activity and Performance**
- 4.1 There were no impairments to audit independence and objectivity during the year and on-going quality assurance activity continued with full compliance with auditing standards. A total of 94% of the programme was covered to draft report/completion stage (90% target) with 6% of reviews in progress. DARA productivity was 82% (target 80%).
- 5. Financial Information**
- 5.1 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.
- 6. Key Risks**
- 6.1. No direct implications. DARA's approach and work programme is designed to strengthen MOPAC and the Met's management of key risks.
- 7. Equality and Diversity Impact**
- 7.1. 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.

Draft

Internal Audit Annual Report 2024/25

MOPAC and the MPS

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Background

This report contains the Director of Audit, Risk and Assurance, annual opinion on the Mayor's Office for Policing and Crime (MOPAC) and the Metropolitan Police Service (the Met) internal control environments. It also summarises the activities and performance of the Directorate of Audit, Risk and Assurance (DARA), internal auditors to MOPAC and the Met.

MOPAC and the Met are responsible for ensuring a sound internal control environment facilitates effective operation of their functions and achievement of strategic objectives. The annual opinion is based on an assessment of the adequacy and effectiveness of governance, risk management and internal control frameworks. DARA risk and assurance and advisory reviews, and counter fraud work inform that opinion, which also considers HMICFRS and External Audit reports, MOPAC and Met annual assessments of governance and other external and internal review activity, in line with professional audit standards.

MOPAC published the new Police and Crime Plan (PCP) 2025-2029, whilst overseeing action and plans to secure Met reform and increase trust and confidence. The revised oversight governance structure continued to embed aiming to provide full transparency and accountability to Londoners with the London Policing Board (LPB) meeting four times during the year. Its diverse membership provides specialist advice to the Mayor in holding the Met to account for delivering the reforms to rebuild trust and confidence and agreed policing objectives.

The Commissioner's New Met for London Plan (NMfL) is working to reform the Met, aiming for 'More Trust, Less Crime and High Standards', in a year that has continued to be challenging. The Met was taken out of the 'Engage' phase of monitoring by HMICFRS in January 2025 and returned to default status. Progress was made in transforming the timeliness of the Met response to calls from the public, implementing Right Care, Right Person - significantly reducing demand on Met emergency services, and launching a major IT solution streamlining access for frontline officers to core systems.

A considerable funding gap for 2024/25, reported as £300m, has increased to approximately £450m in 2025/26 presenting a significant further challenge. The external auditor continues to make it clear this represents a significant financial sustainability risk to the Met.

Effective governance and operation of a sound internal control environment remain key to rebuilding trust and confidence, achieving financial sustainability, delivering on agreed policing priorities, and driving fundamental reform of the Met.

DARA's strategic approach is aligned to policing objectives with an increased focus on expert real time advice to help strengthen the control environment, whilst maintaining independence.

Annual Assurance - MOPAC

Internal Audit Annual Opinion

MOPAC has an adequate internal control environment supporting achievement of its strategic objectives, which generally operates effectively.

Fully embedding the revised internal governance, risk management, and decision-making arrangements will drive progress in meeting agreed policing priorities and objectives.

The following will further enhance effectiveness with action reflected in the MOPAC Annual Governance Statement and improvement plan;

- **Implementing plans to strengthen leadership and organisational capacity enabling resilience** - formalise succession planning and consider associated leadership development requirements supporting organisational resilience and capability across MOPAC. Documenting and building on processes to establish and deliver learning requirements across all groups and individuals.
- **Continuing to improve financial planning and embed value for money** – integrating budget and performance considerations at MOPAC Board through the development of an integrated planning and performance mechanism, with adequate scrutiny on value for money decisions. Arrangements need to ensure an effective response to the significant financial challenge, overseeing implementation of enhanced governance arrangements and strengthened internal control.
- **Implementing revised approach for internal governance and decision making to enable effective oversight and scrutiny** - implement improvements to MOPAC's internal governance arrangements to embed consistency of assurance provisions through greater clarity on respective roles and responsibilities and revised Scheme of Consent and Delegation, strengthening the assurance framework and ensuring risks are built into all formal decision points. To better align the decision-making process with corporate and budget planning, improve the consistency of assurance provision and provide greater clarity on respective roles and responsibilities.
- **Continuing to increase transparency and stakeholder engagement across MOPAC and the VRU** - building on progress made to date by strengthening publication processes and external communications, including the introduction of a more focused thematic oversight programme for the London Policing Board, and embedding the Stakeholder Engagement Strategy to develop a coordinated approach to stakeholder engagement.
- **Embedding risk management practices** – revised risk framework to enable effective integration of risk throughout governance and decision making. Aligning risk registers across directorates and introducing more structured risk reporting including quarterly performance reports.

MOPAC Internal Control Environment

Accountability

MOPAC is accountable to the electorate, and the Metropolitan Police Commissioner to MOPAC. The Police and Crime Committee (PCC) of the London Assembly keeps under review the exercise of the functions of MOPAC. MOPAC brings together performance and finance in reporting to Assembly Members with the DPMC continuing to attend monthly public meetings of the PCC. The London Assembly's Budget and Performance Committee examines, monitors, and reports on the budgets and performance of MOPAC alongside other GLA and Functional Bodies.

The Statutory Policing Protocol sets out how the functions of MOPAC, the Commissioner and the PCC are exercised in relation to each other. It defines the financial responsibilities of MOPAC and the Commissioner, making it clear the former is accountable to the public for the management of the Police Fund while the latter is responsible for budgets following Mayoral and DMPC approval.

Strategic Framework

The new Police and Crime Plan (PCP) for London 2025-29 was published in March 2025 setting out the Mayor's police and crime objectives, defining strategic priorities and outcomes for policing in London and the wider criminal justice system, which includes increasing trust and confidence in the Met. It also outlines MOPAC's statutory responsibility for oversight of the Met, including budget setting, performance scrutiny and strategy and policy development and forms the basis for MOPAC's mission.

The London Policing Board (LPB) plays a key role in holding the Commissioner accountable for delivery of the Met's London Race Action Plan (LRAP), published in September 2024. The LPB have worked collaboratively with the Met in a series of workshops to progress concerns and insights raised by the People and Culture Committee in October 2024 including structured change for addressing systemic racism, clearly defining and understanding what being anti-racist means for the Met and establish clear measurable outcomes and key metrics to track success.

The Mayor, provides the strategic lead, direction, support and challenge to the Violence Reduction Unit (VRU). MOPAC is legally accountable for the decisions of the VRU, which is subject to MOPAC's Scheme of Delegation and Consent, and staff are employed by MOPAC.

Oversight Governance

The quarterly public meetings of the LPB, chaired by the Mayor continued to focus on delivery of policing priorities and cultural reform. The Board is supported by the Performance and Finance Delivery and People and Culture Committees. DARA advised on the governance arrangements, in particular the development of terms of reference, ensuring clear articulation of respective roles, and informing the work programme. The forward work programme has been developed in consultation with the Met, and aims to scrutinise not only performance, but also how the Met is organised and governed.

MOPAC has facilitated expert led sessions, awaydays and the provision of direct support to the Met from LPB members to reflect this aspect of their role as well as that to challenge. In liaison with the Strategy team DARA advised on the approach to the LPB effectiveness review and the revised internal review of the framework supporting strategic oversight. Leapwise conducted the external review in early 2025, the report highlights the challenging nature of the relationships and dynamics in place. It outlines one key recommendation for the DMPC working with LPB members, MOPAC and the Met to facilitate a reset of the LPB to clarify its strategic purpose and roles in delivery of their terms of reference.

MOPAC Internal Control Environment

A shared outcomes performance framework aligned with the Met, informed by views of the public and partners and cultural change measures is in place. More detailed measures support the Performance and Finance Committee in monitoring operational and financial performance published as part of the MOPAC Quarterly Performance report. An array of data analytics facilitate oversight and now include a LPB dashboard, although direct access to Met data has remained an issue. The Oversight Analysis Group brings functions across MOPAC together to inform, co-ordinate and direct oversight activity.

MOPAC financial oversight arrangements are being further strengthened to oversee implementation of enhanced governance measures, agreed in setting the budget for 2025/26, to address the significant risks to the financial sustainability of the Met and implementation of the 'tough choices'.

The Mayor regularly meets with the Commissioner and their team to discuss policing in London and to be briefed on counter terrorism. The DMPC and the Commissioner hold regular meetings to provide in-depth scrutiny of the effectiveness and efficiency of the Met and to consider issues of importance to policing and crime reduction in London. This included the Met's response to the HMICFRS 'Engage' process and the Casey Review.

MOPAC's Independent Custody Visiting (ICV) Scheme, discharges statutory duties to ensure the welfare, rights and entitlements of custody detainees with over 200 ICVs. DARA's follow up review of MOPAC's ICV Scheme is currently assessing the level of implementation against actions raised. This includes defining and measuring strategic outcomes and documented procedures, risk management, and volunteer identity card control, expenses, and insurance protocols.

A second DARA follow up of MOPAC's complaints function is underway and will help inform further decision making and improvements in this area.

MOPAC Corporate Governance

MOPAC has an established corporate governance structure, which includes MOPAC Board, PCP Programme Board, Risk Assurance Working Group, Commercial Assurance Group, Commissioning Delivery Group, and regular meetings of the DMPC and MOPAC Board. A suite of corporate data dashboards supports internal management of MOPAC performance with regular and improved reports reviewed by the Board.

The DARA review of the MOPAC Internal Governance Framework found the control framework is generally operating well, however, there needs to be greater assurance over the delivery of the strategic priorities and objectives. Increased efficiency and effectiveness of the operation of governance is also required.

Decision Making Framework

Monthly Investment and Monitoring Advisory Meetings, chaired by the DMPC, continued to consider investment decisions aligned to the PCP and NMfL transformation objectives with subsequent DMPC decisions recorded publicly. Work has not yet concluded on a revised MOPAC Scheme of Consent and Delegation and Financial Regulations to better align the framework with legislative guidance, bringing greater clarity to key accountabilities, roles and responsibilities.

The DARA review of the MOPAC Decision Making Framework found risks are generally being managed with action agreed to better align the decision-making process with corporate and budget planning, improve the consistency of assurance provision and provide greater clarity on respective roles and responsibilities.

MOPAC Internal Control Environment

Risk Management and Assurance

The joint Audit Panel receiving regular reports from the Chief Executive on key strategic risks and the development of the framework. There has been an increased focus on cross-departmental and organisational-wide impacts, highlighting interdependencies to reduce siloed decision making. Deep dives of corporate risks take place at Strategic Board meetings and project and programme risk management is now embedded. DARA continue to advise on better integration of risk management at a directorate level.

MOPAC's approach to risk management has been refreshed to align with the Government's Orange Book following the appointment of the Head of Planning, Performance and Risk. The Governance and Risk Working Group did not meet between November 2024 and March 2025 while awaiting this appointment. The Governance and Risk Working Group has been disbanded and replaced with the Risk Assurance Working Group, chaired by the Chief Finance Officer, Director of Corporate Services and attended by senior leaders and DARA. The group oversees the identification and management of risk, the implementation of the Governance Improvement Plan, and internal and external audit recommendations.

Workforce Capacity and Capability

Organisation development and design are regularly considered by MOPAC Board alongside leadership and skills requirements to deliver MOPAC's vision. MOPAC Board work with the wider senior leadership team to ensure strategic input and operational delivery. In 2024 the People Managers Forum has become embedded enabling managers to work together, provide peer support, and develop their management calibre. Documentation and processes to consider learning requirements across groups and individuals need to be more explicit, and formal succession planning for leadership roles and associated leadership development is required.

The MOPAC People Strategy 2023- 2026, supported by a high level three year plan, aims to *'develop a high performing, inclusive and engaged workforce to deliver MOPAC's vision for London as a safe city for all.'* A People Strategy engagement framework was developed in early 2025 led by the MOPAC Chief People Officer replacing the disbanded People Strategy Working Group. The framework will provide oversight and greater engagement across the organisation to ensure understanding, action, progress, and results. Following a DARA review the HR Policy framework has been developed and action taken to enhance the policy formation, accessibility, compliance and assurance provision.

Financial Management within MOPAC

MOPAC operates within a defined budgetary framework that is aligned to the Mayor's consolidated GLA budget and subject to Assembly scrutiny. A DARA review of Budget Accountabilities, Roles, and Responsibilities concluded the control framework is generally well designed to support MOPAC's budget management. There is reliance on the finance team to bring together reporting data and undertake ad-hoc day-to-day duties due to access limitations of the Police Single Operating Platform (PSOP). Budget objectives need to be clearly defined and risk management processes to be strengthened.

The DARA follow up of the Budgetary Control Framework concluded it is generally operating effectively through early engagement with Budget Holders, robust financial forecasting, and addressing outstanding debts. Introduction of interdependent budget and performance considerations, defining value for money principles, and updating the Contract and Financial Regulations will further improve effectiveness.

A balanced budget has been set for 2025/26, with ongoing reliance on reserves. MOPAC and Met continue to monitor reserve level, with the aim of maintaining total reserves above £125 million across the medium term to ensure financial sustainability and resilience.

MOPAC Internal Control Environment

The DARA review of the MOPAC Financial Management Code (FMC) Compliance found a more robust framework had been developed to support compliance with the FMC. A defined assessment criteria facilitated the self-assessment and action plan, referenced in the MOPAC governance update. Wider stakeholder engagement, including alignment with the Met's FMC assessment, will further strengthen the approach.

Equality, Diversity and Inclusion

Progress against the MOPAC EDI Action Plan is regularly scrutinised by the Board informed by staff surveys and feedback. Achieving a diverse workforce representative of London was prioritised in 2024/25 with an EDI framework 'Inclusion – Everyone's Responsibility' launch. The framework set out roles, responsibilities and activities of all employees, managers, leadership, staff networks, inclusion champions, and Human Resources. Maturity assessments and inclusion impact assessment tools have been created to support employees. Further focus on disability saw MOPAC's self-reporting increase and the provision of neurodiversity briefings to all staff.

Procurement and Contracts Management Framework

The Commercial Assurance Group is now established. Contract management is an area that needs to improve to provide greater assurance that anticipated benefits and outcomes are being delivered as intended.

A DARA follow up of Procurement and Contract Management is underway to assess progress made against the strategic approach and to inform decision-making and further improvements in this area.

DARA also advised on a Procurement Proactive Review supporting a re-procurement exercise ensuring that lessons learnt were addressed and the overall corporate framework enhanced. In particular to strengthen tender evaluation and provide greater assurance on contract award.

ICT and Information Management and Governance

A significant amount of information is placed in the public domain in line with statutory and GLA requirements, including budget and performance, data and performance dashboards across a wide range of areas/topics and Board minutes and papers.

MOPAC's Data Protection and Information Governance team continue to work with data champions across the organisation to implement and maintain good governance including data protection assessments and records of processing activity reviews, as well as ensuring all staff have completed data protection training in the last 12 months. DARA's review of MOPAC's General Data Protection Regulations (GDPR) Compliance Framework is currently assessing the application of the framework, as well as controls in place to ensure roles and responsibilities are clearly understood and sufficient capability and capacity is in place to discharge them appropriately.

DARA continued to advise on the processes for managing Freedom of Information requests and in particular, internal reviews. The effectiveness of the framework continued to improve supported by clearer guidance and regular reporting and oversight by MOPAC Board.

In September 2024, MOPAC's IT provider, Transport for London (TfL), was attacked by a sophisticated threat actor. The attacker breached TfL's network, gaining privileged access to some systems. TfL contained the incident and took robust steps to respond and investigate.

MOPAC Internal Control Environment

A DARA follow up review of MOPAC's Business Support, including IT Asset Management and Business Continuity highlighted control weaknesses which have been worsened by the cyber-attack. Key working arrangement documents had been developed but required formalisation and approval, performance and risk reporting were put on hold during the recovery of systems, and the MOPAC Business Continuity Plan was reviewed following the attack identifying the need to test and review lessons learnt to reduce future risks.

Annual Assurance - MPS

Internal Audit Annual Opinion

The current internal control environment within the MPS has limited effectiveness in supporting the achievement of its strategic objectives.

Progress has been made with a clear and structured improvement plan in place. This plan aims to develop a more mature and cohesive control environment that is essential for defining, coordinating, and monitoring the delivery of agreed strategic priorities.

Key developments and further action for improvement highlighted in this report include:

- **Prioritising activity supporting NMfL2** - the New Met for London (NMfL) plan encapsulating the outcome of engagement and the response to the Baroness Casey Review and other external and internal reviews, including DARA, was published in July 2023. It is the principal strategic document by which the Met measures its success and is held to account by MOPAC and the public, aiming to achieve 'More Trust, Less Crime and High Standards'. Development of NMfL2 is a key initiative for 2025/26, providing the framework for the Met to review its strategic priorities within the current financial and operational landscape.
- **Increasing maturity of governance arrangements** – progress has been made to integrate business and financial planning, performance and risk management and assurance provision. However, more is required to embed risk management across the Met supported by clear articulation of risk appetite, a greater understanding of internal control, and a strategic approach to assurance that is clearly defined, understood and properly supported.
- **Corporate Assurance Framework** - the increased importance of the need to define and develop the Met's strategic approach to assurance is recognised and although work has commenced on a corporate assurance framework it has not been embedded. Recent considerations at ARAC support the need for assurance activity throughout the organisation to be more clearly articulated and understood, to ensure best use of resources and strengthening of first line activity.
- **Transformation Governance** - the scale and affordability of the transformation portfolio continues to present significant challenges in terms of the ability to deliver across all programmes. Lessons learnt from the major CONNECT and Command and Control programmes have reinforced the need for robust governance and a cohesive approach to risk management, assurance and benefits management at programme, portfolio, and organisational level. This is being progressed through a Portfolio Improvement Plan that will be key to ensuring sustainable improvement which facilitates directing and enabling resources to deliver against agreed strategic priorities within definitive timescales.
- **Capacity and Capability** – Work continues in developing a workforce plan for the Met supported by demand analysis. There is recognition that the Met does not have a baseline organisational design that is affordable and aligned to operational priorities which is being addressed through Pillar 1 of the Engine Room - Affordable Design. This will require greater understanding and insight on workforce (including those on adjusted duties) to enable decision making. Embedding and aligning this activity with the need to

Annual Assurance - MPS

demonstrate organisational learning, maintain continuity of leadership in key areas and ensure a robust mechanism exists for matching roles to those with appropriate expertise, will lever resources and help to build further capability and capacity.

- **Achieving cultural change** – continued progress has been made in identifying and exiting those individuals whose behaviour falls below expectations. More has been done to align strategy, organisational structure and process to cultural ambitions, e.g. publication of the London Race Action Plan and Met Culture Plan.

Appendix 1 - provides additional insight of control themes that continue to emerge from DARA review activity. These will be addressed in increasing awareness and understanding of internal control, facilitated by the implementation of a practical and meaningful corporate assurance framework.

Strategic Framework

The New Met for London (NMfL) plan encapsulating the outcome of engagement and the response to the Baroness Casey Review and other external and internal reviews, including DARA, was published in July 2023. It is the principal strategic document by which the Met measures its success and is held to account by MOPAC and the public, aiming to achieve 'More Trust, Less Crime and High Standards'. Development of NMfL2 is a key initiative for 2025/26, providing the framework for the Met to review its strategic priorities within the current financial and operational landscape.

Steps have been taken towards a more cohesive Strategic Planning Framework, aiming to provide an organisation wide view of transformation and business as usual activity and how financial and workforce efficiencies will impact on the provision of services to Londoners. To help develop a more robust understanding of demand the Met has begun to integrate Force Management Statement (FMS) production into its annual business planning cycle.

A Met Business Plan for 2025/26, setting out the performance ambition, areas of focus across core policing activity and reform and the allocation of the budget, is awaiting formal sign-off. It is not yet embedded in business group activity, progressing the intention for business groups to maintain their own plans through translation of organisational objectives into local priorities will better support achievement of outcomes.

A performance framework has been implemented to enable greater focus on strategic outcomes aligned to NMfL and the PCP. It enables tracking progress against the Met's mission of More Trust, Less Crime and High Standards and was based on three pillars: Strategic Outcomes, Activities and Enablers. The approach has recently been reviewed and a revised framework is being implemented for 2025/26 with fewer but more focussed measures, concentrating on the areas of most strategic importance. These are to be supplemented by Level 1 enabling measures, alongside more detailed Level 2 operational and local performance indicators.

Performance is reviewed corporately by a Strategic Performance Group. The framework is not yet fully embedded with review activity continuing to demonstrate the need for a more consistent focus on performance outcomes, particularly at a local level. Improved data quality and continued enhancements to reporting will also inform greater insight and understanding of the factors impacting on performance.

Corporate Governance Structure

Corporate governance arrangements have changed again during 2024/25, following an external post-implementation review of the structure introduced in 2023. Since September 2024, themed Executive Committee (ExCo) meetings, the Budget and Business Plan Implementation Group (BPIG) and Estates Sub-Group have been replaced by fortnightly full ExCo meetings and fortnightly ExCo meetings without Commissioner and Deputy Commissioner attendance (known as ACCO). Through a more streamlined structure, these changes aim to reduce delays in decision making and accelerate progress across key areas.

There have been further changes with the merging of the Investment Group and the Transformation Group into a single Investment and Portfolio Group (IPG). This is chaired by the Chief Strategy and Transformation Officer and carries out scrutiny and approval of business cases and provides strategic oversight of the Met's transformation portfolio. The role of IPG continues to be refined following the introduction of revised delegation limits and a tiered approach to major programmes approved by ExCo in March 2025. A keyholder assurance process has been introduced to support investment decision-making; output from the planned DARA review of these new arrangements will further support this going forward.

MPS Internal Control Environment

The role of Non-Executive Directors (NEDs) has been extended with an increase in attendance/forum membership. The Audit and Risk Assurance Committee (ARAC), chaired by a NED continued to meet during the year and conducted a review reflecting on its first year, which has led to agreed areas of focus for the coming year to further strengthen the internal control environment i.e. governance, risk management and the internal control framework. It also continued to work in liaison with the Chair of the independent Joint MOPAC/Met Audit Committee.

Transformation Governance

The Investment and Portfolio Group meets monthly to provide delivery assurance of progress against NMfL commitments, HMICFRS 'Engage' milestones and Angiolini recommendations. The IPG also undertakes scrutiny of specific business areas, programmes, and projects; membership includes programme SROs and senior stakeholders from enabling functions such as Finance and Commercial.

The scale and affordability of the transformation portfolio continues to present significant challenges in terms of the ability to deliver across all programmes. Lessons learnt from the major CONNECT and Command and Control programmes have reinforced the need for robust governance and a cohesive approach to risk management, assurance and benefits management at programme, portfolio, and organisational level. Strengthening programme financial management and commercial support have also been identified as areas for development. The Command and Control programme has now been reset and delivery will be subject to the highest level of scrutiny through the new risk-based, tiered approach to programme management and assurance.

To consolidate and address repeat findings from review activity, including the DARA advisory review of Programme Management, Transformation management have recently developed a Portfolio Improvement Plan. Some activity is in design phase, but delivery is underway in key areas. Effective corporate oversight of this plan, alongside a defined approach to managing capacity and capability, will be key to ensuring sustainable improvement which facilitates directing and enabling resources to deliver against agreed strategic priorities within definitive timescales.

Corporate Risk Management

Steps have been taken to strengthen the corporate risk management which has included updating the documented approach and guidance and refreshing corporate risk assessments, facilitated by corporate risk discussions at ExCo and deep dives at recent ARAC meetings. The DARA follow up review of Risk Management highlighted that there remains a need to embed effective risk management across the Met, integrated with business planning and performance management and the assurance framework, to support a robust approach to the identification and management of key risks.

Clearly articulating risk appetite and demonstrating how this informs key decisions and the subsequent responses, including the degree to which risks will be accepted or controlled with the thresholds for doing so, will also provide the basis for more effective evaluation, monitoring and escalation. A six-month risk appetite and tolerance pilot in FLP has recently concluded, with an outline of proposals for adopting risk appetite and tolerance across the Met due to be taken to ExCo in July 2025. This will include a focus on strengthening the alignment between risk categories and planning categories to ensure that risk discussions are directly linked to strategic objectives.

Corporate Assurance Framework

The increased importance of the need to define and develop the Met's strategic approach to assurance is recognised and although work has commenced on a corporate assurance

framework it has not been embedded. Determining the corporate need for assurance, identifying all sources across the 'three lines' and assessing their effectiveness is critical to provide the necessary insight for Management Board. This will provide assurance that key strategies, policies, and processes are being applied as intended and key risks effectively managed, to secure desired outcomes. Recent considerations at ARAC support the need for assurance activity throughout the organisation to be more clearly articulated and understood, to ensure best use of resources and strengthening of first line activity.

DARA continue to advise on the framework, and provided training to the Assurance Forum, a group which brings together assurance practitioners from across the Met. DARA provided considerable advice and support to Front Line Policing (FLP) in developing an assurance function and approach, which has been piloted, and once successfully implemented will provide valuable assurance in a critical area of business. Some thematic reviews have been carried out, with findings presented to FLEX, although the impact of 'Tough Choices' on the FLPU may affect the capacity of this function to deliver going forward. DARA have also provided advice to a Specialist Operations command as they continue to develop their risk management and assurance capability.

Organisational Learning – Addressing Areas of Improvement

In liaison with the Strategy team, DARA produced a definitive action plan to address the strategic underlying issues highlighted in previous Internal Audit Annual Report and improve effectiveness of the governance and internal control, which aligned with many issues raised in the Casey Review and other external reviews. Key transformation programmes under NMfL are helping to address the required improvements. The Action Plan submitted to ARAC aims to facilitate identification of work strand leads, evaluation of progress, mapping a critical path, identifying interdependencies and prioritising action, and includes:

- Strategic Framework, incl. alignment to NMfL and MTFP
- Governance, Risk and Assurance
- Managing Cultural and Organisational Change
- Demand - Allocation and Deployment of Resources
- Capacity and Capability, including supervisory
- Understanding Demand and Deployment of Resources
- Corporate Policy and Process
- Organisational Learning
- Demonstrating Effectiveness - Measurement of Outcomes
- Information Management, Data Quality, and Digital and Analytical Capability

This approach is currently being reviewed to align and embed with the assurance framework.

DARA review activity continues to highlight the need at a more operational level to capture, share and manage learning. To support this an OL app is now in its final iteration with 'High Harm/Risk' learning regularly routed to end-point users, but there remains a need to implement effective organisational learning governance.

The Commissioner continued to provide regular updates on progress made in the areas of improvement identified as part of the 'Engage' process to the HMICFRS Policing Performance Oversight Group. Implementation of DARA recommendations has improved under the oversight of ARAC, particularly for those reviews receiving a limited assurance rating.

Workforce, Capacity and Capability

Work continues in developing a workforce plan for the Met supported by demand analysis. In February 2025 the Met set up an 'Engine Room' as an interim capability to make the organisational and operational changes needed to address the budget gap. There is recognition that the Met does not have a baseline organisational design that is affordable and aligned to operational priorities which is being addressed through Pillar 1 of the Engine Room - Affordable Design. This will require greater understanding and insight on workforce (including those on adjusted duties) to enable decision making.

Effective leadership is recognised as being essential to support the scale of cultural change needed across the Met, and the organisation has continued to develop the practical application of leadership and supervision. DARA are providing advice to support the implementation of the Leadership Academy. The Mid-Level Leadership Programme has been delivered to Inspectors and Band C managers and the Senior Level Leadership Programme has been rolled out to senior managers. At the same time supervision ratios are being reviewed as part of 'Tough Choices', so there remains a need to ensure those with supervisory responsibilities have access to appropriate levels of support and training.

The DARA follow up review of Trauma Support Effectiveness and Accessibility found some improvements have been made to strengthen the framework, a gap analysis has been conducted to identify opportunity areas for improved trauma support provisions and qualitative focused management information has been identified but not reported for the Psychological Monitoring Programme. The trauma strategy is to be further developed to support achievement of objectives, improved GDPR oversight and compliance is required for the Trauma Peer Support programme and improved reported qualitative management information is required across all trauma provisions. Training effectiveness lessons learnt processes are still to be properly defined and supported.

Culture, Diversity and Inclusion Framework

The Met acknowledge that building public trust and confidence continues to be a challenge. Internally, efforts continue to improve the integrity of the organisation including the appointment of a dedicated Assistant Commissioner for Trust and Legitimacy and introduction of new policies to support removal of corrupt officers and more robust policies for business interests, gifts and hospitality and declarable associations.

The London Race Action Plan (LRAP) was launched in September 2024 to enable the Met to become a service that is more inclusive, diverse and representative of London. Delivery of this is being supported by a dedicated LRAP team, which should help to address monitoring and reporting issues previously highlighted in DARA Inclusion and Diversity Strategy reviews.

The Met's Culture Plan was also published in 2024, setting out how the Met will implement the cultural reform needed to support delivery of the LRAP and a NMfL. A Culture Communications Working Group has now been fully established with attendees from multiple areas across the Met for input. This will be embedded further through the establishment of Local Culture Boards throughout BCUs and further roll out of the Culture Maturity Self-Assessment Framework tool following a pilot. DARA are to advise on the framework supporting the Plan in the coming year.

A staff survey was carried out during the year, with the results presented at the Joint Audit Committee. Work is ongoing at a corporate and local level to address the findings.

Information Management Governance and ICT Control Environment

The Met's Digital and Data Strategy has been refreshed and is being overseen by the Information Management Group (IMG) which continues to meet to ensure Met information is ethically and legally compliant throughout its lifecycle. A Met Information and Cyber Security Policy was published in November 2024, replacing the previous MetSEC Code. Recognising that changes to the technology and threat landscape are continuing at pace, a refreshed Cyber Security Strategy 2025 -2030 was approved in January 2025.

The Digital Enablers transformation programme is supporting achievement of NMfL objectives through a focus on ensuring that the use of data and technology services is fully embedded within the Met to improve efficiency, drive savings and support decision making. Opportunities to improve service and outcomes from data continue to be developed against key priorities, including implementation of an Enterprise Data Platform and roll out of the forensics case management system during the year. The Programme has recently been re-baselined and delivery confidence has been reduced to reflect uncertainty in the budget to fund full development of Data, AI & Analytics capabilities and increase data literacy across the Met needed to develop and fully utilise the future-services available through the Data Platform.

A significant DARA review was carried out on the Grey ICT Estate focusing on IT systems unsupported by the corporate infrastructure. Considerable work has since been carried out to reduce the number of systems operating outside of the corporate IT infrastructure with several major systems to transition to corporate arrangements. Further action is focused on robust procurement controls and ensuring the security and integrity of systems that remain in the Estate.

A review of the framework supporting the management of the major ICT framework found that the Intelligent Client Function governance model is generally operating effectively, with appropriate controls in place over payments, contract variation and contract performance. Development and implementation of the Supplier Relationship Management (SRM) model applied to strategic partners, including Capgemini, will support DDaT strategic aims in driving value and innovation throughout the contract lifecycle. Ongoing work to identify, evaluate and track potential savings and/or efficiencies within the contract remains key given the current funding position.

The DARA follow up review of cloud security and management has found that a cohesive strategic framework for cloud security and management is being developed, bringing together and updating existing policies, procedures and governance. Ongoing risk management and assurance over third party cyber security risks have been strengthened by the development of the Commercial Assurance Risk Framework (CARF) which will be used to monitor, mitigate, and escalate commercial risk for MPS contracts above £100k. This includes a review of suppliers' Cyber & Information Governance arrangements to support identification of risks and development of mitigation strategies, with escalation via the Commercial Risk Management Committee (CRMC).

Financial Control Environment

'A New Finance for the Met' programme has been initiated which includes enhancing the business partnering model, with clearer accountabilities and improved finance service offer to support budget holders with effective discharge of their responsibilities. Work is underway to improve budget holders' access to financial information through procurement of Oracle Analytics Cloud, which will also support monitoring of savings that are to be delivered locally.

MPS Internal Control Environment

DARA's review of budgetary control is currently assessing local application of the Scheme of Devolved Financial Management as well as controls in place to ensure delivery of required savings.

A Met Business Services Programme Board is overseeing the development and implementation of the future solution for delivering enhanced core systems. The revised delivery approach is focusing on internal process improvements and related user benefits in advance of the technology led transition. DARA are advising the MBS programme on the development of streamlined and effective core business processes. They also lead a 'pre-mortem' exercise conducted by the Programme Director, providing insight from review activity and lessons learnt to inform scenario planning post implementation, and the development of robust governance and internal control arrangements going forward.

The Annual Assurance from Government Business Services (Cabinet Office Function managing SSCL) remains unchanged from last year as 'Reasonable'. Specifically, the review of Staff Onboarding was assessed as 'Satisfactory'; three further reviews (Risk Management, Data Security and GDPR, Staff Overpayments and Recovery) were assessed as 'Satisfactory with Exceptions'.

DARA's follow up review of the expenses framework concluded that there remains a need to revisit risk exposure of the overall approach governing expenses, to ensure original assumptions around self- authorisation remain valid and the system is operating as intended. The corporate position on the investigation, escalation and reporting of non-compliance with policy is being clarified through DARA liaison with DPS and HR. There remains a need to develop an appropriate assurance framework for the management of payroll to ensure it identifies risks and controls across the full range of pay and reward activities, including expenses.

DARA on the covert accounts control framework addressed issues relating to resilience within the Covert Finance Unit impacting on the effective operation of cash handling controls. This was to be supported by more robust documented procedures and supervisory checks.

The DARA follow up of the proactive review of the specialist command has found that local controls introduced for expenses and card expenditure is having a positive impact on compliance levels and overall spend. There remain challenges with police overtime, which continues to be a significant area of spend with planning, authorisation, monitoring and oversight to improve. This is common to all operational areas, and there is a need to ensure that the known cultural and systems issues are being addressed, both in the short term and as part of the longer-term resource management solution.

DARA issued advice notes to the Strategy team on the Value of Internal Control, and advice notes on Overtime and Fraud were also provided to DPS.

Environment and Sustainability

The Environment and Sustainability Strategy has defined aims and objectives, reflecting Mayoral commitments and legislation and it is monitored through the annual Sustainability Management Plan overseen by an E&S Board. DARA previously advised alignment with the NMfL plan, and consideration of the Met's current position on environmental and sustainability objectives, would provide greater clarity in delivery of the Strategy. This remains outstanding and needs to be supported by a corporate assessment of the environment and sustainability risk to the Met. This is due to be completed following approval of the Estates Strategy to ensure a cohesive approach, with realistic E&S ambitions given the Met's financial position.

Commercial and Contract Management Framework

The DARA review of the Strategic Contract Management Framework concluded that there is a need to review and define the strategic approach to contract management, matching available resource to strategic ambition, better defining key accountabilities and improving contract risk management and assurance activity. Further embedding the new Commercial Assurance and Risk Framework (CARF), to apply a consistent and structured approach to commercial risk assessment across MPS contracts, will be key to addressing the significant issues that have previously arisen relating to supplier assurance, contract planning and supplier financial resilience.

Development of a RACI matrix for contract management, defining the individuals and/or teams responsible across the key stages of the contract management cycle, has commenced. There is increased management assurance via monthly Commercial Management Meetings, feeding into monthly meetings of a newly established Commercial Risk Management Committee (CRMC), with clear risk escalation routes. The current redesign of Commercial's organisational TOM, aligning with Met HQ work, will further inform contract management requirements and recruitment strategies.

Professional Standards and Counter Corruption

A new operating model for the Directorate of Professional Standards (DPS) with significant additional resource, continues to embed following the Casey Review and previous HMICFRS inspections raising significant concerns with professional standards and counter corruption capability. New counter corruption policies have been introduced.

As part of the Professionalism and Vetting Transformation Programme Professional Standards Units (PSUs) were integrated into DPS, implementing a new operating model with a move to a centrally managed but locally delivered professional standards capability, leading to a reduction in the volume of outstanding cases. Output from a DARA review of this revised framework will be used to further strengthen the control environment.

Reviews by Baroness Casey, Lady Angiolini and HMICFRS highlighted significant weaknesses in the Met's vetting practices. A DARA advisory review of the Vetting Control Framework found that governance arrangements have been strengthened, providing increased direction on risk and decision-making and leading to an overall lower risk tolerance being adopted. It is important that an effective assurance framework is embedded to enable recent improvements to be sustained. Disbanding the Vetting Panel has created potential gaps in assurance mechanisms, and additional reporting to the Vetting Oversight Group is required to strengthen oversight and assurance, particularly in relation to compliance figures, 'high-risk' errors found through quality control reviews, and risks surrounding changes of circumstances.

DARA conducted an advisory review of the governance of the Met's Counter Fraud Strategy and Plan, which highlighted the need for alignment with the revised counter corruption arrangements. The Tactical Liaison Forum analysing fraud trends and investigations meets regularly and a proactive counter fraud programme, developed by DARA is underway. The Strategic Oversight Board has not met for some time, which is impacting on the effectiveness of a strategic response. The integration of the management of fraud risks into day-to-day business activity has not yet been achieved and the capture and reporting of instances of fraud continues to need to improve.

The follow up of the Grievance Management review found a robust risk assessment, increased security of data records, and improvements to training and guidance. Improved reporting of cases has impacted on timeliness and capacity, delaying the review of procedures. A more granular understanding of the underlying issues impacting on confidence and disproportionality needs to be supported by enhanced insight into individual

MPS Internal Control Environment

behaviours and outcomes. This will strengthen existing performance measurement, monitoring and assurance provision. A continued focus on wider consultation and engagement and enhanced analytical capability will better inform decision making and increase confidence in the system.

Operational Control Environment

A previous DARA BCU review evaluated key enablers supporting operational delivery within Frontline Policing, including governance and risk management, capability and capacity, partnership engagement and performance management. It identified common themes and root causes cutting across all areas; a lack of experienced officers, insufficient investigative capability, a lack of specialist business support, poor training and supervision, excess demand and an inability to measure productivity and manage aspects of performance. Many of these issues were subsequently highlighted by Baroness Casey with DARA recommendations aligned to corporate improvement plans. The FLP transformation programme is addressing the key issues raised looking all aspects of BCU delivery and interdependencies with the wider organisation.

The DARA follow up review of Youth Offending Teams (YOTs) found that improvements have been made to strengthen the framework, with action taken to better define overall objectives and roles and responsibilities of the respective stakeholders. A risk assessment to support achievement of objectives and monitoring of action plans is to be conducted; training needs are still to be properly defined and supported by a delivery plan.

The audit of the Framework Supporting the Handling of Non-Police Firearms (NPFs) highlighted the need for a more strategic approach 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. Ensuring that learning from review activity identifies and addresses root cause and is embedded into daily operations through procedure updates, training and assurance activity is key. A delivery plan is being developed to support implementation of the audit recommendations which sit across different business areas.

The Taser Use and Deployment follow up audit concluded that the approach to risk management had improved from the original review, but there remained a need to further assess risks to the wider roll-out of the new self-issue system. Work to identify barriers affecting take up of training is informing communication plans and national work on police accountability. Confirmation of the strategic approach to ensure resources and training align with operational need was awaited. Internal review processes have been strengthened and ensuring the effective dissemination and evaluation of learning within the Met, including output from the new Community Scrutiny Panel, will be key to sustainable improvement.

Management of offenders remains a key strategic priority for the Met, reflected in the 2025/26 Business Plan and Level 1 performance aspiration to reduce the number of wanted offenders. It is anticipated that this can be achieved through data quality improvements, better performance management and new insight tools. Appointment of a dedicated Lead Responsible Officer for offender management has further driven activity to strengthen the framework and findings from the DARA review of Offender Management will also inform plans going forward.

Internal Control Framework

DARA Activity

Appendix 2 summarises all activity; risk and assurance and advisory reviews, governance advice and counter fraud work.

Risk and Assurance Review Ratings

Assurance Rating	Initial Reviews	Initial Reviews %	Follow Up Reviews	Follow Up Reviews %	All Reviews%
Substantial	0	0%	0	0%	0%
Adequate	8	62%	11	73%	68%
Limited	5	38%	4	27%	32%
No	0	0%	0	0%	0%
Total	13	100%	15	100%	100%

Comparison to Previous Year

Comparison with last year should be seen in the context that a lower number of more in-depth reviews were planned and carried out this year, and the increased emphasis on advisory work to support transformation/improvement activity. The ratings remain consistent at 62% of initial review activity conducted assessed as adequate with 38% rated limited. A total of 73% (67% last year) of follow ups were rated adequate and 27% (33%) limited. Overall, 32% (36%) of review activity was rated limited and 68% (64%) adequate.

Advisory Reviews

Advisory reviews increasingly inform the annual opinions on the effectiveness of internal control with significant work this year reflected in this report, including Met Corporate Assurance and Risk Management Frameworks, FLP Assurance, Counter Fraud Governance and drawing up an action plan to facilitate the strategic response to improving effectiveness. In MOPAC advice included Oversight Governance, Risk Management, Core Processes and FOI and GDPR Governance. Significant additional work was also carried out to support both organisations in enhancing financial governance and spending controls.

Governance Advice

Key boards advised by DARA include; Met ARAC, MBS Programme Board, and Counter Fraud Tactical Forum, Met Health, Safety and Wellbeing Board MOPAC Board, MOPAC Governance and Risk Working Group and MOPAC Oversight Forum.

Management Action

DARA follow up activity showed 30% of agreed actions were fully implemented, 61% partly and 9% not implemented. The Met reported 46 open actions (25 high priority) and high risks all due to be completed in line with deadlines. Ten actions have not been implemented with the Met 'tolerating' the risk subject to annual review.

Counter Fraud

There was a total of 6,079 matches under the NFI exercise with 34% now closed and £8,136 identified for recovery to date. Currently, 3,959 remain under investigation, mostly pension related cases involving enquiries with Sopra Steria and Equiniti. Liaison with DPS via the Tactical Forum, which enables pro-active review of high areas of fraud risk across the MPS continues. Ongoing analysis of key financial systems included: MPS Barclaycard payments, Government Procurement Cards, Allowances and Expenses and Police Overtime with reported outcomes used to develop improved controls.

The DARA review of the governance framework supporting the Anti-Fraud, Bribery and Corruption Strategy for the Met is to support proactive action to promote fraud prevention

Internal Control Framework

and awareness and the integration and embedding of fraud risk management into the corporate approach, aligned to the wider counter corruption programme of work.

Other Review Activity

Met Health Safety and Wellbeing Audits

The Met Health, Safety and Wellbeing Board continues to meet and maintain a robust safety governance framework, monitoring corporate and business group related risks, safety maturity assurance and wellbeing. This Board reports to ARAC and Met/MOPAC Audit Committee. Key initiatives included an annual review of the Corporate Health and Safety Policy, which led to inclusion of the current Safety Management System and corporate wellbeing programmes and a review of Health and Safety Training across the Met.

