



MOPAC

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

Wednesday, 2 August 2023, 14:00

New Scotland Yard – Room 8.1

Membership

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

Attendees

MOPAC

Diana Luchford, Chief Executive Officer
Amana Humayun, Chief Finance Officer and Director of Corporate Services
Lisa Kitto, Interim Chief Finance Officer and Director of Corporate Services
Kate Lloyd, Head of Policing Policy

MPS

Sir Mark Rowley, Commissioner (for first 30 minutes)
Clare Davies, Chief People and Resources Officer
Michelle Thorp, Director of Transformation and Temporary Director of Strategy and Governance
James Hunter, Head of Strategic Planning and Risk
Annabel Scholes, Interim Chief Finance Officer
Ian Percival, Director of Finance

Audit Representatives

External Audit Grant Thornton – Mark Stocks, Parris Williams, Jasmine Kemp
Internal Audit – Julie Norgrove, Head of Internal Audit MOPAC and MPS; David Esling;
Lindsey Heaphy

Business to be considered

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**The next meeting of the Audit Panel is
scheduled to be held on 2 October 2023**

MOPACMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

2 August 2023

MPS-MOPAC Joint Audit Panel Terms of Reference and Ways of Working

Report by: Chair of the MPS-MOPAC Joint Audit Panel

Report Summary

Overall Summary of the Purpose of the Report

An opportunity for the Panel to consider the Terms of Reference (ToR) and to discuss ways of working with colleagues from MPS and MOPAC. The agendas for future meetings will then be developed and agreed in light of these discussions.

Key Considerations for the Panel

Do we want to make any recommendations on potential changes to the ToR, ahead of the next review planned for 2024?

What impact do the ToR have on future Panel meeting agendas?

Can we agree the proposed ways of working?

Interdependencies/Cross Cutting Issues

None

Recommendations

The Audit Panel is recommended to note the ToR, the process for setting future Panel meeting agendas and to agree the proposed ways of working set out in paragraph 3.

1. Supporting Information

- 1.1 The intention is for the Panel to continue to meet on a quarterly basis with the option to arrange additional ad hoc meetings should it be determined necessary. In addition, the Panel will meet privately as necessary to consider issues which arise at the quarterly meetings.
- 1.2 An annual review of the Panel's effectiveness will be conducted in the period between July and September 2024 and reported to the October 2024 Panel meeting. The Panel will also review its Terms of Reference as part of the effectiveness review.

2. ToR and Future Meeting Agendas

- 2.1 The ToR require the panel to provide assurance to the Deputy Mayor for Policing and Crime (DMPC) and the Metropolitan Police Commissioner on a wide range of internal control, governance and risk management issues including:
- Statutory requirements, in particular, those in respect of health and safety issues.
 - Financial and non-financial performance.
 - Delivery risks, and the effectiveness of mitigating actions, in respect of the MPS' New Met for London Plan.
 - Performance against the Inclusion, Diversity and Equalities framework.
 - Provision of an adequate and effective internal audit service.
 - Progress in respect of internal and external audit arrangements.
 - Issues of integrity and ethical behaviour and tackling fraud and corruption.
- 2.2 We recognise that with only four meetings a year, the Panel needs to effectively target its workplan to ensure it adds greatest value. We are not starting from scratch as the Panel has previously considered all of these issues and will take into account previous assurance work. At the same time, the panel recognises that this is a period of significant change for MPS and MOPAC and the need for independent assurance is higher than ever before.
- 2.3 The panel understands that work is underway to produce a detailed assurance map in order to ensure a structured approach to identifying the different types of assurance across the organisations. The Panel will work alongside internal audit to assess the effectiveness of the assurance mapping process and to consider areas where there is limited assurance available. In turn, this will be used to drive the setting of the agendas for future panel meetings and to identify issues, in conjunction with MPS and MOPAC, where there would be benefit in carrying out "deep dives".
- 2.4 We understand that data availability and quality remain a major issue which cuts across most areas of the Panel's future work-plan, in particular, the ability to demonstrate the achievement of key objectives. As a result, we will continuously access the availability and quality of supporting data and consider where further improvements are required.

3. Ways of Working

- 3.1 The Panel, in conjunction with colleagues from MPS and MOPAC, are asked to consider the following proposed ways of working to ensure the Panel can be as

successful as possible in delivering its purpose of enhancing public trust and confidence in the governance of both organisations.

- We will work to our ToR but we also want to operate as a critical friend.
- We are here to support the work of MPS and MOPAC as much as we are here to challenge.
- We are a Joint Audit panel for both MPS and MOPAC and we will aim to give a similar focus to both organisations.
- We all bring a range of skills and experience from many different organisations which we are very happy to offer to support the work of MPS and MOPAC.
- We will aim to conduct all panel meetings in such a way as to encourage mature discussion and open debate.
- Given the pace of change, we are happy to engage in early discussion on emerging issues, development of policies and plans etc. This can be out with the formal Panel meetings.
- We recognise the need for continued development in performance management and we would expect to be involved in the process as it matures.
- We will focus our efforts on the issues where MPS or MOPAC consider we can add most value.
- We will always maintain our independence, but will aim to develop professional and supportive relationships with our colleagues in both organisations.

3.2 In order to be successful, we also request that colleagues in MPS and MOPAC, commit to engaging constructively with the Panel and in particular:

- Commit to engage in open and frank discussion.
- Ensure regular attendance at panel meetings from appropriately senior colleagues, including operational colleagues, to provide continuity.
- The provision of quality papers, which are suitably brief and clearly highlight key issues.

4. Equality and Diversity Impact

There are no immediate equality and diversity implications arising from this report.

5. Financial Implications

There are no immediate financial implications arising from this report.

6. Legal Implications

There are no direct legal implications arising from this report.

7. Risk Implications

There are no immediate risk implications arising from the report.

8. Contact Details

Report author: Jayne Scott, Chair, MPS and MOPAC Joint Audit Panel

9. Appendices and Background Papers

Appendix 1: Audit Panel Terms of Reference

MOPAC and MPS Joint Audit Panel

TERMS OF REFERENCE

Composition of the Panel

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

The executive of MOPAC and a representative of the Command Team of the MPS are required to attend each meeting of the Panel. Attendees will, therefore, include the Chief of Corporate Services; MPS Director of Commercial and Finance; Chief Executive, MOPAC; and the Chief Financial Officer, MOPAC. The Director of Audit, Risk and Assurance (Head of Internal Audit for MOPAC and the MPS), also attends each meeting, along with a representative of external audit.

Purpose

The joint Audit Panel is responsible for enhancing public trust and confidence in the governance of MOPAC and the MPS. It also assists MOPAC in discharging statutory responsibilities in holding the MPS to account, and in delivery of the Police and Crime Plan (PCP) and the transformation of the MPS. This is achieved by;

- Advising the DMPC and the Metropolitan Police Commissioner according to good governance principles.
- Providing independent assurance on the adequacy and effectiveness of the MOPAC and MPS internal control environments and risk management frameworks.
- Overseeing the effectiveness of the frameworks in place for ensuring compliance with statutory requirements, and in particular those in respect of health and safety, and inclusion, diversity and equalities.
- Independently scrutinising financial and non-financial performance to the extent that it affects the MOPAC and MPS exposure to risks and weakens internal control.
- Overseeing the financial reporting process.

Objectives

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

Internal Control Environment and Governance Framework

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

Police and Crime Plan (PCP) and MPS Transformation

- Regular review of the risks to the delivery of the PCP and MPS transformation and providing assurance of the effectiveness of mitigating actions.

Corporate Risk Management

- Approving the MOPAC and MPS risk management strategies and frameworks; ensuring an appropriate framework is in place for assessing and managing key risks to MOPAC and the MPS.
- Providing assurance to the DMPC and Metropolitan Police Commissioner as appropriate on the effectiveness of the risk management frameworks in operation.

Financial Reporting

- Considering the financial risks to which MOPAC and the MPS are exposed (including those that relate to treasury management) and approving measures to reduce or eliminate them or to insure against them.
- Reviewing the outcome of the external audit of the Annual Accounts and considering any potential issues raised.
- Considering significant financial strategies (including treasury and commercial management), policies and any changes to them.
- Considering significant accounting policies and any changes to them.

Inclusion, Diversity and Equalities

- Satisfying itself on behalf of the DMPC and Metropolitan Police Commissioner that an efficient and effectively performing framework is in place to discharge statutory requirements for inclusion, diversity and equalities and to ensure continual improvement.

Safety and Health

- Satisfying itself on behalf of the DMPC and Metropolitan Police Commissioner that an efficient and effectively performing framework is in place to discharge legal duties in relation to health and safety and to ensure continual improvement. In particular with regard to the safety, health and welfare of police officers and staff, people in the care and custody of the MPS, and members of the public on police premises or property.

Internal Audit

- Advising the DMPC and Metropolitan Police Commissioner on the appropriate arrangements for internal audit and approving the Internal Audit Charter and Strategy.
- Approving (but not directing) the internal audit annual programme.

- Overseeing and giving assurance to the DMPC and Metropolitan Police Commissioner on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.
- Considering the Director of Audit, Risk and Assurance Annual Report and annual opinion on the internal control environment for MOPAC and the MPS; ensuring appropriate action is taken to address any areas for improvement.

External Audit

- Noting the external audit programme and associated fees.
- Reviewing the external auditor's Audit Findings Report and any other reports, reporting on these to the DMPC and Metropolitan Police Commissioner as appropriate and including progress on the implementation of agreed recommendations.
- Reviewing the External Auditor's Annual Audit Letter making recommendations as appropriate to the DMPC and Metropolitan Police Commissioner.

Integrity, Ethics, Fraud and Corruption

- Reviewing and monitoring the effectiveness of MOPAC and MPS strategies and policies for addressing issues of integrity and ethical behaviour and tackling fraud and corruption.

Assurance Framework

- Considering HMICFRS, external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for MOPAC and/or the MPS.
- Advising the DMPC and Metropolitan Police Commissioner on the effectiveness of the overall assurance framework in place.

Audit Panel Effectiveness

- Annual appraisal of the Audit Panel operations is conducted and an annual report produced and reported to the DMPC and the MPS Commissioner, which is published on the Audit Panel webpage.
- Annual performance appraisals of members are conducted by the Chair of the Panel. An annual performance appraisal of the Chair is conducted by the DMPC and Commissioner, informed by the review of Panel effectiveness.



MPS-MOPAC JOINT AUDIT PANEL

2 August 2023

A New Met for London

Report by: Interim Chief Strategy and Transformation Officer

Report Summary

Overall Summary of the Purpose of the Report

To provide:

- A summary of A New Met for London.
- An overview of how performance against the plan will be measured and reported.
- An update on the improvement activity relating to governance, risk management and assurance across the organisation.

Key Considerations for the Panel

The panel should consider the performance framework for measuring progress as set out at para 2.

Interdependencies/Cross Cutting Issues

The NMfL sets out 3 cross-cutting priorities for reform:

- Community crime-fighting
- Culture change
- Fixing our foundations

Recommendations

Audit Panel are asked to:

1. Note the strategic direction of travel set by A New Met for London.
2. Endorse the performance framework for measuring progress against the plan, and the proposed approach to reporting on progress at future Audit Panels.






1. A New Met for London – the plan

1.1. A New Met for London was published on 18 July 2023. It confirms the Met’s mission to deliver More Trust, Less Crime and High Standards, and sets out three priorities for reform:

- *Community crime-fighting* is how we cut crime, rebuild trust, and restore our bond with communities. We will put more officers and Police Community Support Officers (PCSOs) into local neighbourhoods and make sure they are delivering against the priorities of Londoners. We will work with them to fight crime and anti-social behaviour, bringing all the specialist resources of the Met together to make a difference in the highest crime, lowest trust communities.
- *Culture change* will be delivered across the Met to embed the values of policing by consent and build a strong culture focused on delivering for London, maintaining high standards and learning from others. We will become a police service that does not discriminate – tackling racism, misogyny, and homophobia – and better reflects the diversity of the city we serve.
- *Fixing our foundations* is how we will set up our people to succeed. We will organise and deploy our people better, and give them the training, equipment, and tools they need to cut crime. We will equip them with the data and technology they need to use their powers precisely while maintaining trust and upholding high standards.

2. Measuring progress in delivering A New Met for London

2.1. Success in delivering A New Met for London will be measured through key outcomes across More Trust, Less Crime and High Standards:

More Trust	Our ambition
The proportion of Londoners who think the Met’s doing a good job locally.	
The proportion of Londoners who trust the Met.	
The proportion of victims satisfied with the service the Met provides.	
The proportion of Londoners who believe they’d be treated fairly by the Met.	
The proportion of Londoners who believe the Met uses stop and search fairly.	

Less Crime

Our
ambition

Neighbourhood Crime

This includes:

- Personal robbery
- Theft from person
- Residential burglary
- Vehicle crime

Recorded volume



Serious Violence

This includes:

- All Robbery Offences
- Violence with injury
- Homicide

Recorded volume



Gun crime

This refers to sustaining the current reduction in lethal barrel discharges.

