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22 JAN 2015

John Biggs
GLA
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London, SE1 2AA

12 January 2015

Dear John,

Please find attached enclosed the PWC report "MPS - Review into Strengthening TTP Delivery" as requested by the Budget and Performance Committee on Tuesday, 6th January 2015. Also included is a copy of the latest Annual Audit Letter from our External Auditor who reviewed this document as part of their programme and therefore included the key issues in their own recommendations, to which we have formally responded. While there is not a linear read across between the 2 reports, recommendations 7,10,12 and 15 and the MOPAC/MPS response will be of interest to you with regard this issue. I trust this additional information is of interest.

Yours sincerely,



Camilla Black
Director Police Resources and Performance
Mayor's Office for Policing And Crime

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Met Change Managed Service Provider

MPS - Review into Strengthening TTP Delivery

Final Summary Report

June 2014

Introduction & Context

Introduction

In March 2014 the SRO for the Total Technology Programme (TTP) and the CIO jointly escalated concerns about the Programme to Management Board (Assurance). MB(A) then commissioned PwC to provide support. This support was to initially review a representative sample of the TTP programmes to increase confidence in the:

- programme's ability to deliver;
- financial spend and forecast of the programme; and
- commercial strategy and business cases.

The Management Board members who we engaged with recognised the need for this focused review, and in particular were keen that PwC explicitly covered the aspects raised in the Local Partnership Gateway Review of the MPS ICT Strategy in February 2014, which resulted in an 'Amber' status. This review contained a number of 'Critical' and 'Essential' recommendations requiring action by the Total Technology Programme categorised by:

- Budgeting and financials;
- Planning;
- Authorisation and governance; and
- Benefits realisation and people change.

The primary objective was to increase delivery confidence in the Total Technology Programmes, to highlight any risks or issues that may affect this., and to explore systemic issues and implement agreed quick fixes. This was a pro-active step in ensuring that TTP was well set for delivery.

Context

MPS and MOPAC have jointly agreed an ambitious vision for MPS to deliver the future policing needs of London. To deliver on this, MPS are currently undertaking a very significant portfolio of change across aspects of the organisation, including:

- **Met Change.**
- **Corporate Real Estate.**
- **Total Technology.**
- **Total Professionalism.**
- **Commercial Strategy.**

This portfolio of work is well underway.

Within DP it is worth noting that a considerable change in the leadership team, strategy and approach had started, catalysed in part by concerns raised by a Deloitte report in Autumn 2012. DP have come a long way from this point. Everyone we have engaged with acknowledges this, and we found widespread acknowledgement that there is still a lot to do.

TTP is driven by a range of complex pressures, tackling technical obsolescence, contract expiry, and the need to significantly reduce cost. Equally TTP is seeking to implement technology that can transform the way policing is delivered to London for the long term. Significant progress has been made since the TTP programme's inception. Highlights include:

- **App Store** - launch of an App Store providing a range of policing applications for use on officers own devices
- **Mobility Pilot** - development of mobile infrastructure, email solution, e-statement app and mobile crime reporting, to be launched for 500 officers in early July.
- **Body Worn Video pilot** - rollout of body worn cameras to 500 officers in early May
- **Public online crime reporting**- development of new On-line Crime Reporting facility
- **MG Wizard** - development of MG Wizard for completion of policing forms
- **Met Search** - development of Metsearch for PNC, due for launch in August 2014
- **Enterprise Service Bus / POLE** - development of the information management foundations

PwC Perspective

The main body of our report focuses on the issues and recommendations that come from the analysis we carried out. It is written with a focus on "improvement" recommendations, and was written for the Deputy Commissioner and his senior team, all of whom understand the context of the MPS and the challenges in transforming the MPS extremely well.

It is important that we clarify the boundaries of our analysis and our recommendations for readers who have not been engaged in this work, in particular our perspective on:

Run the business vs. change the business.

- The MPS is an impressive organisation, rich in culture and ethos, delivering a complex inter-related spectrum of services to a vast and diverse metropolis. The daily challenges are clearly immense. Our report does not touch on, nor critique, aspects of "run the business". Neither does our report the business as usual aspects of the Met's IT business.
- The need for change however is clear; achieving the 20:20:20 vision will be complex, and the scale of change should not be underestimated. We often ask clients about the prioritisation and effort expended on "run the business" as compared to "change the business". Our report does touch on this in terms of both governance and the size of the current portfolio of change.
- The alignment and separation of "run" vs "change" requires a careful balance, as it requires individuals who intimately understand the current business to play key roles in the definition of the future direction, yet at the same time there needs to be a degree of separation to allow adequate thought and time to be given to the disciplines required to transform the business. Accountability and responsibility is referenced in our report under the banner of governance.