Met Information Assurance Audits

IAU resources have continued to support Op Greentip, the response to a third-party data breach of Met information, which took place in the previous year. Work on Greentip and a lack of resources following retirements, etc., have impacted on the amount of audit work done this year. Other activity included a light touch review of use of Survey Tools in the Met, specifically linked to Survey Money which found a lack of guidance, information on risk or central control over users. An ongoing review of the current level of 3rd party access to the IIP system is informing work to ensure appropriate access is managed effectively.

As a National System, the Child Abuse Image Database has auditing requirements undertaken on a rolling basis every four months, non-compliance was not found. A review of a PKI key change ceremony confirmed compliance to mandated security guidelines and a mandatory Met/NCSC audit of Met management of Cryptographic material concluded the Met was IS4 compliant with some areas of recommended improvement.

External Audit Annual Report for 2023/24

Grant Thornton issued an unqualified opinion and concluded that the financial challenges identified in their 2022/23 report remain. The Value for Money audit reported that there are significant weaknesses in arrangements relating to financial sustainability, governance and improving economy, efficiency and effectiveness.

His Majesty's Inspectorate of Constabulary Fire & Rescue Services (HMICFRS)

Met taken out of Engage Status

On 28 June 2022, HMICFRS moved the Met into the enhanced monitoring process, Engage. Progress against the causes of concern was reviewed by HMICFRS, with findings published 23 January 2025. HMICFRS closed the causes of concern linked to call handling, professional standards, the Daniel Morgan Independent Panel report and the Met's handling of child exploitation, associated recommendations having been completed. The Met was, therefore, taken out of the Engage status and moved to the default phase of monitoring.

The Metropolitan Police Service's handling of the sexual and criminal exploitation of children:

Causes of concern

In June 2023, the Mayor's Office for Policing and Crime in London commissioned HMICFRS to inspect how well the Met handled the sexual and criminal exploitation of children. The inspection was carried out in September 2023 three causes of concern were identified and 11 recommendations made. Following a revisit between 30 September and 18 October 2024 the causes of concern were closed. The senior leadership response to the issues raised had been positive. A children's strategy now sets out the Commissioner's ambition to adopt a 'child first' approach. Through a renewed focus on child exploitation, links to missing children and the language the force's officers and staff use, the force had made positive progress. The changes the force implemented were also providing better outcomes for children in London. There remained work to do to improve further and to provide a consistently good service, particularly in the areas of:

- Response to children missing from home

Internal Control Framework

- Accuracy of risk recording
- Working with safeguarding partners

PEEL 2023–2025: An Inspection of Metropolitan Police Service

Assessed how good the Met is in nine areas of policing with graded judgments in eight as follows:

Outstanding – Nil

Good – Nil

Adequate – Police Powers and treating the public fairly and respectfully.

Requires Improvement – Preventing and deterring crime and antisocial behaviour, and reducing vulnerability; Responding to the public; Protecting vulnerable people; Building, supporting and protecting the workforce; Leadership and Force management.

Inadequate - Investigating crime; Managing offenders and suspects.

Causes of Concern were identified as follows:

- Lack of skilled, experienced officers able to carry out good quality investigations.
- Compliance with the requirements of the Code of Practice for Victims of Crime.
- Management of risks posed by registered sex offenders in the community.
- Management of risk posed by on line child abuse offenders.

There were ten recommendations made for immediate action, and eight to be completed within six months. The following Innovative Practice was identified:

- Trialling the use of a mobile app to encourage young people at risk of offending to engage with the Divert scheme.
- Steps to address police-perpetrated domestic abuse and support victim.
- Performing well in relation to stalking and harassment investigations and the use of relevant orders to protect victims.

DARA Strategic Approach and Performance

Shared Internal Audit Services

DARA is the lead internal audit provider to the GLA group, delivering services to the GLA, London Fire Brigade, London Legacy Development Corporation, Old Oak and Park Royal Development Corporation, and provides a service to the National Police Chiefs Council. As a result, overheads are reduced, and more efficient use made of audit resources. DARA work in partnership with the private sector drawing on skills available in specialist areas.

Risk and Assurance, Advice, Counter Fraud Activity and Insight

Insight gained from internal audit activity provides invaluable advice to senior management supporting the considerable challenge of managing business as usual (BAU), whilst undergoing transformational change. Key themes and strategic underlying issues arising from review activity are analysed and shared to encourage a more strategic and corporate response. Themes are reported quarterly to supplement the annual analysis and provide more timely advice.

The increased focus on advisory work is a strategic response to support transformation objectives, providing timely and practical support and advice working alongside the business. Risk and assurance reviews continue to give assurance on BAU activity and the impact of transformation initiatives as they move into BAU. Follow up reviews provide independent assurance that action is taken as intended and has led to sustainable improvement. Counter fraud work contributes to aims around resetting the culture and values also helping to identify and address areas of control weakness. Prevention work aims to improve management of fraud risks from within the business, ensuring valuable resources are safeguarded.

Equality, Diversity and Inclusion

The MOPAC and Met's commitment to equality, diversity and inclusion is considered in all audits and investigations as appropriate. Findings are reported to senior management.

External Liaison

DARA has an effective working relationship with External Audit who continue to place reliance on DARA as appropriate.

DARA influence the development of audit in the policing environment and wider local government through membership of regional and national forums. The Director chaired the National Police Audit Group and Co-Chairs the CIPFA Police Governance, Audit, Risk and Assurance Group. The Head of Audit and Assurance is a member of the CIPFA Risk Management online service, helping develop risk concepts to help Public Sector organisations. DARA are members of the Institute of Counter Fraud Specialists and London Fraud Forum with representatives from the private and public sector. Ensuring DARA remain at the forefront of professional developments and provide a dynamic service to its clients.

Professional Standards and Audit Independence

The DARA team are professionally qualified or accredited counter fraud specialists, conducting their work in accordance with a Code of Ethics and professional internal audit standards. DARA has been recognised as one of the leading in-house public sector internal audit services and to maintain standards;

- Documents Processes and Standards - Audit Methodology
- Supervises each Audit Assignment
- Conducts Quality Assurance Reviews – Internal and External
- Self-Assess against professional standards
- Obtains Client Feedback and Review
- Completes continuous professional development
- Continually Improves

DARA Strategic Approach and Performance

There have been no impairments to DARA independence or objectivity during the year. A revised set of Professional Standards for public sector internal audit were introduced in April 2025 aligned to the global standards. DARA are conducting a self-assessment prior to an external assessment at the end of the year, which was delayed pending the introduction of the revised standards.

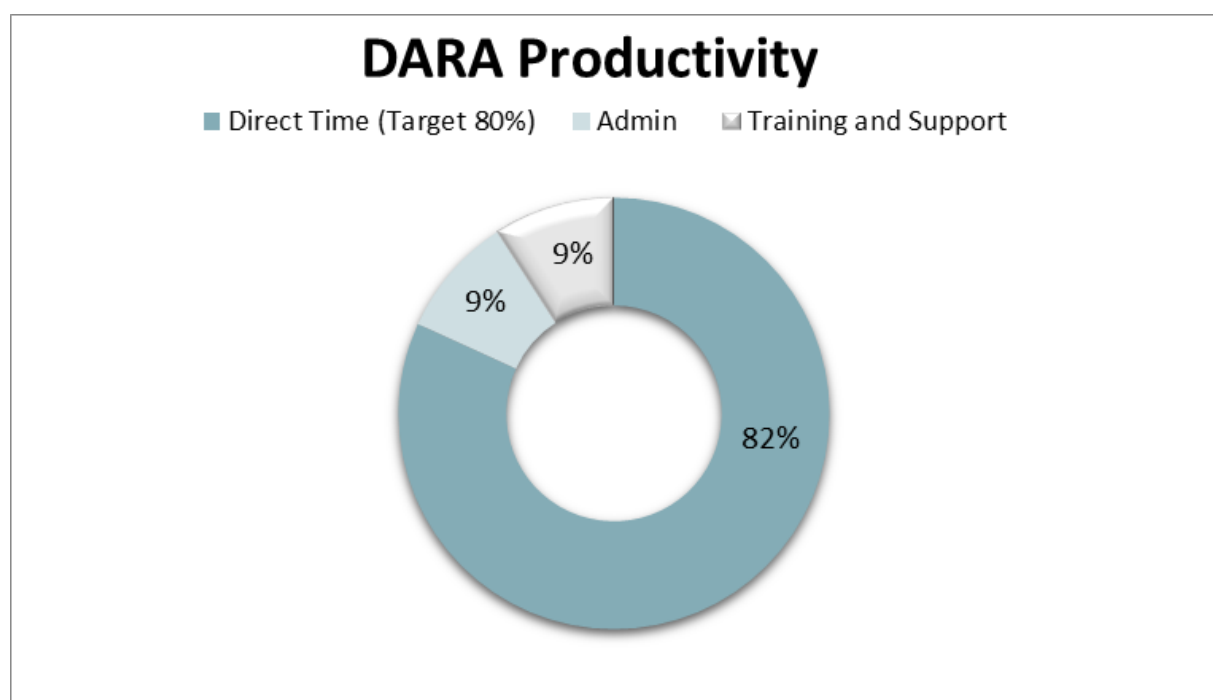
Planning and Delivery

A total of 94% of the programme was covered to draft report/completion with 6% of reviews in progress. Some risk and advisory work is carried forward to 2025/26 in line with planned activity in MOPAC and the Met. DARA has exceeded its 80% direct time performance metric achieving 82%, an increase of 3% against the previous year.

Activity across each strand of work is summarised as follows;

Activity	Planned	%	Actual	%
Risk and Assurance Audits	1,001	47%	1,050	54%
Risk and Control Advice	769	37%	671	34%
Counter Fraud Activity	335	16%	240	12%
Total	2,105*	100%	1,961	100%

* excludes contingency



Timeliness of Reviews

Timely real time advice was provided supporting MOPAC and Met colleagues in key developing areas.

Insight and Influence

DARA analysis and insight have been used to inform the Met's strategic plan, the response to the Casey Review and MOPAC oversight arrangements. They also form the basis for the

DARA Strategic Approach and Performance

plan to improve the effectiveness of the Met's control environment, which is helping direct activity in support of reform and strategic objectives.

Key Objectives for DARA in 2025/26

DARA will continue to be an independent source of assurance and support to the Commissioner, DMPC, MOPAC Board and Met Management Board adding value by;

- Aligning audit activity to strategic objectives and risks to MOPAC and the Met, providing independent assurance on effectiveness of arrangements supporting fundamental reform.
- Facilitating an increased understanding and focus on risk and control, increasing risk maturity and strengthening the internal control framework, in support of the improving effectiveness plan.
- Advising and supporting the development and implementation of the Met Corporate Assurance Framework.
- Reviewing effectiveness of the framework supporting the oversight governance arrangements for Londoners.
- Continuing to liaise and engage with business and operational leads to increased risk, fraud and control awareness, providing timely advice as risks emerge.
- Continually improving audit service provision, aligning to the revised professional standards for the Public Sector that came into effect in April 2025.

Key Control Themes Arising from DARA Review Activity

Accountability	Strategy Definition	Risk Management	Policy and Process	Capability and Capacity	Assurance	Management Oversight and Reporting
• Clarity of accountabilities, roles and responsibilities. • Clearly defined delegations and authorities. • Ownership of Strategy and Policies. • Recognising and managing interdependencies. • Clearly defined reporting lines.	• Clarity of key strategic objectives in business areas. • Demonstrating link to corporate objectives/NMfL and risks. • Definition of frameworks and/or plans to support delivery, change management and/or transformation.	• Identification of risks to achieving objectives. • Clearly stated and reviewed risk appetite/ tolerance with commensurate control. • Ownership of risk and mitigations. • Management of risk - understanding and focus on internal control.	• Up to date and reviewed to keep pace with change. • Sufficient risk and control focus. • Incorporate compliance mechanisms e.g. supervisory controls and review activity. • Accessible and user friendly. • Appropriate system/process integration.	• Identification of need to meet demand. • Effectiveness of Training delivery and evaluation • Deployment of resources to meet priorities. • Embedding organisational learning. • Knowledge Management – continuity in roles.	• Definition of assurance requirements. • Provision of assurance across areas of strategic importance. • Reporting and acting on assurance activity outcomes – to strengthen first line controls.	• Definition of management information requirements. • Quality and accessibility of performance and financial information. • Defining, measuring and reporting on performance metrics and outcomes. • Effectiveness of monitoring to understand and respond to factors impacting performance.

**Most Frequent*

Summary of Risk Assurance and Advisory Activity

Met

Corporate Governance	
Performance Management incl. Data Quality	Advisory
Management of Corporate Risks	Level 3
Corporate Assurance	Advisory
Transformation Governance	
Programme Management	Advisory
Frontline Delivery	
Framework Supporting Handling of Non – Police Firearms	
<i>Offender Management</i>	<i>Draft Report</i>
Met Response to Serious Personal Injury & Fatality Investigations on the road network	Advisory
Framework Supporting Taser Use and Control Follow Up	
Framework Supporting Youth Offending Teams Follow Up	
Workforce	
Professional Standards Units – Governance and Assurance	
Grievance Management Framework Follow Up	
Trauma Support - Effectiveness and Accessibility Follow Up	
Learning and Development/Organisational Learning	
Evaluation of First Line Leaders Programme	Advisory
Professional Standards	
Vetting Control Framework	Advisory
Counter Fraud Governance	Advisory
Firearms Command Follow Up: <i>Government Procurement Cards</i> <i>Police Overtime</i> <i>Expenses</i>	Pro-active Analytical Reviews
Financial Assurance	
<i>Budgetary Control Framework</i>	<i>Draft Report</i>
McCloud Pension Remedy	Fieldwork
Financial Governance Improvement	Advisory
Financial Assurance: Expenses Framework	
CFU Cash Handling	
Financial Assurance: Expenses Framework Follow Up	
Commercial Framework	
Strategic Contract Management Framework	
<i>Strategic Contract Management Framework Follow Up</i>	<i>Draft Report</i>
Data and Digital	
ICT Major Contracts Management Framework	
Corporate Infrastructure and Management of the 'Grey Estate' Follow Up	
Cloud Strategy and Management Follow Up	

Summary of Risk Assurance and Advisory Activity

MOPAC

Oversight Governance	
MOPAC Oversight	Advisory
MOPAC Assurance	Advisory
Implementation of Financial Oversight	Advisory
Framework Supporting ICV Scheme/Programme Follow Up	
Complaints Review Team – Performance Framework Follow Up	
Corporate Governance	
Internal Governance Arrangements	
Decision Making Framework	
Development of MOPAC Business Planning Framework	Advisory
Risk Management Training	Advisory
Delivery – Commissioning and Grants	
MOPAC Advisory Procurement Transformation Strategy Follow Up	Advisory
<i>VRU Commissioning Framework</i>	<i>Draft Report</i>
Domestic Abuse Safe Accommodation (DASA) - Advisory	Fieldwork
<i>Commissioning Impact</i>	<i>Draft Report</i>
<i>Grants Allocation and Management</i>	<i>Draft Report</i>
Financial Assurance	
Budget Accountabilities Roles and Responsibilities	
Proactive Procurement Reviews	Advisory
Financial Management Code of Practice Compliance Follow Up	
Budgetary Control Framework Follow Up	
Business Support Services – Business Continuity Follow Up	
Capacity and Capability	
People Strategy Programme Management	Advisory
HR Policy Reviews	Advisory
Information Governance	
GDPR Compliance Framework	Fieldwork

Audit Assurance

Substantial	Adequate	Limited	No
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Risk and Assurance Reviews Carried Forward to 2025/26	
Decision Making Framework	
Forensics Management	
CDI and Community Engagement	
Follow Up Met Environmental and Sustainability Plan Follow Up	

Summary of Risk Assurance and Advisory Activity

Governance Board	Activity
MOPAC/Met Audit Committee	Supported the work of the joint MOPAC/Met Audit Panel; facilitating Panel meetings and briefings, meeting with the Chair.
MOPAC Risk Assurance Working Group	Attended monthly meetings advising on those areas of improvement arising from audit reviews included in the MOPAC Governance Improvement Plan. Provided updates on the outcome of internal audit review activity and discussed and agreed the MOPAC Annual Audit Plan and contributed to the further development of the MOPAC risk management framework.
MOPAC Board	Supporting the implementation of the MOPAC strategic objectives including the review of core processes advising on the development of a system based on proportionate controls. Also advised on the on-going review of the Scheme of Consent and Delegation and the supporting decision-making assurance framework.
MOPAC Oversight Framework and Analysis Group	Attended the MOPAC Oversight Analysis Group and provided advice on the further development of the oversight framework to support the new PCP. The Group determines the level of effective oversight required to meet statutory obligations along with delivery of the PCP and how best this can be achieved with outcomes of key audit reviews considered.
Met Audit Risk Assurance Committee	Director attended quarterly meetings advising the Management Board on the effectiveness of governance, risk management and assurance arrangements and on key risks/issues emerging from review activity. Contributed to the review of the terms of reference for the new Committee. ARAC considered risk based Internal Audit Plan for 2024/25 aligned to the revised Met strategic objectives.
MBS Programme Board	Attended monthly meetings of the programme Board advising on the governance of arrangements supporting the extension of the existing arrangements as the Met prepares to go to market for a new solution. DARA will be advising on the transition to the new arrangements bringing in learning from the previous PSOP exercise and evaluating controls being built in to the system.
Health, Safety and Wellbeing Board	Attended the quarterly Board meetings to advise on audits that impact on Health and Safety of Police Staff and Officers. Issues discussed included management of risk across business groups, including compliance with Working Time Regulations.
Information Assurance & Cyber security Sub-Group	Attended the subgroup of the IMG to share ideas on auditable areas, key risks and audit planning in liaison with the Met IAU and report on the outcomes on DARA review activity.
Tactical Liaison Group (Counter Fraud)	In liaison with Met colleagues reviewed individual fraud risks using intelligence and/or the results from work undertaken to prioritise risk review and inform analytical work and revisions to risk assessments. The Group are to be tasked by the Strategic Board and this includes work to roll out fraud risk management to business areas, which has not progressed as intended.
Counter Fraud Work	DARA Activity
Fraud Prevention Strategy and Training	DPS Tactical Liaison Forum, attended by DARA, meets quarterly to identify investigations and trends.
Analysis of Key Financial Systems & Data	Identifying and dealing with highlighted areas of concern continue to be addressed, undertaking analytical reviews of Barclaycard procurement and Travel and Subsistence claims using analytical audit software. Supports assurance over operation of key controls. Two external sources of data are being explored and utilised by DARA to assist in the identification of potential fraud.

Glossary

ANPR	Automatic Number Plate Recognition
ARAC	Audit, Risk and Assurance Committee
BAU	Business as usual
BCU	Basic Command Unit
BPIG	Business Plan Implementation Group
CDI	Culture, Diversity and Inclusion
CFO	Chief Finance Officer
CIPFA	Chartered Institute of Public Finance and Accountancy
CONNECT	Integrated core policing IT solution replacing standalone legacy applications.
DAC	Deputy Assistant Commissioner
DARA	Directorate of Audit, Risk and Assurance
DMPC	Deputy Mayor for Policing and Crime
DPS	Directorate of Professional Standards
EDI	Equality, Diversity and Inclusion
ENGAGE	Enhanced level of monitoring by HMICFRS
ExCo	Executive Committee
FLP	Front Line Policing
FOI	Freedom of Information
GDPR	General Data Protection Regulation
GLA	Greater London Authority
HMICFRS	Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services
HSW	Health, Safety and Wellbeing
IAU	Information Assurance Unit
IAM	Investment Advisory Monitoring
ICT	Information and Communication Technologies
ICV	Independent Custody Visitor
IMG	Information Management Group
KPI	Key Performance Indicator
LMS	Learning Management System
LPB	London Policing Board
L&D	Learning and Development
Met	Metropolitan Police Service
MetCC	Met Command and Control
MOPAC	Mayor's Office for Policing and Crime
NED	Non-Executive Director
NFI	National Fraud Initiative
NMfL	A New Met for London
NPCC	National Police Chiefs Council
PCC	The Police and Crime Committee
PCP	Police and Crime Plan
PDS	Police Digital Service
PEEL	Police Effectiveness, Efficiency and Legitimacy
PMO	Programme Management Office
GIAS	Global Internal Audit Standards
PSOP	Police Standard Operating Platform
SO	Specialist Operations
TfL	Transport for London
VRU	Violence Reduction Unit
YJS	Youth Justice System
YOT	Youth Offending Team

Statement of Compliance and Responsibility

The auditing processes undertaken during reviews conformed with the International Standards for the Professional Practice of Internal Auditing and Public Sector Internal Audit Standards (PSIAS) prior to 1 April 2025, and the Global Internal Audit Standards (GIAS) and the associated UK public sector Application Note after 1 April 2025.

The issues raised in this report are those which came to our attention during the year. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management. Work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, or to identify all circumstances of fraud or irregularity. Reliance is also placed on management to provide full access to their personnel, records and transactions for the purposes of internal audit work and to ensure its authenticity.

This document is prepared solely for your information it should not, therefore, without our prior consent, be used for any other purpose.

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	Tuesday 29 July 2025
Presented by:	Director of Audit, Risk and Assurance, Head of Internal Audit for MOPAC and the MPS
Title:	MOPAC and MPS Draft Internal Audit Plans 2025/26
Purpose of the Paper:	This report sets out the proposed MOPAC and MPS Internal Audit Plans for 2025/26.

Recommendations

The Joint Audit Committee (JAC) considers and approves the proposed 2025/26 Internal Audit Plans for MOPAC and the MPS.

1. Supporting Information

- 1.1. The internal audit strategic approach supports the delivery of agreed strategic objectives as set out in the Mayor's Police and Crime Plan and New Met for London Plan, giving independent advice and assurance on the design and effectiveness of governance, risk management and internal control activities within MOPAC and the MPS.
- 1.2. The Internal Audit Plan is drawn up and carried out in line with the Global Internal Audit Standards (GIAS), which form part of an International Professional Practices Framework. These standards enable DARA to deliver professional, ethical and independent audit services across its client base.
- 1.3. The GIAS became effective for the UK public sector on 1 April 2025. The revised standards consolidate existing requirements, reinforcing the independence and status of internal audit, and highlighting the need for professional scepticism and courage. The importance of advisory work and the provision of insight and foresight to clients when reporting outcomes from audit work is emphasised.
- 1.4. Insight gained from internal audit activity provides invaluable advice to senior management supporting the considerable challenge of managing business as usual (BAU), whilst undergoing transformational change. Key themes and strategic underlying issues arising from review activity are analysed and shared to encourage a more strategic and corporate response. In the coming

year themes will be reported quarterly to supplement the annual analysis and provide more timely advice.

- 1.5. Risk and assurance reviews give assurance on BAU activity and the impact of transformation initiatives as they move into BAU. Advisory work supports strategic objectives, providing timely and practical support and advice working alongside the business. Follow up reviews provide independent assurance that action is taken as intended and has led to sustainable improvement. Counter fraud work contributes to objectives around resetting the culture and values, also helping to identify and address areas of weakness. DARA co-ordinate their review activity with other assurance providers.
- 1.6. The MOPAC Plan has a focus on oversight arrangements, financial assurance, commissioning activity, artificial intelligence, and key enabling functions in support of delivery of the PCP. The MPS Plan, aligned to NMfL, supports addressing the key strategic issues arising from external review activity and including previous DARA Annual Reports. This involves raising awareness around risk and internal control and supporting work underway to develop a cohesive corporate assurance framework across the Met.
- 1.7. DARA attend a number of MOPAC and Met governance and programme boards providing governance, risk and assurance advice. Identifying and reporting on areas of organisational learning and any potential areas for increasing efficiency and effectiveness will continue to be an important part of all review activity.
- 1.8. Counter fraud and analytical review activity includes supporting embedding of the effective management of fraud risks and completion of the National Fraud Initiative exercise. The proactive analytical programme focuses on areas such as expenses, overtime, credit card expenditure, and procurement activity in key/high risk areas of the business.
- 1.9. The Director of Audit, Risk and Assurance confirms skills and resources required to deliver the Plans are available to DARA. The indicative days planned for key areas of internal audit activity for MOPAC and the MPS are summarised as follows:

Internal Audit Activity	Days	%
Risk & Assurance Audits	1,087	53%
Advisory Programme	692	34%
Counter Fraud Activity	271	13%
Total	2,050	100%

- 1.10. Effective engagement, ensuring optimum impact of DARA review activity, will be supported by Audit Leads, on hand to offer advice to MOPAC and Met Governance and Risk Boards, senior leadership and management teams.

- 1.11. DARA continues to support internal audit across the policing sector and the embedding of the GIAS.
- 1.12. The 2025/26 Internal Audit Plans will be aligned with the 2025/26 financial end of year, covering July 2025 to March 2026. In line with the GIAS and risk management principles, the Plans will be reviewed every quarter against the organisations' risk profile resulting in dynamic Plans. Audits may be removed or added where risks/issues are identified. Follow ups will be undertaken for all audits completed during the 2024/25 Internal Audit Plan.
- 1.13. Domain III of the GIAS covers the governing of the internal audit function. The Head of Internal Audit (HIA) is responsible for ensuring the audit team meet all requirements of the domain, however, activities of the Board¹ (JAC) and Senior Management are essential to enabling internal audit's ability to fulfil its remit. These are identified as 'essential conditions' enabling effective dialogue between the Board (JAC), Senior Management, and the HIA.
- 1.14. Three core principles sit under Domain III:
- Authorised by the Board - The Board (JAC) establishes, approves, and supports the mandate of the internal audit function
 - Positioned Independently - The Board (JAC) establishes and protects the internal audit function's independence and qualifications
 - Overseen by the Board - The Board (JAC) oversees the internal audit function to ensure the function's effectiveness
- 1.15. The HIA is required to develop and maintain an Internal Audit Charter. The charter includes the purpose of internal auditing, commitment to GIAS adherence, and organisational position and reporting relationships. It also includes the audit mandate which covers scope and types of services to be provided, and the Board's (JAC's) responsibilities and expectations regarding management's support of the internal audit function.
- 1.16. When reviewing the charter, the Board (JAC) needs to consider whether the mandate sets the appropriate authority, role, and responsibilities of the internal audit function. Consideration also needs to be given to other topics that should be included in the charter to enable an effective internal audit function for the Met and MOPAC.
- 1.17. External quality assessments must be performed at least once every five years by a qualified, independent assessor or assessment team. The selection of an assessor and the dates for assessment are currently under

¹ The GIAS glossary defines the term 'Board' as the highest-level body charged with governance, such as a board of directors; an audit committee; a board of governors or trustees; a group of elected officials or political appointees; another body that has authority over the relevant governance functions. In an organisation that has more than one governing body, the 'Board' refers to the body or bodies authorised to provide the internal audit function with the appropriate authority, role, and responsibilities.

discussion. Once agreed, this information will be circulated more widely within the Met and MOPAC.

2. Financial Information

- 2.1 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.

3. Key Risks

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

4. Equality and Diversity Impact

- 4.1. The MOPAC and MPS commitment to diversity and inclusion are considered in review activity. The DARA work plans are 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 1 – Draft MOPAC 2025/26 Plan

Appendix 2 – Draft MPS 2025/26 Plan

Appendix 3 – MOPAC & MPS Charter

DRAFT MOPAC AUDIT PLAN 2025-26

Governance	Audit Title	Review Activity Focus	Directorate	Corporate Risk Areas
Oversight Governance	Police and Crime Plan – Implementation and Oversight of the 2025-2029 PCP	<u>Risk & Assurance Reviews</u> Assessing the effectiveness of oversight and implementation of the 2025-2029 PCP.	Strategy and Oversight	1. Strategic 2. Operational 3. Reputational
Corporate Governance	Business Planning	<u>Advisory</u> Supporting the RAPP team on the integration and delivery of MOPAC strategic objectives.	Corporate Services	1. Strategic 2. Financial
Financial Assurance	VRU Financial Management Framework	<u>Risk & Assurance Reviews</u> Assessing the financial management framework in place, evaluating the effectiveness of the design and application of controls.	VRU	1. Financial 2. Operational 3. Compliance
Financial Assurance	Financial Oversight	<u>Risk & Assurance Reviews</u> Evaluating transparency and effectiveness of framework supporting the arrangements in place for the 2025/26 budget and the 2026/27 savings programme. This will include a review of the new coding framework.	Corporate Services	1. Financial 2. Strategic 3. Compliance
Delivery	Appropriate Adults Programme	<u>Advisory</u> Review of contract compliance following the implementation of the Appropriate Adult's Service. First quarter data to be used for compliance testing.	Commissioning and Partnerships	1. Operational 2. Financial

DRAFT MOPAC AUDIT PLAN 2025-26

Information Governance	AI Governance and Implementation	<u>Advisory</u> Advising on the effectiveness of guidance and the implementation of AI practices across MOPAC.	Corporate Services	1. Information 2. External 3. Reputational
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2025/26 Follow Ups	
Internal Governance Arrangements	HR Policy Review
Decision-Making Framework	Budget Accountabilities, Roles, and Responsibilities.
Commissioning Impact	GDPR Compliance Framework
Grants Allocation and Management	

MOPAC Governance Board/ Working Group	DARA Activity
Joint MOPAC/MPS Audit Committee	Supporting the work of the joint MOPAC/MPS Audit Panel; contribute to the Panel's annual review of its effectiveness and subsequent Annual Report.
Risk Assurance Working Group	Advising on areas of improvement arising from audit reviews included in the MOPAC Governance Improvement Plan. Contribute to the further development of the MOPAC risk management framework and agree the MOPAC Annual Audit Plan.

DRAFT MOPAC AUDIT PLAN 2025-26

MOPAC Board	Supporting the implementation of the MOPAC strategic objectives including the review of core processes advising on the development of a system based on proportionate controls.
Oversight Framework and Analysis Group	Attending the MOPAC Oversight Analysis Group and providing advice on the further development of the oversight framework to support the new PCP.
MBS Programme Board	Attending and advising the Programme Board overseeing development of the future core support services IT solution.
Artificial Intelligence Working Group	Supporting the implementation of AI within MOPAC, advising on the development of strategy, governance, and oversight.

DRAFT MPS AUDIT PLAN 2025-26

Assurance Theme	MPS Risk Category	Internal Audit Assurance Activity	MPS Directorate/ Command	Other Assurance Activity
Financial Resilience	Financial Ability to Operate	<u>Risk & Assurance Reviews</u> • Business Planning • Core Systems health check reviews • Capital Framework • CT Funding and Control • Decision Making Framework • Pro-active Data Analytic Reviews (eg MO9) <u>Advisory</u> • MBS – Finance Processes <u>Follow Up Reviews</u> • Programme Management • Budgetary Control • Counter-Fraud Governance	Strategy & Transformation Corporate Resources (Finance/HR) Professionalism	HMICFRS (Managing Fraud) SSCL internal audit / ISAE3402 External Audit CIPFA Review
Operational Resilience	Ability to Operate Confidence & Satisfaction Health, Safety & Wellbeing	<u>Risk & Assurance Reviews</u> • Forensic Regulators Code Compliance • Op Benbow – Non-Aid Contributions <u>Advisory</u> • Performance Framework – including alignment with Risk Management • Met Ops Training Costs / VfM <u>Risk & Assurance Reviews</u> • Risk Maturity Action Planning <u>Advisory</u> • Assurance Framework – map out, control and assurance training	Met Ops & Performance Strategy & Transformation	HMICFRS (Prevention/Detection of Crime, Responding to Public, Crime Investigation, Use of Powers, Workforce) SHRMT (2nd line)

DRAFT MPS AUDIT PLAN 2025-26

Assurance Theme	MPS Risk Category	Internal Audit Assurance Activity	MPS Directorate/ Command	Other Assurance Activity
		<u>Risk & Assurance Reviews</u> - Local Implementation of FLP Design - BCU Reviews (inc risk management) <u>Follow Up Reviews</u> - Offender Management - Framework Supporting the Handling of Non-Police Firearms	FLP	
Third Party Relations & Supply Chain	Ability to Operate	<u>Risk & Assurance Reviews</u> - Contract Management Reviews <u>Follow Up Reviews</u> - Supplier Assurance - ESG	Corporate Resources (Commercial, PSD) / All	HMICFRS (Managing Fraud) SSCL audits
Workforce / People & Recruitment	Ability to Operate Health, Safety & Wellbeing	<u>Risk & Assurance Reviews</u> - Workforce Planning - End to End Recruitment - Internal Communications - CDI Strategy Implementation <u>Advisory</u> - Leadership Academy - Training Pathways <u>Follow Up Reviews</u> - Professional Standards Units - McCloud Pension Remedy	Corporate Resources (HR) Professionalism	HMICFRS (Leadership/Force Management, Workforce) SHRMT

DRAFT MPS AUDIT PLAN 2025-26

Assurance Theme	MPS Risk Category	Internal Audit Assurance Activity	MPS Directorate/ Command	Other Assurance Activity
Digital, Data & Technology	Ability to Operate	<u>Risk & Assurance Reviews</u> • Cyber Assurance Framework • Data Governance / Security • DDaT FinOps VfM <u>Follow Up Review</u> • ICT Contract Management	DDaT	Information Assurance Unit (2nd line) Police Digital Service

MPS Counter Fraud Programme	
Fraud Prevention & Data Analysis	• Driving integration of the assessment and management of fraud risks into Met corporate risk management process, delivering fraud and risk awareness training and inputting to a revised fraud risk analysis for the Met. • Supporting implementation of Anti-Fraud, Bribery and Corruption Strategy with DPS, business units and Strategic Oversight Forum. • Delivering a proactive analytical programme providing assurance on integrity of data and transactions in high risk/sensitive areas.
Fraud Investigation	• Conducting investigations into potential fraud and/or financial irregularities as appropriate. • Developing systems supporting and encouraging reporting of potential fraud and/or irregularities in liaison with DPS. • Identifying and analysing underlying risks related to inform fraud prevention, detection and investigation activity, in liaison with the Strategic Oversight Board.

DRAFT MPS AUDIT PLAN 2025-26

	• Advising on MPS reporting to External Audit on management of fraud risks and the occurrence of fraud.
National Fraud Initiative (NFI)	• Completing the NFI exercise, investigating and resolving the data matches for the MPS.
	• Reporting the outcome from the NFI to Met Audit, Risk and Assurance Committee, and the Joint Audit Committee.

DRAFT MPS AUDIT PLAN 2025-26

Governance Board	DARA Activity
Joint MOPAC/MPS Audit Committee	Supporting the work of the joint Audit Committee; contribute to the Committee's annual review of its effectiveness and subsequent Annual Report.
MPS Audit, Risk and Assurance Committee	Advising the Management Board on the effectiveness of Risk Management and Assurance and control emerging from DARA activity.
Strategic Crime Incident Recording Group (SCIRG)	Attend Group meetings and advise on the development of the framework supporting the recording of crime ensuring key risk issues previously identified through audit activity are addressed.
MBS Service Delivery Group	Attending and advising the Delivery Group overseeing development of the future core support services IT solution.
MPS Health, Safety and Wellbeing Board	Attend the Board and advise on key emerging risks and underlying control issues and themes from audit review activity to inform and embed sound controls supporting the work of the Board.
Information Assurance & Cyber security Sub- Group	Attend the Sub-Group of the Data Board to share ideas on auditable areas, key risks and audit planning in liaison with the MPS IAU and to report on the outcomes on DARA review activity.
Strategic Oversight Board	Advise on the oversight and delivery of the Anti-Fraud Strategy and Action Plan and wider counter corruption governance arrangements.
Tactical Liaison Group (Counter fraud)	In liaison with Met colleagues, review individual fraud risks using intelligence and/or the results from work undertaken to prioritise risk review and inform analytical work and revisions to risk assessments. Identify issues and trends to escalate to the Strategic Board as necessary.

INTERNAL AUDIT CHARTER

FOR

MPS AND MOPAC

Background

The Directorate of Audit, Risk and Assurance (DARA) are the internal auditors for both the Mayor's Office for Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS) in line with the Home Office Financial Management Code of Practice for the Police Forces of England and Wales.

This Charter defines the mission, purpose, authority, responsibility and scope of activity, providing the mandate for Internal Audit within MOPAC and the MPS. It explains the nature of the Director of Audit, Risk and Assurance, as Head of Internal Audit, reporting relationship with 'those charged with governance' i.e. the Deputy Mayor for Policing and Crime (DMPC) and Metropolitan Police Commissioner. It covers engagement with the; Deputy Commissioner and MPS Management Board, MOPAC Chief Executive and Board, MOPAC and MPS Chief Finance Officers and the Joint MOPAC/MPS Audit Committee¹.

DARA are governed by the International Professional Practices Framework (IPPF). It is a globally recognised framework providing authoritative guidance for the professional practice of internal auditing. This forms the basis of the Global Internal Audit Standards (GIAS), supplemented by an Application Note for the UK Public Sector in place from 1 April 2025.



¹ Joint Audit Committee performs the function of the Board as defined by the Global Internal Audit Standards in the UK Public Sector.

Mission Statement

Internal Audit, DARA, aims to enhance and protect organisational value by providing risk based and objective assurance, advice and insight.

DARA Core Principles

- Demonstrating integrity, competence and due professional care
- Being objective and free from undue influence
- Aligning audit work with the strategies, policies and risks of the organisations we audit
- Being appropriately positioned and adequately resourced
- Demonstrating quality and continuous improvement
- Communicating effectively
- Providing risk - based assurance to MOPAC and the MPS.

Definition and Purpose of Internal Audit

Internal Audit is an independent and advisory service designed to add value and improve MOPAC's and the MPS's operations. It helps each organisation accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes².

DARA is an independent source of assurance to the Metropolitan Police Commissioner and the DMPC. It has an important role in helping the MPS and MOPAC to demonstrate the highest standards of corporate governance, public accountability and transparency in the conduct of their business.

The work of DARA adds value to MOPAC, the MPS and their stakeholders in providing objective and relevant assurance, and contributing to the effectiveness and efficiency of governance, risk management and control processes within each organisation.²

Internal Audit Mandate

The Director of Audit, Risk and Assurance has a statutory responsibility to give an annual opinion on the effectiveness of the risk management, internal control and governance frameworks supporting the policing of London. The audit strategic approach is based on supporting delivery of the Police and Crime Plan and Met Strategic Plan, New Met for London, giving assurance that key risks to the achievement of agreed strategic priorities and outcomes are properly identified and effectively managed, and resources are appropriately utilised.

Regulation 3 of the 2015 Accounts and Audit Regulations requires the DMPC and Commissioner to ensure there is a sound system of internal control, which facilitates the effective exercise of their functions and the achievement of their aims and objectives; ensures that the financial and operational management is effective; and includes effective arrangements for the management of risk. MOPAC and the MPS are required to review at

² Global Internal Audit Standards

least once a year the effectiveness of their internal control systems for inclusion in their respective annual governance statements, which are informed by the work of DARA and the annual opinion of the Director of Audit, Risk and Assurance.

Regulation 5 of the 2015 Accounts and Audit Regulations requires the DMPC and Commissioner to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account GIAS or guidance.

The work of Internal Audit supports the statutory role of the MOPAC and MPS CFOs and Monitoring Officers in the discharge of their statutory responsibilities.

DARA has access to records, assets, personnel and premises and the authority to obtain information and/or explanations it considers necessary to fulfill its statutory responsibility (access also extends to partner bodies or external contractors). This is endorsed within the MOPAC and MPS Financial Regulations, which give DARA the necessary authority.

Professional Standards and Codes of Ethics

DARA's internal auditors follow professional standards set out in the GIAS and Application Note for the UK Public Sector, which forms part of the IPPF with the following mandatory elements:

- Global Internal Audit Standards
- Topical Requirements
- Global guidance

The Ethics and Professionalism domain within the GIAS replaces the previous Code of Ethics but continues to outline the behavioural expectations of all professional internal auditors in line with the core principles of integrity, objectivity, confidentiality, competency, and due professional care. Conformance with these principles instils trust, creates an ethical culture, and provides the basis for reliance on internal auditors' work and judgment. The Director of Audit, Risk and Assurance reports any areas of non-compliance with these standards within the Internal Audit Annual Report.

Independence and Objectivity

The requirement for the independence of internal audit is specified in the professional standards. Internal audit activity must be independent i.e. objective and free from undue influence. Internal Auditors must exhibit the highest level of objectivity and make balanced assessments ensuring they are not unduly influenced by their own interests or by others in forming judgements. In meeting these standards;

The Director of Audit, Risk and Assurance:

- Has direct and unrestricted access to the DMPC, the Metropolitan Police Commissioner and the Chair of the Joint Audit Committee.
- Reports at a senior level within MOPAC and the MPS allowing DARA to fulfil its responsibilities.
- Communicates and interacts directly with the MPS Deputy Commissioner and MPS Management Board, Chair of the Audit, Risk and Assurance Committee (ARAC), MOPAC Chief Executive and Board, MOPAC and MPS Chief Finance Officers and the Joint Audit Committee.

- Is responsible for producing the DARA annual work programme based on an assessment of risks to achievement of MOPAC and MPS strategic objectives. The plan must take into account the requirement to produce an annual internal audit opinion.
- Is free to determine the scope of internal auditing, perform audit activity and communicate results.
- Discloses to an appropriate party any conflict of interest that could impair their objectivity.
- Ensures assignments for audit responsibilities are rotated periodically within the DARA team.
- Confirms annually, the organisational independence of DARA.

DARA Team:

- Provide an annual declaration of any actual or potential conflicts of interest that might compromise their objectivity in the conduct of particular audits.
- Make a declaration if such a conflict of interest is identified in the course of any piece of audit or consultancy work.
- Provide advice but cannot assume management responsibility for decision making.
- Provide consultancy services but cannot give assurance services on areas where they have previously undertaken consultancy work.
- Cannot provide assurance or services to areas they were previously responsible for.
- Do not conduct work in an area if a personal conflict of interest is identified.

Reporting Arrangements

The Director of Audit, Risk and Assurance reports to senior management and the Joint Audit Committee under their own name and has ultimate authority for the content and conclusions of audit reports, which are issued to the most senior level of management. The Director reports periodically on DARA's purpose, authority and responsibility and regularly reports on:

- Significant risk exposures and control issues for MOPAC and the MPS, including fraud risks and governance issues and any emerging themes or trends.
- The adequacy and effectiveness of the MOPAC and MPS control frameworks.
- Progress against the annual internal audit plan, which is subject to change approved by the Joint Audit Committee.
- DARA service improvement activity.

The frequency and content of reporting is determined in discussion with senior management and the Joint Audit Committee and depends upon the importance of the information and the urgency of related actions to be taken.

Distribution, retention and disclosure of reports and other information is discussed and agreed with each organisation. The Director will make disclosure required by law where necessary.

Scope of Work

Internal Audit is a valuable asset to both organisations supporting senior management in meeting their corporate responsibilities. An appropriate response to DARA activity leads to the strengthening of the MOPAC and MPS control environments, contributing to the achievement

of strategic objectives, value for money, service improvement and transformational change. Key activity includes:

Governance

Assessing and agreeing appropriate actions for improving governance, including the arrangements for promoting appropriate ethics and values, ensuring effective performance management, communicating appropriate risk and control information and ensuring governance arrangements support MOPAC and MPS priorities and objectives.