Recorded volume



Public Protection

This includes:

- Rape
- Other serious sexual offences
- Domestic abuse
- Stalking and harassment

Proportion of positive outcomes



Proportion of victims who have been victims of crime before



Hate Crime

Proportion of positive outcomes



Proportion of victims who have been victims of crime before



Anti-social Behaviour

Number of incidents



Number of calls to repeat locations



High Standards

The time it takes to resolve public complaints and misconduct matters.

Our ambition



The level of disproportionality in misconduct matters.



The proportion of Met officers and staff who feel safe to challenge inappropriate behaviour.



The proportion of Met officers and staff who say they're treated fairly.



The proportion of Met officers and staff who are confident in their leaders (at all levels).



The proportion of Met officers and staff who are confident inappropriate behaviour and misconduct will be dealt with effectively.



- 2.2. An important part of being more precise in how we police and becoming a well-run organisation is our reform of how we manage performance and measure success. We have already created a team to track our performance more accurately within the framework above, and we will enlarge and embed this team and approach in the Met.
- 2.3. We have agreed a new corporate governance structure, which will be implemented from September 2023 and will support delivery of A New Met for London. There are two key lines of reporting that will drive progress and accountability:
 - A new Executive Committee (ExCo) meeting at Management Board level, focused on Performance, People and Culture and supported by AC-chaired groups.
 - A second new ExCo meeting, focused on Investment, Transformation and Technology and supported by AC-chaired groups.
- 2.4. Through these new structures, we will have greater oversight and scrutiny of overall Met performance and progress within our transformation programmes, as well as the dependencies between the two. There is further work to do to prioritise and sequence transformation activity; we already produce fortnightly progress reports on all programmes, and we will embed these within the new governance structure and reporting mechanisms.
- 2.5. As referenced in the MPS Risk Management Report, we are also reviewing and improve the Met's overall approach to risk and assurance, to ensure we better understand and control our risks and effectively self-assure we are delivering our plan.

- 2.6. It is proposed that, from the next meeting in autumn 2023, the Met provides Audit Panel with two reports: one that summarises progress on performance and transformation, and key decisions made by ExCo; and another that sets out key risk updates and audit recommendations and decisions by Risk and Assurance Committee.
3. **Equality and Diversity Impact**
The Commitments set out within chapter two of the NMfL, *Culture Change*, and across the whole document set out how the Met will root out discrimination in all its forms and build a more diverse and inclusive organisation. These measures will significantly impact how the Met upholds its obligations under equalities legislation.
4. **Financial Implications**
Based on what we know now, we estimate the initial, indicative cost of delivering A New Met for London will be approximately £366m through 2023/24 and 2024/25. This is inclusive of an additional £52.3m a year, which the Mayor of London has made available through an increase in the precept and additional business rates.
5. **Legal Implications**
N/A
6. **Risk Implications**
The NMfL should be considered as our authoritative plan for addressing the key strategic risks facing the Met.
7. **Contact Details**
Report author: James Hunter, Head of Strategic Planning & Risk
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MOPACMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

27 March 2023

Record of the Meeting

PRESENT**Panel:**

Suzanne McCarthy – Audit Panel Chair
 Graeme Gordon – Audit Panel Member
 Jon Hayes – Audit Panel Member

MOPAC:

Amana Humayun, Chief Finance Officer
 Kenny Bowie, Director of Strategy and MPS Oversight
 James Bottomley, Head of Oversight and Performance

MPS:

Clare Davies, Chief People and Resources Officer
 Michelle Thorp, Temporary Chief Strategy and Transformation Officer
 Ian Percival, Director of Finance
 Commander Colin Wingrove, Professionalism
 DAC Andrew Valentine, Professionalism.

Audit Representatives:

Julie Norgrove, Head of Internal Audit for MPS and MOPAC
 David Esling, Head of Audit and Assurance, Internal Audit
 Lindsey Heaphy, Head of Audit and Assurance, Internal Audit
 Parris Williams, Grant Thornton, External Audit
 Mark Stocks, Grant Thornton, External Audit

1. **APOLOGIES FOR ABSENCE, INTRODUCTIONS AND DECLARATIONS OF INTERESTS**

- 1.1 Apologies were noted from Reshard Auladin, Audit Panel member; Diana Luchford, Chief Executive, MOPAC, and Assistant Commissioner Barbara Gray.
- 1.2 The Chair observed that this was the last meeting of the of the Panel as currently constituted, with the term of appointments for the Chair, Graeme Gordon and Reshard Auladin concluding on 31 March 2023.

Baroness Casey's Review

- 1.3 In light of the publication on 21 March 2023 of Baroness Casey's Review into standards of behaviour and internal culture of the MPS, the Chair invited the MPS and MOPAC to comment on the report, with a particular focus on issues relating to the work of the Panel. It was acknowledged that it was a substantial report, and that both MOPAC and the MPS would need time to fully digest and understand the impact on current plans. The Chair also advised that consideration would be given, in consultation with the Panel's new Chair, on future reporting to the Joint Audit Panel on the content and recommendations of the Casey Review report.
- 1.4 Michelle Thorp outlined the Met's initial high-level reflections, noting that the organisation was taking time to consider deeply and seriously the problems that the report had identified. It was engaging internally and externally on the report. While the Turnaround Plan had the foundations for some of the actions needed in response to the report, consideration was being given to how that Plan would be amended in light of the report. The public consultation period on the Plan was being extended by a month.
- 1.5 Kenny Bowie outlined that MOPAC was reflecting on the changes it needed to make, including to its relationship with the Met and in its oversight structures. It considered that there needed an immediate understanding of demand management, how the Met's resources met that demand, and priority-based budgeting. It was important that communities were brought into the discussions. Work had started on establishing a London Policing Board.
- 1.6 The Panel asked if there was recognition in the Met leadership of the issues that the Panel had been raising for some time which were also highlighted in the report, such as the importance of good governance, risk management and assurance, training, learning and development, and inclusion and diversity. It was stressed by the Panel that these issues needed to be addressed at a strategic level.
- 1.7 Michelle Thorp advised that the importance of those issues had been recognised and that some measures had already been introduced, such as the new performance framework, and an acknowledgement of the need for more assurance work. The capacity to focus on risk was also being reviewed.

2. RECORD OF THE MEETING HELD ON 16 JANUARY 2023

- 2.1 The record of the meeting held on 16 January was agreed. The completed actions were noted and those that had not been fully addressed were discussed under the relevant agenda item.
- 2.2 The response to the external auditor's recommendations had been circulated to the Panel. It was noted that two of the actions had only been partially accepted by the MPS. Ian Percival outlined the reasons for this and why the MPS was willing to accept the risk.

3. MPS CULTURE, DIVERSITY AND INCLUSION UPDATE

- 3.1 The Chair noted that there was now a new Commander leading on this important area of work. The Panel was concerned that it had not seen any real progress in its tenure in respect of the framework supporting inclusion and diversity, despite it pressing the need for clearer governance and an action plan with measurable outcomes. It noted

that a lot of the actions were reported as 'green - suitable for closure', which did not correlate with the scale of the concerns in this area identified in the Casey Review.

- 3.2 Commander Wingrove outlined the governance structure and advised that consideration was being given as to how the findings in the Casey Review applied to the Diversity and Inclusion Strategy. The actions rated as 'green' and the action plan would be re-examined in light of the Casey Review.
- 3.3 Jon Hayes stressed the Panel's view that there needed to be measurable outcomes for the Diversity and Inclusion Strategy (STRIDE). Michelle Thorp advised that the project initiation documents had measurable targets, but that there was more work needed, including working with communities. Success measures would be included.
- 3.4 Commander Wingrove advised that measurable targets would be reflected in the next STRIDE Action Plan.
- 3.5 Clare Davies advised that the Turnaround Plan was starting to define the desired outcomes that would subsequently be shared with the Panel.

Action 1: Future reporting to the Panel to include the framework being developed to achieve measurable outcomes from the Turnaround Plan.

Resolved: The Panel noted:

- The update and change of direction in the Diversity and Inclusion Strategy to encompass the Culture, Diversity and Inclusion Strategy.
- That the findings of the Met's review of how it delivered reform and improvements to Culture, Diversity and Inclusion (CDI) were anticipated within the coming months.

4. MPS TURNAROUND PLAN AND TRANSFORMATION UPDATE

- 4.1 Michelle Thorp introduced the paper which provided an update on the Transformation Portfolio, including a summary of the supporting governance, risk management and assurance arrangements. The Met was engaging internally and externally on the Turnaround Plan with initial feedback indicating that it did not go far enough in tackling the issue of violence against women and girls (VAWG) and was not explicit enough on diversity. The next iteration of the Plan was expected in late May.
- 4.2 Michelle Thorp advised that the Met had conducted an external root-cause analysis, and summarised some of the findings and outlined the work that was underway. Future reporting on the Turnaround Plan to the Panel would be discussed with the new Chair.
- 4.3 The Chair advised that the Panel was seeking assurance on the wider issue – improvement activity around governance, risk management and assurance across the organisation. The MPS was asked if there was capability and capacity to deliver the scale of reform required. Michelle Thorp advised that the need for significant resource had been recognised and was being addressed.

Action 2: MPS to:

- Include in future reports a narrative update/analysis on progress with transformation and the Turnaround Plan.

- Report to the Panel's July meeting on the improvement activity relating to governance, risk management and assurance across the organisation.

Resolved: The Panel noted the report.

5. MOPAC OVERSIGHT OF MPS TRANSFORMATION

- 5.1 James Bottomley introduced the paper, advising that the structure of MOPAC's oversight of the MPS was built around delivery of the Mayor's Police and Crime Plan (PCP), also encompassing the concerns highlighted by His Majesty's Inspectorate of Constabulary and Fire and Rescue (HMICFRS) when the MPS was moved into the 'Engage' process. While that does cover some of the issues raised in the Casey Review, MOPAC was now considering how to adapt its oversight framework in light of the findings. This included a review of the terms of reference of the London Child Protection Oversight Group to include wider public protection, with a focus on children.
- 5.2 MOPAC was asked about its relationship with the MPS, which had been commented on in the Casey Review, and advised that under the new MPS leadership there was now an openness and the relationship was in a better position.
- 5.3 MOPAC was also asked whether the policy areas in the PCP aligned with the Met's strategic objectives and the Turnaround Plan. The Panel was advised that while the descriptions of the priorities may be slightly different, they were fundamentally in agreement.

Resolved: The Panel noted MOPAC's oversight approach.

6. MOPAC AND MPS RISK MANAGEMENT QUARTERLY REPORTS

MOPAC Report

- 6.1 James Bottomley introduced the MOPAC Risk Management Report, which provided an overview of risk for MOPAC, and an update on the agreed set of corporate risks and control actions. Background issues included that it was the last year of the current mayoralty, the impact of the Casey Review and the strengthening of capacity to oversee the MPS.
- 6.2 The Chair observed that risk relating to a failure to oversee the scale of reform and change required in the MPS was not fully captured in the current corporate risks and that MOPAC may wish to consider how to better articulate that. This was agreed and it would be included in future reporting.

Resolved: The Audit Panel noted MOPAC's risk management approach.

MPS Report

- 6.3 The Chair welcomed the revised approach for corporate risk and issue reporting as outlined in the report, but was uncertain that the information the MPS was proposing to provide as set out in Appendix B would be suitable in providing the Panel with the assurance it required. The Panel would be particularly looking for a summary in the report on the position of the effectiveness of controls and the level of assurance that these provided.

- 6.4 Michelle Thorp advised that Appendix B was an example of the development of new risk reporting within the MPS. It was working through the detail in respect of the controls and continuing to refine the template.
- 6.5 Jon Hayes observed that the change was moving in the right direction. He noted, however, the importance of ensuring that risk assessments were starting from the right place, i.e., from the agreed strategic objectives (Turnaround Plan) to ensure that nothing was missed, it detailed the mitigation, and set out the controls and level of assurance they provided.
- 6.6 Graeme Gordon noted that it was still a work in progress. He was supportive of the direction while noting that there was still a lot of work to do.
- 6.7 Julie Norgrove advised that the Directorate of Audit and Risk Assurance (DARA) had completed a review of the Met's risk management framework, which was currently being followed up. A number of key points were being addressed in the proposed changes. DARA would be working with the MPS to address the challenge of embedding effective risk management across the organisation and would be particularly looking at how risk appetite was used to inform key decisions and the availability of key resources to support the agreed improvements. The outcome would be reported to the next meeting of the Panel.

Action 3: MPS to include narrative in the body of its risk reports which summarised for the Panel the position on the effectiveness of controls.

Resolved: The Audit Panel noted the MPS's key risks, and the governance in place to ensure the effective management of them.

7. MOPAC AND MPS GOVERNANCE IMPROVEMENT PLANS

MOPAC Governance Improvement Plan Report

- 7.1 James Bottomley introduced the report which provided an overview of MOPAC's approach to governance going forward, an outline of the key areas of improvement and the actions in place to address them. He noted that in the process of producing the next Annual Governance Statement, new actions would be identified and included in future iterations of the plan. An update on the actions that were due to be completed in March was also provided.
- 7.2 The Panel noted that good progress was being made.

Resolved: The Audit Panel noted the improvements being made in MOPAC governance through the Governance Improvement Plan.