The strategic vision.

- The Mayor has identified a clear mission and priorities for the MPS and other relevant bodies. These objectives are jointly shared by MPS and MOPAC, as well as the recognition of the scale of change. Our commission was to focus on how to improve the delivery confidence on the TTP programmes, and as such our report does not comment on the articulated vision.

PwC Perspective

Delivery techniques.

- In looking at the TTP programmes, we did take account of the technical proposals with respect to:
 - **Agile as a development technique.** Agile as a software development technique is well proven, and when done well can deliver real benefits over the more traditional 'Waterfall' delivery technique, although Waterfall remains a valid option in many circumstances.
 - **'Make vs Buy'.** The "make vs buy" decision needs to be a rounded consideration of questions such as business need, application fit, alignment to wider business and technical strategy and standards, as well as IT delivery capability and financial risk appetite.
 - **SIAM and Towers.** The scope of services delivered by the SIAM/Tower model being defined by MPS does not include anything that is not in wide spread use. The real complexity comes in defining the boundary points between the client functions and the suppliers from both an operational and commercial perspective.

Change the way you change.

- We are aware from our work in other government entities of the very difficult steps required to meet the tough financial targets required. In an organisation as complex and high profile as the MPS, this challenge is multiplied. The proposed transformation of the MPS may be the most fundamental change undertaken in the organisation in a generation, and will set the direction of travel operationally, technically and financially for many years.
- Given the speed at which the MPS is aiming to transform itself to meet the operational vision of the Commissioner (including the 20:20:20 mission and the technology enablement of officers), it is important to recognise the deliver risk that this drives. It is equally valid to recognise the risk of doing nothing (with deteriorating life of technology and contract end dates). Striking the appropriate balance of risk has to be carefully considered, as has effective risk mitigation planning.
- The report that follows is therefore focused on the aspects of systematic design and delivery disciplines that we would expect to see that will support the successful technology enabled transformation of the MPS - recognising the context and challenges that exist.

1. Executive Summary

Executive Summary

The approach of the first four weeks of the work has been to review five of the DP programmes from an enterprise framework and deep-divide perspective, looking for improvements, both 'quick-fix' and 'systemic' in nature.

The reviews have identified significant systemic issues. Each give cause for concern individually. Combined, they point to an immediate need for a reset of the MPS's approach. It is imperative that the reset builds on the existing vision and work, but puts in place the controls and disciplines to manage the transformation under an holistic design and programmatic method.

A number of 'quick-fix' recommendations have been made and improvements started within the individual programmes. These can continue in parallel to resolution to the systemic issues. However it is important to note that on their own they are unlikely to improve confidence in the delivery of the portfolio of change.

Systemic Issue Themes

- **Holistic Design** – there are critical design dependencies between MPS wide programmes which should be more fully detailed.
- **Alignment of DP & Met Change Programme Plans** – planning assumptions and milestones are not adequately managed at the portfolio level.
- **Financial controls and business case rigour** – costs and benefits are not estimated with sufficient rigour, and spend not tracked effectively. As a result limited confidence and assurance can be given to delivery of benefits.
- **Governance, accountabilities and bandwidth** – lack of clarity leading to conflicting decisions and competing priorities.

Recommendations

- **Control** – governance and assurance should be restructured to significantly strengthen decision making and increase delivery confidence.
- **Discipline** – the programme must understand its targets from business, technical and commercial perspectives in order to align the programme for successful delivery.
- **Financial rigour** – business and commercial cases must support the programmes and stand up to more detailed scrutiny than they do currently.

Action Plan

- With the right level of senior support, re-prioritisation, tasking and coordination of the programmes activities, it should be possible to implement these key recommendations over a three-month period.

Systemic Issues

This review has identified four systemic issues, each evidenced through the 'deep dive' diagnostic reviews (Annexes C-G). Although this review is rooted in the Total Technology programme many of the issues apply across wider aspects of the change portfolio, from which TT's success cannot be decoupled.

Holistic Design

- Clarity and detail on scope is not sufficiently advanced, and no systematic alignment of One Met Model and the TTP/DP designs.
- Limited evidence that technology change is routinely and clearly aligned to business change.
- Design thinking tends to be tactical, while design principles and approvals are not well evidenced.