Risk Management

Evaluating the effectiveness of and contributing to the improvement of risk management activities. This includes an assessment of whether significant risks to the achievement of agreed strategic priorities and objectives are identified, appropriate risk responses are selected that align with the MOPAC and MPS risk appetite and whether there are suitable arrangements for monitoring, reporting and escalating risks.

Internal Control Framework

Reviewing the efficiency and effectiveness of the respective internal control frameworks and providing an assessment of the extent to which they manage the risks that may impact on the achievement of strategic objectives. In making this assessment DARA consider whether controls established by management within MOPAC and the MPS provide assurance on the:

- Reliability and integrity of financial and operational information.
- Effectiveness and efficiency of operations and programmes.
- Safeguarding of assets, resources, staff and information.
- Compliance with applicable laws, regulations, policies and procedures.

Fraud Related Work

Accountability for the prevention and detection of fraud and corruption rests with management and is a matter for all MOPAC and MPS employees. Both organisations have the responsibility for establishing appropriate counter fraud arrangements, which are subject to DARA review. DARA also provide assurance on the management of relevant fraud risks within the corporate risk management frameworks.

A confidential reporting mechanism is available for employees of MOPAC and the MPS, and for members of the public. The respective Chief Financial Officers must be kept informed of any instances of suspected fraud or corruption. DARA Counter Fraud specialists in liaison with the Directorate of Professional Standards investigate matters of internal fraud/irregularities relating to staff and contractors. A Memorandum of Understanding between DARA and the MPS Directorate of Professionalism underpins arrangements for the reporting of suspected fraud/irregularities.

Consulting and Advisory Services

DARA, as the internal auditors, provide independent and objective advice to help management improve their risk management, control and governance arrangements in key areas of the business that are subject to significant change. Change management and control advice assists MOPAC and the MPS in delivering value for money resulting in the more economic, effective and efficient use of resources.

Such advice and consultation work forms an important part of the audit plan and is achieved through membership of Governance and other Boards, programme boards, working groups or as direct contact with portfolio/business leads.

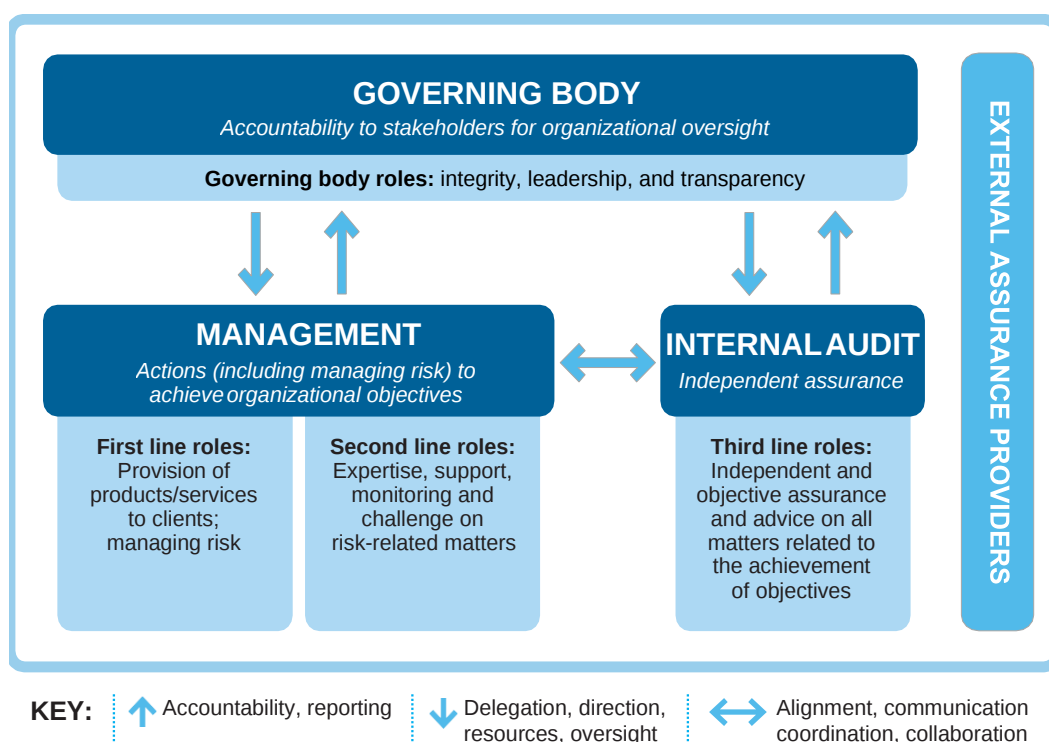
Resourcing

The Director of Audit, Risk and Assurance informs MOPAC and MPS senior management and the Joint Audit Committee of DARA plans and resource requirements. The internal audit plan includes the impact of any resource limitations and significant actual or planned changes. It is developed by the Director based on a risk-based methodology with the input of senior management, in line with professional standards. The Director ensures resources are appropriate, sufficient and effectively deployed to achieve the approved plan. Any material deviations from the plan are communicated to the Joint Audit Committee.

High standards of competency and qualification are specified for all members of DARA. Professional competence is maintained through an appropriate on-going learning and professional development programme that incorporates Continuing Professional Development to meet professional standards.

MPS and MOPAC Assurance Frameworks

The DMPC and Commissioner and their senior managers can take assurance from a number of sources. Both MOPAC and the MPS have adopted the 'Three Lines Model', which helps to understand where and how assurance is achieved.



First Line

This is assurance relating to day to day risk management activity and monitoring and managing performance to establish agreed targets and policing priorities are being met it;

- Leads and directs actions (including managing risk) and application of resources to achieve the objectives of MOPAC and the MPS.
- Reports on planned, actual, and expected outcomes linked to the objectives of the MOPAC and the MPS, and risk.
- Establishes and maintains appropriate structures and processes for the management of operations and risk, including internal control.
- Ensures compliance with legal, regulatory, and ethical expectations.

Second Line

This is associated with oversight of management review activity. It is separate from those who have responsibility for delivery but not independent of MOPAC and the MPS management chain of command. This includes compliance assessments or reviews carried out to determine policy and key process are being met in line with specific areas of risk and includes;

- Development, implementation, and continuous improvement of risk management practices (including internal control) at a process, systems, and entity level.
- Achievement of risk management objectives, such as: compliance with laws, regulations, and acceptable ethical behaviour; internal control; information and technology security; sustainability; and quality assurance.
- Provides analysis and reports on the adequacy and effectiveness of risk management, including internal control.

Third Line

This is independent and objective assurance and in MOPAC and the MPS focuses on the role of DARA, internal audit, which through an agreed programme of work is able to provide an objective opinion on governance, risk management and internal control. It is not part of the management chain and is independent from the responsibilities of management.

External Assurance

Provides additional assurance to satisfy legislative and regulatory expectations that serve to protect the interests of stakeholders, includes External Audit and HMICFRS.

Integrated Assurance

DARA can take assurance where appropriate from internal review activity and other independent assurance providers. It is also responsible for reporting on the effectiveness of the assurance framework to senior management and the Joint Audit Committee.

The Director of Audit, Risk and Assurance meets with the External Auditors, HMICFRS and internal assurance providers in the second line, to discuss respective approaches, scope of work, annual plans and areas of work upon which they may place reliance.

MPS and MOPAC Joint Audit Committee Transparency Statement

The MPS and MOPAC Joint Audit Committee is responsible for enhancing public trust and confidence in the governance of the MPS and MOPAC, assessing how effectively and efficiently resources are being used to provide value for money, and providing an independent view on organisational processes.

The MPS and MOPAC will provide the information required for the committee to discharge its duties.

The committee's meetings will be held in private to enable an open and frank discussion.

To contribute to enhancing trust and confidence, the committee seeks to be transparent with the information it receives and its considerations by publishing on its web page in a timely manner its annual report, agendas, minutes and papers. The committee acknowledges that some of the information it requires from the MPS and MOPAC may be confidential and would therefore not be suitable for publication.

In writing papers for the committee, the MPS and MOPAC are requested to balance the need for transparency of the committee's work with the need for providing the committee with the information it requires to undertake its role, which may be confidential.

The Committee will publish its annual report, agendas, minutes and all papers or parts of papers that are not classified by the MPS and MOPAC as official sensitive. Papers or annexes not marked as official sensitive will be published.

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	29 July 2025
Presented by:	Amana Humayun, MOPAC CFO
Title/Subject	Treasury Management Strategy 2025/26
Purpose of the Paper	This paper sets out the Treasury Management Strategy for 2025/26.

Recommendations

The Joint Audit Committee is asked to:

- Note the 2025/26 Treasury Management Strategy
-

1. Background/summary

- 1.1. The Treasury Management Strategy Statement (TMSS) sets out how MOPAC will manage its borrowings and investments over the short and medium term.
- 1.2. The GLA will continue to implement the MOPAC TMSS via the Treasury Management Shared Service arrangement. MOPAC is a member of the London Treasury Liquidity Fund LP (LTLF) who manage all MOPAC investments to generate financial and risk reduction benefits.
- 1.3. The MOPAC TMSS will make use of both the London Treasury Liquidity Fund LP (LTLF) for investment purposes and has the capacity if required to make investments in its own name. This is designed to spread counter party risk.
- 1.4. The external debt and treasury management limits and indicators in the TMSS are consistent with the MOPAC medium term financial strategy and 2025-26 budget.

2. Paper content

- 2.1. The MOPAC TMSS, in line with the CIPFA Code of Practice, states that investment priorities are security first, liquidity second and then return.

Borrowing

- 2.2. Borrowing will only be undertaken where necessary and subject to the profile of capital spend, capital receipts and other funding streams.
- 2.3. The approved 2025/26 capital programme funding includes provision for new borrowing of £287.9m. MOPAC currently maintains an under-borrowed position, such that the capital financing requirement has not been fully funded with loan debt but by using the cash supporting MOPAC's reserves, balances and cashflow, reducing the need to borrow externally. This is unlikely to be an option in the future as reserve balances are set to reduce significantly.
- 2.4. The delivery of the future capital programme, budgeted revenue savings, use of reserves and the phasing of new asset disposals will impact the cashflow, and will continue to be kept under review.
- 2.5. The proposed strategy includes that if necessary MOPAC borrow temporarily to cover any expected shortfall and where this represents prudent management of MOPACs affairs. This reduces the risks of holding excess balances and the cost of carry. Where an opportunity to reschedule existing debt is identified this will be undertaken within the limits of this strategy.

Investment

- 2.6. The MOPAC Group maintains a low-risk appetite consistent with good stewardship of public funds. The MOPAC Group's investment priorities will be security first, portfolio liquidity second and then yield (return). The MOPAC Group will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity and within the Group's risk appetite. Investments are managed in such a way as to make realised losses at the portfolio level extremely unlikely, while capturing the optimum return within these constraints.
- 2.7. All MOPAC investments are carried out in line with the MOPAC TMSS.

Prudential Indicators and Treasury Management Limits

- 2.8. Appendix 1 sets out the proposed 2025/26 range of prudential indicators and Treasury Management limits.

Management Arrangements

- 2.9. MOPAC has an Arrangement for Delegation for the treasury management function to the GLA. It will be the responsibility of the GLA to ensure that the function is adequately resourced and controlled.

- 2.10. The MOPAC Chief Finance Officer will receive regular reporting from the GLA/LTLF on risks, performance, progress and strategic financing advice. Treasury Management advice will be provided by MUFG Corporate Markets, or MUFG (formerly Link Group).
- 2.11. GLA Group Treasury will liaise with MOPAC/MPS for the management of cash flow.

3. Financial information

- 3.1. The cost of borrowing for 2025/26 is currently estimated to be £50.0m for interest payable and £108.2m for minimum revenue provision. The interest payable is based on an assumed average interest rate of 4.53% so any increase above this could have a significant impact on the interest payable budget given the external borrowing required to fund the capital programme (new external borrowing is forecast to be £337m in 2025/26).
- 3.2. Interest receivable is estimated at £13.3m. Budgets for this income and expenditure are included in the MOPAC/MPS budget for 2025/26.
- 3.3. The cost of the shared service arrangement with the GLA will be met from within existing resources.

4. Key risks and metrics

- 4.1. The MOPAC Chief Finance Officer will receive regular reporting from the GLA/LTLF on risks, performance, progress and strategic financing advice. Treasury Management advice will be provided by MUFG Corporate Markets, or MUFG (formerly Link Group).
- 4.2. The Treasury Management risks the MOPAC Group is exposed to are:
- Credit and counterparty risk (security of investments)
 - Liquidity risk (inadequate cash resources)
 - Interest and market risk (fluctuations in interest rate levels and thereby in the value of investments)
 - Refinancing risks (impact of debt maturing in future years)
 - Legal and regulatory and fraud risk (non-compliance with statutory and regulatory requirements, risk of fraud)
- 4.3. These risks are further discussed in Appendix 1 (Treasury Management Practices: Main Principles)

5. Further considerations

5.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

5.2. There are no equality or diversity implications arising from this report.

6. Conclusion

6.1. The 2025/26 TMSS presents a prudent and balanced approach to managing MOPAC's borrowings and investments. By prioritising security and liquidity while seeking appropriate returns, the strategy aligns with both the CIPFA Code of Practice and MOPAC's medium-term financial framework. The strategy's borrowing is carefully planned to meet capital programme needs while maintaining flexibility to manage cashflow pressures and minimise costs through potential debt rescheduling.

6.2. Robust governance arrangements underpin the strategy, with the GLA Treasury Shared Service managing day-to-day activities and providing regular risk and performance reporting to the MOPAC Chief Finance Officer. The ongoing monitoring of key treasury risks—including credit, liquidity, interest rate, refinancing, and regulatory compliance risks—ensures that MOPAC maintains effective control over its financial exposures.

6.3. Overall, the TMSS supports sound financial stewardship and provides a comprehensive framework to manage treasury operations effectively, while meeting regulatory requirements and safeguarding public funds.

7. Recommendations

- 7.1. The Joint Audit Committee is asked to:
- Note the 2025/26 Treasury Management Strategy

Approval / consultation

Approved by Annabel Cowell, Deputy CFO MOPAC

Vicky Venables, Senior Finance Business Partner

Appendix 1

Treasury Management Strategy Statement 2025/26

Introduction/Background

1) The Treasury Management Strategy Statement (TMSS) sets out the Treasury Management activities of the MOPAC Group for the year 2025/26.

2) This TMSS has been prepared with regard to the following legislation and guidance:

- The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (the Code) and associated Guidance Notes
- The CIPFA Prudential Code and associated Guidance Notes
- The Local Government Act 2003
- The Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Government Investments and
- The MHCLG Capital Finance Guidance on Minimum Revenue Provision (MRP).

3) The TM Code defines treasury management activities as:

‘The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.’

4) This TMSS therefore takes into account the impact of the MOPAC Group’s Revenue Budget, Capital Spending Plan and the Balance Sheet position and covers the following areas:

- Economic Background
- Prospects for Interest Rates
- Forecast Treasury Management Position
- Borrowing Strategy
- Policy on Borrowing in Advance of Need
- Debt Rescheduling

- Investment Strategy
- Use of External Service Providers
- Treasury Training
- Treasury Management Policy Statement (Appendix A)
- Minimum Revenue Provision (MRP) Policy Statement (Appendix B)
- Prudential Code Indicators and Treasury Management Limits (Appendix C)
- Treasury Management Practices: Main Principles (Appendix D)
- The Investment Strategy (Appendix E)

5) In covering the above areas, as per its Treasury Management Policy Statement (Appendix A), the MOPAC Group regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Responsibility for risk management and control lies within the MOPAC Group and cannot be delegated to any outside organisation.

6) The Treasury Management risks the MOPAC Group is exposed to are:

- Credit and counterparty risk (security of investments)
- Liquidity risk (inadequate cash resources)
- Interest and market risk (fluctuations in interest rate levels and thereby in the value of investments)
- Refinancing risks (impact of debt maturing in future years)
- Legal and regulatory and fraud risk (non-compliance with statutory and regulatory requirements, risk of fraud)

7) These risks are further discussed in Appendix D (Treasury Management Practices: Main Principles)

8) The MOPAC Group formally adopts The TM Code through the following provisions

- i. The MOPAC Group will create and maintain as the cornerstones for effective treasury management:
 - a Treasury Management Policy Statement stating the policies, objectives and approach to risk management of its treasury management activities and

- suitable Treasury Management Practices (TMPs), setting out the manner in which the MOPAC Group will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the proposed policy statement and TMPs follow the recommendations contained in Sections 6 and 7 of the TM Code, subject only to amendment where necessary to reflect the circumstances of the MOPAC Group. Such amendments do not result in the MOPAC Group materially deviating from the TM Code's key principles.

- ii. The Deputy Mayor for Policing and Crime will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, quarterly and a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- iii. The Deputy Mayor for Policing and Crime holds responsibility for the implementation and regular monitoring of the MOPAC Group's treasury management policies and practices and delegates treasury management decisions within the parameters of the TMSS to the MOPAC Group Chief Finance Officer (CFO) and the execution and administration of those decisions to the Greater London Authority (GLA), pursuant to Section 401(A) of the GLA Act 1999. The MOPAC Group CFO will act in accordance with the organisation's policy statement and TMPs and, if this officer is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- iv. The MOPAC Group has delegated to the MOPAC Group Audit Panel the responsibility for ensuring effective scrutiny of the treasury management strategy and policies.
- v. Should there be a need to revise the Treasury Management Strategy, the Treasury Management Policy Statement, the Minimum Revenue Provision Policy Statement, the Prudential Code Indicators and Treasury Management Limits, the Investment Strategy and the Treasury Management Practices at times other than those stated above, then these updates will be submitted to the Deputy Mayor for Policing and Crime for approval with the exception for the Authorised limit which can only be changed by Mayoral Decision and consultation with the London Assembly. The MOPAC Group will be fully consulted if any such changes are required.
- vi. Should the MOPAC Group CFO wish to depart in any material respect from the main principles of the TM Code, the reason should be disclosed, in advance, in a report to the Deputy Mayor for Policing and Crime.

Economic Background

The MUFG Corporate Markets, or MUFG (formerly Link Group), has been appointed as treasury advisors to the GLA and the treasury management shared service Partners. The information and commentary provided in this section are from MUFG.

MUFG provided the following forecasts on 10th February 2025. MUFG expect the Monetary Policy Committee (MPC) to reduce Bank Rate from its current level of 4.50%

by 1.00% to 3.50% by the end of 2027/28. The table below provides forecasts for Bank Rate, average earnings and PWLB certainty rates (gilt yields plus 0.80%).

MUFG Corporate Markets Interest Rate View 10.02.25													
	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28
BANK RATE	4.50	4.25	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.50	4.30	4.30	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.50	3.50	3.50
6 month ave earnings	4.40	4.20	4.20	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.50	3.50	3.50
12 month ave earnings	4.40	4.20	4.20	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.50	3.50	3.60
5 yr PWLB	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.40	4.30	4.20	4.20	4.10	4.00
10 yr PWLB	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.70	4.60	4.50	4.50	4.40	4.40
25 yr PWLB	5.80	5.70	5.60	5.50	5.40	5.30	5.20	5.10	5.00	5.00	4.90	4.90	4.80
50 yr PWLB	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.70	4.60	4.60	4.50

Source: MUFG

It should be noted that the forecasts above represent a central estimate and there remains considerable uncertainty around the eventual path of interest rates over the forecast horizon.

Forecast Treasury Management Position

9) The MOPAC Group's forward treasury portfolio position is summarised below. The table shows the actual external borrowing against the underlying capital borrowing requirement (the Capital Financing Requirement – CFR), highlighting any over or under borrowing. The table compares the underlying borrowing requirement to the balance sheet capacity to support internal borrowing, demonstrating that a shortfall arises in 2025-26, which will need to be met from new external borrowing. The table assumes that investment balances are maintained at zero. In practice, investment balances are likely to be positive in order to provide an allowance for short term liquidity needs.

Table 1: Forecast Treasury Position as at 31 March	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
External Borrowing				
Long term borrowing	873.0	867.4	776.8	760.2
Short term borrowing	75.0	0.0	0.0	0.0
Total External Borrowing at 31 March	948.0	867.4	776.8	760.2
Other Long-Term Liabilities				
PFI Liability	36.2	26.7	17.1	7.4
Finance Lease Liability	6.0	6.0	6.0	6.0
Total Other Long-Term Liabilities at 31 March	42.2	32.7	23.1	13.3
Total Gross Debt	990.2	900.1	799.8	773.5
Capital Financing Requirement	1,315.1	1,494.8	1,693.5	1,797.4
Less Other Long-Term Liabilities	-42.2	-32.7	-23.1	-13.3
Underlying Capital Borrowing Requirement	1,272.9	1,462.1	1,670.4	1,784.0
Under/(Over) Borrowing Position	324.9	594.7	893.7	1,023.9
Cover for Under/(Over) Borrowing Position	352.9	258.2	241.8	226.3
Estimated Shortfall / (Surplus available for Investments)	-28.0	336.5	651.9	797.6

Investments as at 31 March	28.0	0.0	0.0	0.0
Net Borrowing	920.0	867.4	776.8	760.2

10)

Borrowing Strategy

Delegation/Authorisation

11) The arrangements for borrowing, including the selection and the type and structure of debt instruments, are delegated to the MOPAC Group CFO, provided no decision contravenes the limits set out in the prevailing TMSS.

12) The MOPAC Group CFO is:

- authorised to approve borrowing by the MOPAC Group, for the purposes of financing capital expenditure
- authorised to make use of cash balances to fund internal borrowing when it is considered advantageous
- authorised to borrow temporarily within the Authorised Limit, where this represents prudent management of the MOPAC Group's affairs. As an example, where a cash flow requirement is short-lived, the opportunity cost of withdrawing or otherwise liquidating investments may exceed that of temporary borrowing. In such circumstances, borrowing may be the prudent action.
- authorised to borrow temporarily above the Authorised Limit where, and only where the amount of the increased limit represents the amount of any delayed payment which is due to the MOPAC Group and has not been received on the due date, and such delay has not already been provided for in the Authorised Limit, under the provisions of Section 5 of the Local Government Act 2003.

13) All borrowing decisions should be reported to the MOPAC Group Audit Panel at the first opportunity within the treasury management cycle.

Internal Borrowing Approach

14) When using cash balances to fund internal borrowing, the MOPAC Group acknowledges that this may reduce credit risk and short-term net financing costs. However, any decision to undertake internal borrowing will be tempered by the following considerations:

- The MOPAC Group must maintain sufficient liquidity to be certain of meeting existing borrowing and other obligations
- The measures set out in the investment strategy below substantially control credit risk

- The materiality of such risks should be considered in the light of the long-term financial consequences of sub-optimal borrowing decisions
- Agreements with central government specifying particular levels of borrowing and
- Investment rates are expected to remain below borrowing rates over the next 12 months.

Policy on Borrowing in Advance of Need

15) The MOPAC Group will not borrow purely to profit from the investment of the surplus borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the MOPAC Group can ensure the security of such funds.

16) In determining whether borrowing will be undertaken in advance of need the MOPAC Group will:

- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets are considered to be affordable and are within the forward approved Capital financing requirement estimate
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships and
- consider the alternative interest rates bases available, the most appropriate periods to fund and repayment profiles to use.

Debt Rescheduling

17) PWLB pricing policies currently impose a considerable spread between the rate of new loans and the rate used to calculate premiums or discounts on early redemption. This means that there are prohibitively expensive premia in relation to achievable savings. This emphasises the importance of attempting to optimise maturity profiles at the point of entering into borrowings.

18) Investment Strategy

19) The MOPAC Group maintains a low risk appetite consistent with good stewardship of public funds. The MOPAC Group's investment priorities will be security first, portfolio liquidity second and then yield (return). The MOPAC Group will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity and within the Group's risk appetite. Investments are managed in such a way as to make realised losses at the portfolio level extremely unlikely, while capturing the optimum return within these constraints.

20) The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decision to support the revenue budget will have

an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end investment balances.

Table 2: Core Funds and Expected Investment Balances	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Fund Balances/Reserves	176.0	131.3	114.9	99.4
Provisions	46.9	46.9	46.9	46.9
Other	0.0	0.0	0.0	0.0
Total Core Funds	222.9	178.2	161.8	146.3
Working Capital Surplus	130.0	80.0	80.0	80.0
Internal borrowing	324.9	258.2	241.8	226.3
Expected Investments	28.0	0.0	0.0	0.0

21)

22) MOPAC's Group's short-term cash balances are managed by the GLA's subsidiary, LTL and third-party asset managers appointed, through LTLF. The investment strategy for this arrangement is included within Appendix E but is subject to the agreement of all participating authorities; the MOPAC Group CFO is authorised, having taken proper advice from MUFG or other suitably qualified advisors, to agree amendments to this, provided that the underlying exposures of any amended strategy do not breach the limits set out in Appendix E.

23) The Investment Strategy 2025/26

24) The Investment strategy is considered and agreed by all Partners before the start of each financial year. A common approach permits maximum efficiency of the group shared service.

25) Additionally, the MOPAC Group CFO may from time to time instruct LTL to invest sums independently, for instance, if the MOPAC Group identifies balances which are available for longer term investment, after proper consideration of expected future cash flows, as at the time of investment. It is proposed that the MOPAC Group adopt an identical set of parameters for such investments as those detailed in Appendix E. However, regard must always be given to the Treasury Managements Limit 'Limits for Principal Sums Invested for Periods Greater than 365 Days' (Appendix C section 6.3).

26) Following the transfer of funds to the GLA for investment, the MOPAC Group aims to have a daily net zero balance across the suite of NatWest accounts it operates.

27) Whilst the MOPAC Group sets its Annual Investment Strategy at the start of each financial year, this need not be a once-a-year event, and the initial investment strategy may be replaced by a revised Strategy, at any time during the year, on one or more occasions, subject to the approval of the MOPAC Group. All Investment

Strategies approved by the MOPAC Group will be made available to the public free of charge, on print or online.

Treasury Management Budget

28) The Table below provides a breakdown of the treasury management budget.

Table 3: Treasury Management Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Interest payable	37.0	50.0	58.9	66.3
Interest receivable	-16.4	-13.3	-13.3	-13.3
Minimum revenue provision for debt repayment	87.9	108.2	123.7	142.6
Total	108.5	144.9	169.3	195.7

29)

30) Assumptions behind the 2025/26 Budget are:

- Average rates achievable on investments will be 4.50%
- Average rates payable on new borrowing will be 4.53%.
- The MRP charge is in line with the MOPAC's MRP Policy.

Use of External Service Providers

31) The MOPAC Group uses the MUFG Corporate Markets as its external treasury management advisor under a joint arrangement with the Greater London Authority. Whilst recognising the specialist skills and resources such advisors can provide, the MOPAC Group recognises that responsibility for treasury management decisions remains wholly with the organisation and will ensure that undue reliance is not placed upon external service providers. The MOPAC Group monitors and maintains the quality of this service by regular review and assessment.

32) MOPAC does not directly employ any external fund managers, however in the event of appointment, appointees will comply with this and subsequent Treasury Strategies. In addition, before any appointment is made, a fully costed appraisal would be performed and approval from MOPAC obtained.

33) NatWest Plc are the MOPAC Group's bankers and continue to provide a competitive service under an annual rolling contract.

34) In addition to the GLA's wholly owned investment management subsidiary, LTL, under the London Treasury Liquidity Fund (LTLF), uses two external fund managers, TwentyFour Asset Management and Prytania Asset Management, for the Fund's Residential Mortgage Backed Securities (RMBS) investments. These and any future appointed managers must be authorised and regulated by the Financial Conduct Authority.

The LTLF uses State Street Bank and Northern Trust as custodians of the any tradeable instruments (such as Treasury Bills). The investment policy is that any custodian (or sub-custodian, as may be the case) shall meet the credit criteria for 12 month investments as set out in the Investment Strategy (prior to Credit Default Swaps Market or other temporary adjustments). This restriction will apply to any custodian (or sub-custodian) appointed directly by MOPAC.

Treasury Training

The Code requires that members with responsibility for treasury management receive adequate training in treasury management. Those charged with governance are also personally responsible for ensuring they have the necessary skills and training.

Member/Senior officer training is available from the MOPAC's external treasury advisors (MUFG Corporate Markets) and will be arranged as required.

LTL officers performing regulated roles are obliged to undertake regulatory and technical training as required from time to time by LTL's Board.

LTL officers also routinely attend national forums and practitioner groups, such as the CIPFA Treasury Management Network.

LTL officers supported by MUFG, maintain a regular training programme available to all participating in the shared service and is arranged as required.

Notwithstanding the above, the training needs of Treasury officers and committee members are periodically reviewed.

Appendix A: Treasury Management Policy Statement

1. Policy Statement

- 1.1 This policy statement is in the form recommended by the CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes, Section 6.
1. The MOPAC Group defines its treasury management activities as:
 2. 'The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.'
 3. The MOPAC Group regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the MOPAC Group, and any financial instruments entered into to manage those risks.
 4. The MOPAC Group acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Appendix B: Minimum Revenue Provision (MRP) Policy Statement

1. Policy Statement

- 1.1 MRP is the amount out of revenue funding set aside each year as a provision for debt i.e. the provision in respect of capital expenditure financed by borrowing or credit arrangements.
- 1.2 Regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) provides that for the financial year 2007/08 and subsequent financial years, the detailed MRP calculation is to be replaced with the requirement that:
- 1.3 'A Local Authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent'.
- 1.4 The guidance also recommends that the annual MRP Policy is presented to the MOPAC Group for approval before the start of the financial year to which it relates. Any in-year changes must also be submitted to the MOPAC Group for approval.
- 1.5 For 2025/26, the MOPAC Group will make a minimum revenue provision (MRP) in accordance with: -
 - (a) 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, and
 - (b) the asset life method for unsupported borrowing undertaken in 2008/09 and subsequent years as permitted by the flexibilities provided under the Prudential Code.

In accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting, MRP in respect of (a) Private Finance Initiative schemes and (b) assets subject to finance leases, both of which are now recorded as long term liabilities, is made by recognition of an element of the annual unitary charge as repayment of principal.

Appendix C: CIPFA Prudential Code Indicators and Treasury Management Limits

1.0 Background

- 1.1 The Prudential Code has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Prudential Code has a central role in capital finance decisions, including borrowing for capital investment. Its key objectives are to provide a framework for local authority capital finance that will ensure for individual local authorities that capital expenditure plans are affordable all external borrowing and other long-term liabilities are within prudent and sustainable levels and that treasury management decisions are taken in accordance with good professional practice.
- 1.2 The Prudential Code also has the objective of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal.
- 1.3 Any such framework for the internal control and self-management of capital finance must therefore deal with all three of the following elements:
- Capital expenditure plans
 - External debt
 - Treasury Management
- 1.4 To ensure compliance with the Prudential Code in relation to the above elements, the MOPAC Group is required to set and monitor a number of Prudential Indicators. The setting of these Prudential Indicators is a circular rather than a linear process. For example, the level of external debt will follow on from the MOPAC Group's capital plans, revenue forecasts and treasury management strategy. However, if initial estimates would result in outcomes that would not be affordable or prudent, then plans for capital and/or revenue are reconsidered.
- 1.5 Prudential Indicators and Treasury Management Limits must be approved by the MOPAC Group and any subsequent changes to these Indicators and Limits must also be approved by the MOPAC Group. As stated previously the one exception to this relates to the Authorised limit which can only be changed by Mayoral Decision and consultation with the London Assembly.
- 1.6 These Prudential Indicators are set out below and reviewed for compliance.

2.0 Capital Expenditure

2.1 Capital Expenditure

- 2.1.1 Capital expenditure results from the approved capital spending plan and proposed borrowing limits. It is the key driver of Treasury Management activity.
- 2.1.2 All capital expenditure is stated, not just that covered by borrowing.

Capital Expenditure	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Total Capital Expenditure	321.6	338.4	362.7	290.0
Financed by:				
Capital Grants & Third Party Contributions	53.5	36.8	32.6	31.3
Revenue Contributions	0.0	0.0	3.3	3.3
Capital Receipts	3.0	13.8	4.3	8.9
Net financing need for the year	265.1	287.9	322.4	246.5

2.2. Capital Financing Requirement (CFR) - the Authority's borrowing need

2.2.1 The capital financing requirement is an indication of the underlying need to borrow for capital purposes. It is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resource.

2.2.2 It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been charged to the revenue account, will increase the CFR. The annual MRP acts to spread the revenue impact over the aggregate useful life of the assets in question.

Capital Financing Requirement (CFR)	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Total CFR*	1,315.1	1,494.8	1,693.5	1,797.4
Movement in CFR	177.2	179.7	198.7	103.9
Movement in CFR represented by				
Net financing need for the year (see Capital Expenditure table)	265.1	287.9	322.4	246.5
Less Capital receipts to repay borrowing	0.0	0.0	0.0	0.0
Less MRP/VRP** and other financing movements	87.9	108.2	123.7	142.6
Movement in CFR	177.2	179.7	198.7	103.9

*The MRP/VRP includes PFI/finance lease annual principal payments

3.0 External Debt Prudential Indicators

3.1 Authorised Limit for External Debt

- 3.1.1 The Authorised limit is the expected maximum borrowing needed with some headroom for unexpected developments such as unusual cash movements.
- 3.1.2 For the purposes of the Prudential Code borrowing is distinguished from other long-term liabilities.
- 3.1.3 The Authorised limit is the statutory limit that is determined, by the Mayor in consultation with the Assembly, under section 3 (1) of the Local Government Act 2003. It is intended to be an absolute ceiling which cannot be exceeded, except as provided under section 5 of the Local Government Act 2003, where payments expected but not yet received can temporarily result in the limit being exceeded, provided the original setting of the limit had not taken into account any delay in receipt of the payment.

Authorised Limit for External Debt	2024-25 Revised	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Borrowing	1,114.4	1,389.8	1,592.6	1,715.2
Other long-term liabilities	170.0	140.4	111.7	81.5
Total	1,284.4	1,530.2	1,704.3	1,796.7

3.2 Operational Boundary for External Debt

- 3.2.1 The operational boundary is based on the same estimates as the authorised limit. However, it reflects an estimate of the most likely prudent but not worst-case scenario. It equates to the maximum level of external debt under the capital spending plans approved by the Mayor and excludes the headroom included within the authorised limit.
- 3.2.2 The Operational Boundary is set as a warning signal that external debt has reached a level nearing the Authorised limit and must be monitored carefully. It is probably not significant if the Operational Boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the Operational Boundary would be significant, requiring further investigation and action as appropriate.

Operational Boundary for External Debt	2024-25 Revised	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Borrowing	989.4	1,264.8	1,467.6	1,590.2
Other long-term liabilities	170.0	140.4	111.7	81.5
Total	1,159.4	1,405.2	1,579.3	1,671.7

3.3 Gross Debt and the Capital Financing Requirement

This indicator seeks to ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

For the purposes of the Prudential Code, gross debt refers to the sum of borrowing and other long-term liabilities.

Gross Debt and the Capital Financing Requirement	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Gross Debt at 31 March	990.2	900.1	799.8	773.5
Capital Financing Requirement	1,315.1	1,494.8	1,693.5	1,797.4

4.0 Affordability Prudential Indicators

4.1 Ratio of Net Financing Costs to Net Revenue Stream

- 4.1.1 This indicator compares the total principal and net interest payments on external debt to the overall revenue spending of the MOPAC Group.

Net Financing Costs to Net Revenue Stream	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Total	3.1%	3.9%	4.5%	5.1%

5.0 Treasury Management Prudential Indicator

- 5.1 The Treasury Management Prudential Indicator requires the adoption of the latest version of the CIPFA Code of Practice for Treasury Management in the Public Services.
- 5.2 The MOPAC Group has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

6.0 Treasury Management Limits on Activity

6.2 Limits for Maturity Structure of Borrowing

- 6.2.1 Local Authorities are exposed to the risk of having to refinance debt at a time in the future when interest rates may be volatile or uncertain. The maturity structure of borrowing indicator is designed to assist Authorities in avoiding large concentrations of debt that has the same maturity structure and would therefore need to be replaced at the same time. The indicator is calculated as the amount of projected borrowing that is maturing in each period expressed as a percentage of total projected borrowing. For each maturity period an upper and lower limit is set.
- 6.2.2 The maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. Where the lender has the right to increase the interest rate payable without limit, the maturity date will be deemed to be the next call date.

Limits for Maturity Structure of Borrowing	Upper Limit	Lower Limit
	%	%
Under 12 months	50.00	0.00
12 months to 2 years	30.00	0.00
2 years to 5 years	35.00	0.00
5 years to 10 years	45.00	0.00

10 years to 20 years	45.00	0.00
20 years to 30 years	60.00	0.00
30 years to 40 years	35.00	0.00
40 years to 50 years	30.00	0.00

- 6.2.3 The capital strategy implies that a significant amount of external borrowing will need be undertaken over the medium term (see forecast treasury position above). The upper limits on the maturity structure of borrowing have been widened by between 10 and 15% compared to the limits in place for 2024-25 in order to facilitate new external borrowing, enabling the organisation to optimise the balance between cost and risk management; ensure borrowing can be matched with the useful asset lives of the assets being financed; and to enable any potential debt portfolio restructuring.

Limits for Principal Sums Invested for Periods Greater than 365 Days

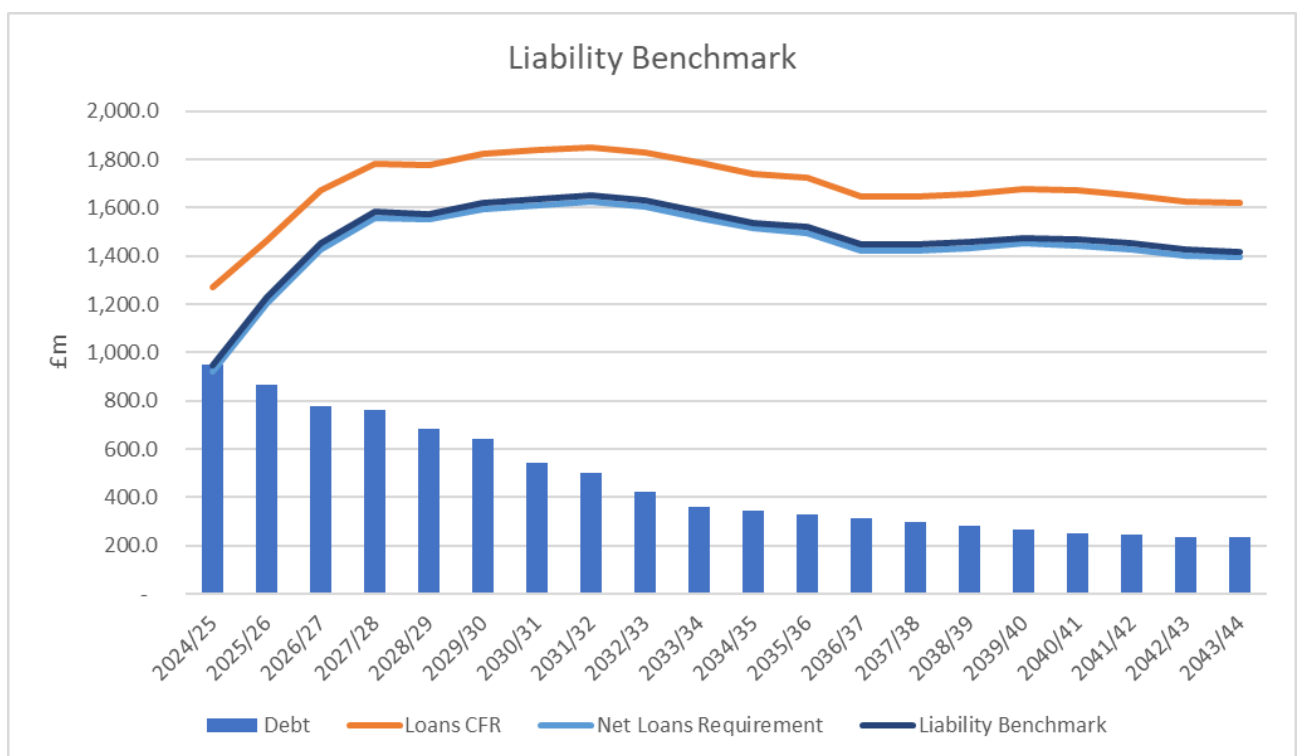
- 6.3.1 This indicator seeks to contain the risk inherent in the maturity structure of an Authority's investment portfolio, since investing too much for too long could:
- adversely impact on the MOPAC Group's liquidity and in turn its ability to meet its payment obligations and,
 - also lead to the loss of some of its principal if it is forced to seek early repayment or redemption of principal sums invested.
- 6.3.2 Under this indicator the MOPAC Group is therefore required to set an upper limit for each financial year period for the maturing of its long-term investments.
- 6.3.3 This limit does not apply to externally managed funds or to pooled monies within the LTLF. This is one of the key benefits of the pooled arrangement, allowing MOPAC to obtain diversification and returns that would not be possible on a standalone basis.

Upper limit for principal sums invested for longer than 365 days	Maximum principal sums invested >365 days		
	2023-24	2024-25	2025-26
Principal sums invested for longer than 365 days	0.00	0.00	0.00

7.0 Liability Benchmark

- 7.1.1 The Authority is required to estimate and measure the forthcoming financial year and the following two financial years, as a minimum.
- 7.1.2 There are four components to the LB: -
- Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.

- b) **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- c) **Net loans requirement:** this shows the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- d) **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



- 7.1.3 The chart indicates a sizeable gap between external borrowing and the liability benchmark. The authority's 20 year capital strategy involves a significant increase in the Capital Financing Requirement over the medium to long term.
- 7.1.4 A small portion of the authority's CFR is expected to be financed via internal borrowing, supported by reserves, provisions and a working capital surplus.
- 7.1.5 However, the benchmark demonstrates a clear need to undertake new external borrowing in the future.

Appendix D: Treasury Management Practices: Main Principles

1.0 INTRODUCTION

- 1.1 The Treasury Management Practices (TMPs): Main Principles below set out the manner in which the MOPAC Group will seek to achieve its Treasury policies and objectives. These TMPs: Main Principles follow the wording recommended by the latest edition of the CIPFA Treasury Management Code.
- 1.2 TMPs: Main Principles are supported by TMPs: Schedules, which provide specific details of the systems and routines employed and the records to be maintained to deliver the TMPs: Main Principles. These Schedules are maintained and updated as necessary, being operational procedures and forming an integral part of the MOPAC Group's treasury management manual.
- 1.3 Approval and monitoring of TMPs is a matter for local decision. As such the TMPs: Principles will be approved by the MOPAC Group and monitored by the MOPAC Group CFO and annually reviewed by the MOPAC Group before the start of the year.
- 1.4 TMPs: Schedules will be approved, monitored and annually reviewed by the MOPAC Group CFO
- 1.5 Scrutiny of the approval and monitoring of TMPs will be performed by the MOPAC Group Audit Panel following recommendations by the MOPAC Group CFO.