MPS Governance Improvement Plan

- 7.3 Michelle Thorp introduced the report which provided an update on the MPS's Governance Improvement Plan (GIP) arising from the 2021/22 Annual Governance Statement, noting that the Turnaround Plan had had an influence on the actions in the GIP.
- 7.4 Jon Hayes noted that a number of key areas, including those subject to criticism in the Casey Review, had been on the improvement plan for a while and asked how the MPS

could ensure that progress would be made, noting that skills and capacity in this area were key.

7.5 Michelle Thorp advised that the root-cause analysis had been received and she outlined some of the themes that it had identified. The Panel requested that the MPS's GIP report to the July meeting should incorporate the findings of the analysis.

7.6 Graeme Gordon noted that the while there was evidence of diagnosis and recognition of the issues, there was not yet the required shift to deliver the solution.

Action 4: MPS to include in July GIP report the findings of the root-cause analysis and how the MPS would be addressing them.

Resolved: The Audit Panel noted the progress made in the recent quarter.

8. INTERNAL AUDIT QUARTERLY ACTIVITY REPORT

8.1 Julie Norgrove introduced the report summarising the work carried out by DARA since the Panel last met, including internal audit risk and assurance review, advisory work and counter fraud activity, outlining;

- The IT Grey Estate (legacy systems and systems outside the corporate IT infrastructure) was rated limited with discussions ongoing with senior management to agree actions to address the issues identified.
- The Basic Command Unit (BCU) review identified a number of issues also identified in the Casey Review and discussions with the AC Frontline Policing were taking place to confirm planned improvement activity.
- A key advisory review of recruitment and attrition had been carried out in liaison with Met colleagues, with recommendations recently considered by the Met Management Board.
- At the request of the Deputy Commissioner, DARA advised on a review of MPS Governance conducted by an external consultant.
- Work on drawing up the Internal Audit Plan for 2023/24 was due to commence and would have a focus on supporting the Turnaround Plan's ambitions, whilst providing the necessary independent assurance on both the MOPAC and MPS control environments.

8.2 The MPS was asked for an update on the assurance mapping work. The Panel was advised that it had not started but it was developing a plan which it would bring to the next Audit Panel meeting.

Action 5: MPS to provide an update to the July meeting on the Met strategic approach to assurance and assurance mapping exercise.

Resolved: The Audit Panel considered the outcome of recent work undertaken by DARA to date and the status of current and planned activity.

9. EXTERNAL AUDIT UPDATE

9.1 Parris Williams introduced the Grant Thornton report which provided an update on the 2021/22 value for money work and a report into the state of local audit. The Panel was advised that the value for money report had recently been shared the MPS and MOPAC for their comments and finalisation. Four significant weaknesses had been

identified relating to trust and confidence, responding to HMICFRS recommendations, vetting, and command and control.

- 9.2 Jon Hayes noted that at the January 2023 meeting Grant Thornton had advised that the value for money report would be presented to the March meeting, and that Grant Thornton had not flagged at that meeting that any significant weaknesses had been identified.
- 9.3 Mark Stocks advised that he was comfortable with the extra time that had been taken to complete the value for money report, and that it would be completed by the next Panel meeting. The Chair requested if the report could be shared with the Panel as soon as it was ready, ahead of the next meeting.
- 9.4 Jon Hayes noted that Grant Thornton's report to the Panel contained sections that would be relevant to local authorities but were not as relevant to the MPS-MOPAC Joint Audit Panel. Grant Thornton was asked if future reports could focus on issues relevant to the Joint Audit Panel. Jon Hayes also requested that the wording referring to the appointment of Grant Thornton as MOPAC's and MPS's external auditors should accurately be referred to as a 'statutory appointment' rather than an 'awarded contract'.
- 9.5 The Chair noted that the external auditor's fees had increased and sought assurance from MOPAC that it was content with the increase, which Amana Humayun advised it was.

Action 6: Grant Thornton to share with the Panel the value for money report as soon as it was ready.

Action 7: Grant Thornton to use the term 'statutory appointment' rather than 'awarded contract'.

Resolved: The Audit Panel noted the external auditor's progress report.

10. MPS AUDIT AND INSPECTION REPORT

- 10.1 Michelle Thorp introduced the MPS's quarterly Audit and Inspection Report, providing a summary position of DARA's and HMICFRS's activity and engagement over the last quarter, and a response to strategic issues highlighted in the Annual Internal Audit. The Panel was advised that the MPS wanted to ensure it was getting to the heart of issues in order to drive strategic outcomes, and that it was beginning to see the benefits of this approach.
- 10.2 The Chair noted that several high-risk recommendations remained outstanding and that action to close these was not being taken promptly. The Panel was advised that the MPS was committed to working on them but that some were very complex in their nature.

Resolved: The Audit Panel noted the new monthly reporting process and governance structure that had been introduced in the MPS to ensure senior oversight of recommendations.

11. ACCOUNTING POLICIES AND KEY JUDGEMENTS IN PREPARING THE 2022-23 STATEMENT OF ACCOUNTS

- 11.1 Amanda Humayun introduced the report updating the Panel on proposed changes to the accounting policies and key judgments of MOPAC and the MPS for the 2022/23 statement of accounts. The Panel was advised that there were no key changes needed for 2022/23.

12. AOB

- 12.1 Kenny Bowie noted that it was the last meeting with Suzanne McCarthy as Chair and Graeme Gordon and Reshard Auladin as Panel members and thanked them for their commitment and dedication to the work of the Panel, noting it was very much appreciated.

- 12.2 The Chair thanked everyone who had presented papers to the Panel and those supporting its work throughout her tenure and gave particular thanks to the Panel members.

- 12.3 The Panel's next meeting is scheduled for 3 July 2023.
-

Audit Panel Meeting Actions

27 March 2023

Ref	Actions	Who	Status
1	Future reporting to the Panel to include the framework being developed to achieve measurable outcomes from the Turnaround Plan.	MPS	New Met for London Plan, including key outcomes, addressed in agenda item 3
2	MPS to: <ul style="list-style-type: none"> • Include in future reports a narrative update/analysis on progress with transformation and the Turnaround Plan. • Report to the Panel's July meeting on the improvement activity relating to governance, risk management and assurance across the organisation. 	MPS	<ul style="list-style-type: none"> • Future reporting to Panel on the NMfL to be agreed with the Panel Chair • Updates included in AGS (6b) and risk (9b) papers
3	MPS to include narrative in the body of its risk reports which summarised for the Panel the position on the effectiveness of controls.	MPS	Addressed in item 6b
4	MPS to include in July GIP report the findings of the root-cause analysis and how the MPS would be addressing them.	MPS	Addressed in item 6b
5	MPS to provide an update to the July meeting on the Met strategic approach to assurance and assurance mapping exercise	MPS	Update included in item 6b
6	Grant Thornton to share with the Panel the value for money report as soon as it was ready.	GT	Addressed in item 5
7	Grant Thornton to use the term 'statutory appointment' rather than 'awarded contract'.	GT	To be considered for future reporting

MPS-MOPAC JOINT AUDIT PANEL 2 August 2023

External Audit - Annual Report for 2021-22 and Audit Plan for 2022-23

Report by: MOPAC Chief Finance Officer and Director of Corporate Services and
MPS Chief Finance Officer

Report Summary

Overall Summary of the Purpose of the Report

This paper sets out the conclusions of the Annual Audit Report (AAR) for 2021/22, and plans for the 2022/23 audit.

Key Considerations for the Panel

To note the outcome of the statutory audit of the financial statements and value for money assessments for 2021/22, and the plan for the audit for 2022/23.

Interdependencies/Cross Cutting Issues

Transparency of stewardship and timely reporting of accounts and effective use of resources supports rebuilding trust and confidence.

Recommendations

The Audit Panel is recommended to:

- a. Note this paper

1. Supporting Information

- 1.1. This paper sets out the conclusions of the Annual Audit Report (AAR) for 2021/22 and plans for the 2022/23 audit.

Annual Audit Report 2021/22 - Appendix 1

- 1.2. The Annual Audit Report confirms the position reported to Audit Panel in January 2023, that Grant Thornton provided an unqualified opinion on the financial statements for both MOPAC and the MPS, and had no significant concerns.
- 1.3. The report also includes the value for money opinion, and Grant Thornton's assessment of MOPAC and the MPS arrangements to secure economy, efficiency and effectiveness in the use of resources.
- 1.4. In summary, across each of the three criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness, Grant Thornton identified four significant weaknesses and made five key recommendations. Page 3 of Appendix 1 sets out the summary for each of the three criteria with further detail including management responses set out in pages 7-14.

Joint Audit Plan 2022/23 – Appendix 2

- 1.5. The Joint Audit plan for 2022/23 provides an overview of the planned scope and timings of the statutory audits of MOPAC and the MPS that will be undertaken by the external auditors (Grant Thornton). This includes the Value for Money (VFM) arrangements. The plan has been shared with both the Deputy Mayor for Policing and Crime and the Commissioner.
- 1.6. The plan sets out those financial statement risks that will require specific audit consideration. These are as follows:-
- a) The risk that the revenue cycle includes fraudulent transactions (rebutted).
 - b) The risk of management override of controls.
 - c) The risk that the valuation of land and buildings is materially misstated.
 - d) The risk that the valuation of the net pension liability in the accounts is materially misstated.
- 1.7. In addition within the VFM section the following risks of significant weakness have been identified:-
- a) Trust and confidence – The auditors will undertake a review of the arrangements in place in both MOPAC and the MPS to respond to the recommendations raised from HMICFRS and Casey ensuring they are

appropriate to oversee effective delivery of rebuilding trust and confidence.

- b) Governance Structure – The auditors will undertake a review of the effectiveness of the revised governance arrangements in MOPAC and the MPS and their effectiveness in delivering improvement in London policing and performance.
- c) Standards and Compliance – The auditors will review progress made by the MPS professionalism directorate since last year and a review of the effectiveness of vetting arrangements, management of recruitment and arrangements in place to oversee the diversity and inclusion strategy.
- d) Project Delivery – The auditors will review the effectiveness of the governance arrangements in MOPAC and the MPS in light of ongoing concerns on the delivery of CONNECT and Command and Control Projects.

1.8. Grant Thornton undertook an interim visit in April, with the final audit commencing at the beginning of July.

2. Equality and Diversity Impact

There are no equality and diversity implications directly arising from this report.

3. Financial Implications

3.1. Grant Thornton’s final costs of the external audit for 2021/22 were £169,052 and £140,477 for MOPAC and MPS respectively. The proposed fee for 2022/23 is £169,108 and £136,700 for MOPAC and MPS respectively.

3.2. Costs will be met from within existing MOPAC and MPS budgets.

4. Legal Implications

There are no direct legal implications arising from the report.

5. Risk Implications

This paper relates to the corporate risk register entries for resources and value for money.

6. Contact Details

Report author: Annabel Cowell – Deputy CFO and Head of Financial Management MOPAC.

Director: Amana Humayun – MOPAC CFO and Director of Corporate Services.

7. Appendices and Background Papers

Appendix 1 - Annual Audit Report 2021/22

Appendix 2 - Joint Audit Plan 2022/23

Auditor's Annual Report on the Mayor's Office for Policing and Crime and the Commissioner of the Police of the Metropolis

Covering the period 2021/22

Issued July 2023



Contents

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Executive summary



Value for money arrangements and key recommendations

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Mayor's Office for Policing and Crime (MOPAC) and Commissioner of the Metropolis (CPM/MPS) have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources. We are required to report in more detail on the overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Our findings for 2021-22 concluded that there were four significant weaknesses in arrangements during the period giving rise to five key recommendations. Our conclusions and the direction of travel between 2020-21 and 2021-22 are shown below. Our key recommendations are summarised on pages 7 to 14 to this report. Progress in 2021-22 against the improvement recommendations made for 2020-21 is summarised in Appendix C to this report.

Criteria	Risk assessment	2020/21 Auditor Judgment	2021/22 Auditor Judgment	Direction of travel
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but an improvement recommendation made.	No significant weakness in arrangements identified, but three improvement recommendations made.	↔
Governance	For 2021/22 we identified one risk of significant weakness. We communicated this risk to you in our Audit Plan. The risk relates to the effectiveness of arrangements to rebuild trust and confidence in the MPS.	No significant weaknesses in arrangements identified, but three improvement recommendations made	Two significant weaknesses in arrangements identified. Three key recommendations and four improvement recommendations made.	↓
Improving economy, efficiency and effectiveness	For 2021/22 we identified two risks of significant weakness. The first pertains to arrangements around major IT projects. The second relates to your arrangements to respond to the findings of HMICFRS.	No significant weaknesses in arrangements identified, but two improvement recommendations made	Two significant weaknesses in arrangements identified. Two key recommendations and one improvement recommendation made.	↓

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

Executive summary



Financial sustainability

MOPAC and the MPS have a good track record of sound financial management and delivered a balanced budget at the end of the 2021-22 financial year. MOPAC and the MPS understood the financial risks which they faced and managed these risks by maintaining an appropriate level of reserves. MOPAC and the MPS are not however immune from the macro economic issues the UK is currently facing which is putting pressure on the MTFP in the form of high inflation. The current and future budget is supported by the use of revenue reserves. Whilst this may be appropriate in the short term to smooth transition, its long term use is unsustainable. Similar to all other Police bodies, MOPAC's capital programme is underfunded and unsustainable in the long term. For the past 10 years, the capital programme has been reliant on capital receipts from MOPAC's estate. 10 years on, the pool of sellable assets is a lot smaller. Going forward, the only option for MOPAC to finance its capital programme is to borrow money. Given the long term revenue impacts of borrowing, there is a need for MOPAC to balance current priorities against the priorities and needs of policing in the future.