Alignment of DP and Met Change Programme Plans

- There is limited detail in the overarching delivery plan for TT. As a result the links between TT programmes to the overall MPS wide portfolio isn't clear.
- There is very limited evidence of programmes following a standard mechanism for dependency mapping.
- Systematic planning is not a strong skill set. There is little consistency in how detailed planning is being done, nor in how base-lined plans are being managed or changed.

Financial Controls and Business Case Rigour

- Very limited overarching financial control regime for programmes, either on baseline or 'should-cost' models.
- 'Burn-rate' and 'Earned Value' measures are not routinely or accurately reported which severely undermines confidence in key indicators such as estimate-to-complete and benefits realisation.
- Assumptions and dependencies are not routinely validated and some estimating errors have been identified.

Governance, Accountabilities and Bandwidth

- There is a large number of governance boards but in practice we found a lack of clarity on the effective ownership of decisions.
- There is no clear separation of business, technical, commercial and financial decisions and recognition of their interplay.
- The respective responsibilities and accountabilities of the programmes and the activity owners are not well understood.
- The programme teams comprise resources from a range of sources. There is no consistent 'performance culture'.

Recommendations

In order to address the systemic issues identified, the following recommendations are proposed. If implemented holistically they provide:

- strengthened governance which will control the programme's business, technical, commercial and financial impact;
- a realistic Target Operating Model and Technical Architecture which include iterative states to plan, demonstrate progress, and avoid 'changing everything at once' – thus reducing risk; and
- a coherent, robust and financially modelled case for change.

Control

- Re-structure governance boards and mechanisms in line with the required control in order to assure their effectiveness
- Establish assurance and control procedures according to the 'three lines of defence' best practice
- Make staff changes to support the programmes where required
- Implement control changes to help the programme and sponsoring officers understand the status of programmes in relation to their previous exposure.
- Establish a Portfolio Management Unit, separate from individual programmes and covering operational and IT change

Discipline

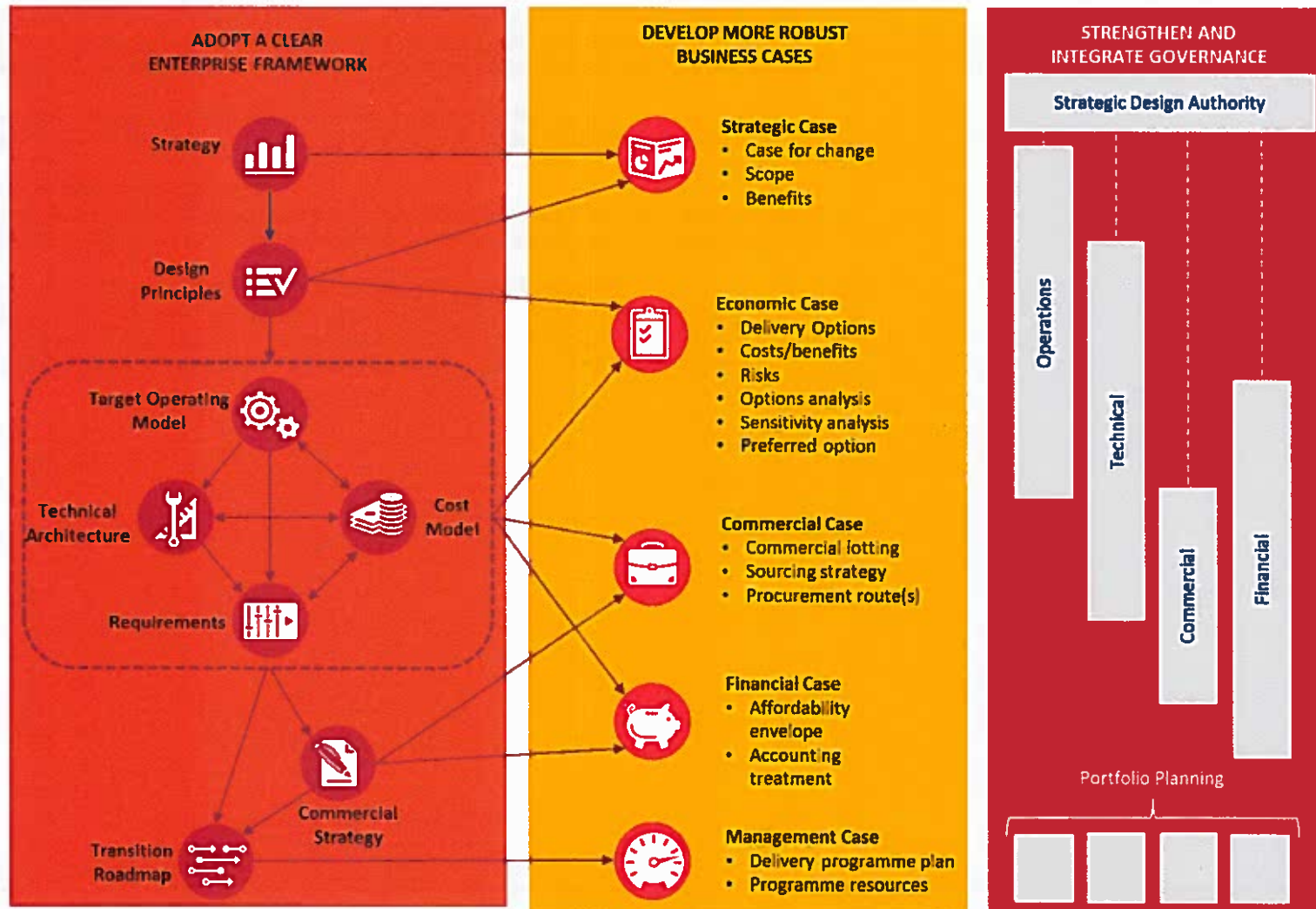
- Develop a detailed multi-disciplinary Target Operating Model (TOM) to describe the future state of the organisation, enabling planning for change and to support those across MPS in understanding and accepting the changes
- Construct a Target Technical Architecture (TTA) which enriches the detail included in the City Map, to describe the architectural target in detail and understand the technical dependencies across programmes
- Create a realistic plan against which milestones and targets can be set, progress can be measured and business change can be delivered