2.0 TMP1 RISK MANAGEMENT

2.1 General statement

- 2.1.1 The MOPAC Group CFO will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the MOPAC Group's objectives in this respect, all in accordance with the procedures set out in TMP6 'Reporting requirements and management information arrangements. In addition, any relevant Environmental, Social and Governance (ESG) factors influencing the Authority's Investment Strategy will also be considered.
- 2.2.2 In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the GLA's Group Treasury Management Practices TMP's.

2.2 Credit and counterparty risk management

- 2.2.1 The MOPAC Group CFO regards a key objective of the MOPAC Group's treasury management activities to be the security of the principal sums it invests. Accordingly, they will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit investment activities to the instruments, methods and techniques referred to in the TMP4 Approved

instruments, methods and techniques and listed in the GLA's Group Treasury Management Practices Schedules.

2.2.2 The MOPAC Group CFO also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which the MOPAC Group may borrow, or with whom it may enter into other financing arrangements.

2.2.3 The MOPAC Group's policy and practices relating to environmental, social and governance (ESG) investment considerations are set out within the GLA Group Responsible Investment Policy within the GLA Integrated Investment Strategy.

2.3 Liquidity risk management

2.3.1 The MOPAC Group CFO will ensure the MOPAC Group has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

2.3.2 The MOPAC Group CFO will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities or to ensure an adequate level of short-term investments to provide liquidity for the organisation.

2.4 Interest rate risk management

2.4.1 The MOPAC Group CFO will manage the MOPAC Group's exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 'Reporting requirements and management information arrangements'.

2.4.2 The MOPAC Group CFO will achieve this by the prudent use of the MOPAC Group's approved instruments, methods, and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications. It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs, and that the policy for the use of derivatives is clearly detailed in the annual strategy and that legal and professional advice will be taken in advance to establish a clear powers basis for any such transaction and highlight any contractual risks.

2.5 Exchange rate risk management

2.5.1 The MOPAC Group CFO will manage its exposure to fluctuations in exchange rates, so as to minimise any detrimental impact on its budgeted income/expenditure levels.

2.6 Inflation risk management

- 2.6.1 The MOPAC Group CFO will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

2.7 Refinancing risk management

- 2.7.1 The MOPAC Group CFO will ensure that the MOPAC Group's borrowing and other long term liabilities are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the MOPAC Group as can reasonably be achieved in the light of prevailing market conditions.
- 2.7.2 The MOPAC Group CFO will actively manage the MOPAC Group's relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

2.8 Legal and regulatory risk management

- 2.8.1 The MOPAC Group CFO will ensure that all the MOPAC Group's treasury management activities comply with statutory powers and regulatory requirements. They will demonstrate such compliance, if required to do so, to all parties with whom the MOPAC Group deals in such activities. In framing its credit and counterparty policy under TMP[1] 'credit and counterparty risk management' in the TMP schedules, they will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the MOPAC Group, particularly with regard to duty of care and fees charged.
- 2.8.2 The MOPAC Group CFO recognises that future legislative or regulatory changes may impact on treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the MOPAC Group.

2.9 Operational risk, including fraud, error and corruption

- 2.9.1 The MOPAC Group CFO will ensure that they has identified the circumstances which may expose the MOPAC Group to the risk of loss through inadequate or failed internal processes, people and systems or from external events. Accordingly, they will employ suitable systems and procedures and will maintain effective contingency management arrangements, to these ends.

2.10 Market/Price risk management

- 2.10.1 The MOPAC Group CFO will seek to ensure that the MOPAC Group's stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect the MOPAC Group from the effects of such fluctuations.

3.0 **TMP2 PERFORMANCE MEASUREMENT**

- 3.1 The MOPAC Group CFO is committed to the pursuit of value for money in the MOPAC Group's treasury management activities, and to the use of performance methodology in support of that aim, according to methodology determined from time to time by the MOPAC Group's CFO.
- 3.2 Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the TMP's. The criteria will include measures of effective treasury risk management and not only measures of financial performance (income or savings).

4.0 TMP3 DECISION-MAKING AND ANALYSIS

- 4.1 The MOPAC Group CFO will maintain full records of the MOPAC Group's treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for accountability, e.g. demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

5.0 TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

- 5.1 The MOPAC Group CFO will undertake the MOPAC Group's treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 'Risk management'.
- 5.2 Should the MOPAC Group CFO consider the potential use of derivative instruments for the management of risks, these risks will be limited to those set out in its annual treasury strategy. The MOPAC Group CFO will seek legal and financial advice and will ensure that it fully understands those products and has the ability to enter into such arrangements.
- 5.3 The MOPAC Group has reviewed its classification with financial institutions under MiFID II and has set out in the TMP Schedules those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

6.0 TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

- 6.1 The MOPAC Group CFO considers it essential, for the purposes of the effective control and monitoring of the MOPAC Group's treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is always a clarity of treasury management responsibilities.
- 6.2 The principal on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission

of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

- 6.3 If and when the MOPAC Group intends, as a result of lack of resources or other circumstances, to depart from these principles, the MOPAC Group CFO will ensure that the reasons are properly reported in accordance with TMP6 'Reporting requirements and management information arrangements', and the implications properly considered and evaluated.
- 6.4 The MOPAC Group CFO will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The MOPAC Group CFO will also ensure that at all times those engaged in treasury management will follow the policies and procedures. The present arrangements are detailed in the TMP Schedules.
- 6.5 The MOPAC Group CFO will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the TMP Schedules.
- 6.6 The delegations to the MOPAC Group CFO in respect of treasury management are set out in the TMSS. The MOPAC Group CFO will fulfil all such responsibilities in accordance with the MOPAC Group's policy statement and TMPs and if a CIPFA member, the 'Standard of Professional Practice on Treasury Management'.

7.0 TMP6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS.

- 7.1 The MOPAC Group CFO will ensure that regular reports are prepared and considered on the implementation of the MOPAC Group's treasury management policies on the effects of decisions taken and transactions executed in pursuit of those policies on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities and on the performance of the treasury management function.

- 7.2 As a minimum:

The MOPAC Group will receive

- an annual report on the proposed strategy and plan to be pursued in the coming year
- a mid-year review
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.
- Quarterly reports to monitor and report performance against all forward-looking prudential indicators highlighting any significant actual, or forecast deviations from the approved indicators. The quarterly reports should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring

- 7.3 The MOPAC Group Audit Panel, as the body with responsibility for the scrutiny of treasury management policies and practices, will receive regular monitoring reports on treasury management activities and risks.
- 7.4 The MOPAC Group Audit Panel responsible for scrutiny, such as an audit or scrutiny committee, will have responsibility for the scrutiny of treasury management policies and practices.
- 7.5 Local authorities should report the treasury management indicators as detailed in their sector-specific guidance notes.
- 7.6 The present arrangements and the form of these reports are detailed in the TMP Schedules.

8.0 TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

- 8.1 The MOPAC Group CFO will prepare, and the MOPAC Group will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 'Risk management', TMP2 'Performance measurement', and TMP4 'Approved instruments, methods and techniques'.
- 8.2 The MOPAC Group CFO will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 'Reporting requirements and management information arrangements'.
- 8.3 The MOPAC Group CFO will account for the MOPAC Group's treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory requirements in force for the time being.

9.0 TMP8 CASH AND CASH FLOW MANAGEMENT

- 9.1 Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the MOPAC Group will be under the control of the MOPAC Group CFO and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the MOPAC Group CFO will ensure that these are adequate for the purposes of monitoring compliance with TMP1 (2.3) 'Liquidity risk management' in the TMP Schedules, and for the purpose of identifying future borrowing needs (using a liability benchmark where appropriate).

10.0 TMP9 MONEY LAUNDERING

- 10.1 The MOPAC Group CFO is alert to the possibility that the MOPAC Group may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and

recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this are properly trained.

11.0 TMP10 TRAINING AND QUALIFICATIONS

- 11.1 The MOPAC Group CFO recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. They will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The MOPAC Group CFO will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.
- 11.2 The MOPAC Group CFO will ensure that the MOPAC Group's members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.
- 11.3 Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.
- 11.4 The GLA's subsidiary company, London Treasury Limited (LTL), is responsible for providing strategic advice on and subsequently managing the GLA's borrowings, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks and the paramount objective of preserving capital.
- 11.4 As part of LTL's adherence to the Senior Managers and Certification Regime of the Financial Conduct Authority (FCA), LTL staff are obliged to undertake regulatory and technical training as required from time to time by LTL's board. They also routinely attend national forums and practitioner groups, such as the CIPFA Treasury Management Network.
- 11.5 The training needs of officers and elected members are reviewed annually.
- 11.6 LTL, supported by its external treasury management advisor, will maintain a regular training programme available to elected members and all senior officers participating in the GLA's treasury management shared service. A record of the training provided will be kept for future reference.
- 11.7 The present arrangements, including a knowledge and skills schedule, are detailed in the TMP Schedules.

12.0 TMP11 USE OF EXTERNAL SERVICE PROVIDERS

- 12.1 The MOPAC Group recognises that responsibility for the treasury management decisions remains with the MOPAC Group at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their

appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangement rests with the MOPAC Group CFO.

- 12.2 The MOPAC Group's treasury management investments are managed by the GLA's subsidiary company, London Treasury Limited (LTL), which is authorised and regulated by the FCA to manage investments and provide investment advice.
- 12.3 The MOPAC Group uses MUFG Pension & Market Services (formerly known as Link Treasury Services Limited), as its external treasury management advisor under a joint arrangement with other members of the GLA's treasury management shared service. Other professional advisors may be appointed to assist with particular projects.
- 12.4 Whilst recognising the specialist skills and resources advisors can provide, the MOPAC Group acknowledges that responsibility for treasury management decisions remains with the organisation and will ensure that undue reliance is not placed upon external service providers.
- 12.5 External managers for treasury investments will comply with this and subsequent treasury management strategies and more detailed investment mandates prepared by the MOPAC Group CFO. At the time of writing, the MOPAC Group has no directly engaged external managers in respect of treasury investments.
- 12.6 The NatWest group is the MOPAC Group's banker and continues to provide a competitive service under an annual rolling contract.
- 12.7 The MOPAC Group's policy is that any custodian (or, if relevant, sub-custodian) shall meet the GLA's credit criteria for 12-month investments (prior to Credit Default Swaps, market or other temporary adjustments).

13.0 TMP12 CORPORATE GOVERNANCE

- 13.1 The MOPAC Group is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principals and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.
- 13.2 The MOPAC Group has adopted and implemented the key principles of the TM Code. This, together with the other arrangements detailed in the Treasury Management Practices TMP's, are considered vital to the achievement of proper corporate governance in treasury management, and the MOPAC Group CFO will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	29 July 2025
Title/Subject	Draft Statement of Accounts 2024/25
Purpose of the Paper	This paper updates the Joint Audit Committee on the 2024/25 draft statement of accounts for the MOPAC group.

Recommendations

The Joint Audit Committee is asked to:

- note the draft statements of accounts and the timelines for completing the external audit and publishing the final accounts.
-

1. Background

- 1.1. The Local Audit and Accountability Act 2014 requires that the Mayor's Office for Policing and Crime (MOPAC) and the Commissioner of Police of the Metropolis (CPM) produce annual Statement of Accounts (the accounts), and those accounts are subject to audit by auditors appointed by MOPAC.
- 1.2. Accounts are prepared for both MOPAC and the CPM. This report is based on the consolidated accounts of both entities referred to as the MOPAC group accounts.
- 1.3. The draft accounts are complete. Following approval by the MOPAC Chief Finance Officer that they represent a true and fair view of the financial position for 2024/25, the draft accounts have been published on the MOPAC website.
- 1.4. The accounts are being shared with the Joint Audit Committee as part of its role in overseeing the financial reporting processes of MOPAC and the MPS. A copy of the draft accounts are attached. The unaudited accounts are subject to independent external audit by Grant Thornton. The audit commenced on 16 June 2025.

2. Draft Statement of Accounts for 2024/25

- 2.1. The draft Statement of Accounts for 2024/25 have been prepared following the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. This interprets the International Financial Reporting Standards (IFRS) on which these accounts are required to be based. In line with all local government bodies, 2024/25 saw the adoption of IFRS 16, this

essentially removes the classification of leases between operating and finance (off balance sheet or on-balance sheet). Now, other than low value leases, all leases are recognised as finance leases, and therefore both the asset and lease liability are recognised on the balance sheet.

2.2. Following publication of the draft accounts MOPAC is required by the Local Audit and Accountability Act 2014 to present its Statement of Accounts (and associated documents) for public inspection for a period of 30 days. During this period local electors or their representative may formally ask questions of MOPAC or the External Auditor.

2.3. The unaudited accounts are subject to independent external audit by Grant Thornton. The audit commenced on 16 June 2025, with the audit due to be finalised and accounts published in September. The statutory deadline for completion of the 2024/25 audits is 27 February 2026.

3. Financial information

3.1. As set out in the report.

4. Key risks and metrics

4.1. No risks identified.

5. Further considerations

5.1. No further considerations

6. Conclusion

6.1. The draft accounts are complete and following approval by the MOPAC Chief Finance Officer that they represent a true and fair view of the financial position for 2024/25, the draft accounts have been published on the MOPAC website.

6.2. The unaudited accounts are subject to independent external audit by Grant Thornton. The audit commenced on 16 June 2025, with the audit due to be finalised and accounts published in September.

7. Recommendations

7.1. To note the draft statements of accounts and the timelines for completing the external audit and publishing the final accounts.

Approval / consultation

Approved by the MOPAC Chief Finance Officer that they represent a true and fair view of the financial position for 2024/25

Name, job title of paper author

Annabel Cowell – Deputy Chief Finance Officer

Appendices

MOPAC Group Draft Statement of Accounts 2024/25

Mayor's Office For Policing And Crime and Group

Un-audited Statement of Accounts 2024/25



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Narrative report

Introduction

The Police Reform and Social Responsibility Act 2011 established a Police and Crime Commissioner for each police force area across England and Wales. In London, the elected Mayor of London is the equivalent of the Police and Crime Commissioner and is responsible for the totality of policing in the capital (outside of the City of London).

The Mayor delivers the responsibilities given to him via the Act through the Mayor's Office for Policing and Crime (MOPAC), which was established as a Corporation Sole in January 2012. In October 2024 the Mayor appointed a statutory Deputy Mayor for Policing and Crime (DMPC) - Kaya Comer-Schwartz - to lead MOPAC, replacing Sophie Linden in the role of DMPC. A separate body of the Commissioner of Police of the Metropolis (CPM) remains, Sir Mark Rowley was the Commissioner during 2024/25.

The Mayor has several key roles in his capacity of Police and Crime Commissioner - most importantly setting the strategic direction and accountability for policing. The Mayor is responsible for the formal oversight of the Metropolitan Police Service (MPS), including budget-setting, performance scrutiny and strategic policy development, and for ensuring the MPS is run efficiently and effectively, so that Londoners are getting the best service possible from their police. Operational decision-making on day-to-day policing remains the responsibility of the Commissioner.

On 2 May 2024, Sadiq Khan was re-elected for a third term as Mayor and therefore as the occupant of the Mayor's Office for Policing and Crime for the metropolitan police district. Following the Mayor's re-election the Police and Crime Plan 2025-29 was published on 28 March 2025. This sets out the Mayor's plans to discharge his responsibilities through MOPAC and his commitments to Londoners during his third term in office.

These Accounts reflect the administration's priorities to meet the objectives within MOPAC's published Police and Crime Plan for 2022-2025 which was published in March 2022.

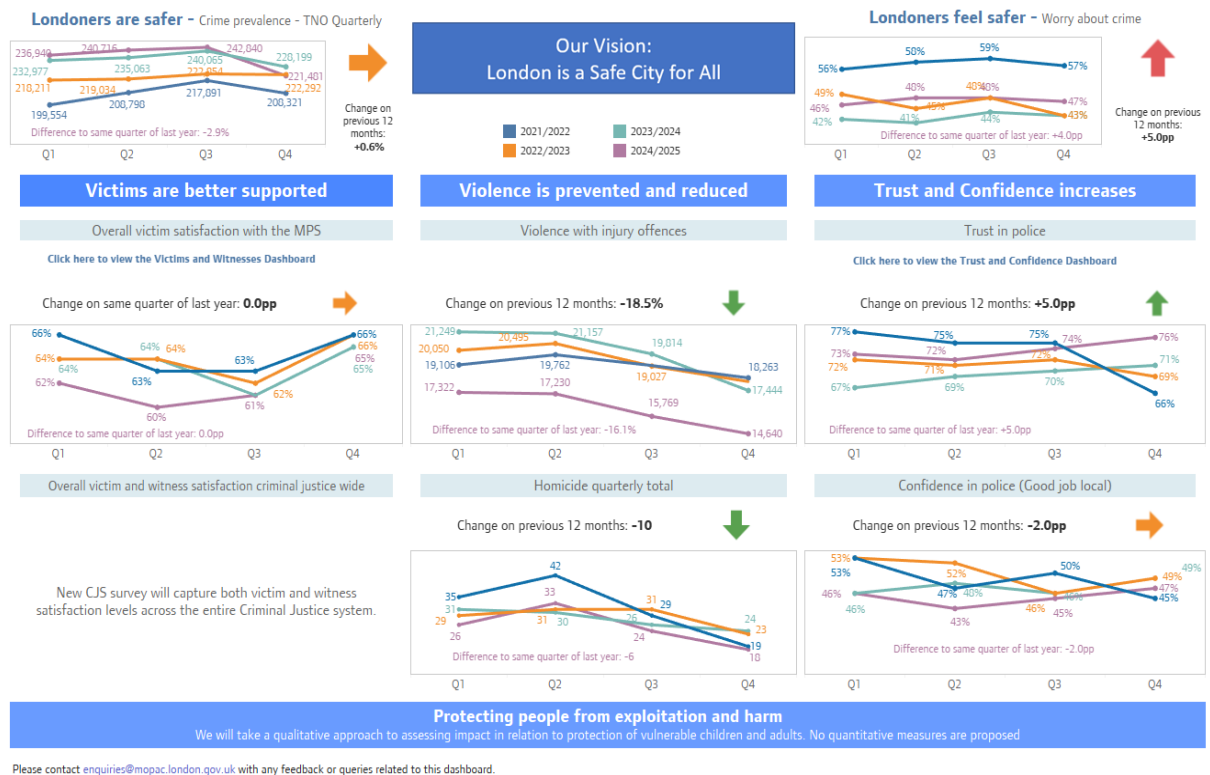
The four priorities of the Plan are: Reducing and preventing violence; Increasing trust and confidence; Better supporting victims; and Protecting people from being exploited or harmed.

All the financial transactions incurred during 2024/25 for policing London have been recognised and recorded within this Statement of Accounts, which sets out the overall financial position of MOPAC and the MOPAC Group for the year ending 31 March 2025. The term 'Group' refers to the consolidated accounts of the MOPAC and CPM. Where the Group's position differs from MOPAC's position this is made clear in the statements and notes. Separate statutory accounts are prepared for the CPM.

This narrative report provides an overview of the accounting arrangements and outlines the financial and operational performance of MOPAC and the MOPAC Group during 2024/25.

Delivering the priorities during 2024/25

MOPAC oversees the delivery of the Mayor's Police and Crime Plan by tracking a core set of measures of policing and crime activity. These measures reflect the Mayor's priorities and the activity and input of all criminal justice partners. The graphs below show how MOPAC delivered against each of the key objectives of the Police and Crime Plan during 2024/25.



Other key activities in 2024/25 included:

2024/25 was the final year of delivery for the Mayor's Police and Crime Plan 2022-25. Comparing the baseline period of financial year 2021/22 with the period January-December 2024, violence with injury fell by 11.1%, domestic homicide by 28%, non-domestic homicide by 8%, teen homicide by 43.5%, lethal barrel discharges by 25% and the number of people under 25 admitted to hospital due to assault with a sharp object by 13.4%.

In March 2025, following consultation with more than 4,000 Londoners, partner organisations and community groups, the Mayor published his Police and Crime Plan for London 2025/29. The key aims of the Plan are:

- Reducing violence and criminal exploitation
- Building safer, more confident communities
- Supporting and overseeing reform of the MPS; and
- Improving the criminal justice system and supporting victims.

To deliver these priorities, the Mayor has continued to back the MPS with record investment from City Hall - announcing in February 2025 an allocation of £1.159bn for the year 2025-2026 alone. City Hall funding now makes up 25% of the MPS budget, compared to 19% in 2016.

This is directly funding 1,300 officer posts and has helped deliver stronger neighbourhood policing. Every London borough now has its own Neighbourhood Superintendent and every ward a minimum of two Dedicated Ward Officers and one Police Community Support Officer.

Alongside this record support, the Mayor continued to oversee the MPS in delivering less crime, more trust and higher standards, as set out in the Commissioner's New Met for London Plan. Following significant improvements - including around child sexual exploitation, strengthening of vetting, and the revitalisation of neighbourhood policing, HMICFRS moved the MPS out of enhanced monitoring to normal "Scan" arrangements, representing a milestone for the MPS and recognition that a New Met for London was the right plan for reforming the MPS. Trust in the MPS has begun to increase, from 69% in the 12 months to Q4 2023/24 to 72% in the 12 months to Q2 2024/25.

The Mayor's London Policing Board has continued to support the Mayor in overseeing the MPS, meeting throughout 2024/25 to examine a variety of high priority issues for Londoners.

The Mayor launched a new £5.4 million service in 2025 to ensure vulnerable adults in contact with the police have timely access to an independent appropriate adult to support them.

Through MOPAC, the Mayor has invested £15.6 million in a new London Violence and Exploitation Support Service (VESS), which opened its doors in June 2024 to provide holistic support to children and young adults (up to the age of 25) impacted by violence and exploitation in London.

The Mayor continued his relentless focus on reducing and preventing violence against women and girls (VAWG). Since coming to office, he has overseen investment of over £233m from City Hall to tackle VAWG.

New announcements in 2024/25 included a new GPS tagging pilot to manage stalking offenders and protect victims; a further £3m investment to support grassroots organisations supporting victims and survivors of VAWG; and a £6m funding boost for his Domestic Abuse Safe Accommodation (DASA) programme. Since it launched in 2021, DASA has helped more than 23,500 survivors of domestic abuse.

Building on the success of his "Have a Word" campaign, in 2024/25 the Mayor launched a new innovative £1million toolkit, developed by educational experts Tender which uses workshops, drama and interactive sessions in the classroom to engage with young Londoners aged between 9-11 and champion healthy and respectful relationships and attitudes.

The Mayor continued to empower Londoners to challenge hateful views in their communities, better protect those vulnerable to radicalisation and stop the spread of hateful ideologies through his Shared Endeavour Fund. Since the fund was launched in 2020, £3.9million has been invested in 115 projects with more than 170,000 Londoners benefiting from workshops, educational activities and interfaith community programmes.

Claire Waxman, London's Independent Victims' Commissioner, continued to campaign tirelessly for improvements to the criminal justice system on behalf of Londoners. Following the publication of the London Stalking Review in July, Claire has secured legislative changes to be brought forwards within the Crime and Policing Bill 2025 on behalf of stalking victims, to help increase the use of Stalking Protection Orders. Following the review, the Government have also committed to reviewing the current stalking legislation, a piece of work which is ongoing and that the Victim's Commissioner's office is a part of.

In addition, Claire Waxman has been successful in campaigning for court transcripts to be made more accessible for victims, with a pilot being launched on the free provision of sentencing remarks. She has also been successful in seeing a number of other measures brought forwards by the Government that she has long campaigned for. These include raising the legal threshold for requesting victims' counselling notes; removing parental responsibility from child sex offenders; introducing sanctions for perpetrators who refuse to attend their sentencing hearing; and securing an extension to the timeframes within which the Attorney General is able to handle Victims' appeals against unduly lenient sentences. Importantly, Claire Waxman also campaigned successfully on the Victims and Prisoners Act to strengthen the requirements for agencies to comply with the Victims' Code.

The London Violence Reduction Unit

London's Violence Reduction Unit (VRU) leads a partnership approach to tackling violence through prevention and early intervention across London. Since it was set up in 2019, the VRU has funded more than 400,000 interventions, diversionary activities and positive opportunities for children and young people.

That means working to support families affected by violence or at risk of exploitation by establishing a London-wide network of 20,000 parents and carers to help them navigate the criminal justice and education system, and to better support children online. It means intervening to keep children and young people in school where they are safe, feel like they belong and are supported to thrive. The VRU is working to tackle rising suspensions, persistent absenteeism and exclusions through London's Inclusion Charter, a city-wide commitment supported by nearly all London boroughs and 30 national charities. This is having impact with more than 120,000 young people reached through targeted interventions and support in schools and pupil referral units. The VRU has expanded its programme of mentors in pupil referral units which is now in every London borough. Initial data showed that 82 per cent of PRUs report improved attendance and 86 per cent reported reductions in behavioural incidents. Targeted interventions to tackle speech, communication and language needs in primary schools has led to 98 per cent of children narrowing the gap to their peers, and teachers are reporting fewer physical incidents in the playground as children are using words over fists to resolve conflict.

As part of its commitment to tackling violence against women and girls, the VRU has invested in arts and drama-based healthy relationship sessions for 21,000 young people. Data shows that 86 per cent of children reported an increased understanding of healthy friendships and relationships, whilst 84 per cent were able to spot the early warning signs of abuse.

The VRU works to keep young people safe from exploitation and criminal gangs in the crucial after-school period and at weekends by investing in access to youth clubs and hubs. It also funds the life-changing work done by youth workers and mentors working to divert young people away from violence in neighbourhoods, in schools, in police custody suites and in hospitals. It funds embedded youth workers in 12 hospitals across London. The VRU seeing the impact of this work with data showing more than three-quarters of young people (77 per cent) in hospital following a stabbing or violent incident, reduced their risk of harm after the intervention from a youth worker. Alongside this, the VRU funds youth workers in custody suites in 12 of the busiest police stations in London. More than 10,000 young people have been supported by youth workers. Data also shows that 80 per cent of young people up to 18 arrested for violent offences are prevented from reoffending over the next 12 months following help from a youth worker to turn their lives round and break the cycle of violence. The VRU's award-winning MyEnds programme pioneers a community-led approach in hyper-local neighbourhoods and estates, which has contributed to tackling risk factors associated with violence and exploitation. This includes delivering more than 60,000 targeted interventions and positive opportunities for young people in areas with high levels of violence. The MyEnds programme, which operates in eight neighbourhoods across London, won an MJ award in the 'Better Outcomes' category for its partnership approach to solutions to tackle violence. This approach has seen more than 50,000 young people and community people supported through nearly 40,000 activities and interventions, including after-school support, mentoring, sport and holistic support.

The VRU developed and published London's first-ever Inclusion Charter to tackle rising suspensions and persistent absenteeism. Backed up by research of 4,000 young people and teachers, it formed a Charter of four guiding principles that are underpinned by £1.4m investment in UNICEF's Rights Respecting Schools Award programme. 24 boroughs have already signed up to the Charter and adopting its principles. The Charter is backed up by £10m investment in education to tackle exclusions and develop healthy relationships, an effective PRU mentoring programme across all 32 boroughs and funding to support speech, language and communications skills in 70 schools and an approach to early identify SEND. This approach is supported by a £3.4m fund to deliver positive opportunities and targeted after-school interventions for 17,000 young people.

The VRU has developed and built on its support for youth work in London. Its Rise Up programme has helped 470 youth workers further develop leadership skills, better manage conflict involving young people and support those affected by violence and trauma. It also invests in street-based youth work and in frontline practitioners in custody suites and hospitals. The VRU has expanded the model of youth workers in custody suites by increasing funding so that frontline practitioners are embedded in all 12 of the MPS's BCUs and support young people from 10 through the 25. Since 2020, 5,000 young

people aged 10-25 have been supported, with more than 2,000 activities delivered, including mentoring and opportunities in education, training and employment.

The VRU also funds youth workers embedded in Major Trauma Centres and A&Es across the capital, supporting young people at the 'reachable, teachable moment'. It's supported more than 1,700 young people since April 2020 with data showing that engagement with youth workers saw reduced in exposure and involvement in violence.

Alongside this, the VRU has established its Parent/Carer Champion Network in almost every London borough, working to provide support, guidance and networks for more than 7,000 parents and carers. It has also developed and established a girls and young women's programme which includes training teachers and support staff to better identify and intervene in the early stages of vulnerability in school.

How MOPAC delivers its responsibilities



How MOPAC operates

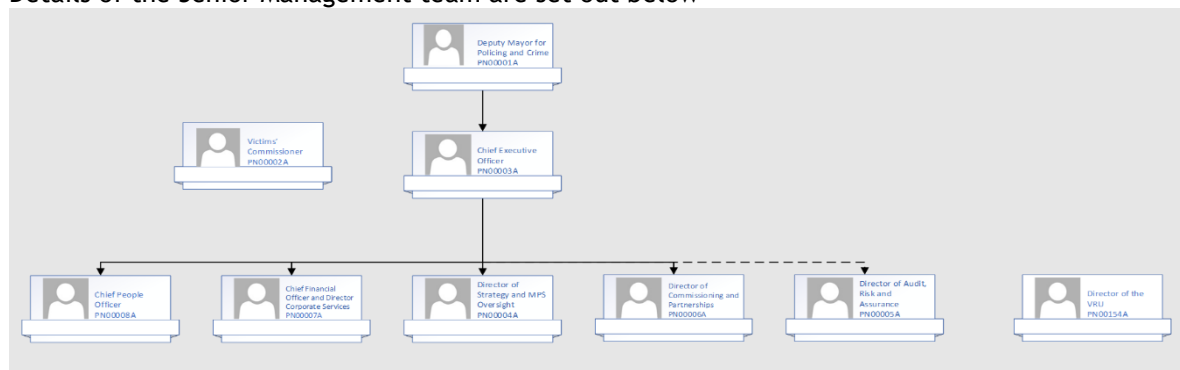
MOPAC has around 300 staff, organised across several directorates. These are:

Directorate	Description
Commissioning and Partnerships	Responsible for commissioning services to prevent crime, reduce reoffending and support victims.
Finance and Corporate Services	Supports the Mayor and DMPC to set and deliver a budget in support of the Police and Crime Plan and oversees and scrutinises how the MPS spends public money.
HR, Private Office and Secretariat	HR provide strategic and advisory support on people matters to MOPAC. The Private Office and Secretariat coordinate and advise on democratic functions, MOPAC's governance framework, including the London Assembly, Police and Crime Committee, supporting the DMPC and Chief Executive.
Strategy and MPS Oversight	Supports the Mayor and DMPC to develop their strategies and oversees and communicates the delivery of their commitments to Londoners. The Directorate is also responsible for managing the London Policing Board. It also hosts the country's largest civilian policing research unit (Evidence and Insight), providing expert data analysis, capture of Londoners perceptions, evaluations and research to inform policy-making and oversight.
Directorate of Audit, Risk and Assurance (DARA)	DARA provides expert internal audit and counter-fraud services to MOPAC and the MPS and to other parts of the GLA Group.

MOPAC also hosts a number of specialist teams, including:

Team	Description
The Violence Reduction Unit (VRU)	Hosted by MOPAC and working across the GLA to prevent violence by identifying and working in partnership to address its root causes.
The Independent Victims' Commissioner for London	Supported by a team hosted within MOPAC, Claire Waxman OBE was appointed by the Mayor to ensure that the voice of victims of crime is heard in everything that they do.

Details of the Senior Management team are set out below



The statement of accounts

Like all public services, policing has continued to operate within a challenging financial environment. In spite of the ongoing financial pressures, investment has continued in projects and programmes to deliver transformation. These include investment in estates and equipment to support a modern police force. No specific capital funding is provided by the Home Office, so this investment is ultimately funded through revenue. Whilst previously MPS have been able to utilise disposal proceeds from the sale of surplus property, the estate has been rationalised to a position that there will be limited disposals in the future. As a result, the majority of capital investment will require long term borrowing.

Before the police officer pension liability, which is subject to a separate year on year funding arrangement agreed with the Home Office, the Balance Sheet shows a positive net worth of £1,515 million, a decrease of £247 million from last year (£1,762 million) reflecting movements in working capital.

More specifically, the consolidated statement of accounts consists of:

- The Comprehensive Income and Expenditure Statement (CIES) for the Group and MOPAC - this summarises the resources generated and consumed in the year. Whilst it shows a deficit on the provision of services of £519 million, after taking accounting adjustments into consideration there is a surplus of £10 million after transfers from earmarked reserves of £73 million;
- The Movement in Reserves Statement (MIRS) for the Group and MOPAC - this shows how the £519 million deficit and other income and expenditure generated in the CIES is spread over the usable and unusable reserves in the Balance Sheet. Usable reserves reduced from £379 million to £316 million during 2024/25 which reflects transfers from earmarked reserves which have been established to manage future budget pressures, operational costs falling in future years and management of on-going change programmes.
- The Balance Sheet for the Group and MOPAC - this sets out the assets, liabilities owed by MOPAC to others, and the usable and unusable reserves which MOPAC maintains. The Balance Sheet shows a negative net worth of £18,823 million. This figure however includes the cost of police officer pensioners' liabilities which are subject to a separate year-on-year funding arrangement agreed with the Home Office. If the police pension liabilities are excluded, the Balance Sheet would show a positive net worth of £1,515 million;
- The Cash Flow Statement for the Group and MOPAC - this shows the in- and out-flows of cash to and from MOPAC. During 2024/25 there was a net cash inflow to MOPAC of £180 million.

In addition to the financial statements the Statement of Accounts include a Statement of Responsibilities for the Accounts and are published alongside MOPAC's Annual Governance Statement for 2024/25.

Financial performance of the Group

Setting the budget

The Deputy Mayor for Policing and Crime recommends an annual budget to the Mayor, following consultation with the Commissioner. The approved budget for 2024/25 for the whole MOPAC Group provided for gross expenditure of £4,797.3 million. Within this amount, £138.9 million was attributable to MOPAC, and included £112.7 million relating to London initiatives such as London Crime Prevention Fund £17.9 million, Violence Against Women and Girls £18.3 million, London Integrated Victim and Witness Service £4.6 million, Violence & Exploitation Service £5.5 million, MyEnds programmes £7.3 million and Criminal Justice programmes £11.6 million. The MOPAC Group net budget, after taking into account income, specific grant before reserve usage, was £3,705.5 million.

Performance against the Revenue Budget

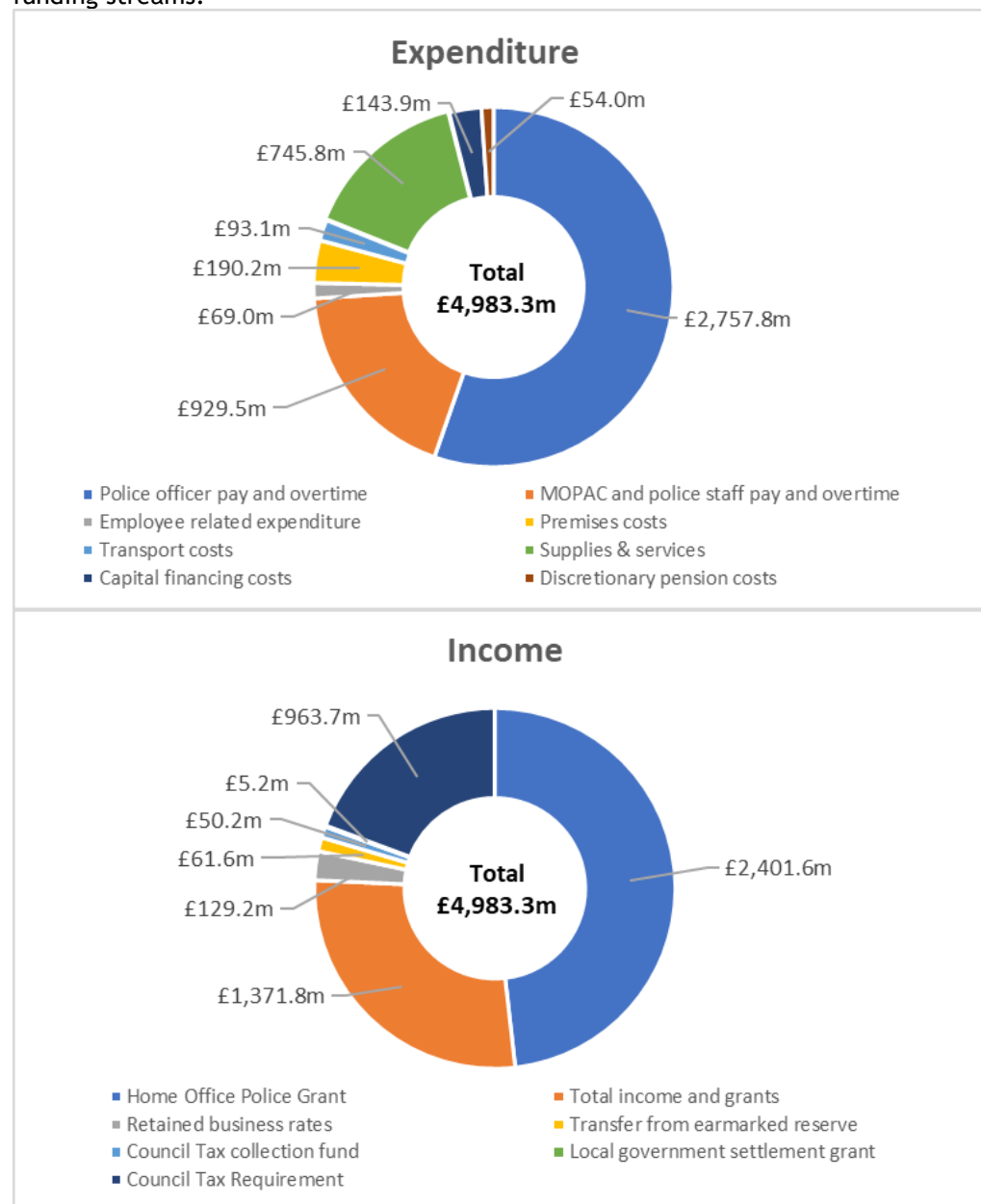
Table 1 provides a summary of the final MOPAC Group outturn position for 2024/25 compared with the revised budget. Figures in brackets in the variance column represent reduced expenditure or increased income against the revised budget.

Table 1 MOPAC Group - Final outturn position for 2024/25 compared with 2023/24 and the revised budget

Outturn 2023/24	£million	Approved annual budget 2024/25	Revised annual budget 2024/25	Outturn 2024/25	Variance Overspend / (underspend) 2024/25	Variance % 2024/25
	Pay					
2,594.0	Police officer pay and overtime	2,687.3	2,687.3	2,757.8	70.5	3
834.4	MOPAC and police staff pay and overtime	886.8	886.8	929.5	42.7	5
3,428.4	Total pay	3,574.1	3,574.1	3,687.3	113.2	3
	Running expenses					
61.3	Employee related expenditure	35.7	35.7	69.0	33.3	93
199.6	Premises costs	197.7	197.7	190.2	(7.5)	(4)
95.4	Transport costs	84.4	84.4	93.1	8.7	10
734.9	Supplies & services	703.2	703.7	745.8	42.1	6
104.4	Capital financing costs	150.4	150.4	143.9	(6.5)	(4)
49.4	Discretionary pension costs	51.8	51.8	54.0	2.2	4
1,245.0	Total running expenses	1,223.2	1,223.7	1,296.0	72.3	6
4,673.4	Total gross expenditure	4,797.3	4,797.8	4,983.3	185.5	4
(1,251.2)	Total income and grants	(1,091.8)	(1,092.3)	(1,371.8)	(279.5)	26
3,422.2	Net expenditure	3,705.5	3,705.5	3,611.5	(94.0)	(3)
(144.8)	Transfer to/(from) earmarked reserve	(155.6)	(155.6)	(71.6)	84.0	(54)
12.8	Transfer to/(from) general reserve	0	0	10.0	10.0	0
3,290.2	Budget requirement	3,549.9	3,549.9	3,549.9	(0.0)	0
(3,281.6)	Total Funding	(3,549.9)	(3,549.9)	(3,549.9)	0.0	0
8.6*	Total MOPAC Group	0.0	0.0	0.0	0.0	0

* £8.6m relates to audit adjustments for 2022/23 posted in 2023/24.

The pie charts below illustrate how the 2024/25 revenue outturn was spent by type of spend and by funding streams.



After transfers to reserves, expenditure was in line with budget. MPS finished the year with 33,013 officers, 261 FTEs over the 32,752 FTE target.

The net movement on earmarked and general reserves during 2024/25 is a decrease of £62.7 million as shown in Table 2 below.

Table 2 Net movement on earmarked and general reserves 2024/25

Description	£ million
Opening reserves balance 1 April 2024	376.6
Transfers to/(from) reserves	(61.6)
Transfers to/(from) reserves - NPCC/NPOC	(1.1)
Closing reserves balance 31 March 2025	313.9

Decreases in earmarked reserves relate mainly to management of change programmes, managing future budget pressures and a range of operational costs falling in future years.

Capital expenditure for 2024/25 was financed in accordance with the prudential code from capital grants, third party contributions, capital receipts and borrowing. Capital expenditure for 2024/25 was £292.0 million. This compares with the revised annual budget of £340.5 million.

Table 3 Capital Outturn position 2024/25

Actual expenditure 2023/24	Summary by programme	Revised budget 2024/25	Actual expenditure 2024/25	Variance overspend/ (underspend)
	£million			
66.3	Property Services	85.6	94.8	9.2
50.0	CTPHQ	36.4	33.6	(2.8)
73.7	DDaT	67.3	60.8	(6.5)
64.2	Strategy & Transformation	104.7	59.1	(45.6)
41.0	Fleet Services	35.0	33.4	(1.6)
7.8	Operations and Performance	11.5	10.3	(1.2)
2.6	Other	0	0.0	0.0
305.6	Total	340.5	292.0	(48.5)

Property based programmes - Property Services capital expenditure was £94.8 million reflecting the commitment to deliver an estate that is fit for purpose for a modern police force. The overspend is a result the purchase of Forrest Gate Annex, CTOC Partner funded works which was offset by slippage in CT funded works.

DDaT - Digital Policing spent £60.8 million across replacement of IT equipment (mostly new laptops) and core IT infrastructure which includes networks, hosting, infrastructure maintenance and applications and services upgrades. The underspend is spread across the programme with a major driver the implementation costs for the replacement of mobile devices slipping into 25/26.

Strategy & Transformation programme - Transformations spent £59.1 million in the year, which is £45.6 million below budget. This was a result of underspends across a range of programmes, including 'Command and Control', 'Connect' and Met CC Improvement Programme.

Fleet Services based programme - Investment in transport for 2024/25 was £33.4 million. The underspend was due to lower than anticipated spend on the replacement of 3 Rigid Hull Inflatable Boats.