Governance

2021/22 has been a period of considerable change for both the MPS and MOPAC. For MOPAC, we have seen improvements in its oversight arrangements over the MPS. MOPAC officers now regularly attend MPS sub-board meetings, giving them more influence on the decision making process. For the MPS, there has been much change at senior leadership level and plans are underway for a full executive team redesign.

We have raised a key recommendation in relation to the MPS' and MOPACs governance arrangements to restore trust and confidence as they were found to not be fully effective during this period. We are however of the view that the arrangements being put in place to address this issue in 2022-23 are positive. We have also raised key recommendations in relation to vetting, where we found the MPS' arrangements were not complying with HMICFRS repeated recommendations to ensure specialist roles were fully vetted, and investment is recommended to ensure renewals are completed within the recommended 10 year time frame.



Improving economy, efficiency and effectiveness

Transformation arrangements are generally strong and improving however we have raised a key recommendation in relation to financial governance and oversight over the Command and Control major IT project. We have also raised a key recommendation in light of the findings of HMICFRS which placed the MPS into 'engaged', which is done when a force's performance fails to improve and is considered to require enhanced monitoring and support.



We have completed our audit of your financial statements and issued an unqualified audit opinion for both the MPS and MOPAC on 18 November 2022. Our findings are set out in further detail on page 49.



Opinion on the financial statements and use of auditor's powers

We bring the following matters to your attention:

Opinion on the financial statements

Auditors are required to express an opinion on the financial statements that states whether they : (i) present a true and fair view of the audited body's financial position, and (ii) have been prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22

We have completed our audit of your financial statements and issued an unqualified audit opinion for both the MPS and MOPAC on 18 November 2022. Our findings are set out in further detail on page 49.

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

We did not issue any statutory recommendations.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a report in the public interest.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make any application to the Court.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue an advisory notice.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not apply for judicial review.

Securing economy, efficiency and effectiveness in MOPAC's and the MPS' use of resources

MOPAC and the MPS are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. MOPAC's and the MPS' responsibilities are set out in Appendix A.

MOPAC and the MPS report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statements.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether each entity has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the entity can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the entity makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the entity makes decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the entity delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on MOPAC's and the MPS' arrangements in each of these three areas, is set out on pages 15 to 48.

Key recommendations



Governance

Key recommendation 1 MPS' arrangements to build trust and confidence

The MPS' and MOPAC's arrangements to restore and rebuild trust and confidence were not effective in 2021/22. Both must bring together the findings of external reports, and internal findings, and carry out a thematic review to diagnose pervasive issues enabling it to put in place those transformative changes to effectively rebuild trust and confidence. Whilst the restoration of trust and confidence is a long term process, putting in place the necessary arrangements to facilitate that change is achievable in the medium term.

Why/impact

Trust in the MPS is essential to ensure that victims of crime have the confidence to report incidents knowing they will be investigated well. A lack of public confidence leaves members of the public disengaged and this devalues the MPS.

Management Comments

MPS response:

The MPS recognises that its arrangements to restore and rebuild trust and confidence were not fully effective in 2021/22 and has taken immediate action to begin to address the issues identified.

Addressing the root causes of these challenges is critical if we are to stop these issues from persisting in future years – significant work has been undertaken in recent months to understand the key drivers of our challenges ahead of the revision of our Turnaround Plan.

In doing so – it is vitally important that we take a proactive, not a reactive, approach to tackling these challenges. The Casey review, HMICFRS inspections, the NPCC perennial issues analysis, and other reports such as the Daniel Morgan Independent Panel or IOPC reports have all identified cross-cutting thematic issues which need to be tackled – seeking to take a piecemeal and reactive approach is unlikely to yield the transformative effect needed.

In order to fully analyse these issues significant work has been undertaken. The MPS has commissioned external analysis of the root causes and drivers of the organisation's challenges. Deep dive analysis has identified over 600 recommendations which have been made to the MPS over recent years, and analysis has been undertaken to draw out key thematic issues and coalesce a prioritised set of strategic priorities for transforming our approach to rebuilding trust. This analysis is complimenting the internal and external consultation we are engaging in to collect feedback on the first turnaround plan, and will be used to finalise proposals for inclusion in the updated plan – to ensure our plan for rebuilding trust is proactive in tackling the root causes of those challenges.

The range of recommendations that external auditors can make is explained in Appendix B.

Key recommendations



Governance

Key recommendation 1 (continued) MPS' arrangements to build trust and confidence

The MPS' and MOPAC's arrangements to restore and rebuild trust and confidence were not effective in 2021/22. Both must bring together the findings of external reports, and internal findings, and carry out a thematic review to diagnose pervasive issues enabling it to put in place those transformative changes to effectively rebuild trust and confidence. Whilst the restoration of trust and confidence is a long term process, putting in place the necessary arrangements to facilitate that change is achievable in the medium term.

Management Comments (continued)

The updated plan will set the transformation programme we will implement to effect these changes to rebuild trust and set out the framework we are using to measure progress and the governance we will use to deliver our transformation programme and ensure it stays on track. Key to this will be embedding a transformative approach across the organisation to deliver the pace and scale of change needed to rebuild trust. The plan will set out a range of transformation programmes we are implementing to strengthen the foundations of the organisation and will outline out how we will set our officers and staff up to succeed in rebuilding trust.

MOPAC Response:

In 2020/1 MOPAC identified a concerning downward trend in trust and confidence through our established evidence and insight work, with particularly low results for Black communities. Additional consultation with Black communities in 2020, resulted in the development of the Mayor's Action Plan for Transparency, Accountability and Trust in Policing, to improve trust and confidence and to address community concerns about the disproportionality in the use of certain police powers affecting Black Londoners. The Mayor's Action Plan identified four key areas of action focussing on actions that we know through our evidence and insight can have a positive effect on trust and confidence, as well as public feedback: better use of police powers; a police service that better represents and understands Black communities; working together to make Black communities safer; and holding the police to account for what they do.

Further consultation with the public in 2021 (and the continued decline in results) reaffirmed our concerns and improving trust and confidence and the work under the Mayor's Action Plan, has been included as a priority in the Police and Crime Plan for London.

MOPAC has worked closely with the MPS to support and enable their delivery of the key actions, including, for example, through the provision of significant funding to facilitate recruitment outreach and the development of community-led training models to diversify recruitment and improve cultural competency amongst officers.

The range of recommendations that external auditors can make is explained in Appendix B.

Key recommendations



Governance

Key recommendation 1 (continued) MPS' arrangements to build trust and confidence

The MPS' and MOPAC's arrangements to restore and rebuild trust and confidence were not effective in 2021/22. Both must bring together the findings of external reports, and internal findings, and carry out a thematic review to diagnose pervasive issues enabling it to put in place those transformative changes to effectively rebuild trust and confidence. Whilst the restoration of trust and confidence is a long term process, putting in place the necessary arrangements to facilitate that change is achievable in the medium term.

Management Comments (continued)

Our work has included a commissioned review of our community engagement mechanisms and the development of a pilot community scrutiny programme to improve transparency and accountability in the use of police powers at the local level, and the delivery of regular quarterly public engagement events to improve transparency and accountability, and to enable communities to help shape the work as it is being delivered, e.g. a session focussed on Safer Schools Officers as part of the ongoing assessment of the programme (a commitment in the Mayor's Action Plan) and another event on improving transparency in how the MPS handles police complaints. MOPAC has also developed an interactive dashboard that brings together key data related to the issues the Action Plan seeks to address, e.g. public perceptions, MPS workforce diversity and the use of force. In addition, we know that ensuring an effective MPS and partnerships response to neighbourhood crimes is important for improving trust and confidence. This being the case, we have used our convening powers to establish the London Drugs and Antisocial Behaviour Forums to identify and share good practice and develop strong partnership working on these key areas.

This work was overseen by the Deputy Mayor for Policing and Crime through the MOPAC Oversight Board, with regular updates published on our website. More recently, Baroness Casey's review (which was delivered after the period to which this report relates) recommended establishing a public-facing policing board for London to improve the transparency of MOPAC oversight activity for London, and improve confidence in the way the MPS is being held to account for delivery of its wide-ranging reform programme. Plans to deliver this are proceeding at pace. MOPAC's public attitude survey continues to measure the trust and confidence of Londoners in the MPS, which will serve as vital measures for assessing the effectiveness of these reforms.

The range of recommendations that external auditors can make is explained in Appendix B.

Key recommendations



Governance

Key recommendation 2 MPS' arrangements in relation to enhanced vetting

We recommend that enhanced vetting of officers and staff in specialist roles should be considered in the same way as routine vetting, with data compiled, reported on and scrutinised to ensure compliance (as per the repeated HMICFRS recommendations).

Why/impact

Officers and staff in specialist roles are subject to increased levels of vetting as they are exposed to more sensitive information. Expired vetting carries increased risk of harm to the individuals involved, the public and the MPS.

Management Comments

The audit findings are consistent with the MPS assessment of vetting arrangements, which are a key improvement focus for the MPS as part of the Met's mission and "A New Met for London" plan.

The recommendation is equivalent to those made by HMICFRS - Recommendation 3 (HMICFRS - An inspection of the Metropolitan Police Service's counter-corruption arrangements and other matters related to the Daniel Morgan Independent Panel), and Recommendation 13 (HMICFRS - An inspection of vetting, misconduct, and misogyny in the police service).

Significant progress has already been made against these recommendations, with an automated IT solution (between PSOP and CycVetting) due to be in live service before end of October 2023. Oversight of progress against these recommendations has been by the Counter Corruption Learning Group, chaired to date by AC Gray.

Completing the action plan associated with these recommendations, is an integral part of the Professionalism improvement and transformation programme to improve public confidence through high standards, from initial vetting and through the careers of police officers and staff.

The range of recommendations that external auditors can make is explained in Appendix B.

Key recommendations



Governance

Key recommendation 3

MPS' arrangements in relation to vetting - investment

We recommend that there is increased investment in the vetting team to ensure that vetting renewals are managed more effectively and completed within the recommended 10 years.

Why/impact

To ensure officers and staff adhere to high standards of behaviour, to guard against corruption and to rebuild trust with the public.

Management Comments

The Professionalism Business Group has commissioned a comprehensive transformation project to bring about radical change and improvement to the MPS Referencing and Vetting function. This is being progressed through a combination of a short term stabilisation and long term systematic transformation.

An additional £2m has been invested in Vetting since March 2021. Investment was focused on supporting the Police Uplift Programme – as a result of this investment the Vetting SLA for Police Officers was reduced to under 20 working days for 85% of cases to support a reduced Time to Hire. Since the demand from Police Officer applicants has reduced resource has been abstracted to support Op Assure and vetting officers have been realigned to address the high volume of cases in the contractor and enhanced pipelines (a risk which was accepted by MB to support the PUP). Investment has also improved the quality of our vetting training content and delivery through dedicated trainers. The training is now complete for 74 newly trained vetting officers will all be on team this month.

Work is now underway to develop a highly efficient operating model that is completely digitalised, largely automated and innovative through the deployment of new and emerging technologies, such as AI and biometric and behavioural detection technologies (voice and facial recognition). The new approach will also be collaborative, particularly in the context of core infrastructure with connectivity to other forces and national security partners. Further projected investments will be profiled as the transformation project takes flight.

The range of recommendations that external auditors can make is explained in Appendix B.

Key recommendations



Improving economy, efficiency and effectiveness

Key recommendation 4 MPS' arrangements to scrutinise finances for transformation projects

The MPS must improve its arrangements around financial governance over the Command and Control (C&C) project. This includes getting a better grip and control over individual cost lines and providing challenge and scrutiny over contractor spend.

Why/impact

We found arrangements to monitor and manage projects such as C&C were in place, but we found insufficient documentary evidence of challenge in relation to actual costs, including contractor costs. We recommend that arrangements are put in place to monitor ongoing costs and more robust arrangements are created to manage contractor performance and spend; with accompanying minutes documented.

Management Comments

Command and Control is one of many in-flight transformation programmes being delivered across the Met. We accept the findings identified regarding the financial governance over the Command and Control project in 21/22. As reported, there have been improvements in arrangements during 22/23, including an improved relationship between ourselves and the main supplier. We recognise that we need to continue to improve and have recently commissioned a review of Command & Control including independent technology expertise and commercial and financial advice.



The range of recommendations that external auditors can make is explained in Appendix B.

Key recommendations



Improving economy, efficiency and effectiveness

Key recommendation 5 MPS' and MOPAC's arrangements in place to monitor force performance

The MPS and MOPAC should put in place arrangements to review the findings of HMICFRS and make the necessary changes to respond. The suite of actions to respond to HMICFRS need to be funded and resourced appropriately to ensure the change is delivered.

Why/impact

We recommend that the outcomes of the PEEL report continue to be considered in detail and the associated action plans are continually monitored to track improvements against the recommended areas.