Financial Rigour

- Create a comprehensive baseline and a consistent framework for 'should-cost' estimates which will provide greater confidence in the financial aspect of business cases
- In alignment with the TOM and TTA develop a clear commercial strategy and sourcing strategy that translates in to clear activities in the delivery plan
- Revise and update business cases to provide more robust options analysis and evidence

Recommendations Overview

In aggregate, the recommendations will put in place a framework to support and document control, rigour and discipline. This will increase stakeholders' confidence in TT.



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The Annual Audit Letter for the Mayor's Office for Policing and Crime and the Metropolitan Police Service

Year ended 31 March 2014

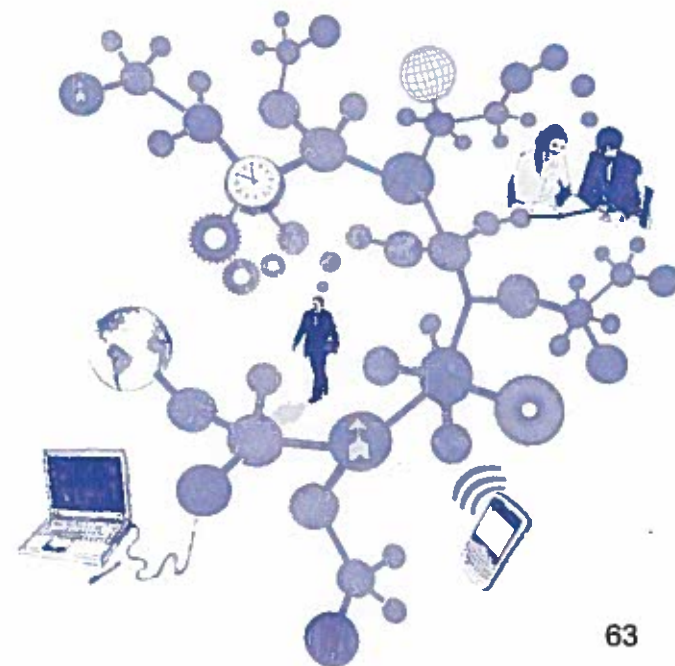
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Key messages

Purpose of this letter

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out for the Mayor's Office for Policing and Crime (MOPAC) and for the Metropolitan Police Service (MPS) for the year ended 31 March 2014.

The letter is intended to communicate key messages to MOPAC, the MPS and external stakeholders, including members of the public.

Responsibilities of the external auditors, MOPAC and the MPS

This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.auditcommission.gov.uk).

MOPAC and the MPS are each responsible for preparing and publishing their own accounts, with each set of accounts accompanied by a separate Annual Governance Statement. They are also each responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources (value for money) in their respective organisations.