Capital financing

Capital expenditure of £292.0 million on non-current assets in 2024/25 was financed in accordance with the Prudential Code, from capital grants and other third party contributions of £53.9 million, capital receipts applied of £0.7 million, and revenue contributions of £9.6 million.

As part of the Prudential Framework a Capital Financing Requirement (CFR) is approved by MOPAC each year, which represents MOPAC's underlying need to borrow for capital expenditure. For the purposes of calculating the CFR, the amount required to be borrowed reflects both external and internal borrowing (applying total cash balances).

Under the Framework MOPAC is required to set aside an amount called the Minimum Revenue Position (MRP). For 2024/25 the MRP was £108.0 million. The MRP is the prudent amount that the Group is required to set aside from revenue to meet the repayments of borrowing undertaken to support capital investment.

MOPAC sets an annual treasury management strategy. Risk analysis and risk management strategies have been taken into account, as have plans for capital investment and cash-flow requirements.

MPS Operational Performance

Review of 2024/25 performance

In 2024/25, the MPS have demonstrated that, where they have focused effort and resources over the last two years - such as public protection and serious violence - they have made good progress:

- More Londoners agree that their police service does a good job locally (47.9%) than citizens of other major cities (Greater Manchester Police 44.7%, West Midlands 43.8% and West Yorkshire 45.6%). The England and Wales average is 48.2%. The MPS are just below the national average when it comes to trust in police.

Proportion of Londoners who trust in the police				
Metropolitan / City of London Police 66.9%	Greater Manchester Police 67.4%	West Yorkshire Police 66.4%	West Midlands Police 62.2%	England & Wales 70.2%

- The MPS have significantly improved the speed at which they respond to the public. The percentage of 999 calls answered within 10 seconds between 1 January 2024 and 31 December 2024 was 86.2%, compared to 77.6% the previous year. This, along with other improvement drivers, was a significant driver behind the MPS being taken out of special measures by His Majesty's Inspectorate of the Constabulary and Fire Services (HMICFRS).
- Violence Against Women and Girls (VAWG) offending per capita - including rape, other sexual offences and stalking - is below the national average and that of other major cities. .

Violence Against Women and Girls						
	MPS		Most Similar Forces		England and Wales	
	Offences per 1000 population	Positive Outcome rate	Offences per 1000 population	Positive Outcome rate	Offences per 1000 population	Positive Outcome rate
Overall VAWG		8.6%	No national comparisons			
Rape	1.0	9.4%	1.6	7.2%	1.2	7.6%
Other sexual offences	2.0	9.3%	2.7	9.7%	2.3	11.5%
Stalking and Harassment	6.2	5.0%	15.4	6.1%	10.6	8.1%

- Levels of serious violence in London continue to decrease, and London is a safe city compared with other major UK cities and many European cities. We are now seeing the lowest London homicide rates in the last seven years, however robbery remains a challenge.

Serious Violence						
	MPS		Most Similar Forces		England and Wales	
	<i>Offences per 1000 capita</i>	<i>Positive Outcome rate</i>	<i>Offences per 1000 capita</i>	<i>Positive Outcome rate</i>	<i>Offences per 1000 capita</i>	<i>Positive Outcome rate</i>
Homicide (per 100,000)	1.2	74.0%	1.0	86.3%	0.8	81.3%
Robbery (all)	3.9	5.6%	1.8	13.8%	0.8	14.6%
Violence against the person	26.6	7.1%	44.3	9.3%	32.9	12.0%
Violence with injury	7.3	10.2%	10.3	13.6%	8.8	16.8%
Violence without injury	13.0	6.2%	18.6	9.4%	13.5	12.0%

- Although neighbourhood crime overall has reduced by 19% over the last year, tackling volume crime remains a significant challenge due to the scale of the problem

Budget

The MPS budget for 2025/26 is £4.9 billion, of which c£700 million is ringfenced for MPS counter terrorism and protective security responsibilities. This means £4.2 billion is available for the frontline policing of London.

The initial 2025/26 workforce plan sets out that the MPS will start the year with 32,752 officers, 11,151 staff and 1,445 PCSOs. In the event of a positive outcome of the police settlement, the ambition of the Mayor is to limit the impact on the workforce to a reduction of 1,419 FTE.

The Balance Sheet

The net worth of MOPAC and the MOPAC Group (excluding the cost of Police Officer pensions liabilities which are subject to a separate funding arrangement agreed year on year with the Home Office) decreased by £247 million (from £1,762 million to £1,515 million) during 2024/25. MOPAC considers that the Balance Sheet is adequate as evidenced by earmarked reserves and General Reserves, however there is a need to increase the level of general reserve in the future as the additional resilience provided by earmarked reserves cannot be relied on in the longer term. This requirement is set out in the 2024/25 reserves strategy and will be a key part of the framework for developing the 2026/27 budget.

Reserves

MOPAC is required to publish a Reserves Strategy and the 2024/25 reserves strategy states the General Reserves should be maintained at a level of 2-3% of the net revenue budget subject to the sensitivity and risks in the Medium-Term Financial Plan.

The year end balance of £76.6m represents 2.1% of net revenue expenditure which is an improvement on the forecast position of £46.6m. The reserves strategy recognises that the Medium Term Financial Plan will require planned contributions to the General Reserve to ensure the target level is maintained.

MOPAC also hold Earmarked reserves, the balance of which was £237.3 million as at 31 March 2025. Earmarked reserves are being held for specific purposes, including facilitating the transformation programme, managing one-off impacts against the medium-term budget, and statutorily ring-fenced accounts (such as the Proceeds of Crime Act income).

Pensions

The Police Officer Pension Liability and Police Officer Pension Reserve, which are disclosed on the Group Balance Sheet, reflect the cost of paying police officers in the future to the extent they had earned entitlement to pension benefits for periods up to and including 2024/25 in line with IAS 19. Police pension costs are recognised in the Commissioner of Police of the Metropolis CIES in the first instance along with other employee costs but are ultimately funded by MOPAC. Recognition of the total liability has a substantial impact on the net worth of the MOPAC Group. The fund valuation shows a decrease in liabilities due in the main to the change in actuarial assumptions used to calculate the pensions liability. Pension contributions of 31% of pensionable pay are made to finance the liability, with the actual pensions and commuted lump sums being met directly by the Police Pension Fund Revenue Account. The shortfall on the pension fund between contributions and other income receivable and benefits payable was met by the Home Office in 2024/25.

Outlook over the Medium Term Financial Plan

In March 2025 in support of the Police and Crime ambitions and the ambitions of the New Met for London Plan the 2025/26 net revenue budget was set at £3,894.9 million, an increase of £189.4 million from the approved 2024/25 budgeted figure of £3,705.5 million. The budget is funded by a general government grant of £2,632.8 million, retained business rates of £130.7 million and council tax of £1,028.4 million. Additionally, MOPAC planning to draw down £103.0 million from reserves. More detail can be found in [MOPAC and MPS Final Budget 2025-26 and Medium Term Financial Plan 2026-27 to 2027-28](#)

The Medium-Term Financial Plan (MTFP) has been constructed on a medium-term basis and there is a need to ensure adequate resilience in future years. The MTFP provides for a balanced budget in 2025/26 however there are risks that will need to be carefully managed during the year through an enhanced control environment.

There is a forecast gap of £150.3m in 2026/27 increasing to £203.6m in 2027/28. Addressing the gap is a priority for MOPAC and MPS and to ensure that there is a sustainable financial plan into the medium term and beyond. These accounts have been published before the detail of the recent governments Spending Review is known. This may have a significant bearing on the medium term financial position of both organisations and the ambition over the next 3 years.

The revenue budget and the capital programme are intrinsically linked and there is an increasing revenue impact that has been a key consideration in developing the budget. Borrowing levels that have been subdued due to high levels of capital receipts in previous years have already started to increase and will do so more into the future without any specific capital funding being made available by the Home Office. Affordability of the capital plans in the context of the challenges on the revenue budget and knock on impact on operational delivery will be a key consideration in future budget setting processes.

The MOPAC five-year capital spending plan, for 2024/25 to 2028/29 totals approximately £1.5 billion, across transformation and other activities such as property lifecycle works, vehicle fleet, Core IT infrastructure and National Counter Terrorism Policing Headquarters. Capital expenditure of £338.4 million is planned for 2025/26. This expenditure will continue to focus on transforming the

MPS estate, IT core infrastructure and transforming investigation and prosecution. As well as improving operational effectiveness, this investment will be required to deliver planned future revenue savings and meet the needs of a larger force given planned increase in officer numbers. Capital expenditure will be financed through a combination of receipts, grants and borrowing.

The Statement of Accounts

The 2024/25 MOPAC Group Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2024/25.

The Accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011 (the Act);
- The Home Office Financial Management Code of Practice for the Police Forces of England and Wales 2018;
- MOPAC Scheme of Consent and Delegation;
- MOPAC Financial Regulations;
- MOPAC Contract Regulations.

Under the legislative framework and local arrangements, MOPAC is responsible for the finances of the whole Group and controls the assets, liabilities and reserves. MOPAC has responsibility for entering into contracts and establishing the contractual framework under which the Commissioner's officers and staff operate. MOPAC receives all income and funding and makes all the payments for the Group from the MOPAC Police Fund.

In turn the Commissioner fulfils their statutory responsibilities for delivering an efficient and effective police force within an annual budget, which is set by the Mayor in consultation with the Commissioner. The Commissioner ultimately has a statutory responsibility for maintaining the King's peace and to do this has direction and control over their police officers and police staff. It is recognised that in exercising day-to-day direction and control the Commissioner will undertake activities, incur expenditure and generate income to allow the police service to operate effectively.

It is appropriate that a distinction is made between the financial impact of this day-to-day direction and control of the force and the overarching strategic control exercised by the DMPC. Therefore the expenditure in respect of operational policing, police officer and staff costs is shown in the CPM Accounts, with the main sources of funding (i.e. central government grants and Council Tax) and the vast majority of balances being recognised in the MOPAC Accounts. The MOPAC Group Accounts shows the overall cost of policing London and includes both the cost of administering MOPAC and MOPAC expenditure on community safety and crime prevention and the Commissioner's expenditure on operational policing.

The accounting arrangements between MOPAC and the CPM are detailed more fully in Note 6 to the Accounts on page 25.

Accounting Changes for 2024/25

The only change in the CIPFA Code 2024/25 that materially affected the Statement of Accounts was the adoption of IFRS16 Leases. The adoption of IFRS16 meant that a number of leases which were previously treated as operating leases were reclassified as finance leases, with the recognition of a right-of-use asset and corresponding liability on the balance sheet. In addition, operating lease expenses relating to leases reclassified under IFRS16 were reapportioned into lease liability repayments (matched by an equivalent increase in Minimum Revenue Provision) and finance charges. Adoption of IFRS16 also resulted in the remeasurement of the liability in the accounts relating to the Group's two PFI contracts. This increased the finance charge and the Minimum Revenue Provision for the PFI schemes in 2024/25.

Annual Governance Statement

The Accounts and Audit Regulations 2015 require that the Annual Governance Statement (AGS) accompanies the Statement of Accounts. MOPAC has elected to publish the AGS as a separate document to the Statement of Accounts. The AGS is a statutory document which explains the governance processes and procedures in place to enable MOPAC to carry out its functions effectively. The AGS highlights MOPAC's and the CPM's internal control environment, comments on its effectiveness and identifies issues for future work. The CPM also publishes an Annual Governance Statement focusing on the risk management and internal control framework in the MPS. Reliance is placed on this in drawing up MOPAC's Annual Governance Statement.

**Independent auditor's report to the Mayor's Office for
Policing and Crime**

To be completed in September after 2025 audit

Statement of responsibilities for the Accounts

Deputy Mayor's Responsibilities

The Deputy Mayor For Policing And Crime is required to:

- Make arrangements for the proper administration of the Mayor's Office for Policing And Crime's financial affairs and to secure that one of its officers (Chief Financial Officer) has responsibility for the administration of those affairs;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

Chief Financial Officer's Responsibilities

The Chief Financial Officer of MOPAC is responsible for the preparation of the Statement of Accounts for MOPAC in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, MOPAC has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code;
- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts gives a true and fair view of the financial position of MOPAC and MOPAC Group at the accounting date and of the income and expenditure for the year ended 31 March 2025.

Signed

Amana Humayun

Director of Corporate Services and Chief Financial Officer

Dated: 2 July 2025

MOPAC Group Comprehensive Income and Expenditure Statement (CIES) for 2024/25

		Year ending 31 March 2025	Year ending 31 March 2025	Year ending 31 March 2025	Year ending 31 March 2024	Year ending 31 March 2024	Year ending 31 March 2024
£000	Notes	Gross expenditure	Income	Net expenditure	Gross Expenditure	Income	Net Expenditure
Frontline Policing		1,438,684	(62,312)	1,376,372	1,487,568	(69,862)	1,417,706
Specialist Operations		574,400	(651,630)	(77,230)	586,453	(624,107)	(37,654)
Operations and Performance		1,032,580	(225,351)	807,229	1,095,527	(237,042)	858,485
People and Resources		499,237	(84,943)	414,294	406,962	(61,222)	345,740
Professionalism		127,517	(19,353)	108,164	113,430	(18,047)	95,383
Digital, Data and Technology		277,985	(14,529)	263,456	234,945	(16,048)	218,897
Strategy and Transformation		74,776	(693)	74,083	105,610	0	105,610
Comms and Engagement		25,649	(8,348)	17,301	24,136	(8,164)	15,972
Centrally Held		188,658	(312,599)	(123,941)	152,826	(183,005)	(30,179)
MOPAC		130,074	(43,989)	86,085	130,425	(49,021)	81,404
Cost of services	1.1	4,369,560	(1,423,747)	2,945,813	4,337,882	(1,266,518)	3,071,364
Other operating expenditure							
Net gains on disposal of non-current assets	13.1			9,029			10,678
Financing and investment							
Interest payable and similar charges	11			26,249			26,467
Interest on Police Officer Pension Defined Benefit Liability	6.2 12.1			1,159,100			1,144,400
Interest and investment income				(16,796)			(23,701)
Investment properties revaluation	16			(140)			(80)
Grants							
Non Specific Grants	14			(3,549,911)			(3,281,557)
Capital grants	14.1			(53,904)			(61,203)
Deficit on provision of services				519,440			886,368
Other comprehensive income and expenditure							
(Surplus) or deficit on revaluation of non current assets				93,124			(55,414)
(Surplus) or deficit from investments in equity instruments designated at fair value through other comprehensive income				967			(2,415)
Re-measurements of the defined benefit liability	6.2 12.1			(4,226,100)			(751,100)
Other comprehensive income and expenditure				(4,132,009)			(808,929)
Total comprehensive income and expenditure				(3,612,569)			77,439

The statement above shows the accounting cost for the period 1 April 2024 to 31 March 2025 (with prior year as a comparative year) of providing services for the Group, in accordance with generally accepted accounting practices, in addition to the amount of funding by way of grant income.

MOPAC Comprehensive Income and Expenditure Statement (CIES) for 2024/25

		Year ending 31 March 2025	Year ending 31 March 2025	Year ending 31 March 2025	Year ending 31 March 2024	Year ending 31 March 2024	Year ending 31 March 2024
£000							
	Notes	Gross expenditure	Income	Net expenditure	Gross Expenditure	Income	Net Expenditure
Intra-group funding -policing		4,204,475	(1,379,758)	2,824,717	4,150,952	(1,217,497)	2,933,455
MOPAC - Other		130,074	(43,989)	86,085	130,425	(49,021)	81,404
Revaluation loss not charged to CPM		35,011	0	35,011	56,505	0	56,505
Cost of services	1.2	4,369,560	(1,423,747)	2,945,813	4,337,882	(1,266,518)	3,071,364
Other operating expenditure							
Net gains on disposal of non-current assets	13.1			9,029			10,678
Interest on Police Officer Pension Defined Benefit Liability - intra-group funding	6.2, 12.1			1,159,100			1,144,400
Re-measurements of the defined benefit liability - intra-group funding	6.2, 12.1			(4,226,100)			(751,100)
Financing and investment							
Interest payable and similar charges	11			26,249			26,467
Interest and investment income				(16,796)			(23,701)
Investment properties revaluation	16			(140)			(80)
Grants							
Non Specific Grants	14			(3,549,911)			(3,281,557)
Capital grants	14.1			(53,904)			(61,203)
Surplus on provision of services	7.6			(3,706,660)			135,268
Other income and expenditure							
(Surplus) or deficit on revaluation of non current assets				93,124			(55,414)
Instruments designated at fair value through other comprehensive income				967			(2,415)
Total comprehensive income and expenditure				(3,612,569)			77,439

The statement above shows the accounting cost for the period 1 April 2024 to 31 March 2025 (with prior year as a comparative year) of providing services in accordance with generally accepted accounting practices for MOPAC, in addition to the amount of funding by way of grant income. The consolidated accounting cost and funding for the MOPAC Group to 31 March 2024 is shown on the page before.

MOPAC Group Movement in Reserves Statement (MIRS) for the year ended 31 March 2025

£000	General Reserves Balance	Earmarked revenue reserves	Total General and Earmarked reserves	Capital receipts reserve	Other useable capital reserves	Total usable reserves	Unusable reserves	Total group reserves
At 31 March 2024	(66,630)	(309,974)	(376,604)	0	(2,204)	(378,808)	22,814,553	22,435,745
Movement in reserves during 2024/25								
Total comprehensive income and expenditure	519,440	0	519,440	0	0	519,440	(4,132,009)	(3,612,569)
Adjustments between accounting basis & funding basis under regulations (note 27)	(456,767)	0	(456,767)	0	0	(456,767)	456,767	0
Net (increase) / decrease before transfers to earmarked reserves	62,673	0	62,673	0	0	62,673	(3,675,242)	(3,612,569)
Transfers (to) / from earmarked reserves (note 26.3)	(72,673)	72,673	0	0	0	0	0	0
(Increase) / decrease in year	(10,000)	72,673	62,673	0	0	62,673	(3,675,242)	(3,612,569)
Balance at 31 March 2025	(76,630)	(237,301)	(313,931)	0	(2,204)	(316,135)	19,139,311	18,823,176

This statement shows the movement in the year to 31 March 2025 on the different reserves held by the Group, analysed into usable reserves and unusable reserves. MOPAC is required to show the movement of resources on a statutory basis within the financial statements and adjustments are made to convert from an accounting basis to a statutory funding basis (note 27). The 'Net (Increase)/Decrease Before Transfers to Earmarked Reserves' line shows the statutory General Reserves Balance after the adjustments (above), before any discretionary transfers to or from Earmarked Reserves are undertaken by the Group.

There are no adjustments between the authority and group accounts

MOPAC Movement in Reserves Statement (MIRS) for the year ended 31 March 2025

£000	General Reserves Balance	Earmarked revenue reserves	Total General and Earmarked reserves	Capital receipts reserve	Other useable capital reserves	Total usable reserves	Unusable reserves	Total group reserves
At 31 March 2024	(66,630)	(309,974)	(376,604)	0	(2,204)	(378,808)	22,814,553	22,435,745
Movement in reserves during 2024/25								
Total comprehensive income and expenditure	(3,706,660)	0	(3,706,660)	0	0	(3,706,660)	94,091	(3,612,569)
Adjustments between accounting basis & funding basis under regulations (note 27)	3,769,333	0	3,769,333	0	0	3,769,333	(3,769,333)	0
Net (increase) / decrease before transfers to earmarked reserves	62,673	0	62,673	0	0	62,673	(3,675,242)	(3,612,569)
Transfers (to) / from earmarked reserves (note 26.3)	(72,673)	72,673	0	0	0	0	0	0
(Increase) / decrease in year	(10,000)	72,673	62,673	0	0	62,673	(3,675,242)	(3,612,569)
Balance at 31 March 2025	(76,630)	(237,301)	(313,931)	0	(2,204)	(316,135)	19,139,311	18,823,176

This statement shows the movement in the year to 31 March 2025 on the different reserves held by MOPAC, analysed into usable reserves and unusable reserves. MOPAC is required to show the movement of resources on a statutory basis within the financial statements and adjustments are made to convert from an accounting basis to a statutory funding basis (note 27). The 'Net (Increase)/Decrease Before Transfers to Earmarked Reserves' line shows the statutory General Reserves Balance after the adjustments (above), before any discretionary transfers to or from Earmarked Reserves are undertaken by MOPAC.

MOPAC Group Movement in Reserves Statement (MIRS) for the year ended 31 March 2024

£000	General Reserves Balance	Earmarked revenue reserves	Total General and Earmarked reserves	Capital receipts reserve	Other useable capital reserves	Total usable reserves	Unusable reserves	Total group reserves
At 31 March 2023 restated	(62,365)	(454,034)	(516,399)	0	(2,204)	(518,603)	22,876,909	22,358,306
Movement in reserves during 2023/24								
Total comprehensive income and expenditure	886,368	0	886,368	0	0	886,368	(808,929)	77,439
Adjustments between accounting basis & funding basis under regulations (note 27)	(746,573)	0	(746,573)	0	0	(746,573)	746,573	0
Net (increase) / decrease before transfers to earmarked reserves	139,795	0	139,795	0	0	139,795	(62,356)	77,439
Transfers (to) / from earmarked reserves (note 26.3)	(144,060)	144,060	0	0	0	0	0	0
(Increase) / decrease in year	(4,265)	144,060	139,795	0	0	139,795	(62,356)	77,439
Balance at 31 March 2024	(66,630)	(309,974)	(376,604)	0	(2,204)	(378,808)	22,814,553	22,435,745

This statement shows the movement in the year to 31 March 2024 on the different reserves held by the Group, analysed into usable reserves and unusable reserves. MOPAC is required to show the movement of resources on a statutory basis within the financial statements and adjustments are made to convert from an accounting basis to a statutory funding basis (note 27). The 'Net (Increase)/Decrease Before Transfers to Earmarked Reserves' line shows the statutory General Reserves Balance after the adjustments (above), before any discretionary transfers to or from Earmarked Reserves are undertaken by the Group.

There are no adjustments between the authority and group accounts

MOPAC Movement in Reserves Statement (MIRS) for the year ended 31 March 2024

£000	General Reserves Balance	Earmarked revenue reserves	Total General and Earmarked reserves	Capital receipts reserve	Other useable capital reserves	Total usable reserves	Unusable reserves	Total group reserves
At 31 March 2023 restated	(62,365)	(454,034)	(516,399)	0	(2,204)	(518,603)	22,876,909	22,358,306
Movement in reserves during 2023/24								
Total comprehensive income and expenditure	135,268	0	135,268	0	0	135,268	(57,829)	77,439
Adjustments between accounting basis & funding basis under regulations (note 27)	4,527	0	4,527	0	0	4,527	(4,527)	0
Net (increase) / decrease before transfers to earmarked reserves	139,795	0	139,795	0	0	139,795	(62,356)	77,439
Transfers (to) / from earmarked reserves (note 26.3)	(144,060)	144,060	0	0	0	0	0	0
(Increase) / decrease in year	(4,265)	144,060	139,795	0	0	139,795	(62,356)	77,439
Balance at 31 March 2024	(66,630)	(309,974)	(376,604)	0	(2,204)	(378,808)	22,814,553	22,435,745

This statement shows the movement in the year to 31 March 2023 on the different reserves held by MOPAC, analysed into usable reserves and unusable reserves. MOPAC is required to show the movement of resources on a statutory basis within the financial statements and adjustments are made to convert from an accounting basis to a statutory funding basis (note 27). The 'Net (Increase)/Decrease Before Transfers to Earmarked Reserves' line shows the statutory General Reserves Balance after the adjustments (above), before any discretionary transfers to or from Earmarked Reserves are undertaken by MOPAC.

MOPAC Group Balance Sheet

£000	Notes	31 March 2025	31 March 2024
Non current assets			
Property, plant and equipment	16	2,816,117	2,729,012
Heritage assets	16	1,316	1,316
Investment properties	16	2,980	2,840
Intangible assets	16	9	16
Total non current assets		2,820,422	2,733,184
Long Term Investments		7,247	9,664
Long Term Debtors		0	0
Total long term assets		2,827,669	2,742,848
Current assets			
Assets held for sale	17	12,551	12,824
Inventories		3,948	3,642
Short term debtors	18	311,330	387,076
Short Term Investments		0	0
Cash & cash equivalents	19	191,713	11,564
Total current assets		519,542	415,106
Current liabilities			
Short term creditors	20	(728,938)	(699,996)
Short term borrowing	21	(40,813)	(128,855)
Provisions	23.1	(35,179)	(34,069)
Bank overdrafts	19	0	0
Total current liabilities		(804,930)	(862,920)
Long term liabilities			
Provisions	23.2	(15,350)	(12,857)
Long term borrowing	24	(867,350)	(472,950)
Capital grants receipts in advance		(4,553)	(4,553)
Long term contractor liability	25	(140,204)	(42,219)
Police officer pension liability	12.1	(20,338,000)	(24,198,200)
Total long term liabilities		(21,365,457)	(24,730,779)
Net assets/(liabilities)		(18,823,176)	(22,435,745)
Financed by:			
Unusable Reserves	26.1	(19,139,311)	(22,814,553)
Usable reserves	26.2-3	316,135	378,808
Total reserves		(18,823,176)	(22,435,745)

The Balance Sheet shows the value as at 31 March 2025 (with prior year as a comparative year) of the assets and liabilities recognised by the Group. The net liabilities of the Group (assets less liabilities) are matched by the reserves held by the Group.

MOPAC Balance Sheet

£000	Notes	31 March 2025	31 March 2024
Non current assets			
Property, plant and equipment	16	2,816,117	2,729,012
Heritage assets	16	1,316	1,316
Investment properties	16	2,980	2,840
Intangible assets	16	9	16
Total non current assets		2,820,422	2,733,184
Long Term Investments		7,247	9,664
Long Term Debtors		0	0
Total long term assets		2,827,669	2,742,848
Current assets			
Assets held for sale	17	12,551	12,824
Inventories		3,948	3,642
Short term debtors	18	311,330	387,076
Short Term Investments		0	0
Cash & cash equivalents	19	191,713	11,564
Total current assets		519,542	415,106
Current liabilities			
Short term creditors	20	(500,848)	(475,190)
Short term borrowing	21	(40,813)	(128,855)
Provisions	23.1	(35,179)	(34,069)
Intra-group Creditor	6.2	(228,090)	(224,806)
Bank Overdrafts	19	0	0
Total current liabilities		(804,930)	(862,920)
Long term liabilities			
Provisions	23.2	(15,350)	(12,857)
Long term borrowing	24	(867,350)	(472,950)
Capital grants receipts in advance		(4,553)	(4,553)
Long term contractor liability	25	(140,204)	(42,219)
Police officer pension liability - Intra-group liability	6.2	(20,338,000)	(24,198,200)
Total long term liabilities		(21,365,457)	(24,730,779)
Net assets/(liabilities)		(18,823,176)	(22,435,745)
Financed by:			
Unusable Reserves	26.1	(19,139,311)	(22,814,553)
Usable reserves	26.2-3	316,135	378,808
Total reserves		(18,823,176)	(22,435,745)

The Balance Sheet shows the value as at 31 March 2025 (with prior year as a comparative year) of the assets and liabilities recognised by MOPAC. The net liabilities of MOPAC (assets less liabilities) are matched by the reserves held by MOPAC.

MOPAC Group and MOPAC Cash Flow Statement

£000	Notes	Year ending 31 March 2025-Group	Year ending 31 March 2024-Group	Year ending 31 March 2025-MOPAC	Year ending 31 March 2024-MOPAC
Net (surplus) or deficit on the provision of services		519,440	886,368	(3,706,660)	135,268
Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	28.2	(739,429)	(909,555)	3,486,671	(158,455)
Adjustments for items in the net (surplus) or deficit on the provision of services that are investing or financing activities	28.3	57,047	61,412	57,047	61,412
Net cash flows from operating activities		(162,942)	38,225	(162,942)	38,225
Investing activities	28.4	233,791	238,838	233,791	238,838
Financing activities	28.5	(250,998)	(94,028)	(250,998)	(94,028)
Net (increase)/decrease in cash and cash equivalents		(180,149)	183,035	(180,149)	183,035
Cash and cash equivalents at the beginning of the period		11,564	194,599	11,564	194,599
Cash and cash equivalents at the end of the period		191,713	11,564	191,713	11,564

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group and MOPAC during the reporting period (with prior year as a comparative year). The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the way the Group has managed its cash outflows against the monies received by way of grant income and from the recipients of services provided by the Group.

Investing activities shows how the Group has made best use of its resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities consist of short and long term borrowing in addition to repayment of PFI and finance lease liabilities and other payments for financing activities and are useful in predicting claims on future cash flows by providers of capital (e.g. borrowing) to the Group.

Notes to the Financial Statements for the Mayor's Office For Policing And Crime and the MOPAC Group

This set of notes represents the consolidated notes for the Statement of Accounts for 2024/25 as presented in the preceding pages 1 to 9.

1. Expenditure and Funding Analysis

1.1 Group expenditure and funding analysis

	As reported for resource management	Adjustments to arrive at the amount chargeable to the General Reserves balance	Net Expenditure chargeable to the General Reserves balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Group expenditure and funding analysis 2024/25 £000	Note 1				
Frontline policing	1,759,802	(1,104)	1,758,698	(382,326)	1,376,372
Specialist operations	(3,162)	(7,881)	(11,043)	(66,187)	(77,230)
Operations and Performance	868,548	3,802	872,350	(65,121)	807,229
People and Resources	450,175	16,078	466,253	(51,959)	414,294
Professionalism	117,782	1,367	119,149	(10,985)	108,164
Digital, Data and Technology	255,701	6,245	261,946	1,510	263,456
Strategy and Transformation	56,776	19,256	76,032	(1,949)	74,083
Comms and Engagement	16,742	98	16,840	461	17,301
Centrally held	(59,240)	16,061	(43,179)	(80,762)	(123,941)
MOPAC	76,787	9,298	86,085	0	86,085
Net cost of service	3,539,911	63,220	3,603,131	(657,318)	2,945,813
Other income and expenditure	(3,549,911)	9,453	(3,540,458)	1,114,085	(2,426,373)
Surplus or deficit on General Reserves	(10,000)	72,673	62,673	456,767	519,440
Opening General Reserves and Earmarked Revenue Reserves at 31 March 2024			(376,604)		
Surplus/Deficit on General Reserves in year			62,673		
Closing General Reserves and Earmarked Revenue Reserves Balance at 31 March 2025			(313,931)		

Adjustments between the funding and accounting basis	Adjustments for capital purposes	Net change for the pensions adjustments	Other differences	Total Adjustments
2024/25 £000	Note 2	Note 3	Note 4	
Frontline Policing	123,788	(507,866)	1,752	(382,326)
Specialist Operations	28,667	(95,236)	382	(66,187)
Operations and Performance	66,751	(132,651)	779	(65,121)
People and Resources	(18,635)	(33,534)	210	(51,959)
Professionalism	8,324	(19,416)	107	(10,985)
Digital, Data and Technology	2,162	(678)	26	1,510
Strategy and Transformation	1,847	(3,819)	23	(1,949)
Comms and Engagement	456	0	5	461
Centrally held	(80,762)	0	0	(80,762)
MOPAC	0	0	0	0
Net cost of service	132,598	(793,200)	3,284	(657,318)
Other income and expenditure	(45,015)	1,159,100	0	1,114,085
Difference between General Reserves surplus or deficit and CIES surplus or deficit on the provision of services	87,583	365,900	3,284	456,767

Notes to the Financial Statements

	As reported for resource management	Adjustments to arrive at the amount chargeable to the General Reserves balance	Net Expenditure chargeable to the General Reserves balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Group expenditure and funding analysis					
2023/24		Note 1			
£000					
Frontline policing	1,635,028	(2,890)	1,632,138	(214,432)	1,417,706
Specialist operations	(2,865)	(448)	(3,313)	(34,341)	(37,654)
Operations and Performance	880,090	1,093	881,183	(22,698)	858,485
People and Resources	347,671	2,984	350,655	(4,915)	345,740
Professionalism	97,303	1,533	98,836	(3,453)	95,383
Digital, Data and Technology	214,962	2,481	217,443	1,454	218,897
Strategy and Transformation	79,069	28,780	107,849	(2,239)	105,610
Comms and Engagement	15,463	0	15,463	509	15,972
Centrally held	(70,807)	107,735	36,928	(67,107)	(30,179)
MOPAC	72,799	8,605	81,404	0	81,404
Net cost of service	3,268,713	149,873	3,418,586	(347,222)	3,071,364
Other income and expenditure	(3,281,557)	2,766	(3,278,791)	1,093,795	(2,184,996)
Surplus or deficit on General Reserves	(12,844)	152,639	139,795	746,573	886,368
Opening General Reserves and Earmarked Revenue Reserves at 31 March 2023			(516,399)		
Surplus/Deficit on General Reserves in year			139,795		
Closing General Reserves and Earmarked Revenue Reserves Balance at 31 March 2024			(376,604)		

	Adjustments between the funding and accounting basis	Adjustments for capital purposes	Net change for the pensions adjustments	Other differences	Total Adjustments
2023/24		Note 2	Note 3	Note 4	
£000					
Frontline Policing		124,523	(358,028)	19,073	(214,432)
Specialist Operations		24,466	(61,960)	3,153	(34,341)
Operations and Performance		64,427	(91,065)	3,940	(22,698)
People and Resources		5,365	(10,583)	303	(4,915)
Professionalism		7,489	(11,440)	498	(3,453)
Digital, Data and Technology		1,985	(492)	(39)	1,454
Strategy and Transformation		1,601	(4,032)	192	(2,239)
Comms and Engagement		528	0	(19)	509
Centrally held		(67,107)	0	0	(67,107)
MOPAC		0	0	0	0
Net cost of service		163,277	(537,600)	27,101	(347,222)
Other income and expenditure		(50,605)	1,144,400	0	1,093,795
Difference between General Reserves surplus or deficit and CIES surplus or deficit on the provision of services		112,672	606,800	27,101	746,573

The expenditure and funding analysis shows how annual expenditure is used and funded from resources by the Group in comparison with those resources consumed or earned by the Group in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Group's departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Note 1 - This column shows the adjustments required to arrive at the net amount chargeable to the General Reserves from the financial outturn reported as part of the Group's internal financial reporting arrangements. This includes adjustments for movements to and from reserves which are

included against the cost of service and the removal of interest income and expenses from the net cost of service and reflection in other income and expenditure in line with generally accepted accounting practices.

Note 2 - Adjustments for capital purposes - this column adds depreciation in the services line and removes MRP and other revenue contributions to capital which are not chargeable under generally accepted accounting practices. In Other income and expenditure:

- Capital disposals are adjusted for with a transfer of the income received on disposal of assets and a charge for the amounts written off for those assets.
- Movements in the fair value of the investment properties are transferred back.
- Capital grants are transferred back as income.

Note 3 - Net change for the pensions adjustments - this is the net change for the removal of pensions contributions made by the Group and the replacement with accounting entries under IAS 19.

Note 4 - Other differences - this column adds back the estimate for untaken annual leave at the end of the financial year in line with generally accepted accounting practices.

1.2 MOPAC expenditure and funding analysis

	As reported for resource management	Adjustments to arrive at the amount chargeable to the General Reserves balance	Net Expenditure chargeable to the General Reserves balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
MOPAC expenditure and funding analysis 2024/25		Note 1			
£000					
Intra-group funding policing	3,463,124	18,911	3,482,035	(657,318)	2,824,717
Other	76,787	9,298	86,085	0	86,085
Revaluation loss not charged to CPM		35,011	35,011	0	35,011
Net cost of service	3,539,911	63,220	3,603,131	(657,318)	2,945,813
Other income and expenditure	(3,549,911)	9,453	(3,540,458)	(3,112,015)	(6,652,473)
Surplus or deficit on General Reserves	(10,000)	72,673	62,673	(3,769,333)	(3,706,660)
Opening General Reserves and Earmarked Revenue Reserves at 31 March 2024			(376,604)		
Deficit on General Reserves in year			62,673		
Closing General Reserves and Earmarked Revenue Reserves Balance at 31 March 2025			(313,931)		

	Adjustments for capital purposes	Net change for the pensions adjustments	Other differences	Total Adjustments
Adjustments between the funding and accounting basis 2024/25	Note 2	Note 3	Note 4	
£000				
Intra-group funding policing	132,598	(793,200)	3,284	(657,318)
MOPAC	0	0	0	0
Revaluation loss not charged to CPM	0	0	0	0
Net cost of service	132,598	(793,200)	3,284	(657,318)
Other income and expenditure	(45,015)	(3,067,000)	0	(3,112,015)
Difference between General Reserves surplus or deficit and CIES surplus or deficit on the provision of services	87,583	(3,860,200)	3,284	(3,769,333)

Notes to the Financial Statements

	As reported for resource management	Adjustments to arrive at the amount chargeable to the General Reserves balance	Net Expenditure chargeable to the General Reserves balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
MOPAC expenditure and funding analysis 2023/24		Note 1			
£000					
Intra-group funding policing	3,195,914	84,763	3,280,677	(347,222)	2,933,455
Other	72,799	8,605	81,404	0	81,404
Revaluation loss not charged to CPM	0	56,505	56,505	0	56,505
Net cost of service	3,268,713	149,873	3,418,586	(347,222)	3,071,364
Other income and expenditure	(3,281,557)	2,766	(3,278,791)	342,695	(2,936,096)
Surplus or deficit on General Reserves	(12,844)	152,639	139,795	(4,527)	135,268
Opening General Reserves and Earmarked Revenue Reserves at 31 March 2023			(516,399)		
Deficit on General Reserves in year			139,795		
Closing General Reserves and Earmarked Revenue Reserves Balance at 31 March 2024			(376,604)		

	Adjustments between the funding and accounting basis 2023/24 £000	Adjustments for capital purposes	Net change for the pensions adjustments	Other differences	Total Adjustments
		Note 2	Note 3	Note 4	
Intra-group funding policing		163,277	(537,600)	27,101	(347,222)
MOPAC		0	0	0	0
Revaluation loss not charged to CPM		0	0	0	0
Net cost of service		163,277	(537,600)	27,101	(347,222)
Other income and expenditure		(50,605)	393,300	0	342,695
Difference between General Reserves surplus or deficit and CIES surplus or deficit on the provision of services		112,672	(144,300)	27,101	(4,527)

The expenditure and funding analysis shows how annual expenditure is used and funded from resources by MOPAC in comparison with those resources consumed or earned by MOPAC in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decisions making purposes between the Group's departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Note 1 This column shows the adjustments required to arrive at the net amount chargeable to the General Reserves from the financial outturn reported as part of the Group's internal financial reporting arrangements. This includes adjustments for movements to and from reserves which are included against the cost of service and the removal of interest income and expenses from the net cost of service and reflection in other income and expenditure in line with generally accepted accounting practices.

Note 2 Adjustments for capital purposes - this column adds depreciation in the services line and removes MRP and other revenue contributions to capital which are not chargeable under generally accepted accounting practices. In Other income and expenditure:

- Capital disposals are adjusted for with a transfer of the income received on disposal of assets and a charge for the amounts written off for those assets.
- Movements in the fair value of the investment properties are transferred back.
- Capital grants are transferred back as income shown under generally accepted accounting practices.

Note 3 Net change for the pensions adjustments - this is the net change for the removal of pensions contributions made by MOPAC and the replacement with accounting entries under IAS 19.

Note 4 Other differences - this column adds back the estimate for untaken annual leave at the end of the financial year in line with generally accepted accounting practices.

2. Statement of accounting policies

2.1 General principles

These financial statements have been prepared in accordance with the Code of Practice (the Code) on Local Authority Accounting in the United Kingdom 2024/25 issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit Regulations 2015. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS). The Accounts have been prepared on a going concern basis using an historic cost convention, modified to account for the revaluation of certain categories of tangible fixed assets and financial liabilities. The going concern assessment has been reached by the Chief Finance Officer following a review of the following factors:

- Financial Position
- Medium Term Financial Plan
- CIPFA Financial Resilience Index
- Governance arrangements
- Regulatory and control environment applicable to MOPAC as a PCC.

Following the passing of the Police Reform and Social Responsibility Act 2011 the Metropolitan Police Authority (MPA) was replaced on 16 January 2012 with two 'corporations sole', the Mayor's Office for Policing And Crime (MOPAC) and the Commissioner of Police of the Metropolis (CPM). Both bodies are required to prepare a separate Statement of Accounts. The Narrative Report which accompanies the Accounts sets out the roles and responsibilities of each in more detail.

The Financial Statements included here represent the accounts for MOPAC and also those for the MOPAC Group, consolidating the financial activities of MOPAC and the CPM. The Financial Statements cover the 12 months to the 31 March 2025 (with prior year as a comparative year). The term 'Group' is used to indicate combined transactions and policies of MOPAC and CPM for the year ended 31 March 2025. The identification of MOPAC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of MOPAC under the Police Reform and Social Responsibility Act 2011.

The significant accounting policies adopted are set out below.

2.2 Revenue and expenditure recognition

Revenue is recognised in a way that reflects the pattern in which goods and services are transferred to service recipients. It is transferred at an amount that reflects the consideration that the Group expects to be entitled to in exchange for those goods and services. Whilst all expenditure is funded by MOPAC (as the body responsible for maintaining the Police Fund for London) including the wages of police staff and officers, the actual recognition in the respective MOPAC and CPM Accounts is based on which organisation receives the economic benefit from the transactions.

Consideration received in advance is recognised as deferred revenue in the Balance Sheet and released as income is earned. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

2.3 Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligation in the contract;
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when services are received rather than when payments are made;
- Where income and expenditure has been recognised (using estimates when appropriate) but cash has not been received or paid, a debtor or creditor for the relevant year is recorded in the Balance Sheet;
- Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to CIES for the income that might not be collected.

2.4 Provisions

Provisions are recognised on the Balance Sheet when a present legal or constructive obligation exists for a future liability in respect of a past event and where the amount of the obligation can be estimated reliably. Provisions are charged to the CIES in the year the Group becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes more likely than not that a transfer of economic benefits will not be required, the provision is reversed and credited back to the CIES.

Third party liabilities - to make provision for realistic estimates of the future settlement of third party claims, the liability for which already exists at the date of the Balance Sheet, in so far as they will not be met by external insurance. The figure shown on the Balance Sheet does not include any adjustment to discount the total liability to present day terms in line with IAS 39 Financial Instruments because the claims involved are deemed to be estimates based on present day values.

Police officer pension liability (intra-group) - to make provision to reflect the continuing requirement on an elected local policing body as required under the Police Reform and Social Responsibility Act 2011, to provide funds to the CPM from the Police fund for the payment of police pensions. The intra-group balances will not appear in the Group Accounts.