Management Comments

MPS response:

In June 2022, HMICFRS moved the MPS into the Engage phase of monitoring. The MPS worked with HMICFRS to consolidate all open recommendations to ensure there was a clear understanding of what needed to be addressed.

Immediate steps for change were taken to address the root causes (not just symptoms) of the areas of concern and recommendations and a cohesive full programme of work with new governance was instituted. The MPS commissioned external analysis of the root causes of our challenges – those findings were shared with MOPAC. In addition, a deep dive into all recommendations the MPS subject, including HMICFRS recommendations and those within the Casey review, to pull out key cross cutting themes and root causes – that analysis was shared with MOPAC via the HMICFRS Policing Performance Oversight Group as were our plans to address these thematic challenges.

Tracking and implementing transformation activity has been governed by 2 clear streams of work. Firstly, our Turnaround Plan sets out our plan to build a police service which can deliver more trust, less crime and high standards. Within this plan is a clear set of commitments to deliver programmes which directly address HMICFRS recommendations. Implementation of the plan is governed by extensive oversight groups involving MOPAC, the MPS and other key external programmes.

Secondly, for each HMICFRS recommendation we are subject to, a senior officer or member of staff is appointed as a lead for that recommendation. They are responsible for implementing activity to address each recommendation, and their progress is monitored by a robust internal scrutiny process managed a dedicated team within the MPS.

Key recommendations



Improving economy, efficiency and effectiveness

Key recommendation 5 **MPS' and MOPAC's arrangements in place to monitor force performance** (continued)

The MPS and MOPAC should put in place arrangements to review the findings of HMICFRS and make the necessary changes to respond. The suite of actions to respond to HMICFRS need to be funded and resourced appropriately to ensure the change is delivered.

Management Comments (continued)

MOPAC Response:

MOPAC accepts this recommendation. MOPAC is already using its oversight arrangements to focus on monitoring MPS activity in response to HMICFRS concerns, including deep dives into public protection and victims. Extra resourcing to support oversight activity is nearly in place (including a new Performance Manager Role), and we are bringing in extra resource to ensure close monitoring of the MPS's Turnaround Plan - which will address concerns emerging from both HMICFRS inspections and the Casey Review - through the new public-facing London Policing Board (and associated sub-boards). Recruitment for the Board is now underway, with the aim of holding the first meeting in the Autumn. MOPAC is already represented at HMICFRS's PPOG meeting, as part of the peer support process for driving MPS reforms. We are also working separately with national oversight bodies (i.e. College, IOPC, HMICFRS, DARA) to harness collective levers for driving the reforms.

The range of recommendations that external auditors can make is explained in Appendix B.

Financial sustainability



We considered how MOPAC and the MPS:

identifies all the significant financial pressures that are relevant to their short and medium-term plans and builds them into their plans

- plans to bridge funding gaps and identify achievable savings
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures the financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identify and manage risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

2021/22 Revenue and Capital Outturn

MOPAC and the MPS reported in their annual accounts to have delivered a balanced budget position in the 2021/22 financial year. The MOPAC Group financial position as at 31 March 2022 resulted in an outturn of net expenditure of £3,254m. Within this balanced outturn position there were some notable variances:

- Pay costs (which represent approximately 63% of total gross expenditure) were underspent by £29.3m offset by an overspend of £12.4m of overtime required to help service operational requirements. Underspends were largely due to vacancies/recruitment delays
- The budget for running costs (excluding capital financing costs and discretionary pension costs) was underspent by £37 million. £29.4m million relates to the MPS and reflected underspends across a range of areas, principally supplies and services where the MPS were able to generate efficiencies in digital and other areas as well a reduction in third party provision costs. Within MOPAC a large proportion of the underspend relates to the re-profiling of projects into 2022/23.

Overall, whilst the budget is described as balancing, this is after a £41.3m transfer to earmarked reserves. In effect, the outturn was a surplus of £41.3m.

The MPS and MOPAC monitor financial performance against revenue and capital budgets on a regular basis. Quarterly outturn reports are produced which are discussed at Portfolio Investment Board (PIB) and Management Board and detail outturn revenue and capital positions as well as use of reserves. Variances against budgets are investigated and reported within the outturn reports alongside updates on areas of concern as a result of significant under or overspends against budget. These reports provide appropriate financial context and information to support decision-making. We are satisfied that arrangements to monitor the in-year revenue and capital position are effective.

Financial sustainability

Budget setting and the Medium-Term Financial Plan

MOPAC and the MPS have worked together to produce a budget for the next financial year as well as an indicative budget to 2023/24. The budget was submitted on 26 November 2021 and was approved as part of the Mayor's Final Budget for 2022/23 on 24 February 2022. The revenue budget and medium-term financial plan for the next two years is set out in the table shown below.

	Budget 2022/23 £m	Plan 2023/24 £m	Plan 2024/25 £m
Total pay	2,988.9	3,097.6	3,147.6
Total overtime	150.5	149.4	149.3
Total running expenses	1,021.2	1,015.5	1,020.9
Capital Financing costs	147.5	126.4	124.2
Total expenditure	4,308.2	4,388.9	4,442
Other income	303.4	316.5	323.4
Discretionary pension costs	34.4	34.4	34.4
Total Structural & Non-structural gaps	249.2	296.4	351.3
Net revenue expenditure	3,790.1	3,810.4	3,801.7
Transfer to/from reserves	121.1	119.1	81.1
Financing requirement	3,666.1	3,691	3,720.3
Specific grants	624.9	623.9	619.4
Retained business rates	37.9	38.6	39.5
Share of Council Tax collection fund deficit	7.2	7.2	0
Home Office Police Grant	2,181.3	2,181.3	2,181.3
Council tax requirement	829.2	854.3	880.1

The plan shows an increasing council tax precept requirement rising from £829.2m in 2022/23 to £854.3m in 2023/24 and £880.1m in 2024/25. This is as a result of an anticipated reduction in specific grants and retained business rates.

The budget for the 2022/23 financial year shows a funding gap of £249.2m that increases to £296.4m in 2023/24 and then £351.3m in 2024/25. It is worth noting that the National Insurance (NI) uplift reversal effective 6th November 2022, has mitigated the long term funding implications of increasing employers NI from 13.8% to 15.05%. The additional NIC cost had represented £17.4m of the structural gap in 2022/23.

This 2022/23 funding gap is made up of a £62.2m structural budget gap and £187m estimated gap in funding to assist with the police officer uplift programme to recruit an additional 6,000 officers, however the amount of funding for these officers has become uncertain following recruitment challenges and high levels of attrition.

At present, budget assumptions are reliant on meeting the original recruitment target rather than the actual recruitment predictions. There is a risk that the Home Office may clawback Police Officer Uplift Programme (PUP) funding where those targets are not met. Some improvements to budget forecasts have been made as at Q2 2022/23, with MPS informing the Home Office that it will be circa 400 short of its PUP target recruitment this year and reducing its PUP grant by circa £21.5m. However our understanding is that recruitment has since fallen further, putting additional funding at risk, we have therefore raised an improvement recommendation to assess the feasibility of recruitment uplift in the context of the MTFP.

Whilst in the MTFP, management are including over optimistic assumptions around police officer numbers, we are however assured that at a management board level, there are arrangements to scenario plan based on a more realistic assumptions on police officer numbers. This is why we have assessed this as an improvement recommendation rather than a key recommendation.

Improvement recommendation

We are of the view that the MTFP is optimistic insofar as it makes the assumption that the MPS will recruit all of the officers to satisfy the PUP. Given where the MPS currently is in terms of recruitment, achieving the PUP target is not the most likely scenario. In the MTFP, whilst all of the costs associated with the PUP are included, no associated revenue from the grant is included. This therefore portrays both a misleading and unrealistic outcome for the future. Management should ensure MTFP assumptions are based on credible workforce plans and if this presents shortfalls, put in plans actions to mitigate the loss of funding.

Financial sustainability

Budget setting and the Medium-Term Financial Plan Cont.

MOPAC/MPS acknowledge there is an urgent need to address the funding shortfalls of the structural budget gap over the coming three years. They continue to seek efficiency improvements and savings, but since in excess of £1bn gross savings have already been delivered since 2012/13 it is deemed extremely challenging to close this budget gap by delivering yet more savings and efficiencies without reducing officer and staffing numbers. Despite this, the MPS have approved a saving target of £68.1m for 2022/23. Of this, at Q2 2022/23 £4.2m of identified savings are considered no longer deliverable, and savings of £2.8m have been identified as delayed and expected in future years, leaving £61.1m of the original savings planned to be delivered (compared with £62.7m at Q1). Whilst not at significant levels in comparison to the relative size of the overall spend at MOPAC and the MPS, the need to deliver savings and efficiencies is a recurring element of financial plans.

In our prior year Auditor's Annual Report we commented on the MPS' use of priority-based budgeting (PBB). We recognised this as good practice and a key arrangement to ensure expenditure remained sustainable and efficient. For 2021/22 however, the MPS did not make significant progress in their PBB exercise and the 2022/23 budget was largely a roll forward of the prior year budget with top-down adjustments. Given the significant changes at the MPS during the year and the extremely tight deadlines for annual budgeting, we appreciate that management would seek to consolidate and ensure stability at such a time. Going forward however, we recommend that the MPS do not lose sight of PBB and incorporate it into their future budgeting arrangements.

Improvement recommendation

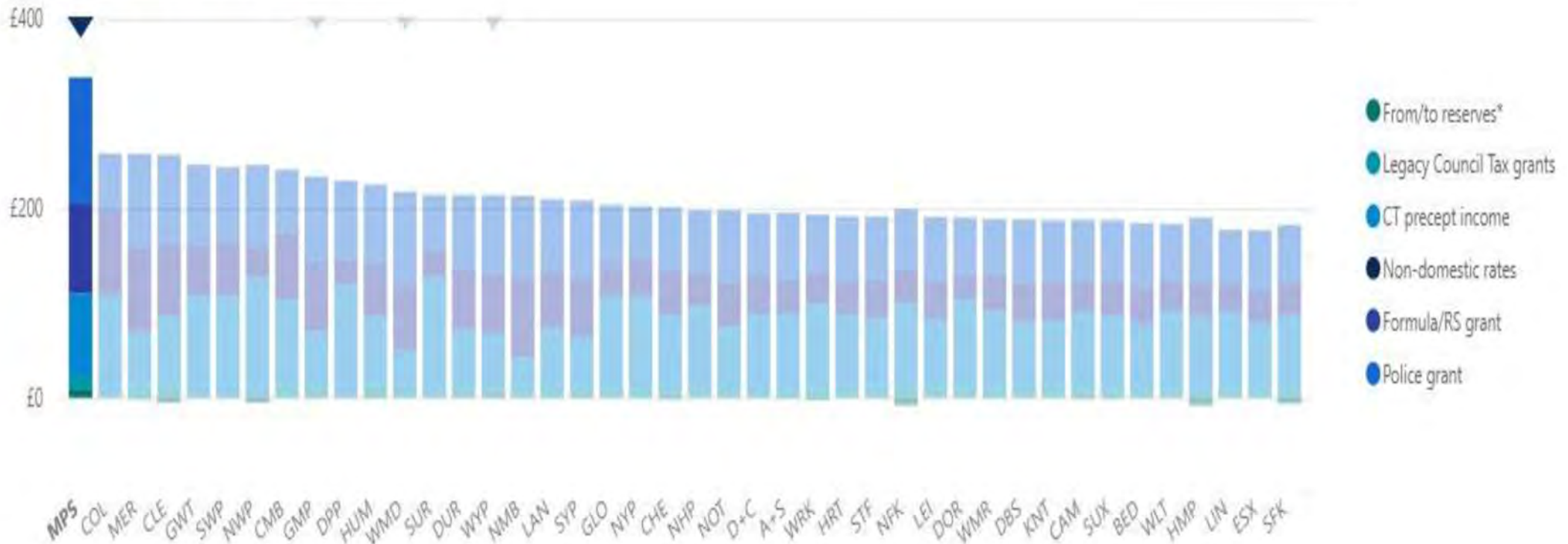
It is important that the MPS continue to revisit PBB as part of their budgeting and medium term financial planning arrangements. PBB is one of the tools the MPS can use to address the structural deficit it is in.

Financial sustainability

Fig 1. Finance (£ per population): Analysed by Source for 2021/22

Fig 1. notes the funding £ value per individual within the population with regards to 2021/22. As an international capital city, the MPS attracts the highest levels of funding.

Finance (£ per population) - by source



Source: Value for money dashboards - HMICFRS (justiceinspectorates.gov.uk)

Financial sustainability

Reserves

As at the end of the 2021/22 financial year, MOPAC's reserves stood at £576m split between £47m general reserves and £523m earmarked reserves. This is an increase from £572m of total revenue reserves recognised in the prior year. The increase in reserves mainly related to management of change programmes, managing future budget pressures as well as a range of operational costs falling in future years.

The 2022/23 budget reflects a £124m use of reserves of which £29.3m will be drawn down from the £118.6m of retained business rates income paid in advance by the Mayor in 2019/20 to fund the additional 1,000 police officers until at least March 2023. £39.8m of reserves is also being drawn down to support the balanced budget by using the 'managing the budget reserve'.