Our annual work programme for each body, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the joint Audit Plan that we issued in March 2014 and was conducted in accordance with the Audit Commission's Code of Audit Practice (the Code'), International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

Key messages – audit of financial statements

Financial statements audit (including audit opinion)	We reported our findings arising from the audit of the financial statements for the MPS, the financial statements for MOPAC and the Group financial statements in our joint Audit Findings Report. These were shared with the Deputy Commissioner on behalf of the Commissioner, and the Deputy Mayor for Policing and Crime, as 'Those Charged with Governance' of the MPS and MOPAC, respectively. The findings were also shared with the joint Audit Panel on 29 September 2014. The key messages reported were: • The accounts presented were of a good quality. There were no adjustments reflecting the reported financial position for the year for either MOPAC or the MPS. • The finance team made material adjustments in MOPAC's draft statement of accounts. This was an adjustment to the provision for claims arising from the Riot Damages Act, and a corresponding adjustment to the value of the funding in respect of these claims. We also noted that some Assets transferred to the Assets Held for Sale category were not accounted for in accordance with the Code. Amendment was not made in this instance as the impact on the financial statements was not considered significant. • We identified one required disclosure change in the MPS accounts and this was adjusted by the finance team. • We identified a small number of other disclosure and narrative changes in the MOPAC accounts and these were also adjusted by the finance team. • We have made recommendations arising from our audit work, including some early recommendations that will need to be implemented to support a faster close for next year's financial statements. More detail can be found in Appendix A. We issued unqualified opinions on 29 September 2014 on MOPAC's 2013/14 financial statements and the MPS's 2013/14 financial statements, ahead of the national deadline. Our opinions confirm that the financial statements for each organisation give a true and fair view of the financial positions and of the income and expenditure recorded by MOPAC and the MPS, respectively.
Whole of Government Accounts	We reviewed the consolidation pack which MOPAC prepared to support the production of Whole of Government Accounts. We reported that the pack prepared was consistent with MOPAC's audited financial statements except for the following issues: • Our audit identified individual adjustments which were below our trivial error threshold of £5m and did not therefore require amendment in the financial statements. In total these errors were over the £1m reporting threshold set by the National Audit Office and as a result we were required to report these in our assurance statement on the WGA consolidation pack. • In the counter party data MOPAC reported £1,387 million of income against CLG Communities. This included £557 million of police precept paid under section 102 of the Greater London Authority Act 1999. This income is received from the Greater London Authority and as such should have been identified as coming from that counter party.

Key messages – VfM conclusion

Value for Money (VfM) conclusion

We issued an unqualified VfM conclusion for MOPAC for 2013/14 on the 29 September 2014 and an unqualified VfM conclusion for the MPS for 2013/14 on 29 September 2014.

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects MOPAC and the MPS have each put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ending 31 March 2014.

It is clear that considerable work is being undertaken by the MPS in the development and delivery of its plans, programmes and projects, in support of MOPAC's strategic priorities. It is also clear that MOPAC and MPS senior management understand and appreciate the scale of the change programme and the challenges faced, and are taking action to address and mitigate the significant risks inherent in this, both from a development, delivery and implementation perspective (MPS) and from a scrutiny and challenge perspective (MOPAC). In our view, arrangements in both organisations are appropriate and significant work is being undertaken.

We identified a number of residual risk areas that we reported to MOPAC and the MPS in our Audit Findings Report. At the highest level, there is a need to develop a shared vision of how the MPS will look in five to ten years' time. This should be developed alongside some high-level design principles to provide a roadmap of how that vision might be achieved. The need to create this vision does not, and should not, prevent more immediate continuous improvement activity taking place. Without a roadmap there remains a potential risk to effective decision-making in the short term. Forthcoming mayoral and general elections are a relevant factor to be considered, but should not represent a barrier to developing this. We also noted that not all of the savings reported as being achieved during the year were necessarily embedded or transformative.

More detail can be found in the recommendations in Appendix A.

Appendix A: Key issues and recommendations

This appendix summarises the significant recommendations identified during the 2013/14 audit.