2.5 Reserves

Reserves consist of two elements: usable and unusable. Usable reserves are those which can be applied to fund expenditure. They are made up of the General Reserves, Earmarked Reserves, Capital Receipts Reserve and the Capital Grants Unapplied Account. Earmarked reserves are established from time to time to meet specific expected revenue or capital costs as determined by MOPAC. Unusable reserves cannot be applied to fund expenditure. They include the Capital Adjustment Account, Pension Reserve, Accumulated Absences Account, Financial Instruments Adjustment Account, Revaluation Reserve and Deferred Capital Receipts Reserve. These accounts do not form part of the cash resources available to the Group.

Reserves are created by appropriating amounts in the CIES. When expenditure to be financed from a reserve is incurred, it is charged to the CIES against the Net Cost of Policing Services. The reserve is then appropriated back in the MIRS so that there is no net charge for the expenditure.

2.6 Government and other organisations' grants and contributions

Whether paid on account, by instalments or in arrears, revenue government grants and third party contributions are recognised as income at the date that the Group satisfies the conditions of entitlement to the grant/contribution.

The grant/contribution is recognised within the CIES as income when the conditions of entitlement are known to be satisfied. If the grant/contribution has been received in advance of need then the amount is transferred to a Grant in Advance Account.

Grants to cover general expenditure (e.g. Police Revenue Grant) are credited to the CIES within the provision of services.

2.7 Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits for current employees and these benefits are recognised as an expense in the year in which the employee renders service to the Group.

IAS 19 Employee Benefits requires MOPAC to account for short-term compensating absences (these are periods during which an employee benefits continue to be earned which include time owing for annual leave and rest days) by accruing for the benefits which have accumulated but are untaken by the Balance Sheet date. Short term accumulated absences are recognised in the CPM Accounts in the period in which officers or police staff render the service which entitles them to the benefit, not necessarily when they enjoy the benefit. The cost of leave earned, but not taken by police officers and staff at the end of the financial year is recognised in the financial statements to the extent that the staff are entitled to carry forward leave into the following year. Equivalent liabilities for employee benefits are recognised on the MOPAC Balance Sheet to reflect the continuing requirement on MOPAC to provide funds from the Police Fund to meet these liabilities as they fall due. The Group Balance Sheet also reflects the liability for time owing and annual leave. The accrual for untaken leave is charged to the Net Cost of Policing Services, and reversed out through the MIRS so that the leave is charged to CIES in the financial year in which the holiday absence is earned.

Termination benefits

Termination benefits are amounts payable as a result of a decision to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These are charged as an expense in the CIES at the earlier of when the organisation can no longer withdraw the offer of those benefits and when the organisation recognises the costs for a restructuring.

Post-employment benefits

All active police officers are eligible for membership of the Police Pension Scheme 2015 (PPS2015). Police staff have access to the Alpha pension scheme, as part of the Civil Service Pension arrangement. The CPM is the administering body for the Pension Fund. MOPAC provides funds from the Police Fund to meet the pension payments as they fall due.

Police officers

The Police Pension Scheme is a defined benefit contributory occupational pension scheme which is guaranteed and backed by law. The PPS 2015 is a new Career Average Revalued Earnings (CARE) Scheme and was introduced on 1 April 2015, this scheme is a change from the previous 1987 and 2006 Final Salary Schemes. All officers starting after 1 April 2015 joined the new 2015 Scheme. On 1 April 2022, as part of the McCloud remedy, all existing members in the 1987 and 2006 schemes moved to the 2015 scheme. Members of the new 2015 Scheme make contributions of between 12.44% and 13.78% of pensionable pay. The employees' contribution rate is set nationally by the Home Office and is subject to triennial revaluation. The employer contribution rate was increased to 35.3%, from 1 April 2024. New financial arrangements were introduced on 1 April 2006 to administer the schemes.

The police pension schemes are defined benefit schemes paid from revenue (without managed pension assets). Following the Code's requirements, IAS 19 has been fully recognised in the Group Accounts. Scheme liabilities as shown on the Group's Balance Sheet are calculated by determining future liabilities for pension payments and applying a discount rate to reduce them to present day values. IAS 19 specifies the use of a discount rate equal to the current rate of return available on a

high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension liabilities in these Accounts have been calculated accordingly at a discount rate of 4.85% for all schemes.

Recognition of the total liability has a substantial impact on the net worth of the MOPAC Group. Accrued net pension liabilities are assessed on an actuarial basis. The change in net pension liability is analysed into the following components:

- Service cost comprising:
 - Current service cost - the increase in liabilities as a result of years of service earned this year - allocated to the Group CIES to the services for which the police officers worked;
 - Past service cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Net Cost of Policing Services in the Group CIES;
 - Interest on the defined benefit liability - the increase during the period in the defined benefit liability which arises because the benefits are one year closer to being paid - debited to the Financing and Investment Income and Expenditure line in the Group CIES;
- Re-measurements comprising actuarial gains and losses - changes in the pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited or credited to the Pensions Reserve as Other Comprehensive Income and Expenditure with the exception of actuarial gains and losses in relation to injury benefits, which are debited or credited to the Net Cost of Policing Services in the CIES.
- Contributions paid to the Police Pension Fund - cash paid as employer's contributions to the Pension Fund in settlement of liabilities, not accounted for as an expense.

The net liability for all the pension schemes is recognised initially on the CPM Balance Sheet in accordance with IAS 19 Employee Benefits. MOPAC provides the sole source of funding to meet the CPM's costs through the budget delegated by MOPAC to the CPM. All CPM liabilities will therefore ultimately be funded by MOPAC. The pension liability is therefore offset by an intra-group adjustment between MOPAC and the CPM to reflect MOPAC's continuing responsibility to provide funds from the Police Fund to enable the CPM to administer pension payments. This has resulted in a liability within MOPAC's Balance Sheet for the Police Pension Schemes.

The legislation however requires the General Reserves balance to be charged with the amount payable by MOPAC to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Reserves of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Police staff

The Group joined the Principal Civil Service Pension Scheme (PCSPS) in 2002/03. The PCSPS is an unfunded defined benefit scheme which operates seven different sub schemes but only one is open to new staff joining MOPAC/CPM, the Alpha Scheme, which is a career average scheme. Additionally, there is a defined contribution alternative. The PCSPS is a multi-employer scheme whereby the underlying assets and liabilities within the Scheme are not broken down and attributed to individual employers, and therefore is defined as a multi-contribution scheme. The appropriate level of disclosure has been followed in accordance with IAS 19.

2.8 Property, plant and equipment

Property, plant and equipment are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis. The de minimis level policy is to capitalise all expenditure over £5,000 on an individual asset basis, and projects (or grouped

assets) with a total value in excess of £5,000: expenditure on partnership assets is capitalised over £1,000.

Recognition: Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that they yield benefits to the Group and the services they provide are for more than one financial year. Expenditure that secures, but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. Assets under construction are recorded in the Balance Sheet at historical cost.

Measurement: Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.

Assets are carried in the Balance Sheet using the following measurement bases:

- Specialised operational properties - current value, but because of their specialist nature are measured at depreciated replacement cost which is used as an estimate of current value;
- Non-specialised operational properties - current value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV);
- Surplus properties and investment properties - fair value estimated at highest and best use from a market participant's perspective;
- Leasehold improvements - depreciated historic cost as a proxy for current value.
- Vehicles, plant and equipment - In such cases where non property assets have short useful lives or low values (or both), depreciated historic cost is used as a proxy for current value.
- Assets held for sale - lower of current value and fair value less costs to sell.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their value at the year end. Property revaluations are based on a rolling review programme of inspections at intervals of less than five years. The top 20 properties in value as well as 20% of the assets are physically inspected whilst 80% are revalued on a desktop basis.

Component assets: The Group recognises and records component assets separate from the main asset where material. Where a component asset is identified it is written down on a straight line basis over its useful economic life using a depreciated historic cost approach.

Impairment: Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible write down is estimated to be material, the recoverable amount of the asset is determined and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where the loss is determined for a previously revalued asset, it is written off against any revaluation gains held for the relevant asset in the Revaluation Reserve, with any excess charged to the CIES. Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals: When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the CIES as part of the gain or loss on disposal. The written off carrying value of the asset is transferred from the General Reserves to the Capital Adjustment Account in the MIRS. Sale proceeds over £10,000 are categorised as capital receipts and are transferred from the General Reserves Balance to the Capital Receipts Reserve in the MIRS.

Depreciation: This is provided for all assets with a useful finite life, by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use, on a straight-line basis. Depreciation is charged on a monthly basis.

Principal asset categories and their useful economic lives

Operational Assets	Category	Years
Property	Land	Not depreciated
	Buildings	10 - 65 years
Plant and equipment	Information Technology and communications equipment	2 - 25 years
	Software development	3 - 5 years
	Policing support vehicles including Patrol vehicles	3 - 20 years
	Other Equipment	4 - 25 years
Intangible assets	Software licences.	3-11 years
Non-operational assets		
Assets under construction		Not depreciated
Surplus Assets		Depreciated
Assets held for sale		Not depreciated
Investment properties		Not depreciated

Grants and contributions: Grants and contributions relating to capital expenditure shall be recognised in the CIES as income except to the extent that the grant or contribution has a condition that the Group has not satisfied. In that event the amount subject to condition is transferred to the Capital Grants Receipts in Advance account. Where the conditions of the grant/contribution are satisfied, but expenditure for which the grant is given has not yet been incurred, then such sums will be transferred to the Capital Grants Unapplied Reserve.

2.9 Charges to revenue for property, plant and equipment

The Group CIES is charged with the following amounts, to record the real cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service;
- Revaluation gains or losses on investment properties;
- Amortisation of intangible fixed assets attributable to the service.

The Group is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. The Minimum Revenue Provision (MRP) is set on a prudent basis as determined by the Group in accordance with statutory guidance.

2.10 Non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of its carrying amount and fair value less costs to sell. Depreciation is not charged on Assets Held for Sale.

2.11 Investment properties

These are properties held solely by MOPAC for the purpose of generating rental income or for capital appreciation and are occupied by third parties. These properties are not used in any way to facilitate the delivery of services or held for sale.

Investment properties are measured initially at cost and subsequently at 'fair value' (as defined in the Section below). Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and

Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Reserves Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Reserves Balance. The gains and losses are therefore reversed out of the General Reserves Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

2.12 Surplus Assets

These are assets that are not being used to deliver services, and do not meet the CIPFA Code of Practice criteria to be classified as either investment properties or non-current assets held for sale. The valuation at which they are held is based on an estimate of the price that would be received by selling in an orderly transaction between market participants at the valuation date.

2.13 Fair value measurement

The Group measures some of its non-financial assets such as investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the Group takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Group's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - unobservable inputs for the asset or liability.

2.14 Leases

The Group as lessee

The Group classifies contracts as leases based on their substance. Contracts and parts of contracts are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. This includes arrangements with nil consideration, peppercorn or nominal payments.

Lease are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Group's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. The right of use asset is measured at the amount of the lease liability, adjusted for any prepayments made and any direct costs incurred to dismantle and remove the underlying asset or

restore the underlying asset on the site on which it is located, less any lease incentives received. For peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value. The right-of-use asset is subsequently measured using the fair value model. The cost model is considered a reasonable proxy for this except when an asset is held under an index-linked lease or a peppercorn or nil consideration leases. In these cases, the asset is carried at a revalued amount. The right-of-use asset is depreciated over the shorter period of the remaining lease term and then useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- There is a change in future lease payments arising from a change in index or rate
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- The Group changes its assessment of whether it will exercise a purchase, extension or termination option. Or
- There is a revised in-substance fixed lease payment

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded as income.

The Group excludes low value leases, defined as items that cost less than £5,000, and leases with a term shorter than 12 months.

The Group as lessor

There are a number of short-term operating leases for property where the Group acts as lessor. Where the organisation grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the CIES. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. where there is a premium paid at the commencement of the lease).

There are no finance leases where the Group is a lessor.

2.15 Value Added Tax (VAT)

Income and expenditure excludes any amounts relating to VAT as VAT is remitted to/from the HM Revenue & Customs.

2.16 Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the MOPAC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the CIES is the amount payable for the year according to the loan agreement.

2.17 Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The Group's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost, except for those whose contractual payments are not solely payments of principal and interest. These have been designated at Fair Value through Other Comprehensive Income.

Financial assets measured at amortised cost are recognised when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are then subsequently carried at their amortised cost. Interest and other income received is based on the capital value of the investment multiplied by the effective rate of interest. For most of the loans that MOPAC has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable. Interest is credited to the CIES with the amount receivable for the year defined in the loan agreement. The loans made by MOPAC are short-term investments consisting of fixed term deposits.

Financial assets that are measured at Fair Value through Other Comprehensive Income are recognised on the Balance Sheet when the authority become party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in Other Comprehensive Income.

The Group recognises expected credit losses on all of its financial assets held at amortised cost and Fair Value through Other Comprehensive Income, either on a 12 month or lifetime basis. Only lifetime losses are recognised for trade receivables held by the Group.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are estimated on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Any gains and losses that arise on the derecognition of an asset are credited or debited to Financing and Investment Income and Expenditure in the CIES.

2.18 Contingent assets and liabilities

The Group recognises material contingent liabilities as either:

- Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the organisation, or
- Present obligations that arise from past events but are not recognised because:
 - a) it is not probable that outflows of resources embodying economic benefits or service potential will be required to settle the obligations, or
 - b) the amount of the obligations cannot be measured with sufficient reliability.

A material contingent liability is not recognised within the accounts as an item of expenditure. It is, however, disclosed in a note unless the possibility of a transfer of economic benefits or service potential in settlement is remote (in which case no action is needed).

The Group may also disclose a contingent asset as ‘a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the organisation’.

2.19 Private Finance Initiative

MOPAC has two long term contractual agreements under PFI whereby the contractor is responsible for the design, construction, finance and maintenance of four police stations in south-east London (Police Stations PFI) and a public order and firearms training centre (Training Ground PFI). These contracts are deemed to be under the control of MOPAC and as such the accounting treatment has been to include them on the Balance Sheet in accordance with the Code.

In addition to the assets created for the PFI buildings on the Balance Sheet, long term liability accounts are also disclosed on the Balance Sheet to reflect future payments to the contractor. Payments made by MOPAC under contract are charged in part to revenue to reflect the value of services received and cost of financing and in part to the Balance Sheet, to reflect repayment of the outstanding liability over the remaining period of the lease agreement. The profile of repayments of the outstanding liability is calculated using the same principles as for a finance lease.

2.20 Cash and cash equivalents

Cash is cash in hand and deposits with MOPAC's main banker and a number of other banks. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.21 Events after the reporting period

When an event occurs after the Balance Sheet date which provides evidence of conditions that existed at the Balance Sheet date an adjusting event occurs and the amounts recognised in the Statement of Accounts will be adjusted to take into account any values that reflect the adjusting event. Where an event occurs after the Balance Sheet date that is indicative of conditions that arose after the Balance Sheet date, the amounts recognised in the Statement of Accounts are not adjusted but disclosed as a separate note to the Accounts. Events after the Balance Sheet date are reflected up to the date when the Statement of Accounts is authorised for issue.

2.22 Overhead costs

The costs of overheads and support services are charged to service segments within the Group CIES in accordance with the Group's arrangements for accountability and financial performance. In practice this means support costs other than Corporate and Democratic Core (CDC) are recognised in the intra-group funding - policing line of the MOPAC CIES on the basis that all services to which support costs are allocated were delivered by the CPM in 2024/25.

2.23 Prior period adjustments, changes in accounting policies, estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the organisation's financial position or financial performance. When a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy has always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

3. Accounting standards that have been issued, but not yet adopted

There are issued accounting standards and amendments to issued accounting standards which have not yet been adopted by the Code which will apply to the Group and MOPAC in 2025/26:

- IAS21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- IFRS17 Insurance Contracts issued in May 2017.

There will be limited application of the two standards above in the Group's statement of accounts.

4. Significant estimates and judgements in applying the accounting policies

The preparation of the financial statements requires the Group to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors, the results of which form the basis of making judgements about the values of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Material estimates and assumptions are made in the following cases:

Estimates

- Establishing the valuations of operational and residential properties represents a significant estimate. Valuations are undertaken by a professional surveyor in line with RICS guidance (see Note 16.1). Where possible, observable market data (recent transactions or rental yields) is used which reduces estimation uncertainty. For operational property, the valuation method relies on a cost model for estimating build costs of a modern equivalent asset. There are two key inputs to this estimate - RICS Build Cost Indices and Build Cost Indices Location Weightings;
- Depreciation is calculated based on the asset value and expected useful life of assets (see Note 16). The Group monitors the useful life of assets to identify where any changes to the depreciation charge are required during the year;
- The costs of providing pension benefits to police officers, requires estimates regarding future cash flows that will arise to meet the scheme liabilities, see Note 12. The assumptions underlying the valuation used for IAS 19 reporting are the responsibility of the MOPAC CFO as advised by the scheme actuaries. The financial assumptions used by the actuaries are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population. The last full valuation of the pension scheme undertaken using full membership data was conducted in 2022. Under IAS19, the actuaries have projected the results of this valuation using approximate methods. In particular, the roll-forward allows for:
 - Changes in financial and life expectancy assumptions;
 - Additional benefit accrual;
 - Actual cash flows over the period; and
 - Updated membership information.

Judgements

- Note 2.2 Revenue Recognition; A judgement has been made of the expenditure allocated between MOPAC and the CPM to reflect the financial resources of MOPAC consumed at the request of the CPM. In arriving at this approach various interested parties were consulted including senior management in both corporate bodies and careful consideration given to the Police Reform and Social Responsibility Act 2011 and Home Office guidance. More details are included in Note 6;
- Note 2.7 Employee Benefits; A liability has been recognised on the MOPAC Balance Sheet equivalent to the liability for police officer pensions recognised on the CPM Balance Sheet under IAS 19 Retirement Benefits. The costs and liability relating to police pensions are recognised in the CPM Accounts in the first instance because police officers are under the direction of the CPM. As MOPAC has a statutory obligation to provide funds to meet police pension liabilities, a corresponding liability has been included in the MOPAC Accounts. The intra-group adjustments are removed from consolidation to show only the IAS 19 liability

itself in the Group Balance Sheet. This liability is offset in the Group Balance Sheet by the Police Officer Pension Reserve because under statute MOPAC can only charge to the Police Fund actual amounts paid as contributions in the Police Officer Pension Fund in the year and not the full amount under IAS 19.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Code contains a disclosure requirement for assumptions made about the future and other major sources of estimation uncertainty for which there is a significant risk of 'material' adjustment. At the date of publication of the Accounts, the key assumptions and sources of major uncertainty affecting the accounts are set out in note 4. The most significant of these relates to assumptions made regarding the Police pension liability - namely the discount rate, inflation, life expectancy and salary growth. The value of the pension liability requires estimation of financial and non-financial assumptions over a long time period (30-50yrs), and hence represents a source of significant estimation uncertainty. For this reason, sensitivity analysis for movements in these key assumptions is included at Note 12.1.

6. The relationship between the Mayor's Office for Policing And Crime and the Commissioner of Police of the Metropolis for accounting purposes

6.1 Introduction

Following the Police Reform and Social Responsibility Act 2011 (The Act), the Metropolitan Police Authority (MPA) was replaced on 16 January 2012 with two corporations sole, the Mayor's Office for Policing And Crime (MOPAC) and the Commissioner of Police of the Metropolis (CPM). These financial statements for 2024/25 show the financial positions of the MOPAC and MOPAC Group together with comparative figures for 2023/24.

6.2 Accounting principles

The accounting recognition of assets, liabilities and reserves in 2024/25 reflects the powers and responsibilities of MOPAC as designated by the Police Reform and Social Responsibility Act 2011 and the Home Office Financial Management Code of Practice for the Police Service, England and Wales 2018. This accounting treatment is also underpinned by the working relationship between the Deputy Mayor and the Commissioner as defined by local regulations, (MOPAC Financial Regulations and Scheme of Consent and Delegation), local agreement and practice. On 16 January 2012 the assets, liabilities and reserves of the MPS were transferred directly to MOPAC and during 2024/25 they remain under MOPAC control. Statutory and local arrangements determine that MOPAC holds all the assets, liabilities and the reserves and is responsible for the police pension liability. All payments for the Group are made by MOPAC from the MOPAC Police Fund and all income and funding received by MOPAC. MOPAC has the responsibility for managing the financial relationships with third parties and has legal responsibilities for discharging the contractual terms and conditions of suppliers.

With effect from 1 April 2014, under the Police Reform and Social Responsibility Act 2011 the contracts of employment of police staff under the direction of the Commissioner transferred to the CPM. For accounting purposes, the costs of police staff and officers under the direct control of the Commissioner are recognised in the CPM Accounts and the costs of staff under the direct control of MOPAC are recognised in the MOPAC CIES. All assets, liabilities and reserves remain under the ownership of MOPAC.

The International Accounting Standards Board (IASB) Framework states that assets, liabilities and reserves should be recognised when it is probable that any 'future' benefit associated with the item will flow to, or from the entity. Based on the statutory responsibilities and local arrangements

within which MOPAC operates in conjunction with the IASB guidance, it has been deemed that 'all' the assets, liabilities and reserves are recognised on the MOPAC Balance Sheet and consequently the balance sheets for MOPAC and the Group are similar. This reflects the fact that MOPAC retains control over all assets including 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.

Police Pension costs are recognised in the CPM Accounts in accordance with IAS 19 (Employee Benefits). The liability for police pensions on the CPM Balance Sheet is offset by an intra-group debtor reflecting MOPAC's responsibility to provide funds from the police fund each year to enable the CPM to administer police pension payments. The MOPAC Balance Sheet shows an intra-group provision to reflect its responsibility to provide funds for the payment of police pensions. The same accounting treatment applies to 'accumulated absences due to employees but not taken at the reporting date'. The liabilities in the CPM Balance Sheet are offset by an intra-group transfer from MOPAC to reflect the fact that MOPAC ultimately funds the CPM's employee costs.

Accounting treatment

The table below shows the movement through an intra-group account within the respective CIES during 2024/25. Corresponding accounting entries in the MOPAC CIES and CPM CIES can be seen in the financial statements.

Intra-group adjustments between MOPAC and CPM within the CIES

Intra-group - total transactions for 2024/25 £million	MOPAC	CPM	Group
IAS 19 pension costs within net cost of services	0	82	82
Accumulated absences	0	3	3
Other costs within net cost of services	0	2,740	2,740
Intra-group adjustment (MOPAC funding)	2,825	(2,825)	0
Pension interest cost	0	1,159	1,159
Intra-group adjustment (MOPAC funding pension)	1,159	(1,159)	0
Actuarial losses/(gain) on police fund	0	(4,226)	(4,226)
Intra-group adjustment (MOPAC funding pension)	(4,226)	4,226	0
Total transactions for the year	(242)	0	(242)

Intra-group - total transactions for 2023/24 £million	MOPAC	CPM	Group
IAS 19 pension costs within net cost of services	0	275	275
Accumulated absences	0	27	27
Other costs within net cost of services	0	2,631	2,631
Intra-group adjustment (MOPAC funding)	2,933	(2,933)	0
Pension interest cost	0	1,144	1,144
Intra-group adjustment (MOPAC funding pension)	1,144	(1,144)	0
Actuarial losses/(gain) on police fund	0	(751)	(751)
Intra-group adjustment (MOPAC funding pension)	(751)	751	0
Total transactions for the year	3,326	0	3,326

Accounting entries reflected in the respective Balance Sheet at year end

Intra-group - total transactions for 2024/25 £million	MOPAC	CPM	Group
CPM - Long term Intra-group Debtor	0	20,338	0
CPM - Short term Intra-group Debtor	0	228	0
CPM - Police Officer pension liability	0	(20,338)	(20,338)
CPM - Creditor - accumulated absences	0	(228)	(228)
MOPAC - Long term Intra-group Creditor	(20,338)	0	0
MOPAC - Short term Intra-group Creditor	(228)	0	0
MOPAC - Unusable Reserves	20,338	0	20,338
MOPAC - Unusable Reserves	228	0	228

Intra-group - total transactions for 2023/24 £million	MOPAC	CPM	Group
CPM - Long term Intra-group Debtor	0	24,198	0
CPM - Short term Intra-group Debtor	0	225	0

CPM - Police Officer pension liability	0	(24,198)	(24,198)
CPM - Creditor - accumulated absences	0	(225)	(225)
MOPAC - Long term Intra-group Creditor	(24,198)	0	0
MOPAC - Short term Intra-group Creditor	(225)	0	0
MOPAC - Unusable Reserves	24,198	0	24,198
MOPAC - Unusable Reserves	225	0	225

The CIES for MOPAC and the Group are similar at 'summary level'. The MOPAC CIES includes not only the cost of administering the MOPAC itself, but also payment for MOPAC resources consumed at the request of the CPM. Correspondingly in the CPM CIES, total Comprehensive Income and Expenditure is nil for 2024/25 as the 'resources consumed at the request of the CPM' are completely offset by the intra-group adjustment.

7. Analysis of surplus or deficit on the provision of service

7.1 Service expenditure analysis

The first half of the MOPAC Group CIES on page 1 shows the Net Cost of Policing Services (the operating cost in year of providing services for the Group). The costs are also categorised between the seven divisions which represent the organisational structure headings under which the MOPAC Group operates and manages its services.

7.2 Income

Income received by MOPAC includes fees and charges, interest, investments, contributions, specific grants and other service income. A breakdown under these headings for 2024/25 is shown in the table in Section 7.3 below.

The ability to charge for police services is generally determined by statutory provisions.

- The provision of special police services at the request of any person under s25 of the Police Act 1996. Special police services generally relate to policing an event e.g. a pop concert, or series of events, including football matches and policing at the Palace of Westminster;
- S15 of the Police Reform and Social Responsibility Act 2011 extends to police bodies the powers of the Local Authorities (Goods and Services) Act 1970 to supply goods and services to other bodies or persons. This may include services provided in competition with other providers, for example training, where charges will reflect market rates, or services provided as a by-product of core policing activity such as provision of collision reports;
- The Aviation Security Act 1982 for policing in relation to the operation of airports;
- The provision of police services to other agencies such as the Home Office Border Force (previously the UK Border Agency) or the prison service;
- The provision of mutual aid to other forces.

Income received also includes miscellaneous items such as loans of equipment to other forces, rents receivable, sales of equipment under £10,000 and prosecution costs recovered by way of illustration.

Specific grants represent grants for specific operational activities (a breakdown is provided in Note 15). General grants not directly attributable to specific operational activities are recognised below the Net Cost of Service.

7.3 Expenditure and income analysed by nature for MOPAC and the MOPAC Group

In the table below the operating income and expenditure for MOPAC and the MOPAC Group for the period 1 April 2024 to 31 March 2025, is presented in a subjective analysis format. The subjective analysis format is used by management to make decisions about resource allocation in internal management reports.

Expenditure and income analysis by nature for MOPAC and the MOPAC Group

	MOPAC	CPM	Group	MOPAC	CPM	Group
£000	2024/25	2024/25	2024/25	2023/24	2023/24	2023/24
Expenditure						
Employee costs						
Police officer salaries	0	2,262,877	2,262,877	0	2,203,092	2,203,092
MOPAC and Police staff wages and salaries	20,118	753,913	774,031	18,390	681,179	699,569
Employee related expenditure	338	70,299	70,637	381	61,275	61,656
Net police officer pensions	0	(227,160)	(227,160)	0	(56,032)	(56,032)
Net MOPAC police staff pensions	4,116	165,421	169,537	3,528	140,562	144,090
Premises related	895	190,256	191,151	1,037	199,518	200,555
Transport related	9	93,602	93,611	4	95,749	95,753
Supplies and services*	104,598	679,986	784,584	107,085	639,762	746,847
Depreciation, amortisation, impairment	35,011	215,281	250,292	56,505	185,847	242,352
Actuarial losses on police pensions funds - intra group funding	(4,226,100)	4,226,100	0	(751,100)	751,100	0
Interest payments	1,185,209	0	1,185,209	1,170,787	0	1,170,787
(Gain)/Loss on the disposal of assets	9,029	0	9,029	10,678	0	10,678
Total gross expenditure	(2,866,777)	8,430,575	5,563,798	617,295	4,902,052	5,519,347
Income						
Fees and charges and other service income**	(6,080)	(398,238)	(404,318)	(7,926)	(364,455)	(372,381)
Interest and investment income	(16,796)	0	(16,796)	(23,701)	0	(23,701)
Government grants and contributions	(3,641,724)	(981,520)	(4,623,244)	(3,383,855)	(853,042)	(4,236,897)
Total income	(3,664,600)	(1,379,758)	(5,044,358)	(3,415,482)	(1,217,497)	(4,632,979)
Intra group adjustment ***	2,824,717	(2,824,717)	0	2,933,455	(2,933,455)	0
(Surplus) or deficit on provision of services	(3,706,660)	4,226,100	519,440	135,268	751,100	886,368

* £104.6m supplies and services incurred by MOPAC includes costs of working with local communities, victims support and payments by MOPAC of crime prevention grants

**Includes revenue recognised of £214.2m from contracts with service recipients under IFRS15 (£212.9m 2023/24)

*** MOPAC payment for MOPAC financial resources consumed at the request of the CPM

The subjective analysis statement has been split between the Commissioner of Police of the Metropolis (CPM) and MOPAC to separately identify the resources consumed at the request of the Commissioner, from those costs exclusively incurred by the Mayor's Office. Costs exclusively incurred by the Mayor's Office include the day to day costs of administering MOPAC and supporting the Mayor and the Deputy Mayor for Policing And Crime as well as working directly with local communities and the public which includes the payment of Community Grants detailed in the Narrative Report. All grants and income are paid directly to MOPAC. Further details in respect of the resources consumed under the direction of the Commissioner can be found in the CPM's Statement of Accounts.

Within the Group's material contracts with service recipients, performance obligations are satisfied at the point of supply of police officers. Pricing within the contracts is typically based on agreed unit prices of manpower.

8. Police officers and police staff remuneration

8.1 Police and police staff remuneration

The numbers of police officers and staff in the Group whose taxable remuneration, excluding pension contributions, was £50,000 or more are:

Remuneration band £ MOPAC	2024/25		2023/24	
	Number of employees exc exit packages	Number of employees inc exit packages	Number of employees exc exit packages	Number of employees inc exit packages
50,000 - 54,999	3,321	3,324	6,087	6,088
55,000 - 59,999	7,487	7,486	6,073	6,074
60,000 - 64,999	5,536	5,536	4,214	4,216
65,000 - 69,999	3,249	3,249	2,861	2,861
70,000 - 74,999	2,484	2,477	2,345	2,345
75,000 - 79,999	2,171	2,171	1,216	1,214
80,000 - 84,999	1,035	1,034	690	691
85,000 - 89,999	655	656	550	550
90,000 - 94,999	471	471	361	360
95,000 - 99,999	362	364	269	269
100,000 - 104,999	290	292	142	142
105,000 - 109,999	124	125	124	124
110,000 - 114,999	82	83	50	51
115,000 - 119,999	59	59	28	29
120,000 - 124,999	41	42	13	13
125,000 - 129,999	14	14	7	7
130,000 - 134,999	7	7	10	11
135,000 - 139,999	6	9	9	9
140,000 - 144,999	4	5	7	7
145,000 - 149,999	4	4	5	5
150,000 - 154,999	0	1	4	5
155,000 - 159,999	0	0	2	2
160,000 - 164,999	1	1	2	2
165,000 - 169,999	1	1	1	2
170,000 - 174,999	2	2	0	0
175,000 - 179,999	0	0	0	0
180,000 - 184,999	0	0	0	0
185,000 - 189,999	1	1	0	0
190,000 - 194,999	3	8	0	0
195,000 - 199,999	0	1	0	0
200,000 - 204,999	0	1	0	0
205,000 - 209,999	0	1	0	0
210,000 - 214,999	0	1	0	2
215,000 - 224,999	0	0	0	0
225,000 +	1	3	0	4

The banding scale is based on taxable remuneration, excluding pension costs, paid in the year rather than annual salary. Taxable remuneration includes overtime, compensation for loss of office and may also include back dated pay awards, which relate to previous years but were actually paid in the year in question. In 2023/24 and in 2024/25 backdated pay awards were made to a number of officers following the ruling on overtime payable to CHIS handlers. The numbers in the table above

exclude senior staff and relevant police officers as defined below in Note 8.2. In these particular cases, a more detailed analysis of remuneration for 2024/25 is shown on the following pages.

Exit packages

All early departures are reviewed on individual circumstances. See table below for associated exit costs:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£)	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£0 - £20,000	0	0	14	1	14	1	157,716	19,290
£20,001 - £40,000	0	0	12	1	12	1	331,818	30,000
£40,001 - £60,000	0	0	6	4	6	4	294,899	195,403
£60,001 - £80,000	0	0	8	0	8	0	558,348	0
£80,001 - £100,000	0	0	4	5	4	5	374,485	460,767
£100,001 - £150,000	0	0	9	6	9	6	1,123,154	754,245
£150,001 - £200k+	0	0	2	5	2	5	391,192	1,006,642
	0	0	55	22	55	22	3,231,612	2,466,347

25 of departures in 24/25 is a result of the return of Fleet Management Services

8.2 Relevant police officers and senior staff remuneration

A relevant police officer is defined as the Commissioner or any other senior police officer whose salary is £150,000 per annum or more. Senior staff are defined as individuals whose salary is more than £150,000 per annum, or whose salary is at least £50,000 per annum (to be calculated pro-rata if they are part time) and are either the designated head of service, a statutory chief officer or a non-statutory chief officer, as defined under the Local Government and Housing Act 1989 or any person having responsibility for the management of MOPAC/CPM.

8.3 Relevant police officers and senior staff remuneration* - year ended 31 March 2025

Post holder information (post title)	Name	Notes	Salary (including fees & allowances) (£)	Benefits (£)	Other Payments (£)	Total remuneration excluding pension contributions 2024/25 (£)	Pension contributions (£)	Total remuneration including pension contributions 2024/25 (£)
CPM								
Commissioner	M Rowley		331,526	2,800	0	334,326	0	334,326
Deputy Commissioner	L Owens		275,335	2,800	0	278,135	0	278,135
Assistant Commissioner	L Rolfe	1	143,584	2,800	0	146,384	46,668	193,052
Assistant Commissioner	M Jukes		244,634	2,800	0	247,434	81,118	328,552
Assistant Commissioner	B Gray	2	20,170	2,800	8,573	31,543	0	31,543
Assistant Commissioner	P Mills		244,634	2,800	0	247,434	81,118	328,552
Assistant Commissioner	M Twist		244,634	2,800	0	247,434	81,118	328,552
T/Assistant Commissioner	R Williams	3	201,147	0	0	201,147	55,358	256,505
T/Assistant Commissioner	L Taylor	4	243,667	2,800	0	246,467	80,768	327,235
Deputy Assistant Commissioner	M Horne	5	63,114	2,800	0	65,914	0	65,914
Deputy Assistant Commissioner	S Cundy		201,133	2,800	0	203,933	64,493	268,426
Deputy Assistant Commissioner	H Millichap		197,539	2,800	0	200,339	64,493	264,832
Deputy Assistant Commissioner	A Boon		197,539	2,800	0	200,339	64,493	264,832
Deputy Assistant Commissioner	A Adelekan		197,539	2,800	0	200,339	64,493	264,832
Deputy Assistant Commissioner	A Valentine		215,539	2,800	0	218,339	64,493	282,832
Deputy Assistant Commissioner	M Ward		215,539	2,800	0	218,339	64,493	282,832
Deputy Assistant Commissioner	B Russell	6	167,968	2,800	0	170,768	54,055	224,823
Deputy Assistant Commissioner	J Savell	7	196,759	2,800	0	199,559	64,218	263,777
Deputy Assistant Commissioner	V Evans	8	188,803	0	0	188,803	58,434	247,237
Commander	R Smith	9	171,384	2,800	0	174,184	53,723	227,907
Commander	K Gordon		150,996	2,800	0	153,796	48,064	201,860
Commander	P Brogen		151,951	2,800	0	154,751	48,064	202,815
Commander	K Southworth		150,996	2,800	0	153,796	48,064	201,860
Commander	N John		150,996	2,800	0	153,796	48,064	201,860
Commander	S Cayman		150,996	2,800	0	153,796	48,064	201,860
T/Commander	K Findlay		152,797	2,800	0	155,597	48,064	203,661
Chief People and Resources Officer	C Davies		186,040	2,800	0	188,840	53,896	242,736
Chief Digital Data and Technology	D Scates		195,000	2,800	0	197,800	56,492	254,292
Interim Chief Finance Officer	A Scholes	10	0	0	0	0	0	0
Chief Finance Officer	D Worsley	11	154,500	0	0	154,500	22,894	177,394
Chief Officer Business Services and Engine Room	M Heracleous	12	178,790	2,800	0	181,590	45,735	227,325
Chief Scientific Officer	L Sherman	13	76,613	2,800	0	79,413	19,235	98,648
Chief Strategy and Transformation Officer	A Scott		157,000	0	0	157,000	45,483	202,483
T/Chief Legal Officer	J Leonard		146,341	0	0	146,341	42,395	188,736
Chief Legal Officer	B Welch	14	125,000	0	0	125,000	36,213	161,213
Director of Human Resources	K Graham		156,545	2,333	0	158,878	45,351	204,229
Director of Property Services	S Fihosy		155,129	0	0	155,129	44,941	200,070
Director of Product Delivery	J Hewitt	15	150,000	0	0	150,000	43,455	193,455
Director of Business, Engagement and Technology	A Boyse	16	74,409	0	0	74,409	14,820	89,229

8.3 Relevant police officers and senior staff remuneration* - year ended 31 March 2025

Post holder information (post title)	Name	Notes	Salary (including fees & allowances) (£)	Benefits (£)	Other Payments (£)	Total remuneration excluding pension contributions 2024/25 (£)	Pension contributions (£)	Total remuneration including pension contributions 2024/25 (£)
Director of Platform Delivery	S Akbar	17	92,742	0	0	92,742	26,867	119,609
Director Solution Delivery	M Mcleod	18	145,517	0	0	145,517	39,645	185,162
Director Performance and Insight	L Chiswick	19	149,147	2,800	0	151,947	43,208	195,155
<u>NPCC and other secondees out of the Met</u>								
Assistant Commissioner	G Stephens		249,304	2,800	0	252,104	81,118	333,222
Assistant Commissioner	L Rolfe	1	105,720	0	0	105,720	34,450	140,170
T/Deputy Assistant Commissioner	A Heydari		197,539	2,800	0	200,339	48,064	248,403
Assistant Commissioner	S Kavanagh	20	170,273	0	0	170,273	0	170,273
Assistant Commissioner	A Marsh		189,030	0	0	189,030	0	189,030
Assistant Commissioner	C Haward	21	153,755	0	0	153,755	37,967	191,722
Chief Scientific Officer	P Taylor		145,926	0	0	145,926	40,676	186,602
<u>MOPAC</u>								
Chief Executive Officer	D Luchford	22	43,511	0	103	43,614	12,605	56,219
Interim Chief Executive Officer		23	134,840	0	0	134,840	39,063	173,903
Deputy Mayor for Policing and Crime		24	77,534	0	3,452	80,986	22,462	103,448
Deputy Mayor for Policing and Crime		25	63,245	0	0	63,245	18,322	81,567
Director of Audit, Risk and Assurance		26	138,320	0	0	138,320	39,339	177,659
Director of Strategy and MPS Oversight			135,225	0	0	135,225	39,175	174,400
Director of Commissioning and Partnerships			135,225	0	0	135,225	39,175	174,400
Victims Commissioner			124,288	0	0	124,288	36,006	160,294
Director of Corporate Services and CFO			146,494	0	0	146,494	42,204	188,698
Interim Director of Corporate Services and CFO		27	0	0	0	0	0	0
Chief People Officer			111,619	0	0	111,619	32,336	143,955
Director of Violence Reduction Unit			134,482	0	0	134,482	38,959	173,441
Violence Reduction Unit Director of Strategy and Operations			127,050	0	4,868	131,918	36,806	168,724

*Individuals whose salary is £150,000 or more per annum are required to also be identified by name

8.3 Relevant police officers and senior staff remuneration - year ended 31 March 2025

1. L Rolfe was Assistant Commissioner with the MPS up to 24 November 2024 when they took a role with the NPCC
2. B Gray retired 30 April 2024
3. R Williams was appointed DAC on 26 May 2024 and then Temp AC on 25 November 2024
4. L Taylor was appointed Temp AC from 8 April 2024
5. M Horne left on 28 July 2024
6. B Russell was appointed DAC on 25 November 2024
7. J Savell was appointed DAC on 30 April 2024
8. V Evans was appointed DAC on 7 May 2024
9. R Smith was temporarily promoted to Temp DAC for the period 24 January 2024 to 24 June 2024
10. A Scholes was Interim Chief Finance Officer until 3 May 2024. They were not salaried and a total payment of £37,500 was made for this period. Unlike remuneration payments made to employees in the table, interims do not receive pensions, benefits, holiday pay and are liable to pay their own employer taxes.
11. D Worsley was appointed CFO on 1/7/24 with an annualized salary of £185,000 and a sector allowance of £21,000
12. M Heracleous was Director of Operational Support Services to 16/9/2024 when they were appointed as Interim Chief People and Resources Officer. They held the interim post until they were temporarily promoted as Chief Officer Business Services and Engine Room on 6/1/2025.
13. L Sherman left on 4 October 2024
14. B Welch was appointed Chief Legal Officer on 1 June 2024 with an annualized salary of £150,000
15. J Hewitt was appointed Director of Product Delivery on 1 April 2024 with an annualized salary of £150,000
16. A Boyse was appointed Director of Business, Engagement and Technology on 14 October 2024 with an annualized salary of £160,000
17. A Akbar was appointed Director of Platform Delivery on 19 August 2024 with an annualized salary of £150,000
18. M Mcleod was appointed Director of Solution Delivery on 1 October 2024 with an annualized salary of £150,000
19. L Chiswick was appointed Director of Performance and Insight on 25 November 2024 with an annualized salary of £156,700
20. S Kavanagh left on 2 January 2025
21. C Haward left on 6 January 2025
22. D Luchford left on 30 June 2024
23. The individual started on 25 June 2024
24. The individual left on 18 October 2024
25. The individual started on 28 October 2024
26. The individual left on 30 April 2025
27. During 24/25 the individual was employed as Interim Director of Corporate Services and CFO until 21/6/2024 to cover maternity leave. They are not salaried and a total payment of £82,722 was made for this period. Unlike remuneration payments made to employees in the table, interims do not receive pensions, benefits, holiday pay and are liable to their own employer taxes.

Additional information

Benefits includes the annual membership of the Chief Police Officers' Staff Association.