Fig 2 overleaf also shows the trend in transfer of reserves over the past nine years of the MPS. This shows that money continued to be transferred out of reserves up until 2019/20 where a large increase was transferred into MOPAC reserves. This was due in part to the retained business rates funding provided by the Mayor as well as safeguarding of reserves as the unknowns of the covid-19 pandemic started to impact on the economy.

We have previously commented on the level of reserves as a percentage of gross revenue expenditure which are historically within the top quartile of police areas in the country. The relative strength of the reserves balance provides some resilience in the current funding uncertainties, for example there are sufficient useable reserves to cover a worse than expected settlement and/or non-delivery of savings.

The current MTFP envisages a reduction in reserves to 2025 as they are used to support planned growth in officer numbers at the MPS to fund the police officer uplift programme, future transformation and manage funding challenges. This reserves strategy supports growth and change in line with longer term strategic priorities. MOPAC and the MPS are aware that there is a balance to be struck between supporting financial resilience with sufficient reserves as well as investing in growth. MOPAC and the MPS should continue to monitor the percentage level of adequate general reserves as it continues to enable growth and transformation in future years to ensure reserves do not dip to an unsustainable level.

Our assessment of the arrangements around reserves has identified two improvement recommendations. The first arises from the fact that the MPS are currently using revenue reserves to fund a structural deficit of the MPS. Whilst this may be appropriate in the very short term, continued use of revenue reserves to prop up the annual budget could result in the service becoming unsustainable in the medium term. The total amount of revenue reserves used to fund an underlying deficit is a matter of judgement but depending on your interpretation the value ranges from £40m-£60m annually. Going forward, the MPS and MOPAC must be transparent in their planned use of reserves, especially where it is funding a budget deficit. Savings plans must be put in place to address the structural deficit.

Improvement recommendation

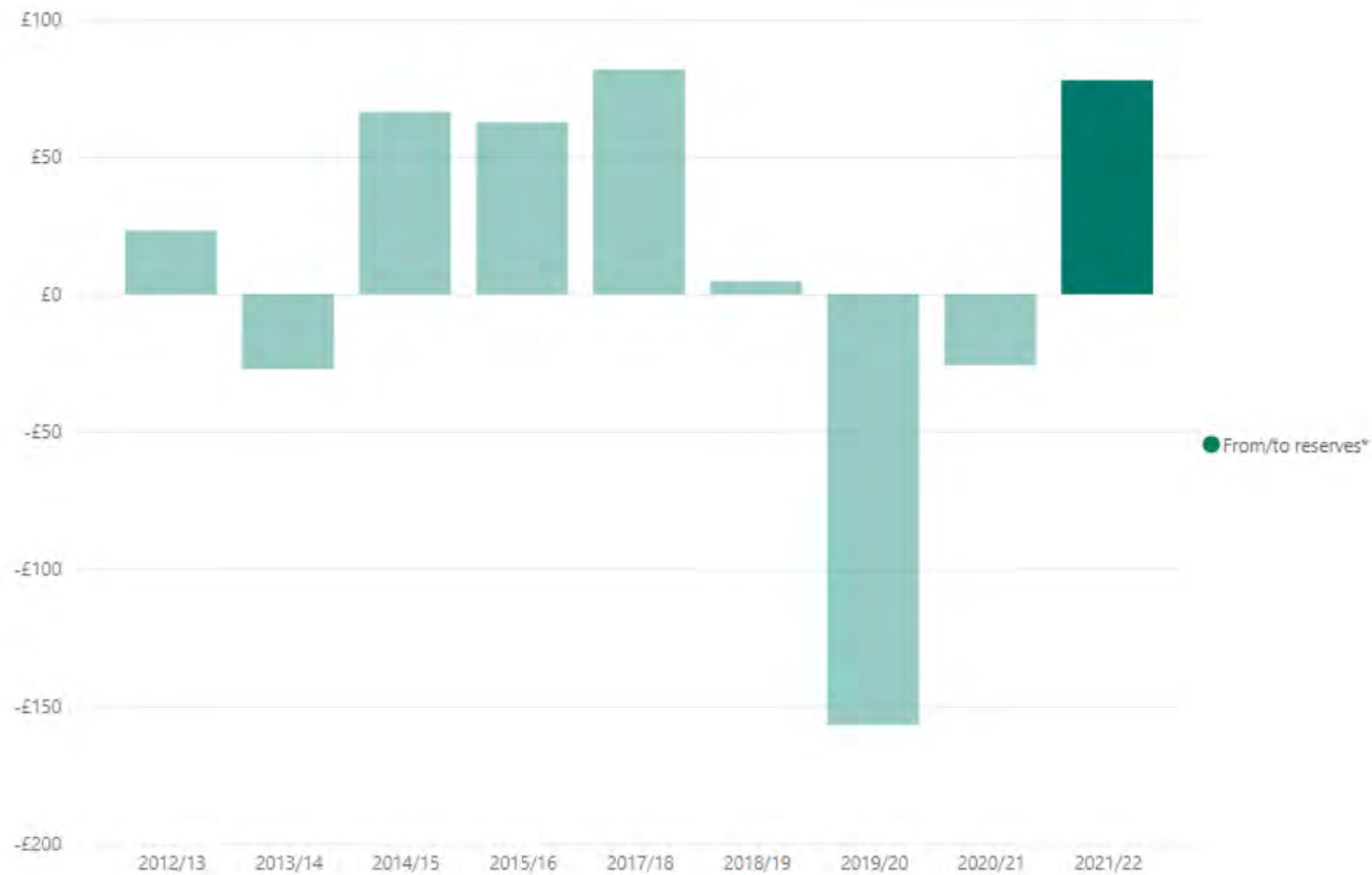
MOPAC should ensure it reports transparently on the planned use of reserves in its annual budget and the MTFP differentiating clearly where revenue reserves are used to fund a structural deficit and where they are used to pump prime one-off investments. Into the medium term, savings plans should be put in place to fund spend from in year revenue rather than from revenue reserves.

If MOPAC and the MPS continue to draw down reserves to fund an underlying deficit, we will consider issuing a key recommendation on the matter.

The second improvement recommendation that we discuss in more detail in the 'Governance' section relates to planned use of earmarked reserves going forward. See page 31 for more detail.

Financial sustainability

Fig 2. Total finance for Metropolitan Police (£m) Trend- To/From Reserves



Source: Value for money dashboards - HMICFRS (justiceinspectorates.gov.uk)

Financial sustainability

Capital

The capital expenditure outturn for 2021/22 was £247.2m against an approved budget of £271.8m therefore resulting in a £24.6m underspend (10% of 2021/22 capital expenditure). The variance was mainly attributable to an overspend of £20.2m in the Transformation Directorate (TD) and an underspend in the Property Services Directorate (PSD) of £10m. The underspend relating to TD is as a result of delays in the Command and Control project, delays in site surveys and underspends in projects relating to the Transforming I&P programme and delays in the Connect project.

The overspend relating to TD relates mainly to slippage and cost reductions of which the primary drivers as follows:

- £9.1m slippage against Command and Control due to project reprofiling
- £6.5m slippage against the Connect project due to project delivery delays
- £2.9m slippage on the Flexible Service Programme (which includes £1.1m slippage against Strengthening our Armed Policing Capability) due to revised delivery plan.
- £1.2m underspend against Programme 2 - Optimising Contact and Response.

The underspend relating to PSD relates mainly to Mission Critical Voice Spend being reprofiled to 2022/23 and delays in the C&C programme.

MOPAC has budgeted £450.4m of capital expenditure in 2022/23 decreasing to £305.6m by 2025/26. E.g. to invest in areas such as National Counter Terrorism Policing Headquarters (NCTPHQ), core capital essential asset maintenance activities, development and modernisation to ensure the MPS is fit for purpose and building it's capability to explore data and become more intelligence led.

Capital expenditure in 2021/22 was financed from:

- £66.1m of capital receipts
- £62.5m of capital grants
- £29.8m of direct revenue contributions

	2022/23 Budget £m	2023/24 Plan £m	2024/25 Plan £m	2025/26 Plan £m
Total expenditure	450.4	303.9	305.6	
Funding by Source:				
Capital Receipts	73.6	19.6	61.1	16.9
Capital Grants & Third Party Contributions	80.9	67.1	64.9	38.9
Revenue Contributions	48.9	35	17	
Unfunded (i.e. underlying need to borrow)	247	182.2	162.6	225.3

We have commented in previous reports that the opportunity to generate capital receipts by disposing of high value capital assets such as land and buildings is diminishing as the portfolio of the estate becomes smaller and officer numbers increase. This means that future capital plans are increasingly dependent on external borrowing to fund capital investment. In 2022/23 the underlying need to borrow is expected to rise to £247m which represents 55% of capital financing in 2021/22 rising significantly to 80% in 2025/26. In turn, increasing the cost of capital financing, which is funded from the revenue budget and as a result creates additional pressures on already stretched resources, crowding out revenue expenditure on operational priorities.

In the draft capital strategy (2023), forecasted capital spend between 2022/23 and 2026/27 is £1.4bn. Of this, £741m is unfunded which means that MOPAC would have to borrow to finance the acquisitions. This would increase MOPAC's long term borrowing from £286m (as at 31 March 2022) to over £1bn by 31 March 2027. This is a trend that is unlikely to change given the current capital grant funding from central government. At £1bn, financing costs hitting the revenue budget would increase significantly. With Public Work Loans Board (PWL) borrowing costs for a 20 year fix at circa 4.5%, the additional £741m borrowing would have a revenue impact of £33m. Management have included increases in financing costs in their MTFP but have not established a limit on total borrowing which is prudent and sustainable.

Financial sustainability

It is important to recognise that this is not a weakness in the arrangements of MOPAC, rather, it is a reflection of the current funding regime across all of Local Authorities. Whilst we are flagging the risk, from an arrangement's point of view, we do not assess there to be an improvement or key recommendation to make to the organisation.

Our prior year Auditor's Annual Report provided recommendations that the capital strategy should be refreshed to align with the Force's strategic objectives. We understand that MOPAC are in the process of finalising a revised capital strategy. It is important that this new strategy is a reset and not simply an extension of the capital programme. The strategy needs to provide the framework upon which decisions about capital are made which in turn ensures MOPAC invests in those things that contribute to its vision and priorities.

We note that the most significant areas of investment in the medium term includes capital expenditure for digital policing. Investment in this area is in line with strategic priorities to ensure the MPS are a digitally enabled police force. It is important to recognise the fact that many of the assets relating to digital technology will be short life assets with a useful economic life ranging from 3-20 years. Therefore borrowing over a longer period to fund the cost of a shorter life asset in comparison to the period of the loan may create additional revenue pressures that should be considered as part of financial planning for the medium to longer term. As the issue of capital also links into Governance, we have raised our improvement recommendation in respect of capital in the Governance section of this report.

Improvement recommendations



Financial Sustainability

Improvement recommendation 1

MTFP and police officer number assumption

We are of the view that the 2022/23 MTFP is optimistic insofar as it makes the assumption that the MPS will recruit all of the officers to satisfy the PUP. Given where the MPS was in terms of recruitment during 2022, achieving the PUP target was not the most likely scenario. This therefore risks portraying an unrealistic outcome for the future. Management should ensure that MTFP and budget assumptions are based on credible workforce plans and if this presents shortfalls, put in place actions to mitigate the loss of funding. We are additionally aware that the MTFP includes the full cost of recruiting a total of 6,000 additional officers (which is above the target associated with the PUP funding) by 2024/25, but showing the costs for the extra officers and not funding, represented as a 'non-structural gap' in the published budget. This therefore leads to a significant budget gap. Whilst this is explained in the budget submission, it serves to further complicate the assumptions applied in budget setting, when viewed externally.

Why/impact

Overly optimistic assumptions in the MTFP can result in finances being mismanaged and lead to unsustainable levels of expenditure.

Management Comments

The 2022/23 Police Pay budget was based upon the Workforce Plan and set on the assumption that PUP recruitment targets would be achieved, following successful recruitment in the two previous financial years. As it became clear in-year that application rates were falling and as a result targets would not be met, forecasts were adjusted accordingly and revised modelling undertaken to show the impact of reduced recruitment and the corresponding loss of grant, which was reported each quarter in the financial monitoring reports. For timing reasons the 2023/24 budget is set based on PUP targets and grant income although again, in-year modelling and forecasting will take account of the underspend on police pay and under-recovery of grant. For 2024/25 the pay budget is being reset and we will engage with the Home Office re the PUP grant in 2024/25.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations



Financial Sustainability

Improvement recommendation 2

Priority based budgeting

It is important that the MPS continue to revisit PBB as part of their budgeting and medium term financial planning arrangements. PBB is one of the tools the MPS can use to address the structural deficit it is in.

Why/impact

PBB is one of the tools the MPS can use to address the structural deficit it is in.

Management Comments

'A New Met for London' includes the commitment that the Met will deliver a robust efficiency programme to make good choices, at all levels of leadership, about how we use resources to best tackle threat, risk and harm, and to drive innovation and streamline processes. One of the tools to support the efficiency programme will be the use of priority based budgeting reviews.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations



Financial Sustainability

Improvement recommendation 3

Revenue reserves used to fund an underlying budget deficit

MOPAC should ensure it reports transparently on the planned use of reserves in its annual budget with the MTFP differentiating clearly where revenue reserves are used to fund a structural deficit and where they are used to pump prime one-off investments. Into the medium term, savings plans should be put in place to fund spend from in year revenue rather than from revenue reserves.