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
1.	Our testing of expenditure identified a significant number of items accrued in the purchase to pay system that were not yet matched to invoices. Recommendation: The total value of the entire goods received not invoiced balance is not material, but we recommend this is regularly reviewed on a line by line basis to identify whether the reported liability remains valid and/or whether the accrued expenditure should be written back.	MPS	Corporate Finance and SSS Procurement Operations Services currently monitor the balance to ensure it remains at a reasonable level in line with the activity of the organisation and are working to an agreed action plan to maintain the future balance at an appropriate level and identify opportunities to improve control further. Responsible office: Director of Commercial and Finance (CFO) Due date: On-going
2.	Our testing of capital additions, disposals and PPE movements identified some assets transferred to the assets held for sale category which were not accounted for in accordance with the Code. Recommendation: Define a 'de minimis' level for identifying assets held for sale during the year. Ensure assets valued above this level which meet the criteria to be classified as 'held for sale' are transferred to the 'held for sale' category at the time the decision is made, and that depreciation on these assets is treated correctly.	MOPAC	In 2014/15 Corporate Finance will be moving to in year balance sheet reporting for the CFO and therefore will be transferring assets held for sale in year (over a de-minimis' level). In respect of low value items an adjustment will be made to the depreciation at year end to reflect low value transfers. Responsible office: Director of Commercial and Finance (CFO) Due date: In year balance sheet reporting for the CFO from September 2014

Appendix A: Key issues and recommendations

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
3.	Approximately £200m of fully depreciated and obsolete assets were cleared from the asset register. Recommendation: Digital Policing should continue to inform Corporate Finance on a monthly basis of changes that need to be made to the asset register to reflect obsolete IT assets, aborted projects, fully written down assets. This will help to maintain the accuracy of the fixed asset register	MOPAC	This is a key element of the in-year reporting and faster closedown project. For 2014/15 notifications of changes in asset value will be undertaken throughout the year, rather than at year end to reduce the year end timetable. This will be achieved through a formal meeting held monthly between Digital Policing and Corporate Finance to confirm which projects have delivered IT changes to the MPS in the previous period. Corporate Finance will confirm which records and details in the corporate asset system may be affected by the change. Digital Policing will confirm which assets need to be adjusted in the fixed asset register to enable the records to be amended. Minutes will be kept of all decisions for future review. Responsible offices: Director of Commercial and Finance (CFO), Director of Information Technology Due date: November 2014
4.	The audit suffered delays as a result of slower responses to some queries and difficulties obtaining items from archives. Recommendation: To support faster closedown, officers should promptly investigate and follow up on non-retrieved items when audit request require retrieval from archives and other delays in providing information.	MPS	It has been agreed by the Auditors that a regular log of outstanding queries should be provided to other key personnel across the Met (where there are a number of queries), to enable them to better track responses within their departments. The MPS has provided the auditors with a complete set of 'hardcopy' working papers previously. Next year 2014/15 it has been agreed in advance that electronic copies will be provided instead. Responsible office: Director of Commercial and Finance (CFO) Due date: May 2015

Appendix A: Key issues and recommendations

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
5.	The audit was delayed by the submission of hardcopy rather than electronic working papers at the start of the audit. Recommendation: To support faster closedown, the MPS should ensure a full set of electronic working papers is available at the start of the audit	Both	The MPS has provided the auditors with a complete set of 'hardcopy' working papers previously. Next year 2014/15 it has been agreed in advance that electronic copies will be provided instead. Responsible office: Director of Commercial and Finance (CFO) Due date: May 2015
6.	Reporting on the change programme needs to more clearly distinguish genuine change activity and in year underspends. Recommendation: Ensure genuine, transformative efficiencies achieved by the organisation are distinguished from short term underspends and measures, and reported as such, to enable clarity of success achieved and progress toward delivery of strategic priorities to be fully understood.	MPS	The proposals outlined at recommendation 7 will drive maturity of business planning in the MPS and detailed assessment of 'as is' budgets through effective business and programme planning. This in turn will drive the allocation of resources; through more effective financial management and changes to financial reporting addressing costs by service and structure. A key element of the business planning cycle is our annual priority based budget setting process. The impact of the savings from transformation programmes will be clearly articulated in future budget monitoring reports. Budget monitoring reports will capture change costs and benefits alongside monitoring of priority based budgeting impacts. Responsible office: Director of Commercial and Finance (CFO) Due date: End 2014 within financial monitoring reports

Appendix A: Key issues and recommendations

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
7.	Savings programmes are currently experiencing slippage. Recommendation: Understand the drivers causing slippage in the three main savings areas (rank mix, Total Technology and Estates) and develop mitigation strategies targeted at the underlying drivers to reduce further delays	MPS	The MPS will address through reporting and governance. Proposed changes to governance (Managing the Met) and the implementation of the portfolio will enable more focus on areas of slippage. Action plans will be commissioned and addressed through programme levels and reporting to Assurance Board. Digital Policing programmes will be mapped to portfolio; the Operating model is being address through the HQ strand. Further spending on Total Technology programmes has been limited to reappraise delivery of technology and benefits savings within the new portfolio enterprise approach and against milestones in line with corporate priorities, and to develop robust governance arrangements. Delivery of the Corporate Real Estate Programme is monitored through a Programme Board chaired by AC professionalism and reported to MB Assurance on a monthly basis. Behaviours are being challenged to deliver better use of a smaller number of sites. Delivery of rank mix targets is monitored monthly through Change Board chaired by the Deputy Commissioner and very significant progress has already been made towards leaner management structures. Responsible office: Director of Portfolio and Planning Due date: On-going