Last year the reported salary of the Director of Solution Delivery has not been included in the above table as they left on 1/4/2025 (see Note 8.4 - ref 8)

8.4 Relevant police officers and senior staff remuneration* - year ended 31 March 2024

Post holder information (post title)	Name	Notes	Salary (including fees & allowances) (£)	Benefits (£)	Other Payments (£)	Total remuneration excluding pension contributions 2023/24 (£)	Pension contributions (£)	Total remuneration including pension contributions 2023/24 (£)
CPM								
Commissioner	M Rowley		314,025	2,900	0	316,925	0	316,925
Deputy Commissioner	L Owens		260,842	2,900	0	263,742	0	263,742
Assistant Commissioner	N Ephgrave	1	4,609	0	0	4,609	1,080	5,689
Assistant Commissioner	L Rolfe		241,463	2,900	0	244,363	67,426	311,789
Assistant Commissioner	M Jukes		239,842	2,900	0	242,742	67,426	310,168
Assistant Commissioner	B Gray		250,342	2,900	0	253,242	0	253,242
Assistant Commissioner	P Mills	2	107,440	0	40,000	147,440	30,558	177,998
Assistant Commissioner	M Twist		232,333	2,900	0	235,233	61,224	296,457
Deputy Assistant Commissioner	L Taylor		182,717	2,900	0	185,617	52,042	237,659
Deputy Assistant Commissioner	M Horne		186,311	2,900	0	189,211	0	189,211
Deputy Assistant Commissioner	S Cundy		186,311	2,900	0	189,211	52,042	241,253
Deputy Assistant Commissioner	B Javid	3	108,566	2,900	15,218	126,684	0	126,684
Deputy Assistant Commissioner	H Millichap		182,717	2,900	0	185,617	52,042	237,659
Deputy Assistant Commissioner	A Boon		182,717	2,900	0	185,617	52,042	237,659
Deputy Assistant Commissioner	A Adelekan		182,936	2,900	0	185,836	52,110	237,946
Deputy Assistant Commissioner	T Jacques	4	186,542	2,900	0	189,442	43,433	232,875
Deputy Assistant Commissioner	A Valentine	5	203,705	2,900	0	206,605	52,640	259,245
Deputy Assistant Commissioner	M Ward	6	192,089	2,900	0	194,989	49,820	244,809
Chief People and Resources Officer	C Davies		178,290	2,900	0	181,190	54,022	235,212
Chief Digital Data and Technology	D Scates		191,473	0	0	191,473	54,690	246,163
Director of Service Delivery	A Blatchford	7	158,597	0	105,845	264,442	37,426	301,868
Director of Solution Delivery	D Pitty	8	166,236	0	0	166,236	38,856	205,092
Interim Chief Finance Officer	A Scholes	9	0	0	0	0	0	0
Director of Finance	I Percival	10	143,798	0	262,721	406,519	42,056	448,575
Director of Operational Support Services	M Heracleous		160,436	2,900	0	163,336	44,302	207,638
Director of Communications and Engagement	P Stuart-Lacey	11	12,917	0	119,413	132,330	3,788	136,118
Chief Scientific Officer	L Sherman		145,161	2,900	0	148,061	38,119	186,180
Director of Transformation	M Thorp	12	153,270	0	0	153,270	39,169	192,439
Chief Strategy and Transformation Officer	A Scott	13	77,656	0	0	77,656	23,530	101,186
Chief Legal Officer	S Bramley	14	119,941	2,417	0	122,358	36,342	158,700
T/Chief Legal Officer	J Leonard	15	144,262	0	0	144,262	43,711	187,973
Director of Human Resources	K Graham		150,577	0	0	150,577	45,625	196,202
Director of Property Services	S Fihosy		150,487	0	0	150,487	45,598	196,085
NPCC and other secondees out of the Met						0		0
Assistant Commissioner	M Hewitt	16	3,790	0	32,047	35,837	1,080	36,917
Assistant Commissioner	G Stephens	17	236,987	2,900	0	239,887	67,426	307,313
Assistant Commissioner	S Kavanagh		214,697	0	0	214,697	0	214,697
T/Deputy Assistant Commissioner	A Heydari	18	168,610	2,900	0	171,510	39,951	211,461

8.4 Relevant police officers and senior staff remuneration* - year ended 31 March 2024

Post holder information (post title)	Name	Notes	Salary (including fees & allowances) (£)	Benefits (£)	Other Payments (£)	Total remuneration excluding pension contributions 2023/24 (£)	Pension contributions (£)	Total remuneration including pension contributions 2023/24 (£)
Assistant Commissioner	A Marsh		178,919	0	0	178,919	0	178,919
T/Deputy Assistant Commissioner	N Jerome	19	59,425	2,900	0	62,325	0	62,325
Assistant Commissioner	S Jupp	20	122,305	2,900	0	125,205	0	125,205
Assistant Commissioner	C Haward	21	14,809	0	0	14,809	4,244	19,053
Programme Director, Productivity Review	S House	22	115,941	2,900	0	118,841	2,230	121,071
MOPAC								
Chief Executive Officer	D Luchford	23	171,341	0	0	171,341	51,613	222,954
Deputy Mayor for Policing And Crime		24	142,386	0	0	142,386	42,840	185,226
Director of Audit, Risk and Assurance			132,516	0	0	132,516	39,849	172,365
Director of Strategy and MPS Oversight			131,968	0	0	131,968	39,683	171,651
Director of Partnerships and Commissioning			131,968	0	0	131,968	39,683	171,651
Victims Commissioner			122,967	0	0	122,967	36,956	159,923
Director of Corporate Services and CFO			143,882	0	0	143,882	43,293	187,175
Interim Director of Corporate Services and CFO		25	0	0	0	0	0	0
Chief People Officer			106,005	0	0	106,005	31,817	137,822
Director of Violence Reduction Unit			131,765	0	0	131,765	39,465	171,230
Violence Reduction Unit Director of Strategy and Operations			121,148	0	0	121,148	37,284	158,432

*Individuals whose salary is £150,000 or more per annum are required to also be identified by name

8.4 Relevant police officers and senior staff remuneration - year ended 31 March 2024

1. N Ephgrave left on 6 April 2023
2. P Mills was appointed AC on 23 October 2023 with an annualised salary of £220,713
3. B Javid left on 5 November 2023
4. T Jacques left on 2 February 2024
5. A Valentine joined the MPS on 20 March 2023 and they were temporarily promoted to DAC on 16 April 2023 with an annualised salary of £158,595
6. M Ward was appointed DAC on 17 April 2023 with an annualised salary of £158,595
7. A Blatchford left on 31 March 2024
8. D Pitty left on 1 April 2025
9. A Scholes was appointed as interim Chief Finance Officer from 24/07/2023. They were not salaried and a total payment of £192,218 was made for this period. Unlike remuneration payments made to employees in the table, interims do not receive pensions, benefits, holiday pay and are liable to pay their own employer taxes. They left on 3 May 2024
10. I Percival was acting CFO until 23 July 2023. They held the post of Director of Finance until their departure 30 April 2024
11. P Stuart-Lacey left on 30 April 2023
12. M Thorp was appointed T/Director of Strategy and Data on 1 November 2022 until 7 November 2023 and had an annualized salary of £150,000
13. A Scott joined on 3 October 2023 with an annualised salary of £157,000
14. S Bramley left on 31 December 2023
15. J Leonard was appointed Temporary Chief Legal Officer on 27 November 2023 with an annualised salary of £153,403
16. M Hewitt left on 6 April 2023
17. G Stephens was appointed Assistant Commissioner on 1 April 2023
18. A Heydari held the post of Commander until their appointment to T/DAC on 21 August 2023
19. N Jerome left on 30 July 2023
20. S Jupp left on 3 December 2023
21. C Haward was appointed Assistant Commissioner on 4 March 2024
22. S House left on 3 October 2023
23. D Luchford left on 30 June 2024
24. The individual left on 18 October 2024
25. The individual was employed as Interim Director of Corporate Services and CFO from 1/9/23 to 24/6/24 to cover maternity leave. They were not salaried and a total payment of £209,371 was made for this period. Unlike remuneration payments made to employees in the table, interims do not receive pensions, benefits, holiday pay and are liable to pay their own employer taxes.

Additional information

Benefits includes the annual membership of the Chief Police Officers' Staff Association.

9. Related party transactions

IAS 24 (Related Party Transactions) requires the Group to disclose all material transactions with related parties, that is bodies or individuals that have the potential to influence the Group or to be controlled or influenced by key individuals of the Group including the Mayor and Deputy Mayor, the Commissioner, members of the MOPAC Senior Management Team, and MPS Management Board. Disclosure of these transactions allows readers to assess the extent to which the Group might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Group. This disclosure note has been prepared on the basis of specific declarations obtained for the year ended 31 March 2024, in respect of related party transactions.

CPM and MOPAC

The primary function of MOPAC is to secure the maintenance of an efficient and effective Metropolitan Police Service in London and to hold the CPM to account for the exercise of operational policing duties under the Police Act 1996. MOPAC is responsible for setting the Police and Crime Plan. Whilst the Commissioner is operationally independent and receives an annual budget, MOPAC is responsible for financial administration within the Group. The CPM holds no reserves or cash balances and assets. All payments for the Group are made by MOPAC from the MOPAC Police Fund and all funding and income is received by MOPAC. The CPM is dependent on MOPAC to discharge any liabilities, for instance to administer police pensions or settle future obligations. More information can be found on this relationship in Note 6.

Central Government and other public bodies

Central Government has a significant influence over the general operations of the Group. It is responsible for providing the statutory framework within which the Group operates as well as providing a substantial part of its funding in the form of grants and prescribes the terms of many of the transactions that the Group has with other parties. Grants received from Central Government are set out in the subjective analysis in Note 14 and Note 15:

Greater London Authority

The MOPAC Group is one of the functional bodies of the Greater London Authority (GLA), the other bodies being the London Fire Commissioner, which replaced the London Fire and Emergency Planning Authority on 1 April 2018, Transport for London, Old Oak and Park Royal Development Corporation and the London Legacy Development Corporation.

The Mayor sets MOPAC's budget, including the precept for the GLA. The London Assembly approves MOPAC's budget for the police and may amend the precept for the GLA. In addition, Section 32 of the Police Reform and Social Responsibility Act 2011 requires the GLA London Assembly to establish a committee called the 'Police and Crime Committee' to exercise functions in relation to scrutiny of MOPAC. The Committee's responsibilities include reviewing the draft Police and Crime Plan and scrutiny of particular decisions made or actions taken by MOPAC in the discharge of its responsibilities. Monies received from the GLA in the form of grants and precepts are disclosed in Note 14.

The net receipts from Transport for London were £122.581 million in 2024/25 (£127.363 million 2023-24).

The net expenditure with the London Fire Commissioner was £0.041 million in 2024/25 (£0.480 million in 2023/24).

The net receipts from Old Oak and Park Royal Development were £0.035 million in 2024/25 (£0.035 million in 2023/24).

The net receipts from London Legacy Development Corporation were £0.058 million in 2024/25 (£0.058 million in 2023/24).

Other bodies

Police Now was established in January 2016 to run the National Graduate Leadership Development Programme. MOPAC spent £1.012 million in 2024/25. The former Assistant Commissioner of Frontline Policing is a Board member.

MOPAC is the member of, and the sole owner of, the Police Crime Prevention Initiatives' Ltd (PCPI) which is a company limited by guarantee without share capital. The MOPAC Head of Operational Oversight is director of the Company and has influence over the operation and running of the company. Police Crime Prevention Initiatives main operation is through 'secure by design' which supports the principles of 'designing out crime' through physical security and processes. MOPAC spent £0.192 million, and owes £0.002 million, with Police Crime Prevention Initiatives Ltd in 2024/25. Police Crime Prevention Initiatives is not for profit company, run for the national good with all money made supporting crime prevention. MOPAC does not receive any financial benefit from this company.

The MOPAC Group administers a number of charities on behalf of third parties. Full details of the charities and their purpose are disclosed in Note 24. The former Assistant Commissioner of Frontline Policing was a Trustee of the Metropolitan Police Sports Fund. In 2024/25 the MOPAC Group paid £35k (£36k in 2023/24) to the MPS Sports Fund. The Director of Human Resources and the Chief Legal Officer are Trustees of the Metropolitan Police Staff Welfare Fund. In 2024/25 the MOPAC Group paid £12k (£12k in 2023/24) to the MPS Staff Welfare Fund. The Director of Human Resources assumed the role of Trustee previously held by the Chief People and Resources Officer in 2024/25.

10. Auditors' remuneration

The audit fee payable to Grant Thornton UK LLP during the year totalled £682,552 (£629,779 in 2023/24) for the Group, of which £370,073 related to MOPAC and £312,479 related to the CPM (£340,125 for MOPAC in 2023/24, £289,654 for CPM).

11. Interest payable and similar charges

Interest paid in 2024/25 and 2023/24 is as follows:

£000	2024/25	2023/24
Public Work Loans Board	16,694	15,773
PFI and finance lease	8,899	10,571
Other interest cost	656	123
Total	26,249	26,467

12. Pension costs

As part of the terms and conditions of employment the Group offers retirement benefits for Police Officers and Police Staff.

12.1 Police officers'

The pension scheme for police officers, the Police Pension Scheme 2015, is an unfunded, defined benefit scheme. An unfunded, defined benefit scheme has no investment assets to meet its pension liability and must generate cash to meet the actual pension payments as they fall due. These benefits payable are funded by contributions from employers and police officers and as a rule any shortfall is met by a top up grant from the Home Office, as was the case in 2024/25. The Group pays employer contributions at a rate of 31% of pensionable salary into the Fund. Further details of the schemes can be found in the Police Officer Pension Fund Accounts.

The Commissioner is the administering body under the Police Reform and Social Responsibility Act 2011. The Police Officer Pension Fund's Financial Statements and notes are included on Pages 72-74 of this document.

The principal risks of the schemes relate to the longevity assumptions, statutory changes to the schemes, changes to inflation and to bond yields. These are mitigated by the statutory requirements to charge to the General Reserves the amounts required by statute as described in the accounting policies Note 2.7 on post employment benefits.

Due to the accounting for the top up grant from the Home Office as a credit against the gross current service cost debited to the Comprehensive Income and Expenditure statement, and timing differences regarding the data used by the actuary in the IAS 19 actuarial calculations of service cost, the service cost in the table below does not reconcile to the net police officer pensions line in note 7.3.

Police officers' pensions income and expenditure

£000	2024/25	2023/24
<i>Comprehensive Income and Expenditure Statement</i>		
Cost of Services:		
Service cost comprising:		
Current Service Cost	269,700	310,000
Past service cost	1,300	1,100
Transfers in/(out)	2,000	1,900
Actuarial loss/(gain) - injury pensions	(191,500)	(38,200)
Financing and Investment Income and Expenditure		
Interest Expense	1,159,100	1,144,400
Total Post Employment Benefits charged to the Surplus or Deficit on the Provision of Services	1,240,600	1,419,200
Re-measurement of the defined benefit liability comprising:		
Actuarial loss/(gain) arising on changes in demographic assumptions - excluding injury pensions	(286,700)	(120,600)
Actuarial loss/(gain) arising on changes in financial and other assumptions - excluding injury pensions	(3,939,400)	(630,500)
Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	(4,226,100)	(751,100)
<i>Movement in Reserves Statement (MIRS)</i>		

Notes to the Financial Statements

Reversal of charges made to Surplus or Deficit on the Provision of Services for post employment benefits	(1,240,600)	(1,419,200)
Actual amount charged against the General Reserves Balance for pensions in the year - Pension Costs	874,700	812,400

The Table above shows the transactions have been made in the Group CIES and the General Reserves Balance via the Group MIRS during the year as described more fully in Note 6. The following police pension costs are recognised in the CPM Accounts in the first instance:

- Current/past service costs, past service gains and the actuarial loss/(gain) have been produced by actuaries;
- Transfers in/(out) are in respect of monies received/paid from/to other authorities in respect of Officers who have either joined or left the Group;
- Interest on pension liability represents the expected increase during the year in the present value of the scheme liabilities because the benefits are one year closer to settlement.

Police injury pensions are considered to be a cost to the service and as such the gains/loss on this type of pension has been incorporated in the Net Cost of Policing Services together with other related charges (see below for analysis of movements on liabilities for the funds).

Police officers' contributions to the schemes amounted to £199.2 million in the year ended 31 March 2025. In the year ended 31 March 2025, employer pension contributions have been charged to the revenue account on the basis of pensions payable in the year and totalled £824.7 million. In the year to 31 March 2025 the net costs of pensions and other benefits amounted to £828.5 million, representing 53.8% of pensionable pay.

Assets and liabilities in relation to retirement benefits

In accordance with IAS 19 requirements, the total liability of the Police Officer Pension Fund is included in the Balance Sheet. Although these will not actually be payable until officers retire, the Group has a commitment to make the payments that need to be disclosed at the time that officers earn their future entitlement. The Group had the following overall liabilities for pensions at 31 March 2025 that have been included in the Balance Sheet:

£ million	2024/25	2023/24
Officer members	(6,607)	(7,935)
Deferred pensioners	(1,047)	(1,291)
Pensioners	(11,824)	(13,956)
Injury pensions	(860)	(1,016)
Total value of scheme liabilities	(20,338)	(24,198)

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Hymans Robertson LLP, an independent firm of actuaries, has assessed the scheme liabilities as at 31 March 2025. The movement in the present value of the scheme liabilities for the year to 31 March 2025 can be reconciled as follows:

£ million	Excluding injury benefits 2024/25	Excluding injury benefits 2023/24	Injury benefits only 2024/25	Injury benefits only 2023/24
Scheme liabilities at 1 April	(23,182)	(23,327)	(1,016)	(1,016)
Current service cost including Home Office contribution.	(249)	(286)	(22)	(24)
Officer contributions	(193)	(185)	0	0

Benefits paid	1,032	964	0	0
Injury award expenditure	0	0	36	34
Transfers from / to other authorities	(2)	(2)	0	0
Past service cost (injury benefits)	(1)	(1)	0	0
Interest cost on pension liabilities.	(1,110)	(1,097)	(49)	(48)
Re-measurement gains and losses:				
Actuarial (loss)/gain arising on changes in demographic assumptions	287	121	13	5
Actuarial (loss)/gain arising on changes in financial assumptions	3,779	1,283	171	61
Other Experience	161	(652)	7	(28)
Scheme liabilities at 31 March	(19,478)	(23,182)	(860)	(1,016)

Actuarial assumptions

The value of the liabilities for IAS 19 purposes is dependent on assumptions made by the Scheme's actuaries, Hymans Robertson LLP. The financial assumptions reflect market expectations at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries, deferred pension revaluation or pension-in-payment), can have a significant effect on the value of the liabilities reported. A reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. A rise in the net discount rate will have an opposite effect of similar magnitude. The effect of a change in the net discount rate on the value placed on the liabilities of each scheme is shown in the sensitivity analysis schedule below. During 24/25 the main factor driving the decrease in the value of the liability was the increase in the discount rate.

There is also uncertainty around the life expectancy of the UK population. The value of current and future pension benefits will also depend on the life expectancy of the officers and dependents. The disclosures have been prepared using mortality assumptions of 105% of the S3NFA and S3NMA "year of birth" tables with future improvements based on the CMI 2022 model with a long term rate of improvement of 1.5% per annum.

The significant actuarial assumptions used in their calculations are:

Assumptions	All Schemes 2024/25	All Schemes 2023/24
CARE revaluation rate	4.00%	4.00%
Rate of increase of salary (note i)	3.10%	3.10%
Rate of increase in pensions	2.75%	2.75%
Rate for discounting scheme liabilities (note ii)	5.80%	4.85%
i. Future salary increases are assumed to be within an acceptable range;		
ii. The current discount rate is based on current rate of return available on high quality corporate bonds of equivalent currency and term to the scheme liabilities.		

Mortality

Life expectancy is based on actuarial tables with future improvement in line with the CMI 2022 model with a long term rate of improvement of 1.5% per annum. The actuarial mortality rate assumptions used in their calculations are:

Mortality rate	Males 2024/25	Males 2023/24	Females 2024/25	Females 2023/24
Current pensioners	26.3 years	26.5 years	29.2 years	29.4 years
Future pensioners*	28.1 years	27.9 years	30.5 years	30.7 years

*Future pensioners are assumed to be aged 45 at 31 March 2025.

Sensitivity analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out above. The sensitivity analyses below have been determined based on reasonably possible changes to the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis are consistent with those used in the previous period.

The sensitivities regarding the significant assumptions used to measure the scheme liabilities are set out below:

Financial assumptions	Approximate % increase to employer liability		Approximate monetary amount (£000)	
	2024/25	2023/24	2023/24	2023/24
0.5% decrease in real discount rate	10%	10%	2,006,140	2,431,220
1 year increase in member life expectancy	3%	3%	610,140	725,950
0.5% increase in the salary increase rate	1%	1%	74,450	114,820
0.5% increase in the pension increase rate (CPI)	8%	8%	1,596,750	1,902,340

An estimate of contributions expected to be paid to the scheme for the future financial year:

£ million	2024/25	2023/24
Projected current service cost	143	268
Interest on obligation	1,158	1,161
Total	1,301	1,429

The weighted average duration of the defined benefit obligation is:

Weighted average duration	2024/25	2023/24
Active members	27.5 Years	28.2 Years
Deferred pensioners	25.8 Years	25.8 Years
Pensioners	13.2 Years	13.2 Years
Injury pensions	18.7 Years	19.0 Years

Guaranteed Minimum Pension

In respect of Guaranteed Minimum Pension, the actuary has only allowed for Guaranteed Minimum Pension full indexation for active members. No adjustment has been made for pensioners and deferred members. Given the inherent uncertainty surrounding the calculations, MPS have deemed that this is a reasonable approach and would not lead to a material adjustment to the pension liability.

12.2 Police staff

The Civil Service pension scheme is an unfunded multi-employer defined benefit scheme (see accounting policies Note 2.7 for details of membership). The Group is unable to identify its share of the underlying assets and liabilities with the result that under IAS 19 the scheme is accounted for as a defined contribution scheme with the cost of pension contributions into the scheme recognised in the Accounts but no share of scheme assets or liabilities recognised on the Balance Sheet.

A full actuarial valuation was carried out at 31 March 2020. More information can be found in the Cabinet Office: Civil Superannuation Accounts:

<https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>)

For the year ended 31 March 2025, employer's contributions of £168.7 million were payable to the PCSPS at 28.97% of pensionable pay. The Group is not liable for any other entities' obligations under the plan.

13. Other operating expenditure

13.1 Gains and losses on disposal of non-current assets

The following gains and losses were made on disposal of property (land and building), plant and equipment:

£000	2024/25			2023/24		
	Property	Plant and Equipment	Total	Property	Plant and Equipment	Total
Losses	6,876	3,017	9,893	8,909	1,954	10,863
Gains	(13)	(851)	(864)	0	(185)	(185)
Net (gain)/loss	6,863	2,166	9,029	8,909	1,769	10,678

The gains and losses on disposal of assets, as disclosed above, exclude all minor proceeds below £10,000 from the sale of vehicles that have reached the end of their useful economic life.

14. Non-specific grant income

The Greater London Authority precepts London Boroughs for Council Tax and receives Police Formula Grant, Police Revenue Grant and Council Tax Support Grant directly from central government. The central funding allocated and the police precept for the year ended 31 March 2025 was:

£000	2024/25	2023/24
Retained Business Rates	(134,356)	(94,792)
Formula Grant	(925,608)	(906,977)
Police Precept	(1,013,895)	(902,427)
Police Revenue Grant	(1,356,376)	(1,257,685)
Council Tax Support	(119,676)	(119,676)
Total	(3,549,911)	(3,281,557)

14.1 Capital grants

The Group recognises capital grants through the CIES when conditions attached to them have been met or where no conditions have been attached.

£000	2024/25	2023/24
Capital grants	(53,904)	(61,203)

15. Specific grants

The Group received the following grants for specific operational activities:

£000	2024/25	2023/24
Home Office - Counter Terrorism	(407,216)	(394,584)
Home Office - CT Protective Security Grant	(212,143)	(199,260)
Ministry of Justice - Victim Services	(17,001)	(22,765)
Home Office - Specific Operational Projects	(374,336)	(269,186)
Miscellaneous grants	0	(1)
Partnership Funding	(8,732)	(8,341)
Total	(1,019,428)	(894,137)

16. Group and MOPAC non current assets at 31 March 2025

£000	Property	Plant and equipment	Assets under construction	Surplus Assets	Total Property, Plant & Equip	Heritage assets	Investment properties	Intangible assets	Sub total	Right of Use Assets	Total
Cost or valuation at 1 April 2024	1,837,078	779,312	485,851	48,430	3,150,671	1,355	2,840	5,735	3,160,601	0	3,160,601
Reclassifications (transfers)	(121,970)	85,635	(142,396)	0	(178,731)	0	0	0	(178,731)	178,731	0
Assets reclassified (to)/from held for sale	0	0	0	0	0	0	0	0	0	0	0
Additions	3,413	27,733	261,141	0	292,287	0	0	0	292,287	46,129	338,416
Disposals	(6,876)	(119,292)	63	0	(126,105)	0	0	(5,470)	(131,575)	0	(131,575)
Impairment	0	0	0	0	0	0	0	0	0	0	0
Revaluation movements through CIES	(45,947)	0	0	0	(45,947)	0	140	0	(45,807)	89,802	43,995
Revaluation movements in reserves	(26,069)	0	0	0	(26,069)	0	0	0	(26,069)	(117,264)	(143,333)
Cost or valuation at 31 March 2025	1,639,629	773,388	604,659	48,430	3,066,106	1,355	2,980	265	3,070,706	197,398	3,268,104
Depreciation at 1 April 2024	(89,638)	(331,595)	0	(426)	(421,659)	(39)	0	(5,719)	(427,417)	0	(427,417)
Depreciation/amortisation for the year	(54,235)	(124,335)	0	(1,768)	(180,338)	0	0	(7)	(180,345)	(34,936)	(215,281)
Depreciation written out on valuation to the Revaluation Reserve	14,150	18,834	0	1,585	34,569	0	0	0	34,569	15,641	50,210
Depreciation on assets sold	0	116,620	0	0	116,620	0	0	5,470	122,090	0	122,090
Depreciation written out on revaluation recognised in the CIES	17,416	(33)	0	0	17,383	0	0	0	17,383	5,333	22,716
Depreciation on assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Reclassification/transfers	20,974	0	0	0	20,974	0	0	0	20,974	(20,974)	0
Depreciation at 31 March 2025	(91,333)	(320,509)	0	(609)	(412,451)	(39)	0	(256)	(412,746)	(34,936)	(447,682)
Net Book Value at 31 March 2025	1,548,296	452,879	604,659	47,821	2,653,655	1,316	2,980	9	2,657,960	162,462	2,820,422
Net Book Value at 31 March 2024	1,747,440	447,717	485,851	48,004	2,729,012	1,316	2,840	16	2,733,184	0	2,733,184

16. Group and MOPAC non current assets at 31 March 2024

£000	Property	Plant and equipment	Assets under construction	Surplus Assets	Total Property, Plant & Equip Sub total	Heritage assets	Investment properties	Intangible assets	Sub total	Right of Use Assets	Total
Cost or valuation at 1 April 2023	1,886,047	672,092	485,707	0	3,043,846	1,319	2,760	5,735	3,053,660	0	3,053,660
Reclassifications (transfers)	52,852	160,763	(262,081)	48,430	(36)	36	0	0	0	0	0
Assets reclassified (to)/from held for sale	3,894	(1,081)	0	0	2,813	0	0	0	2,813	0	2,813
Additions	3	43,255	262,225	0	305,483	0	0	0	305,483	0	305,483
Disposals	(421)	(95,717)	0	0	(96,138)	0	0	0	(96,138)	0	(96,138)
Impairment	0	0	0	0	0	0	0	0	0	0	0
Revaluation movements through CIES	(72,645)	0	0	0	(72,645)	0	80	0	(72,565)	0	(72,565)
Revaluation movements in reserves	(32,652)	0	0	0	(32,652)	0	0	0	(32,652)	0	(32,652)
Cost or valuation at 31 March 2024	1,837,078	779,312	485,851	48,430	3,150,671	1,355	2,840	5,735	3,160,601	0	3,160,601
Depreciation at 1 April 2023	(69,476)	(365,345)	0	0	(434,821)	(11)	0	(5,733)	(440,565)	0	(440,565)
Depreciation/amortisation for the year	(77,348)	(108,347)	0	(145)	(185,840)	0	0	(6)	(185,846)	0	(185,846)
Depreciation written out on valuation to the Revaluation Reserve	40,623	47,416	0	0	88,039	8	0	20	88,067	0	88,067
Depreciation on assets sold	171	93,812	0	0	93,983	0	0	0	93,983	0	93,983
Depreciation written out on revaluation recognised in the CIES	16,140	0	0	0	16,140	0	0	0	16,140	0	16,140
Depreciation on assets held for sale	(29)	833	0	0	804	0	0	0	804	0	804
Reclassification/transfers	281	36	0	(281)	36	(36)	0	0	0	0	0
Depreciation at 31 March 2024	(89,638)	(331,595)	0	(426)	(421,659)	(39)	0	(5,719)	(427,417)	0	(427,417)
Net Book Value at 31 March 2024	1,747,440	447,717	485,851	48,004	2,729,012	1,316	2,840	16	2,733,184	0	2,733,184
Net Book Value at 31 March 2023	1,816,571	306,747	485,707	0	2,609,025	1,308	2,760	2	2,613,095	0	2,613,095

16.1 Basis of valuation

MOPAC's operational property was revalued as at 30 September 2024 as a part of the revaluation programme. For the revaluation programme 20% of the assets are physically inspected as well as the top 20 properties by value. The remaining 80% are revalued on a desktop basis. This approach is part of a rolling programme of revaluations that is conducted by Avison Young (member of the Royal Institute of Chartered Surveyors) ensuring that all operational land and buildings within the estate are subject to inspection and revaluation at least once every five years.

The residential and investment property portfolios were also revalued as at 31 March 2025 as a part of the revaluation programme. Again 20% of the assets are physically inspected each year whilst 80% are revalued on a desktop basis. This rolling programme of residential revaluations is performed by Avison Young ensuring that all of the residential properties are subject to inspection and revaluation at least once every five years.

The information provided by MOPAC to the valuers and the assumptions and valuations made by the valuers are reviewed by the Property Services Team throughout the valuation process.

Investment properties and surplus assets were revalued as at 30 September 2024 using the IFRS 13 Fair Value market approach. The IFRS 13 Fair Value market approach uses prices and other relevant information (inputs) generated by market transactions involving similar properties and applies the valuer's professional judgment in accordance with the RICS Valuation - Professional Standards 2014 published by the Royal Institution of Chartered Surveyors.

The IFRS 13 on Fair Value includes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three (input) levels:

Level 1: Observable quoted prices, in active markets;

Level 2: Quoted prices are not available but fair value is based on observable market data;

Level 3: Unobservable inputs.

London property market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant; hence the valuations of the investment portfolio have been categorized as Level 2 inputs in the fair value hierarchy.

At 31 March 2025 the group carrying value of investment properties was £3.0 million, (2023/24 £2.8 million).

The Group's policy is to recognise transfers within fair value hierarchy levels at the valuation date or the date of event or change in circumstance that caused the transfer. There have been no transfers during the period.

Buildings under construction and other property works are valued on the basis of the associated land value plus the cumulative construction costs incurred at 31 March 2025.

Short life assets such as vehicles, plant, furniture and equipment are included at net depreciation cost. Heritage assets have been included in the Balance Sheet following valuations placed on them by internal and external valuers. These consist of pictures, medals, vehicles, furniture and museum pieces, which are at present in long-term storage, which have been gifted over many years.

During the year, transfers of £142 million were made for those assets under construction, which were completed and became operating assets.

16.2 Impairment

Management has considered the condition of Non-Current Assets and concluded that there is no indication that any material impairment is needed to be recognised for this financial year.

16.3 Capital Financing Requirement

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Group, the expenditure results in an increase in the Capital Financing Requirement, a measure of the capital expenditure incurred historically by MOPAC that has yet to be financed.

£000	2024/25	2023/24
Opening Capital Financing Requirement	1,137,914	981,667
Capital Investment		
Right of Use Assets	149,769	0
Property	3,413	3
Plant and equipment	27,733	43,255
Intangible assets	0	0
Assets under construction	261,141	262,225
Investment properties	0	0
Sources of finance		
Capital receipts	(728)	(8,959)
Government grants and other contributions	(53,904)	(61,203)
Sums set aside from revenue:		
Direct revenue contributions	(9,634)	(12,884)
Minimum Revenue Provision	(108,061)	(66,190)
Closing Capital Financing Requirement	1,407,643	1,137,914
Explanation of movements in year		
(Decrease)/increase in underlying need to borrow (supported by government financial assistance)	(8,877)	(9,247)
(Decrease)/Increase in underlying need to borrow (unsupported by government financial assistance)	202,580	170,095
(Decrease)/increase in underlying need to borrow for PFI and Finance Lease assets	(27,614)	(4,601)
Increase in Capital Financing Requirement	166,089	156,247

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, require MOPAC to charge to the MIRS a prudent level of Minimum Revenue Provision (MRP) for the redemption of debt. For the year ended 31 March 2025 MOPAC has made an MRP charge based on:

- the capital financing requirement method for all borrowing prior to 1 April 2008 and for any borrowing supported through the revenue grant settlement since 1 April 2008, and
- the asset life method for all unsupported borrowing undertaken since 1 April 2008 as permitted by the flexibilities provided under the Prudential Code.

16.4 PFI assets

These assets form part of the Property category within Note 16. There are two PFI contracts which together constitute the Group's PFI assets. One is for the provision of a firearms training facility and public order training facility, including the provision of all necessary structures, accommodation, support services and equipment. The Agreement is for a period of 25 years commencing January 2003 and includes for a price review of defined services every 5 years. At the end of the 25 year period the facility will be handed to the Group with the obligation of the Contractor to leave the training facility in 'working order'.

The other PFI contract is for the provision of four police stations across south east London including the provision of all necessary structures, office accommodation, support services and equipment. The Agreement is for a period of 25 years commencing January 2004 and provides for a price review of defined services every 5 years. At the end of the 25 year period the stations will be returned to the operator at no cost, or new leases could be negotiated.

The table below shows the value of training establishment and police station PFIs which are included in MOPAC Balance Sheet broken down by movements in year.

£000	2024/25	2023/24
Balance as at 1 April	158,042	170,274
Additions	0	0
Depreciation for year	(37,466)	(23,992)
Redundant depreciation	20,350	20,468
Transfer from work in progress	11,160	129
Revaluation movement	(44,246)	(8,837)
Balance as at 31 March	107,840	158,042

16.5 Payment analysis

The PFI agreements impose 25 year commitments on the Group from occupation and use of the facilities from 2003 and 2004. The unitary payments to be made under the PFI contracts as at 31 March 2025 are shown below. PFI liabilities are shown in Note 25.1

Payment Analysis 2024/25				
£000	Liability	Interest	Service charge	Total
Within 1 year	21,907	5,502	12,540	39,949
2 to 5 years	68,622	6,623	34,437	109,682
6 to 10 years	0	0	0	0
11 to 15 years	0	0	0	0
Total	90,529	12,125	46,977	149,631

Payment Analysis 2023/24				
£000	Liability	Interest	Service charge	Total
Within 1 year	7,433	10,867	21,557	39,857
2 to 5 years	35,621	41,929	83,125	160,675
6 to 10 years	559	608	1,488	2,655
11 to 15 years	0	0	0	0
Total	43,613	53,404	106,170	203,187

16.6 Leases

MOPAC as lessee

In 2024/25 the Group applied IFRS 16 Leases as permitted by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (ie without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability were brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 were exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities were measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date
- a single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- the weighted average of the incremental borrowing rates used to discount liabilities was 3.24%

This has resulted in the following additions to the balance sheet, excluding PFI contracts:

- £91m Property, plant and equipment - land and buildings (right-of-use assets)
- £79m Non-current creditors (lease liabilities)
- £12m Current creditors (lease liabilities)

The newly recognised lease liabilities of £91m compare with the previously measured operating lease commitments of £54m at 31 March 2024 disclosed in the notes to the 2023/24 financial statements.

The Group is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired and finance costs that will be payable in future years while the liability remains outstanding.

The minimum lease payments are made up of the following amounts:

£000	31 March 2025	31 March 2024
Current liability	7,672	34
Long term liability	71,582	6,040
Finance costs payable in future years	30,423	13,455
Total of minimum lease payments (Net Present Value)	109,677	19,529

The minimum lease payments payable over the following periods are:

£000	Minimum lease payments		Finance lease liabilities	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Not later than 1 year	10,114	627	7,672	34
Later than 1 year and not later than 5 years	30,320	2,507	20,400	162
Later than 5 years	69,243	16,395	51,182	5,878
Total	109,677	19,529	79,254	6,074

Operating leases

Following the adoption of IFRS16 the majority of Operating Leases have been reclassified. The remaining out of scope leases have the following lease payments due under non-cancellable leases in future years:

	31 March 2025	31 March 2024
£000	Property	Property
Operating leases		
Not later than 1 year	1,641	7,841
Later than 1 year and not later than 5 years	3,419	22,174
Later than 5 years	472	24,118
Total	5,532	54,133

Group as lessor**Operating leases**

The Group leases out interests in properties, particularly office space. The Group received rents amounting to £12.9 million (£11.3 million in 2023/24). The current lease payments receivable under non-cancellable leases in future years are:

£000	2024/25	2023/24
Not later than 1 year	12,700	12,604
Later than 1 year and not later than 5 years	50,494	50,248
Later than 5 years	87,158	93,353
Total	150,352	156,205

16.7 Component assets

The Group records a number of components in its fixed asset register consisting of assets in its PFI training establishment and a floating fuel facility as a component of a boat yard. All components have 15 years life spans, however as the total value is not considered significant, the assets have not been disclosed separately on the Balance Sheet.

16.8 Heritage assets

The Group looks after heritage assets which are recognised on the Balance Sheet (see note 16). Heritage Assets were donated or purchased and are held at valuation as a proxy for historical cost. In applying the accounting policy, the Group has identified that the assets have a value of £1.3 million. The Group maintains a large museum collection including paintings, police clothing, helmets, medals, and records, a selection of which are on display to the public at the Met Collection, Empress State Building. All of these items have previously been assessed by an independent valuer, and are currently held on the Balance Sheet at a value of £1.25 million. The Group owns an historic vehicle fleet consisting of 15 vehicles, currently housed at a secure garage at Hendon. They are not operational but are used in public events and maintained as part of MOPAC fleet. They are currently held on the Balance Sheet at a value of £65,800.

16.9 Future capital expenditure commitments

£000	2025/26 and later years	2024/25 and later years
IT Projects	82,364	82,554
Building Works	101,468	45,747
Vehicles, Plant and Equipment	5,942	20,021
Total	189,774	148,322

17. Assets held for sale

These consist of non current assets which have been authorised for sale by the Group and instruction given to agents for their disposal. The following table shows the movements and year end balances.

£000	2024/25	2023/24
Opening balance	12,824	25,174
Additional assets identified for disposal	0	250
Revaluation gains (losses)	0	(8,658)
Assets which are no longer being actively marketed	0	(3,865)
Assets disposed in year	(273)	(77)
Total	12,551	12,824

18. Short term debtors

£000	2024/25	2023/24
Trade receivables	33,659	43,716
Prepayments	45,494	33,037
Accrued income	164,824	254,997
Other receivable amounts*	67,462	55,583
Total before impairment loss allowance	311,439	387,333
Impairment loss allowance	(109)	(257)
Balance per balance sheet	311,330	387,076

'Short term debtors' represent assets which are expected to be realised within 12 months after the reporting date.

*The other receivable amounts balance is mainly made up of reimbursements due from HMRC for VAT incurred of £56.0m (£44.7m, 2023/24)

19. Cash and cash equivalents

'Cash and cash equivalents' consist of cash in hand, balances with banks, and investments that mature in less than three months from the date of acquisition. Cash and cash equivalents in the cash flow statement comprise the following:

£000	2024/25	2023/24
Banks and financial Institutions	10,944	11,091
London Treasury Liquidity Fund LP	180,769	473
Total	191,713	11,564

In 2024/25 all the Group's investments were placed with the London Treasury Liquidity Fund LP. The loan note element of this investment has been classified as a cash equivalent. More information can be found in note 30.

20. Short term creditors

£000	2024/25	2023/24
Trade payables	(169,761)	(98,049)
Accruals	(436,108)	(433,832)
GRNI	(33,730)	(67,846)
Other payables*	(89,339)	(100,269)
MOPAC Group balance	(728,938)	(699,996)
Intra-group creditor (see Note 6.2)	(228,090)	(224,806)
MOPAC balance	(500,848)	(475,190)

* The other payables balance is mainly made up of payments to central government totalling £85.0m (£97.2m in 2023/24) in respect of Income Tax, National Insurance, Civil Service and Police Pensions payments.

21. Short term borrowing

This amount represents part of certain loans and liabilities which are due for repayment in 12 months or less.

Due for repayment in 12 months or less (£000)	Note	2024/25	2023/24
Public Works Loan Board		(11,234)	(11,270)
Local authorities		0	(110,118)
PFI liabilities	25.1	(21,907)	(7,433)
Finance lease liabilities	25.1	(7,672)	(34)
Balance		(40,813)	(128,855)

22. Third party monies

Fund Name £000s 2024/25	Income	Expenditure	Assets	Liabilities
MOPAC Police Property Act Fund	13,370	19,595	6,830	0
MOPAC Detained Monies Account	19,424	18,392	24,167	0
Metropolitan Police Benevolent Fund	2,193	2,459	3,933	320
Metropolitan Police Commissioner's Fund	48	36	756	6
Metropolitan Police Sports Fund	242	212	340	6
Metropolitan Police Staff Welfare Fund	30	27	228	1
Metropolitan Police Athletic Association	1,596	1,346	1,991	166
COMETS	115	105	192	26
Total	37,018	42,172	38,437	525

Fund Name £000s 2023/24	Income	Expenditure	Assets	Liabilities
MOPAC Police Property Act Fund	12,505	11,595	13,055	0
MOPAC Detained Monies Account	17,086	15,327	23,135	0
Metropolitan Police Benevolent Fund	2,251	2,605	3,696	335
Metropolitan Police Commissioner's Fund	61	25	710	5
Metropolitan Police Sports Fund	258	236	353	49
Metropolitan Police Staff Welfare Fund	24	24	225	1
Metropolitan Police Athletic Association	1,626	1,372	2,033	129
COMETS	109	115	207	10
Total	33,920	31,299	43,414	529

The MOPAC Group administers funds on behalf of third parties. Money held by the funds is not owned by the Group and is not included in the Balance Sheet. The principal funds are described below. Group staff administer the MOPAC Police Property Act Fund and the MOPAC Detained Monies Account on behalf of the Group and the remaining funds on behalf of their respective governing bodies. Details of the principal funds, together with their income and expenditure for their respective financial years which ended during the 12 months to 31 March 2025 (or, in the case of the Charities, the most recently audited set of accounts) and values at their financial year-end dates, are given above.