Why/impact

Where revenue reserves are utilised to fund a structural deficit beyond the short term, there is a risk of the reserve position becoming unsustainable in the medium term.

Management Comments

MOPAC accepts this recommendation. The level of MOPAC reserves is reviewed annually as part of the annual budget-setting process, and in-year as part of quarterly monitoring. The majority of MOPAC reserves are ear-marked for specific use, such as funding programmes of commissioned services across more than one financial year, or Mayoral Business Rates allocated in 2019-20 to fund 1,000 additional police officers. Given the scale of the financial gap in future years, MOPAC may need to use reserves funding to support, at least in part, a structural deficit – if this action is taken, it will be explained clearly and transparently in the budget narrative.



The range of recommendations that external auditors can make is explained in Appendix B.

Governance

-
- approaches and carries out the annual budget setting process
- ensure effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensure they make properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitor and ensure appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

Overview of Governance Arrangements

Within the police sector, the Police and Crime Commissioner and Chief Constable act as 'those charged with governance'. In London, it is the Mayor and Commissioner. The Mayor in his Mayor's Office for Policing and Crime (MOPAC) role has appointed a Deputy Mayor for Policing and Crime (DMPC) to whom he has delegated all functions that are not reserved to him. These include issuing a Police and Crime Plan (PCP), and functions in relation to the appointment and removal of senior Metropolitan Police Service (MPS) officers.

During 2021/22 MOPAC revised its oversight governance framework to better support the delivery of the new PCP and to ensure it was able to discharge its oversight and scrutiny responsibilities over the MPS (see Fig 3.). One of the key changes that came into effect at the end of 2021/22 was to split the oversight board into two. Part of the reason to split the oversight board into two was to ensure sufficient time and scrutiny was afforded to all of the key risk areas. There are now two oversight boards. The first focuses on performance and risk and the other focuses on finance, change and people.

MOPAC also discharge responsibilities to oversee the finances of the MPS through the Investment and Monitoring (IAM) meeting. IAM is used by the DMPC to oversee the MPS' financial investments and management of assets and ensure that all MOPAC investment is managed in accordance with the PCP and the aims and ambitions of the Mayor of London. In addition, the Commissioner meets the Mayor and DMPC fortnightly, and there are other one-to-one meetings with senior management. It is too early to say how effective the revised arrangements are, but the increased scrutiny is an improvement. We will review the approach in our 2022/23 audit.

Fig.3 Revised MOPAC governance arrangements



Governance

Monitoring and Compliance with Standards

The MPS' culture has been under significant scrutiny following a series of high profile incidents such as MPS officers taking inappropriate photographs of murder victims, the murder of Sarah Everard by a serving MPS officer and an MPS officer admitting to being a serial rapist. The Casey review into standards of behaviour and internal culture of the MPS is due to be published in 2023, but interim findings were made public in October 2022 and illustrate that work is needed to restore public confidence.

The MPS' governance improvement plan 2022/23 takes into account the trust and confidence issues in the MPS, and the HMICFRS Engage process (see page 46). The plan is monitored at Audit Panel. Management Board also have oversight of the MPS strategy and direction. Low figures for trust and confidence featured in performance reports for 2021/22 and these were discussed by the most senior officers at Management Board level at the time, with some actions taken but we haven't seen any evidence to show it was prioritised over other issues.

Standards of behaviour are monitored and challenged by the department of professional standards. The department has increased its establishment by 150 officers in the last year, the last tranche starting in role in January 2023. In October 2022, a new anti-corruption and abuse command was created to proactively seek out criminal officers and staff. Key messages on standards and expectations are published on the intranet pages. The department currently operate in a hub and spoke model, with a central team dealing with the most serious investigations, and borough based teams dealing with issues locally. It is more challenging to set unifying standards across teams spread over a wide geographical area and this is under review.

The MPS strategy was called the 'Met Direction' in 2021/22 with seven pillars outlining priorities. Whilst reference was made to 'what matters most to Londoners' and being a 'responsible, exemplary and ethical' organisation (amongst others) trust and confidence didn't feature as a standalone pillar within the strategy. The Met Direction was considered for review by the Management Board in November 2021 in light of the work being done on violence against women and girls, and rebuilding trust. The decision was made not to review it – but it was noted that more work was required to communicate the strategy both internally and externally.

Whilst we recognise that work was going on in 2021/22 to rebuild trust, it is clear that the arrangements to restore and rebuild trust were not fully effective during this period and trust in the MPS deteriorated significantly. The significant weakness being that the MPS had not put in place effective arrangements to bring together all of the relevant recommendations into a single thematic and a single overarching action plan. It is important to note that this significant weakness is limited to just the 2021/22 year as we have observed improvements to these arrangements in 2022/23.

Key recommendation

The MPS' arrangements to restore and rebuild trust and confidence were not fully effective in 2021/22. The MPS must bring together the findings of both external reports and internal findings and carry out a thematic to diagnose pervasive issues enabling it to put in place those transformative changes to effectively rebuild trust and confidence. Whilst the restoration of trust and confidence is a long term process, putting in place the necessary arrangements to facilitate that change is achievable in the medium term.

2022/23 update

Since October 2022, the new Commissioner has prioritised rebuilding trust and confidence. He has brought together all reports and recommendations to a new 'Turnaround Board' which we report on later. His new strategy is simply 'more trust, less crime and high standards.' He has emailed all staff to set out his expectations on standards of behaviour and continues to promote a strong message of reform.

Governance

Arrangements for vetting

The report into counter-corruption arrangements related to the Daniel Morgan Independent Panel was published in March 2022. It found that the force didn't know whether all those in sensitive posts – such as child protection, major crime investigation and informant handling – have been cleared to the level of vetting needed.

Moreover, in each of the two years prior to the Morgan review being undertaken, more than 50 people who had committed offences were allowed to join the MPS. Offences included theft, handling stolen goods and wounding.

In terms of the arrangements for vetting, the MPS reduced the number of staff in its vetting department from 70 in 2010 to 36 in 2019. In the last couple of years the numbers have been increasing again and the recruitment of an additional 88 in 2022 means there are now 156 staff in the vetting team. However, in 2021/22 there were only 68 members of staff to complete the vetting for the eligible c.40,000 officers and staff in the MPS.

There are now monthly senior leadership team meetings, and a bi monthly vetting board, with business partners and the Deputy Assistant Commissioner responsible for vetting. Reporting is detailed. Vetting expires after 10 years, and in October 2022 there were only 73 officers and staff in the entire organisation, with expired vetting which is a considerable improvement on the 181 in July 2022. There were approximately 1,000 in the pipeline being re vetted and new recruits cannot start without vetting clearance.

However, as highlighted in the Morgan report, when we requested some evidence of data in relation to the number of specialist staff with expired vetting, it wasn't readily available. We found that the revised arrangements don't cover specialised vetting.

We have also seen evidence of a policy change to extend all renewals due October 2022 to April 2023 by 12 months to give more time to re-vet staff and officers. This is subject to a basic check, but means that a higher number of officers and staff will be working with expired vetting clearance for an additional 12 months, which carries risk. In our view the arrangements for vetting need to be improved to mitigate the risk.

Key recommendation

We recommend that enhanced vetting of officers and staff in specialist roles should be considered in the same way as routine vetting, with data compiled, reported on and scrutinised to ensure compliance (as per the HMICFRS recommendation).

We recommend that there is increased investment in the vetting team to ensure that vetting renewals are managed more effectively and completed within the recommended 10 years.

Conclusion

Oversight arrangements by MOPAC of the MPS have improved following the re-structure, however MOPAC carries the risk of insufficient staffing to fulfil its oversight role.

Rebuilding trust and confidence in the MPS was a significant issue in 2021/22 and accurate and timely vetting of staff and officers form a part of that. Reinvestment is required to ensure risk is mitigated and the public can have confidence in the MPS.

Governance

Financial Scrutiny

The governance arrangements across MOPAC and the MPS to discharge financial scrutiny over decisions takes place at three levels. At the very top, for those decisions which exceed the scheme of delegation to the MPS, decisions are made by the DMPC. Decisions therefore go through the governance arrangements within Investment and Monitoring (I&M). This is MOPAC owned governance arrangement.

For the MPS, there are two levels of governance. The first is the regular Portfolio and Investment Board (PIB). This is a long standing board which is chaired by the Deputy Commissioner. Towards the end of 2021/22 and into 2022/23, MOPAC's Chief Executive Officer (CEO) began to attend this meeting in an advisory/oversight capacity. It is important to make clear that PIB remains solely an MPS governance arrangement, however, MOPAC's attendance better enables them to discharge oversight earlier in the decision making process.

The level below PIB is 'PIB level 2'. This was established in 2021/22 as an advisory board to PIB. Based on what we have heard during our interviews, 'PIB level 2' has been successful in rationalising and focusing the agenda of PIB. This is because all new business cases go through 'PIB level 2' first. Where the business case is simple i.e. an extension of an increase grant, 'PIB level 2' can make a decision within the scheme of its delegated authority. If however, a decision is deemed to be novel, contentious or of significant value, it is then recommended to go to PIB or IAM or both as appropriate.

Like PIB, 'PIB Level 2' is now attended by a member of MOPAC (the Chief Finance Officer). The benefits of this are that MOPAC are able to gather a lot more information by osmosis and therefore better discharge its oversight responsibility.

We also reviewed the arrangements to monitor and scrutinise transformation within the MPS. The reporting of transformation is now more streamlined with the top 25 programmes reported in a newly reshaped Tier 1 change portfolio. In 2021/22 there was not a consolidated portfolio of projects which made scrutiny more challenging. Notwithstanding the progress set out above, more can be done to better present the key themes and risks emerging in the summary of the report.

Performance on TD is reported at PIB with the opportunity to escalate to IAM. It is also discussed at the different project boards, which also now have MOPAC representatives in attendance.

Decision Making

Since the creation of MOPAC under the Police Reform and Social Responsibility Act 2011 there has been a Scheme of Delegation. This ensures that decisions are made at the lowest level consistent with efficient and effective decision making, whilst ensuring that MOPAC, the Deputy Mayor for Police and Crime (DMPC) and the MPS are properly protected (for the risks associated with being the individual held to account for all decisions made.)

As stated earlier, the Mayor has delegated all functions of MOPAC to the DMPC, with the exception of those functions that cannot be delegated. This means the DMPC can approve items relating to financial administration, expenditure, financial assistance and compensation, human resources, procurement, property and professional standards. The scheme of delegation outlines the approval method and approval limits which are delegated to DMPC, MOPAC Chief Executive and MOPAC Directors.

Governance

All decisions referred to the DMPC for approval have, as standard, a section on legal, financial and reputational and equality implications. This gives comfort that unlawful decision making is unlikely as legal advice has been sought for every decision.

The level of delegated authority to the MPS is £500k. For several years, this has been a point of debate between MOPAC and the MPS. From the MPS' perspective, £500k is too low a limit given annual expenditure exceeds £4bn. It means many 'business as usual' (BAU) decisions which are considered routine are required to go through full MOPAC governance for approval. The case put forward is that this leads to bureaucracy and diverts time away from those decisions which are high risk that do require that level of scrutiny.

As detailed earlier, the MPS has introduced 'PIB level 2' to alleviate some of the administrative burden, meaning not everything has to go to PIB even if it goes to MOPAC's IAM. We understand MOPAC are in the final stages of drafting a proposal which may change that scheme of delegation. MOPAC's attendance at PIB and 'PIB level 2' has certainly contributed to its confidence in MPS' processes and controls.

MOPAC's capital strategy

The CIPFA Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which forms the foundation of the authority's long term planning and delivery of its capital investment. During 2021-22, MOPAC did not have an up to date capital strategy. Given the advent of Covid, the Police Officer uplift and the new Police and Crime Plan, there is a need to refresh to capital strategy such that it aligns to the visions of MOPAC and the MPS and remains appropriate in the changing environment.

Whilst the capital strategy is outdated, MOPAC and MPS have continued to review and update the capital programme on a tactical basis. There remains effective oversight over the capital programme but there is a risk that existing and future capital projects do not contribute to the objectives and priorities of both organisations.

We understand that MOPAC are in the process of finalising a revised capital strategy. It is important that this new strategy is a reset and not simply an extension of the capital programme. The strategy needs to provide the framework upon which decisions about capital are made that ensures MOPAC invests in those things that contribute to its vision and priorities.

Improvement recommendation

MOPAC should set out a new capital strategy covering both the medium term and the forward 20-year vision.

MPS Executive redesign and the role of the CFO

In March 2021, CIPFA released updated guidance regarding the role of the chief financial officer in Policing. They are defined as a key member of the leadership team, who helps to develop and implement strategy and to resource and deliver the strategic objectives sustainably and in the public interest. In recognition of the centrality of financial issues to organisational success, it is UK government policy that all government departments should have a professional CFO reporting directly to the permanent secretary with a seat on the departmental board, with a status equivalent to other board members.

HM Treasury recommends that "It is good practice for all other public sector organisations to do the same and to operate the same standards". CIPFA interprets this as a recommendation to ensure that the CFO reports directly to the Police Crime and Commissioner (PCC) [i.e., the Deputy Mayor of London] or the chief constable [Commissioner of MPS] and serve as a member of the leadership team with a status at least equivalent to other members.