Appendix A: Key issues and recommendations

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
8.	Looking forward, there are significant pressures on the budget in 2014/15 and 2015/16. Recommendation: Develop mitigating savings plans to address the significant potential overspend in 2014/15 and the budget gap in 2015/16.	Both	The projected overspend in 2014/15 is being mitigated through a series of management actions that are being agreed through Management Board - Investment, such as ensuring that police recruitment is contained within budget and reducing the cost of temporary staff to remove the projected overspend on Police Staff pay. Proposals to balance the 2015/16 budget have been presented to the Deputy Mayor for Policing and Crime, and will be submitted to the Mayor in November. The position for 16/17 will be resolved through the current plans for the Target Operating Model; as part of the MPS portfolio (pending confirmation of the budget settlement). Responsible office: Director of Commercial and Finance (CFO) Due date: November 2014
9.	The change programme is currently reported as part of the base budget. Recommendation: Ensure the costs and benefits of the change programmes are disaggregated from the base budgets and reported in sufficient granularity to enable effective monitoring, scrutiny and identification of non-delivery of anticipated benefits.	Both	All change programme costs and benefits will be reported separately as part of a monthly budget monitoring process. This will allow senior management to make informed assessments of the progress or change programmes and any action required. Responsible office: Director of Commercial and Finance (CFO) Due date: End 2014 within financial monitoring reports

Appendix A: Key issues and recommendations

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
10.	There are significant amounts of public funds invested in change programmes. Recommendation: Ensure financial benefits, capital investments and revenue impacts are fully articulated and quantified to enable return on investment and progress/performance to be adequately monitored for each of the five major change programmes.	Both	The changes at recommendation 7 will ensure that all benefits from the change programmes are clearly understood and articulated separately from the impact of core business. Responsible office: Director of Commercial and Finance (CFO) Due date: End 2014 within financial monitoring reports
11.	Key change programmes rely on interim staff holding key positions. Recommendation: Ensure a strategic, and value for money, approach to the procurement of specific skills and expertise, with an understanding of the long term skills profile needed to deliver the major change programmes. Ensure long term benefits to the organisation of bought-in experience through knowledge transfer from temporary resource to the corporate memory, investment in training and up-skilling, and informed decisions over the ratio of interim to permanent staff.	MPS	The use of short term contractors / agency staff in senior or specialist roles is kept under review. However, as part of the next phase of our HQ development (which is in turn part of the wider Target Operating Model work) we will carry out a specific assessment of our skills needs, and how we can secure the right short and long term balance between employed and temporary labour. Responsible office: Robin Wilkinson - HR Director Due date: March 2015

Appendix A: Key issues and recommendations

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
12.	The organisations are facing an unprecedented level of change. Recommendation: Develop high-level design principles for the organisation's future, to enable strategic coherence between necessary short-term decision-making, and long-term organisational goals.	Both	The MPS has initiated work on the next phase of the Target Operating Model 2016-2020. In line with this we have examined the strategic environment in which the TOM is being developed, and identified gaps and business need. This will inform development of high level design principles that underpin the TOM, against which investment decisions and critical success factors can be identified and a robust business case constructed. A strategic outline case including the design principles, investment decisions and critical success factors is due to Management Board - Strategic Portfolio in October 2014. A timetable for further work will also form part of this case to support decisions early 2015. Responsible office: Director of Portfolio and Planning Due date: Strategic Outline Case in October 2014