MOPAC Police Property Act Fund (MOPAC PPAF)

Regulations under the Police (Property) Act 1897 and its subsequent amending legislation permit police to retain the proceeds from the disposal of property that comes into police possession in connection with a criminal charge (or suspicion of a criminal offence being committed) where the owner has not been ascertained or no court order has been made. The legislation stipulates that the income be used to meet the cost of the storage and sale of the property with any residual funds being used for charitable purposes in accordance with directions of the Deputy Mayor for Policing And Crime. The MOPAC PPAF is used for this purpose.

MOPAC Detained Monies Account (MOPAC DMA)

As stated above, until 31 March 2004 the MOPAC PPAF was used to hold for the time being money that had been detained from persons suspected of criminal activity, such money being retained pending a decision as to its disposal. Since 1 April 2004 detained money has been paid into the MOPAC DMA.

Metropolitan Police Benevolent Fund (MPBF)

The following four charities amalgamated on 29 May 2009, with the agreement of the Charity Commission, to become the Metropolitan Police Benevolent Fund:

- Metropolitan Police Combined Benevolent Fund (MPCBF);
- Metropolitan and City Police Relief Fund (MCPRF);
- Metropolitan Police Widows' and Widowers' Fund (MPWWF);
- Metropolitan Police Convalescent Home Fund (MPCHF).

This registered charity receives monthly contributions from police officers and donations and bequests from members of the public. Financial assistance may be provided by grant or interest-free loan to serving police officers, retired police officers or their dependents considered to be deserving of assistance on account of sickness (whether of themselves or their families) or of injuries received in the discharge of their duties or for other reasons.

Grants to deserving cases among widows and widowers of former police officers are also provided. The cost of a widow's or widower's funeral may be made if the deceased's relatives are unable to afford it.

Part of the contributions deducted from Metropolitan Police Officers pay who support the Metropolitan Police Benevolent Fund are sent to The Police Rehabilitation Centre at Goring-on-Thames which provides residential convalescence facilities to Metropolitan Police officers and to officers from other police forces to help promote a speedy recovery from illness or injury.

Metropolitan Police Commissioner's Fund (MPCF)

This registered charity was established to help promote the efficiency and wellbeing of Metropolitan Police officers and staff. Although this may be achieved in a variety of ways as defined in the governing document, assistance is invariably in the form of a monetary grant to members of the Metropolitan Police or to Metropolitan Police organisations.

Metropolitan Police Sports Fund (MPSF)

This registered charity receives monthly contributions from police officers for sporting, athletic and other recreational activities. The major part of the income is distributed to the four principal sports clubs. Financial assistance is also given to various sports and social clubs.

Metropolitan Police Staff Welfare Fund (MPSWF)

This registered charity provides financial assistance to members and past members of police staff, their families and dependents who are in need. Financial assistance may be provided by grant or interest-free loan.

Metropolitan Police Athletic Association (MPAA)

The MPAA is the umbrella organisation for 40 sporting sections of the Metropolitan Police. Each section is individually run but do receive assistance from the Association for its activities.

Metropolitan Police Sports and Social Association (COMETS)

The Comets (Metropolitan Police Sports and Social Association) have several sporting and social sections. All funds for the Comets are generated from Membership Subscriptions and a Lottery. Membership is open to all Metropolitan Police employees.

Operational responsibilities

MOPAC also holds monies on behalf of third parties arising from its operational responsibilities. The cash amounts, not included in the Balance Sheet, are as follows:

£000	2024/25	2023/24
Proceeds Of Crime Act monies	71,587	51,902
Prisoners' property and lost cash	1,743	1,378
Other	591	578
Total	73,921	53,858

In addition, MOPAC also holds non cash assets which are not valued in the above table. The prisoners' property and lost cash relates to the total amount held in property stores at 31 March 2025 and has therefore been stated separately from the Police Property Act Fund value.

23. Provisions

23.1 Short term provisions

£000	Third party liabilities	Other provisions	Total
Balance at 1 April 2023	(16,270)	(8,719)	(24,989)
Additional provisions made in 2023/24	(13,368)	(16,632)	(30,000)
Amounts used in 2023/24	16,269	5,438	21,707
Reduction in provisions made in 2023/24	0	0	0
Transfer to/(from) long term	(787)	0	(787)
Balance at 31 March 2024	(14,156)	(19,913)	(34,069)
Additional provisions made in 2024/25	(16,942)	0	(16,942)
Amounts used in 2024/25	14,154	1,516	15,670
Reduction in provisions made in 2024/25	0	122	122
Transfer to/(from) long term	40	0	40
Balance at 31 March 2025	(16,904)	(18,275)	(35,179)

23.2 Long term provisions

£000	Third party liabilities	Other provisions	Total
Balance at 1 April 2023	(14,779)	(4,532)	(19,311)
Additional provisions made in 2023/24	(12,143)	0	(12,143)
Reduction in provisions made in 2023/24	0	4,532	4,532
Amounts used in 2023/24	13,278	0	13,278
Transfer to/(from) short term	787	0	787
Balance at 31 March 2024	(12,857)	0	(12,857)
Additional provisions made in 2024/25	(15,389)	0	(15,389)
Reduction in provisions made in 2024/25	12,936	0	12,936
Amounts used in 2024/25	0	0	0
Transfer to/(from) short term	(40)	0	(40)
Balance at 31 March 2025	(15,350)	0	(15,350)

MOPAC seeks to make provision for realistic estimates of the future settlement of known liabilities in respect of legal compensation and accident claims that are not covered by insurance. Accordingly a provision has been created for £32.3 million (of which £15.3m is long term). At 31 March 2024 the value of this provision was £27.0 million (of which £12.9m was long term). Over the course of the year agreed claims have been paid from this account totalling £27.0 million.

Other provisions total £18.3 million and consist of:

- A provision of £13.5 million in respect of other employee related costs;
- A provision of £4.8m in respect of other legal claims;

24. Long term borrowing

These are loans from the Public Works Loans Board (PWLB). They are raised to support capital expenditure on MOPAC assets, and are analysed below:

£000	2024/25	2023/24
Loans	(867,350)	(472,950)
Analysis of loans by maturity:		
Between 1 and 2 years	(55,600)	(5,600)
Between 2 and 5 years	(169,300)	(28,800)
Between 5 and 10 years	(300,200)	(80,500)
Over 10 years	(342,250)	(358,050)

25. Long term contractor liability

This liability covers that relating to PFI contracts and lease contracts.

£000	2024/25	2023/24
PFI liability	(68,622)	(36,180)
Lease liability	(71,582)	(6,039)
Balance at 31 March	(140,204)	(42,219)

25.1 PFI and lease contracts

Analysis of contractor liabilities between short term and long term.

	2024/25	2023/24	2024/25	2023/24
£000	PFI liability	PFI liability	Lease liability	Lease liability
Balance as at 1 April	(43,613)	(48,183)	(6,073)	(6,104)
Net movement in year	(46,917)	4,570	(73,181)	31
Total liability	(90,530)	(43,613)	(79,254)	(6,073)
Classified as:				
Short term liability	(21,907)	(7,433)	(7,672)	(33)
Long term liability	(68,622)	(36,180)	(71,582)	(6,040)

26. Reserves

The reserves of MOPAC have been presented to show a clear distinction between accounting reserves that are unusable and cannot be used to support expenditure and usable reserves.

26.1 Unusable reserves

Movements on unusable reserves - Group and MOPAC 2024/25							
£000	Revaluation reserve	Capital adjustment account	Financial Instruments Revaluation Reserve	Accumulated absences account	Police officer pension	Deferred capital receipts	Total
Balance as at 1 April 2024	(560,459)	(1,045,579)	(2,415)	224,806	24,198,200	0	22,814,553
Downward revaluation of assets	93,124	0		0	0	0	93,124
Difference between fair value and historic cost depreciation	40,192	(40,192)		0	0	0	0
Accumulated gains on assets disposed	780	(780)		0	0	0	0
Other capital adjustments	0	0		0	0	0	0
Downward revaluation of assets and impairment losses not charged to the CIES	0	0		0	0	0	0
Statutory provision for financing capital investment charged against CIES (MRP)	0	(108,061)		0	0	0	(108,061)
Revaluation losses/(gains) on L&B	0	35,011		0	0	0	35,011
Depreciation and impairment	0	215,281		0	0	0	215,281
Amortisation of intangible assets	0	0		0	0	0	0
Movements in market value of investment property	0	(140)		0	0	0	(140)
Amounts written out on disposal	0	9,758		0	0	0	9,758
Capital grants and contributions credited to CIES applied to capital finance	0	(38,951)		0	0	0	(38,951)
Application of grants from capital grants unapplied account	0	(14,953)		0	0	0	(14,953)
Use of capital receipts reserve	0	(728)		0	0	0	(728)
Capital expenditure charged against CIES	0	(9,634)		0	0	0	(9,634)
Movement of reserves	0	0	967	3,284	(3,860,200)	0	(3,855,949)
Donated assets	0	0		0	0	0	0
Transfer of deferred sale proceeds credited as part of the gains/loss on disposal to the CIES	0	0		0	0	0	0
Balance as at 31 March 2025	(426,363)	(998,968)	(1,448)	228,090	20,338,000	0	19,139,311

Movements on unusable reserves - Group and MOPAC 2023/24							
£000	Revaluation reserve	Capital adjustment account	Financial Instruments Revaluation Reserve	Accumulated absences account	Police officer pension	Deferred capital receipts	Total
Balance as at 1 April 2023 restated	(548,224)	(1,106,322)	0	197,705	24,342,500	(8,750)	22,876,909
Downward revaluation of assets	(55,414)	0		0	0	0	(55,414)
Difference between fair value and historic cost depreciation	42,766	(42,766)		0	0	0	0
Accumulated gains on assets disposed	413	(413)		0	0	0	0
Other capital adjustments	0	0		0	0	0	0
Downward revaluation of assets and impairment losses not charged to the CIES	0	0		0	0	0	0
Statutory provision for financing capital investment charged against CIES (MRP)	0	(66,190)		0	0	0	(66,190)
Revaluation losses/(gains) on L&B	0	65,163		0	0	0	65,163
Depreciation and impairment	0	185,846		0	0	0	185,846
Amortisation of intangible assets				0	0	0	0
Movements in market value of investment property	0	(80)		0	0	0	(80)
Amounts written out on disposal	0	2,229		0	0	0	2,229
Capital grants and contributions credited to CIES applied to capital finance	0	(53,431)		0	0	0	(53,431)
Application of grants from capital grants unapplied account	0	(7,772)		0	0	0	(7,772)
Use of capital receipts reserve	0	(8,959)		0	0	0	(8,959)
Capital expenditure charged against CIES	0	(12,884)		0	0	0	(12,884)
Movement of reserves	0	0	(2,415)	27,101	(144,300)	0	(119,614)
Donated assets	0	0		0	0	0	0
Transfer of deferred sale proceeds credited as part of the gains/loss on disposal to the CIES	0	0		0	0	8,750	8,750
Balance as at 31 March 2024	(560,459)	(1,045,579)	(2,415)	224,806	24,198,200	0	22,814,553

Revaluation Reserve

The Revaluation Reserve was created on 1 April 2007 and records the unrealised revaluation gains on land and buildings arising in the year ended 31 March 2024. This amount is also used for accumulated gains which are removed from this account when re-valued assets are sold and also to amortise the gains over the lives of the assets held at 31 March 2025.

Capital Adjustment Account

The Capital Adjustment Account provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed by capital sources.

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Reserves Balance from accruing for unused accumulated absences as at 31 March 2024. Statutory arrangements require that the impact on the General Reserves Balance is neutralised by transfers to or from the Account.

These short term accumulated absences are initially recognised in the CPM Accounts for police staff and officers under the direction of the Commissioner. Equivalent liabilities are however recognised in the MOPAC Balance Sheet offsetting the liabilities in the CPM accounts, to reflect the continuing requirement of MOPAC to provide funds from the Police Fund to meet those liabilities as they fall due.

Police Officer Pension Reserve

This reserve reflects the actuarially calculated future cost of providing pensions for both serving and non-serving police officers as well as those already in retirement as stipulated by regulations.

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non current assets but for which cash settlement has yet to take place. Under statutory arrangements, these gains are not treated as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

26.2 Usable capital reserves

£000	Capital Receipts Reserve	Capital Grants Unapplied Account	Total
Balance at 31 March 2023	0	(2,203)	(2,203)
Proceeds of disposals	(8,959)	0	(8,959)
Financing of fixed assets	8,959	7,772	16,731
Capital grants	0	(7,772)	(7,772)
Balance at 31 March 2024	0	(2,203)	(2,203)
Proceeds of disposals	(728)	0	(728)
Financing of fixed assets	728	14,953	15,681
Capital grants	0	(14,953)	(14,953)
Balance at 31 March 2025	0	(2,203)	(2,203)
Net movement for 2023/24	0	0	0
Net movement for 2024/25	0	0	0

Usable capital receipts

The use of capital receipts is regulated by Part 1 of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. The receipts can only be used to finance capital expenditure or repay debt.

Capital Grants Unapplied

This reserve contains grants monies where no conditions exist or whose conditions have been satisfied and where the related expenditure has not yet been incurred.

26.3 Usable earmarked revenue reserves

During the financial year 2024/25 a fundamental review of reserves was undertaken - this involved reviewing each reserve held on the balance sheet and assessing whether it was still required for the original purpose as well as assessing the need for reserves balances for other purposes. The result has been a strategic decision to realign some balances to mitigate a budget pressure and to allocate some for new purposes. the reserves are presented in a format required by the Minister for Policing and the Fire Service.

£000	Balance at 31 March 2023	Transfer to	Transfer from	Balance at 31 March 2024	Transfer to	Transfer from	Balance at 31 March 2025
Supporting OMM and local change	(44,326)	(6,205)	16,821	(33,710)	35,783	(13,010)	(10,937)
Managing the Budget	(66,279)	0	34,927	(31,352)	37,977	(71,934)	(65,309)
Property	(61,752)	0	12,009	(49,743)	6,147	0	(43,596)
Historical public inquires	(2,212)	0	1,370	(842)	842	0	0
Operational Costs	(105,078)	(1,688)	49,996	(56,770)	42,003	(4,585)	(19,352)
Insurance	(6,680)	0	6,680	0			0
Other earmarked (POCA)	(11,352)	(9,819)	1,391	(19,780)	3,339	(6,338)	(22,779)
Vetting Delays	(106)	0	106	0	0	0	0
Specifically funded for third parties	(13,365)	(565)	117	(13,813)	0	(7,881)	(21,694)
Business Group initiatives	(2,349)	0	1,087	(1,262)	357	0	(905)
Business Rates	(60,000)	0	30,000	(30,000)	30,000	0	0
Managing Officer FTEs	(23,100)	0	0	(23,100)	23,100	(13,500)	(13,500)
MOPAC	(52,123)	(17,697)	26,302	(43,518)	20,040	(10,743)	(34,221)
Total earmarked reserves	(448,722)	(35,974)	180,806	(303,890)	199,588	(127,991)	(232,293)
Emergencies Contingency Fund	(23,093)	0	0	(23,093)	0	0	(23,093)
General revenue reserve	(39,272)	(4,265)	0	(43,537)	0	(10,000)	(53,537)
Total General reserves	(62,365)	(4,265)	0	(66,630)	0	(10,000)	(76,630)
Total MOPAC revenue reserves	(511,087)	(40,239)	180,806	(370,520)	199,588	(137,991)	(308,923)
National functions	(5,312)	(2,288)	1,516	(6,084)	1,699	(623)	(5,008)
Total National Functions	(5,312)	(2,288)	1,516	(6,084)	1,699	(623)	(5,008)
Total Revenue Reserves	(516,399)	(42,527)	182,322	(376,604)	201,287	(138,614)	(313,931)

Supporting local change

The Supporting local change reserve is set aside to fund various modernisation programmes in particular estates transformation.

Managing the Budget

Reserve created to manage budget fluctuations during the year and to smooth the short term impact of funding changes and cost pressure.

Property related costs

These reserves are accumulated or drawn down to facilitate the MPS estates rationalisation programme. This covers a reserve for dilapidations to fund future expenditure on properties where the leases have expired and a reserve for property related costs which reflect the requirement to provide for the cost of various building related projects as part of the central estates' strategy.

Historical public inquiries

The reserves are to fund the provision of resources to respond to requests for information and other requirements arising from the work of the public inquiries.

Operational costs

This reserve exists to fund a number of specific operational requirements such as investigative coaches where it has been agreed funding would be carried forward to enable the profiling of these costs in future years.

Insurance

This reserve covers insurance costs in line with the insurance strategy. This reserve will cease due to the fact that insurance risks are covered through provisions

POCA

The reserve is used to drive up performance on asset recovery work, crime reduction projects and to fund local crime fighting priorities for the benefit of the community.

Vetting Delays

£1.1m was set aside in 2017/18 to fund the requirement to update the vetting status of existing officers and staff. This reserve was fully spent by the end of 2024/25.

Business Group Initiatives

This reserve supports the delivery of one-off projects within business groups.

Business Rates

This reserve was set up by the Mayor to fund an additional 1,000 FTEs over 3 years. The final tranche of the reserve was fully spent in 2024/25.

Managing Officer FTEs

This reserve was established in 2017/18 following a Management Board decision to work towards a relatively stable trajectory for officer FTEs over the medium term.

MOPAC

MOPAC holds a reserve for its own internal budget. This is mainly grant funding that is held to fund specific projects over a number of financial years and which the grant funder permits funds to be carried forward from one year to the next. MOPAC aim to drawn down a managed amount from these reserves each year to fund a variety of commissioned services reflecting the priorities set out in the Mayor's Police and Crime Plan to: provide a better police service for London; tackle violence against women and girls; keep children and young people safe; tackle hate crime and intolerance; and provide a better Criminal Justice Service for London.

Other reserves

The following reserves are also held by MOPAC:

- Reserves specifically funded for third parties; and
- Reserves held on behalf of the National police functions, National Police Chief's Council (NPCC) and National Police Coordination Centre (NPoCC).

26.4 General revenue reserve

MOPAC's policy is to have a General Reserve to meet unforeseen or emergency expenditure that cannot be contained within the budget.

27. Adjustments between accounting basis and funding basis under regulation.

This note identifies the adjustments that are made to the CIES recognised by the Group in the year in accordance with accounting practice in order to determine the resources that are specified by statutory provisions as being available to the Group to meet future capital and revenue expenditure.

The following adjustments are for 2024/25:

Group and MOPAC £000	General Reserves	Capital receipts reserve	Capital Grants Unapplied Account	Unusable reserves
Adjustments to the CIES				
Pension costs (transferred to (or from) the Pension Reserve)	(365,900)			365,900
Holiday pay (transferred to the accumulated absences reserve)	(3,284)			3,284
Reversal of entries included in the surplus or deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(259,910)			259,910
Total adjustments to the CIES	(629,094)	0	0	629,094
Adjustments between reserves and capital resources				
Transfer of non-current asset sale proceeds from reserves to the capital receipts reserve	728	(728)	0	0
Deferred sale proceeds	0	0	0	0
Statutory provision for the repayment of debt (transfer to Capital Adjustment Account)	108,061			(108,061)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	9,634			(9,634)
Total adjustment between reserves and capital resources	118,423	(728)	0	(117,695)
Adjustments to capital resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	728	0	(728)
Application of capital grants to finance capital expenditure	53,904	0	0	(53,904)
Cash payments in relation to deferred capital receipts	0	0	0	0
Total capital financing adjustments	53,904	728	0	(54,632)
Total adjustments - MOPAC Group	(456,767)	0	0	456,767
Police pensions	4,226,100	0	0	(4,226,100)
Total - MOPAC	3,769,333	0	0	(3,769,333)

The following adjustments were made in 2023/24:

Group and MOPAC £000	General Reserves	Capital receipts reserve	Capital Grants Unapplied Account	Unusable reserves
Adjustments to the CIES				
Pension costs (transferred to (or from) the Pension Reserve)	(606,800)	0	0	606,800
Holiday pay (transferred to the accumulated absences reserve)	(27,101)	0	0	27,101
Reversal of entries included in the surplus or deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(253,158)	0	0	253,158
Total adjustments to the CIES	(887,059)	0	0	887,059
Adjustments between reserves and capital resources				
Transfer of non-current asset sale proceeds from reserves to the capital receipts reserve	209	(209)	0	0
Deferred sale proceeds	0	0	0	0
Statutory provision for the repayment of debt (transfer to Capital Adjustment Account)	66,190	0	0	(66,190)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	12,884	0	0	(12,884)
Total adjustment between reserves and capital resources	79,283	(209)	0	(79,074)
Adjustments to capital resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	8,959	0	(8,959)
Application of capital grants to finance capital expenditure	61,203	0	0	(61,203)
Cash payments in relation to deferred capital receipts	0	(8,750)	0	8,750
Total capital financing adjustments	61,203	209	0	(61,412)
Total adjustments - MOPAC Group	(746,573)	0	0	746,573
Police pensions	751,100			(751,100)
Total - MOPAC	4,527	0	0	(4,527)

28. Notes to the cash flow statement

28.1 The cash flow for operating activities included interest cash flows:

£000	31 March 2025 Group	31 March 2024 Group	31 March 2025 MOPAC	31 March 2024 MOPAC
Operating activities				
Interest received	(16,796)	(23,701)	(16,796)	(23,701)
Interest paid	17,350	15,896	17,350	15,896
Interest element of finance lease and PFI rental payments	8,899	10,571	8,899	10,571
	9,453	2,766	9,453	2,766

28.2 Adjustments to net surplus or deficit on the provision of services for non-cash movements (Group and MOPAC):

£000	31 March 2025 Group	31 March 2024 Group	31 March 2025 MOPAC	31 March 2024 MOPAC
Depreciation of non-current assets	(215,275)	(185,840)	(215,275)	(185,840)
Impairment and revaluations of non-current assets	(35,011)	(65,163)	(35,011)	(65,163)
Amortisation of intangible assets	(6)	(6)	(6)	(6)
Reversal of pension service costs and interest	(365,900)	(606,800)	3,860,200	144,300
(Increase)/decrease in impairment for provision for bad debts	148	184	148	184
(Increase)/decrease in creditors	(28,941)	(54,427)	(28,941)	(54,427)
Increase/(decrease) in debtors	(75,894)	11,102	(75,894)	11,102
Increase/(decrease) in inventories	306	958	306	958
Carrying amount of property, plant and equipment, investment property and intangible assets sold	(9,758)	(2,229)	(9,758)	(2,229)
Other non-cash items	(9,098)	(7,334)	(9,098)	(7,334)
	(739,429)	(909,555)	3,486,671	(158,455)

28.3 Adjustments for items in the net surplus or deficit on the provision of services that are investing or financing activities:

£000	31 March 2025 Group	31 March 2024 Group	31 March 2025 MOPAC	31 March 2024 MOPAC
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	728	209	728	209
Other items for which the cash effects are investing or financing activities	53,904	61,203	53,904	61,203
Proceeds from short term and long term investments	2,415	0	2,415	0
	57,047	61,412	57,047	61,412

28.4 Cash flows from investing activities:

£000	31 March 2025 Group	31 March 2024 Group	31 March 2025 MOPAC	31 March 2024 MOPAC
Investing activities				
Purchase of non-current assets	292,287	305,483	292,287	305,483
Purchase of short term and long term investments	5,800	7,249	5,800	7,249
Proceeds from short term and long term investments	(9,664)	(3,732)	(9,664)	(3,732)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(728)	(8,959)	(728)	(8,959)
Other receipts from investing activities	(53,904)	(61,203)	(53,904)	(61,203)
	233,791	238,838	233,791	238,838

Other receipts from investing activities is comprised mainly of capital grant receipts totalling £59.3m in 2024/25 (£61.2m in 2023/24)

28.5 Cash flows from financing activities:

£000	31 March 2025 Group	31 March 2024 Group	31 March 2025 MOPAC	31 March 2024 MOPAC
Financing activities				
Cash receipts of short and long-term borrowing	(400,000)	(110,000)	(400,000)	(110,000)
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts (principal)	27,614	4,601	27,614	4,601
Repayments of short and long-term borrowing	121,388	11,371	121,388	11,371
	(250,998)	(94,028)	(250,998)	(94,028)

28.6 Reconciliation of liabilities arising from financing activities - Group and MOPAC:

£000	Opening Balance 1 April 2024	Financing cash flows	Acquisition	Other non- cash changes	Closing Balance 31 March 2025
Liabilities					
Long term borrowing	(472,950)	0	(400,000)	5,600	(867,350)
Short term borrowing	(121,387)	121,387	0	(11,234)	(11,234)
Lease liabilities	(6,073)	11,895	0	(85,076)	(79,254)
On balance sheet PFI liabilities	(43,614)	15,720	0	(62,635)	(90,529)
Total liabilities from financing activities	(644,024)	149,002	(400,000)	(153,345)*	(1,048,367)

*Other non-cash changes for lease and on balance sheet PFI liabilities relate to the changes in accounting and measurement of these liabilities on adoption of IFRS16

£000	Opening Balance 1 April 2023	Financing cash flows	Acquisition	Other non- cash changes	Closing Balance 31 March 2024
Liabilities					
Long term borrowing	(479,550)	0	0	6,600	(472,950)
Short term borrowing	(11,371)	11,371	(110,000)	(11,387)	(121,387)
Lease liabilities	(6,104)	31	0	0	(6,073)
On balance sheet PFI liabilities	(48,183)	4,569	0	0	(43,614)
Total liabilities from financing activities	(545,208)	15,971	(110,000)	(4,787)	(644,024)

29. Contingent liabilities

There are no material contingent liabilities to disclose.

30. Financial instruments

The financial instruments recognised by the Group include creditors and debtors, borrowings, bank deposits, loans and investments. The Group has not given any financial guarantees nor does it hold financial instruments, which are either 'held for trading' or any derivatives. The financial instrument balances disclosed in the Balance Sheet are made up of the following classes of financial instruments:

£000	Non current		Current (within 12 months)	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial Assets:				
Investments - amortised cost	0	0	0	0
Investments - Fair value through Other Comprehensive Expenditure	7,247	9,664	0	0
Debtors and cash (including cash equivalents) - amortised cost	0	0	290,074	179,385
Total financial assets	7,247	9,664	290,074	179,385
Financial Liabilities: Amortised cost				
Borrowings	(867,350)	(472,950)	(11,234)	(121,388)
PFI and finance lease liabilities	(140,204)	(42,219)	(29,579)	(7,467)
Creditors	0	0	(564,665)	(557,890)
Total financial liabilities	(1,007,554)	(515,169)	(605,478)	(686,745)

London Treasury Liquidity Fund

At 31 March 2025, all the Group's investments are placed with the London Treasury Liquidity Fund LP which then places the underlying investments on the Group's behalf. This is made up of two elements;

- The loan note element totalling £180.8m which has been classified as a cash equivalent and measured at amortised cost;
- The core commitment element totalling £7.2m has been classified and designated at fair value through other comprehensive income. This includes an unrealised gain in the year of £1.4m which is held in the Financial Instruments Revaluation Reserve.

Other Financial Assets and Liabilities

Other financial liabilities (represented by loans, receivables and payables) are carried in the Balance Sheet for the Group at amortised cost.

The gains and losses recognised in the CIES in relation to financial instruments are made up as follows

£000	2024/25	2023/24
Expenses		
Interest expense: financial assets at amortised cost	26,249	26,467
Total expense in (surplus)/deficit on the provision of services	26,249	26,467
Income		
Interest income: financial liabilities at amortised cost	(16,796)	(23,701)
Total income in surplus on the provision of services	(16,796)	(23,701)
Net (gain)/loss for the year	9,453	2,766

Notes to the Financial Statements

£000	2024/25 Carrying amount	Fair value	2023/24 Carrying amount	Fair value
Financial liabilities				
Borrowings - (Public Works Loan Board)	878,584	761,056	484,220	387,553
Borrowings - (Temporary)	0	0	110,118	110,118
PFI liabilities	90,530	90,530	43,613	45,773
Creditors	564,665	564,665	557,890	557,890
Financial Assets				
Investments	7,247	7,247	9,664	9,664
Debtors	290,074	290,074	179,385	179,385

The fair value of the PWLB borrowing is lower than the carrying amount because the Group's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain as at 31 March 2025 arising from a commitment to pay interest below current market rates.

Following the adoption of IFRS16 PFI liabilities dependent on an index or rate are required to be remeasured on transition and thereafter on each indexation date to reflect the value of the revised lease payments. The balance sheet carrying value of PFI liabilities at 31 March 2025 has been updated to reflect this and thus represents a reasonable approximation of fair value.

Short term creditors and debtors are carried at cost as this is a fair approximation of their value. Investments are carried at fair value on the balance sheet.

The fair value hierarchy of financial liabilities that are not measured at fair value is set out below:

31 March 2025				
Recurring Fair Value Measurements Using: £000	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial liabilities				
Borrowings				
Borrowings-(Public Works Loan Board)	0	761,056	0	761,056
Other long term liabilities				
PFI liabilities	0	0	0	0
Total	0	761,056	0	761,056

31 March 2024				
Recurring Fair Value Measurements Using: £000	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial liabilities				
Borrowings				
Borrowings-(Public Works Loan Board)	0	387,553	0	387,553
Other long term liabilities				
PFI liabilities	0	0	45,773	45,773
Total	0	387,553	45,773	433,326

The fair value for financial liabilities that are not measured at fair value included in levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate.

The fair value for financial assets and financial liabilities that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions.

Financial Assets	Financial Liabilities
Where an instrument will mature in the next 12 months, the fair value is taken to be the carrying value.	No early repayment is recognised
The fair value of the core commitment element of the investment with the London Treasury Liquidity Fund LP is taken to be the carrying value.	Estimated ranges of interest rates at 31 March 2025 of 4.81% to 5.97% for PWLB loans payable based on PWLB loans payable based on PWLB new loan rates.
The fair value of trade and other receivables is taken to be the invoiced or billed amount.	From 1 April 2024, the fair value of PFI liabilities remeasured under IFRS16 is taken to be the carrying value.
	The fair value of trade and other payables is taken to be the invoiced or billed amount

30.1 Nature and extent of risks arising from financial instruments

Risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Day to day risk management is carried out under a shared service arrangement by the GLA under the policy approved by the MOPAC Group and set out in the annual MOPAC Treasury Management Strategy. During 2024/25 the London Treasury Liquidity Fund (LTLF) managed all MOPAC investments to generate financial and risk reduction benefits. The Group's activities expose it to a variety of financial risks:

- **Credit risk** - the possibility that other parties might fail to pay amounts due to the Group;
- **Liquidity risk** - the possibility that the Group might not have funds available to meet its commitments to make payments to its suppliers and creditors;
- **Interest rates risk** - Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates;
- **Foreign exchange risk** - Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group does not have any such instruments.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Group's customers. MOPAC's Treasury Management Strategy is administered and managed by the London Treasury Team.

Credit risk management practices

Credit risk arises from deposits with financial institutions, as well as credit exposure to the Group's customers. MOPAC's Treasury Management Strategy is administered and managed by the London

Treasury Team. Credit ratings form the backbone of the investment policy for selecting institutions with which the London Treasury Team invests surplus funds on MOPAC's behalf, based on knowledge and understanding of the risks involved. Although no combination of ratings can be viewed as fail-safe, the credit criteria for 2024/25 were based on Fitch, Moody's and Standard and Poor's suite of ratings, supported by broader market information. Relevant changes in counterparties' credit standing are reviewed daily, with updates provided by the London Treasury Team's treasury advisors. Where counterparties' credit standings are downgraded, the relevant investment limits are reduced with immediate effect or, where minimum criteria fail to be met, further investment is suspended. Maximum limits for principal invested with each counterparty are reviewed regularly with reference to relative risk and the Group's cash flow requirements. All the Group's investments are sterling denominated.

At 31 March 2025, the Group's underlying investments and cash were placed with institutions with at least a A- credit rating. Thus, it has been judged that these investments can be categorised as low credit risk. An assessment of the 12 month expected losses for these investments has been carried out by comparing the credit rating of the investment against historic default tables and the resulting expected impairment loss is not significant and therefore a loss has not been recognised in the accounts.

When considering the expected credit loss in relation to trade debtors, the Group has applied the simplified approach therefore the loss allowance recognised in the accounts relates to lifetime expected credit losses. Due to the fact that these receivables have common risk characteristics, a collective assessment of credit risk has been made, using a provision matrix to calculate expected credit losses based on the number of days that the debt is past due. The expected credit loss in relation to trade debtors at 31 March 2025 is £108k (31 March 2024, £257k). This is the only loss allowance recognised in the accounts.

The DMPC has the delegated authority to approve all debt write off that are considered irrecoverable. Debts are not written off until all available recovery options have been exhausted.

	Credit risk rating	Gross Carrying Amount at 31 March 2025
		£000
		A
12 month expected credit losses	AAA	75,544
	AA-	58,396
	A+	29,839
	A-	7,462
	BBB+	
	Strategic Lending & Investments	16,776
Simplified approach	Customers (general debtors)	33,569

Liquidity risk

As the Group has ready access to borrowings from the PWLB, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The Group can also access short term funding from within the GLA Group. As at 31 March 2025 the group had no temporary borrowing from the GLA (31 March 2024, £110m). The Group undertook £400m of new PWLB borrowing during 2024/25 with fixed rate loans. The maturity analysis of all the PWLB borrowings is as per Notes 21 and 24. Additionally, to cover short-term commitments, the Group has the ability to draw down

from its balances with the LTLF on request. All trade creditors and other payable are due to be paid by the Group in less than one year.

Interest rate risk

The Group is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments, however in the short term extreme movements are deemed unlikely. Movements in interest rates have a complex effect on the Group. For instance, a rise in interest rates would have the following effects:

- borrowings at fixed rates - the fair value of the liabilities will fall;
- borrowings at variable rate - the interest expenditure debited to the CIES will rise;
- investments at variable rates - the interest income credited to the CIES will rise;
- investments at fixed rates - the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the CIES. However, changes in interest receivable on variable rate investments will be posted to the CIES and will affect the General Reserves Balance.

Police officer pension fund

1. Police officer pension fund revenue account

The Commissioner is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. This statement shows income and expenditure for the three Police Pension Schemes for 2024/25 and 2023/24. The statement does not form part of the CPM or the MOPAC Group Statement of Accounts.

£000	Notes	2024/25	2023/24
Contributions receivable			
• Employer contributions	4.1	(512,028)	(432,252)
• Additional income	4.3	(17,819)	(12,516)
Transfers in from other schemes	4.2	(3,442)	(3,383)
Officers' contributions	4.4	(199,183)	(187,343)
Net Income		(732,472)	(635,494)
Benefits payable			
Pensions paid		900,410	841,122
Lump sum payments		138,619	125,506
Lump sum death payments		3,899	3,770
Other payments	4.6	1,946	3,064
Transfers out to other schemes	4.2	227	146
Net expenditure		1,045,101	973,608
Net amount payable for the year		312,629	338,114
Employer additional funding	4.5	(312,629)	(338,114)
(Surplus)/deficit on fund		0	0

2. Police officer pension fund asset statement

This statement shows the assets and liabilities of the three Police Pension Schemes which does not form part of the CPM or Group Statement of Accounts.

£000	2024/25	2023/24
Current Assets		
Funding to Meet Deficit due from the CPM	0	0
Net Current Assets	0	0
Current Liabilities		
Unpaid Pensions Benefits	0	0
Net Current Liabilities	0	0
Total	0	0

3. Notes to the police officer pension fund account

The Police Officer Pension Fund includes the accounting transactions of the Police Pension Scheme 2015 which, came into effect on 1 April 2015 under the Police Pensions Regulations 2015.

Prior to 1st April 2022, it also combined the accounting transactions of the following two earlier schemes. On 1 April 2022, all existing members in these two schemes moved to the 2015 scheme:

- The New Police Pension Scheme, which was created by the Home Office under the Police Pensions Regulations 2007;
- The Police Pension Scheme, which was set up in 1987.

The Police Officer Pension Fund which is managed by the MOPAC Group has been set up for the specific purpose of administering the collection of contributions, the payment of pensions and payment or refund to central government for the balance outstanding for each year. The fund does not hold any investment assets, nor does it reflect the liabilities of the Schemes to pay present and future pensioners. The fund will be paid sufficient monies from the Home Office to cover the deficit in year.

These Accounts have been prepared using Pension SORP and the Code principles adopted for the MOPAC statements.

Details of the accounting policies can be seen on page 14 to 23. MOPAC provides the accounting and banking systems through which the CPM administers the Fund. Details of the three schemes' actuarial report and the cost of pensions can be seen in Note 12.

These Accounts are audited by Grant Thornton UK LLP and their opinion is included in page xxi.

4. Police Pension Fund - Revenue account notes

4.1 Employer contributions

Employer contributions are calculated at 35.3% of police officer pensionable pay from 1 April 2024, an increase from 31% previously. This increase was a result of an actuarial valuation of the police pension scheme. The employer contribution is set nationally by the Home Office and the scheme is subject to actuarial valuation every four years.

4.2 Transfers

These represent lump sums transferred to and from other pension schemes depending on whether the police officer was transferring in or transferring out their pension.

4.3 Additional income

These consist of CPM contributions for ill health retirements, 30 years plus scheme contributions and refund of former commissioners' and widows' pensions.

4.4 Officers' contributions

Members of the new 2015 police pension scheme make contributions of between 12.44% and 13.78% of pensionable pay.

4.5 Employer additional funding

This sum represents additional funding required to provide for payment to pensioners. The actual shortfall receipts for the year 2024/25 amounted to £312.6 million. The cash funding received by the Group in 2024/25 was £397.6 million. This consists of the additional funding of £68.4 million in respect of 2023/24, a statutory transfer from the police fund of a further £268.7 million in respect of 2024/25 and an additional £60.5m received for the McCloud settlement which has not been used in 2024/25 and has been treated as Income Received in Advance. The remaining 2024/25 shortfall of £43.9 million is to be received from the Home Office in 2025/26. With the income for the McCloud settlement, in total £16.6m has been received in advance from the Home Office in 24/25.

4.6 Other payments

These consist of contribution refunds and lump sum death benefits.

5. Related party transactions

As previously stated the Commissioner is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. During the year all payments and receipts are made to and from MOPAC Police Fund. As such the CPM and MOPAC are the only related parties to the fund, thus all the transactions shown on the revenue statement have been processed through MOPAC.

6. Additional voluntary pension contributions

Additional pension contributions (e.g. added pension/years) made by police officers amounted to £19,486 for the PPS scheme, £37,828 for the NPPS scheme and £286,182 for the 2015 scheme.

7. Members of the scheme

The MPS also administers the Pension Fund on behalf of members of Her Majesty's Inspectorate of Constabulary (HMIC). There are no active HMIC members currently contributing to the Police Pension scheme, there are 21 HMIC pensioners and 4 dependent pensioners.

Glossary of terms

Accruals

The accounting treatment, where income and expenditure is recorded when it is earned or incurred not when the money is paid or received.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories:

- Usable Reserves. These are reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. For instance the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt;
- Unusable Reserves. These reserves cannot be used by the Group to provide services. For instance reserves that hold unrealised gains and losses (such as the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the MIRS line 'Adjustments between Accounting Basis and Funding Basis under Regulations'.

Budget

An estimate of costs, revenues and resources over a specified period, reflecting a reading of future financial conditions and priorities.

Capital expenditure

Expenditure on the acquisition, creation or enhancement of fixed assets.

Cash equivalent

A financial deposit placed with a bank, building society or other local authority for a term of no longer than three months.

Capital receipts

Money obtained on the sale of a capital asset. Capital receipts can only be used for capital purposes, such as funding capital expenditure or repaying debt.

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from grants and taxation raised via the GLA precept on the Corporation of London and London Boroughs. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the MIRS.

Corporate costs

This consists of those activities and costs that provide the infrastructure that allows services to be provided, whether by the CPM or MOPAC, and the information that is required for public

accountability. Activities that relate to the provision of services, even indirectly, are overheads on those services and include bank charges, auditors' fees and the cost of the Group as well as the corporate activities of Head Office departments.

Commissioner of Police of the Metropolis (CPM)

The CPM is a separate corporation sole which was established on 16 January 2012 under the Police Reform and Social Responsibility Act 2011.

Credit arrangements

An arrangement other than borrowing where the use of a capital asset is acquired and paid for over a period of more than one year. The main types of credit arrangements are PFI agreements and finance leases of buildings, land and equipment.

Creditors

Individuals or organisations to which the Group owes money at the end of the financial year.

Debtors

Individuals or organisations that owe the Group money at the end of the financial year.

Democratic core costs

This includes all aspects of MOPAC activities in a democratic capacity, including corporate, programme and service policy making and more general activities relating to governance and the representation of local interests. To give MOPAC maximum flexibility in reflecting its own constitutional arrangements, there are no recommended subdivisions of service.

Employee costs

The salaries and wages of police officers, police staff and MOPAC staff together with National Insurance, pension and all other pay-related allowances. Training expenses and professional fees are also included.

Finance lease

A finance lease normally involves payment by a lessee to a lessor of the full cost of the asset, together with a return on the finance provided by the lessor. The lessee has substantially all the risks and rewards associated with ownership of an asset, other than legal title.

Government grants

Part of the cost of the service is paid for by central government from its own tax income. Grant income is partly received through the S102 payments made by the GLA. In addition, the Home Office pays specific grants direct to the Group towards both revenue and capital expenditure.

Group

The term Group refers to Mayor's Office for Policing And Crime (MOPAC) and Commissioner of Police of the Metropolis (CPM).

Long term debtors

Amounts due to the Group where payment is to be made by instalments over a pre-determined period of time in excess of one year.

Mayor's Office for Policing And Crime (MOPAC)

MOPAC is a separate corporation sole, which was established on 16 January 2012 under the Police Reform and Social Responsibility Act 2011.

Minimum Revenue Provision

The prudent amount that the Group is statutorily required to set aside from revenue funds to meet the repayment of borrowing undertaken to support capital investment.

Non distributed costs

This consists of charges for police officers and police staff early retirements and any depreciation and impairment losses chargeable to non-operational properties.

National Police Chiefs' Council (NPCC)

The NPCC brings police forces in the UK together to help coordinate operations, reform, improve and provide value for money.

National Police Coordination Centre (NPoCC)

NPoCC is responsible for coordinating the deployment of officers and staff from across the UK policing to support forces during large scale events, operations and in times of national crisis.

Operating lease

An operating lease involves the lessee paying a rental for the hire of an asset for a period of time that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership.

PCSPS

The Principal Civil Service Pension Scheme is the scheme used to provide pension benefits to police staff.

Provision

An amount set aside to provide for a liability which is likely to be incurred but the exact amount and the date on which it will arise is uncertain.

Revenue expenditure

The operating costs incurred by the organisation during the financial year in providing its day to day services. Distinct from *capital expenditure* on projects which benefit the organisation over a period of more than one financial year.

Revenue reserves

Accumulated sums that are maintained either earmarked for specific future costs (e.g. pensions) or generally held to meet unforeseen or emergency expenditure (e.g. General Reserve).

Special service agreements

Policing the Airports, Houses of Lords and Commons, Palace of Westminster are the main items included under this heading.