Appendix A: Key issues and recommendations

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
13.	The functional nature of these change programmes means it is not always clear exactly how, they will deliver the outcomes described in the Police and Crime Plan. Recommendation: Ensure the interdependencies between the five major change programmes are well understood and clearly mapped to the overarching strategic outcomes they ultimately seek to deliver.	MOPAC	The MPS will move to a Portfolio approach which will enable the Met to more effectively map interdependencies and to ensure alignment with strategic objectives. Governance will be aligned to support this portfolio. This will be delivered through the implementation of the Managing the Met proposals. Portfolio/ Programme Boards or Chief Officer Groups (COG) are accountable for the management and implementation of change and the management and implementation of business plans. The MPS PMO enables controlled and consistent management of change. Current work to establish the interim MPS Portfolio includes mapping all existing change programmes into the portfolio. These changes will ensure that interdependencies between change programmes are well understood, and clearly align to delivery of strategic outcomes. Responsible office: Director of Portfolio and Planning Due date: October 2014
14.	The role of MOPAC officers sitting on MPS decision making boards could be more clearly defined. Recommendation: Ensure clarity of role for MOPAC officers sitting on MPS decision making boards (scrutiny / advisory / executive / assurance), to avoid blurring accountability in MOPAC's wider scrutiny of decisions taken in these fora.	Both	MOPAC officers recognise that their role on MPS decision making forums is in an advisory capacity. The MPS is refreshing its decision making model and as such will review the terms of reference and roles and responsibilities for all attendees to ensure that they are clearly communicated. Responsible office: Director of Portfolio and Planning: Due date: January 2015

Appendix A: Key issues and recommendations

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
15.	The business is facing major cultural change Recommendation: To effect cultural change, ensure the wider organisation fully understands the fiscal reality, the impact at the front line, and how the significant major change programmes will deliver the strategic outcomes in the Police and Crime Plan and move the organisation towards its future state.	Both	Primary areas of change in 'Managing the Met' are decision making; financial delegation; and accountability and control. We will more clearly distinguish responsibilities for the implementation of organisational change and for the operational management of the Met. The change portfolio is managed through the PMO. The new decision making structure delegates control for running the business and achieving strategic outcomes, the management and implementation of business plans and continuous improvement, to COGs and Senior Leadership Teams. These business plans are designed to be compatible with the change portfolio. The devolution of accountability for managing business and financial budgets to those responsible for delivering policing outcomes is inherent in this change, significantly broadening and sharpening understanding across the organisation. Priority based budgeting and realigning how we operate our budgets means that leaders will be more explicitly accountable for understanding demand, risks and delivery of outcomes. These changes will operate in conjunction with the Total Professionalism Programme (TPP), which is the behavioural and cultural change programme for the MPS and will continue to be part of the portfolio. This programme will enable issues such as the "fiscal reality" to be conveyed to the frontline through leads, and the "impact at the frontline" to be relayed back to the TPP Board for consideration and action. Responsible office: Director of Portfolio and Planning Due date: New decision making structures from January 2014

Appendix A: Key issues and recommendations

No.	Issue and recommendation	Relates to MOPAC/ MPS/ both?	Management response/ responsible office/ due date
16.	There are a number of high priority programmes currently rated as red RAG status. Recommendation: Ensure programme risks are managed with sufficient rigour to prevent long term RAG statuses of 'red' being reported. Evaluate fully the effectiveness of corrective action in addressing the factors leading to 'red' statuses.	Both	The reporting approach will be addressed through implementation of the new portfolio and governance. A current proposal is to adopt a more sophisticated approach to programme RAG status, involving an overall programme status, a significant risk status, and a delivery status. In this way we can manage corrective actions to specific risks and delivery and more accurately envisage programme RAG status. Responsible office: Director of Portfolio and Planning: Due date: December 2014
17.	Currently the functions responsible for delivering change are also responsible for providing assurance on the progress of change within the business. Recommendation: Ensure PMO arrangements are sufficiently independent from all programme delivery functions, to ensure necessary tensions between roles are preserved and healthy challenge on reported progress and performance.	MPS	The design for a single MPS Portfolio Management Office was approved by Management Board - Assurance on 5th August. The design emphasis is to deliver programme management services through an aligned single PMO, moving away from having independent teams. Roles and responsibilities are being strengthened to provide Management Board with assurance of independence and that the portfolio of programmes is being delivered to design, to the standard expected and through strong governance. Responsible office: Director of Portfolio and Planning: Due date: March 2015

Appendix B: Reports issued and fees

We confirm below the fee charged for both audits and provision of non-audit services.

Fees

	Per Audit plan £	Actual fees £
Mayor's Office for Policing and Crime	175,770	175,770
Commissioner of Police of the Metropolis	160,000	160,000
Total fees	335,770	335,770

Fees for other services

Service	Fees £
Tax advisory helpline (for the period April 2014 – July 2014)	25,998

Reports issued

Report	Date issued
Joint Audit Plan	March 2014
Joint Audit Findings Report	September 2014
Joint Annual Audit Letter	October 2014



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