Present reporting arrangements within the MPS do not support this recommendation with the CFO of the MPS reporting to a Chief of Corporate Services rather than the Commissioner. The CFO is also not a full member of management board but attends in an advisory capacity only.

Improvement recommendation

With the MPS currently undergoing an executive redesign, we recommended that management should consider the best practice recommendation of CIPFA to ensure the CFO role has the prominence and authority to discharge their statutory function to their fullest extent.

Governance

Earmarked reserves governance

As at 31 March 2022, MOPAC held over half a billion of useable revenue reserves representing just under 12% of annual gross expenditure. The vast majority of these reserves are earmarked for specific purposes, many of which aligned to the previous 'Met Direction'.

The MPS is now transforming under the new Commissioner's mandate for reform. We understand the MPS is in the early stages of costing up all of the activities set out by the Commissioner to transform the MPS. This transformation will require a combination of one-off investments as well as recurring increases to specific budget lines. For the latter, the MPS will either need to attract additional funding or reprioritise existing spend. Where the transformation requires one-off investment, the MPS in conjunction with MOPAC, should first rigorously assess how it is deploying its useable reserves before seeking additional funding.

If priorities of the MPS have changed and that change requires investment, then there ought to be some shift in the way MOPAC deploys its reserves to pump-prime the transformation the MPS wants to make. This arrangement is key to ensuring Value for Money because revenue reserves are a scarce resource that can only be used once. Ensuring that the use of revenue reserves are aligned to the current strategy reduces opportunity cost and supports the much needed transformation of the MPS.

Improvement recommendation

Given the scale of transformation and reset in the MPS, revenue reserve should be reviewed and scrutinised to ensure their planned use and purpose is aligned to the new strategy.

The Police and Crime Plan

The Police and Crime Plan (PCP) sets out the Mayor's priorities in respect of ensuring the safety of London. For 2022-25 the priorities are reducing and preventing violence, increasing trust and confidence, better supporting victims and protecting people from being exploited or harmed [see Fig.4]. These were identified following extensive consultation and service user feedback.

One of the observations we have heard from all stakeholders in respect of the previous PCP is that whilst it reflected the priorities of London and Mayoral commitments it was not easy to translate those wide ranging obligations into a set of outcome based deliverables. Moreover, some of the previous PCP commitments involved engagement with and delivery by key partners who were not involved in setting the priorities.

MOPAC has learnt from this and as part of the 2022-2025 PCP, engaged with key stakeholders to get their 'buy-in' to commitments and priorities right from the start. Equally, the new PCP is less prescriptive, setting overarching priorities which provides flexibility to adjust to the ever changing challenges in London. The revised plan is more outcomes based and stakeholders believe it is more achievable, particularly given this PCP only has a three year term.

There are more partnerships involved and MOPAC has recently employed a new partnerships officer specifically to liaise with external partners. The Deputy Mayor chairs the Local Crime and Justice Board and there is now a regular teenage homicide partnership meeting which is well attended by senior leaders.

In our view, reducing the number of priorities in the PCP and making them less prescriptive is more likely to result in achievable outcomes that resonate with the public; this is an improvement on the previous PCP.

Governance

MOPAC governance

Based on our interviews with key management at MOPAC and the MPS, we have been told that the relationship between MOPAC and the MPS has improved going into 2022/23. As set out earlier, MOPAC officers are now attending MPS governance boards on a more regular basis that has engendered better working relationships. With more regular touch points, MOPAC officers are gathering more information and intelligence which can be used to discharge its oversight role better. The next step for MOPAC is how to adapt its processes to collate, share, analyse and utilise this new intelligence.

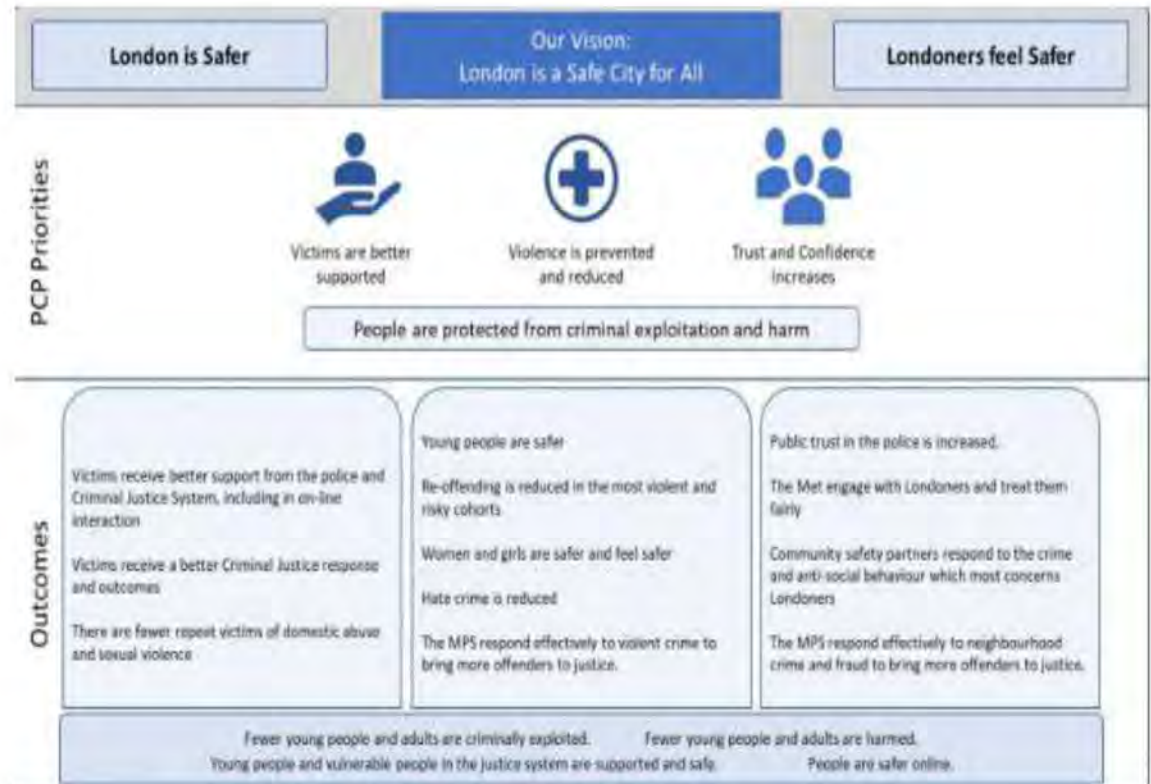
There is currently a big drive towards changing the culture; a more systematic way of reporting from meetings is under consideration and there is now recognition that often some of the best information comes from the most junior officers.

An emerging issue which MOPAC has highlighted is a risk around skills and capacity. MOPAC are running with a vacancy rate over 20% and if continued, this will limit the ability of MOPAC to deliver against the PCP and carry out its statutory duties in respect of oversight and scrutiny of the force. MOPAC currently has this on their risk register and are putting in place mitigations and actions to address it.

Improvement recommendation

MOPAC should make changes and additions to its arrangements to better collate, analyse and utilise the information and intelligence its officer's are obtaining from interactions with the MPS. The aim is to establish a holistic view of oversight and this will also require an element of cultural change.

Fig 4. Police and Crime Plan Visual



Police and Crime Plan Outcomes Framework

Governance

Monitoring and Assessing Risk

The risk assessment process starts with an annual review of all the significant corporate risks to the delivery of the MPS' objectives set by Management Board. These are monitored at least quarterly. There are two separate, comprehensive corporate risk registers (CRR) for MOPAC and the MPS. The registers set out the strategic and operational risks, the mitigating actions that have been put in place to manage those risks, and an assessment of the current status of the risk. Risks are mapped to corporate objectives and strategic aims. Departmental teams complete their own annual risk registers. The highest risks from these are also included in the CRR. Each area of business is expected to discuss risks regularly at its governance board where members should receive, review and act upon risk management reports. Each Borough Command Unit (BCU) should record significant risks to the achievement of their objectives and success criteria in a risk register. This includes information about the potential causes and consequences of the risk, a mechanism for prioritising actions, accountabilities and details of existing and planned controls which can be used to address the risk. A recent DARA audit concluded that in reality, the management of BCU risks is limited and made several recommendations for improvement.

Every risk is assessed and scored. Progress status is routinely reviewed, and any trend is identified (improved, worsened). The appetite for managing each specific risk is documented. The 'road to target' (to ultimately remove the risk from the register) is monitored quarterly. Risks are scrutinised and challenged at the monthly Governance and Risk working group meeting. They are then reported quarterly to the Risk and Assurance Board, and to the joint MOPAC/MPS Audit Panel.

The management of risk is guided by a framework and policy that is regularly updated. The CRR appears to be subject to regular review and challenge, and corporate risks are managed effectively within the framework – see Fig 5 for an extract of the MPS CRR.

Fig 5. MPS CRR December 2022

Corporate Risk Register - December 2022					Non-restricted slide
SHORT-TERM					
Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
1 H v H	↑	PEOPLE (Growth) Failure to meet FY 2022/23 growth target	Interim Director of Resources	T / HR Director	M v M
2 H v M	↔	IT ENABLED BUSINESS CHANGE Failure to successfully deliver CONNECT and Command & Control significantly undermining operational delivery	Chief Digital and Technology Officer	DAC Transformation	M v M
3 H v M	↔	STANDARDS Public confidence in policing in London is further undermined by the reality and perception of professional standards in the Met	AC Professionalism	DAC Professionalism	L v L

Governance

Monitoring and Assessing Risk Cont.

Fig5. Cont. MPS CRR December 2022

Corporate Risk Register – December 2022					Non-restricted slide
LONG-TERM					Risk Trend key - Improved (↓), Worsened (↑) or is Unchanged (↔)
Ref	Risk Trend	Risk Description	Risk Owner	Working Lead(s)	Target position
1 H v H	↑	PEOPLE Failure to attract, recruit and retain a diverse and representative workforce and support their progression within the organisation	Chief of Corporate Services	T / HR Director	M v M
2 M v H	↔	CAPABILITY Failure to ensure our workforce is appropriately skilled to deliver effectively in a changing environment	AC Professionalism	Director Learning	L v L
3 VH v M	↔	PEOPLE (Competency / Capability gap) The level of inexperience or lack of confidence alongside stretched or the lack of supervision leads to service failures	AC Frontline Policing	Commander Local Policing Head of HR Service Delivery	M v L
7 M v M	↔	TECHNOLOGY Lack of a clear roadmap and sufficient capabilities at all levels means we don't fully exploit digital and data	Chief Digital and Technology Officer	Digital Policing Directors Director Strategy & Governance Transformation Director Director of Commercial Services Heads of Profession	L v L
8 M v L	↔	CRIME PREVENTION Insufficient and ineffective crime prevention fails to prevent victimisation and undermines community confidence in policing	AC Professionalism	Head of Profession – CP, Inclusion & Engagement	L v H
9 M v H	↔	PUBLIC & LOCAL ENGAGEMENT Our diversity and inclusion initiatives, communication and engagement activities do not have the positive impact sought in raising confidence amongst Black communities and other groups where a confidence gap exists	AC Professionalism	Head of Profession – CP, Inclusion & Engagement	M v M
10 VH v VH	↔	LEGITIMACY Legitimacy in the Met is undermined by a range of internal and external factors	Commissioner	AC Professionalism	M v M
11 M v M	↔	CYBER A lack of appropriate security controls could lead to a compromise in confidentiality, integrity, accessibility of our IT systems and the data therein	Chief Digital and Technology Officer	Head of Security Delivery & Secure Architecture	L v L
12 H v H	↑	CRIMINAL JUSTICE Inability to influence external issues related to Criminal Justice system leading to sub-optimal performance	AC Met Ops	Cmdr Criminal Justice	M v M

Improvement recommendations



Governance

Improvement recommendation 4

MOPAC Capital strategy

MOPAC should set out a new capital strategy covering both the medium term and the forward 20-year vision.

Why/impact

Given the advent of the pandemic, the police officer uplift and the new Police and Crime Plan, MOPAC must refresh its capital strategy to ensure the framework upon which capital decisions are made align to its vision and the requirements of policing in the future.

Management Comments

MOPAC accepts this recommendation and will refresh its capital strategy as part of 2024-25 budget setting.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations



Governance

Improvement recommendation 5

Role of the MPS CFO

With the MPS currently undergoing an executive redesign, we recommended that management should consider the best practice recommendation of CIPFA to ensure the CFO role has the prominence and authority to discharge their statutory function to their fullest extent.

Why/impact

The CFO role is an important role with statutory functions. The role of the CFO is more effective if the role has the authority and prominence within the organisation.

Management Comments

We have fully considered CIPFA guidance when designing our executive structures, roles and governance models which take into account the mechanisms needed to ensure that the CFO is able to discharge their statutory responsibilities. Under the current arrangements, the CFO has direct access to the Commissioner on a 1 2-1 basis and is able to meet more regularly as the need arises to ensure that they have the access, oversight and control required to fulfil their statutory responsibilities. They are a member of all relevant governance meetings and Boards, and attend all Management Board meetings to ensure there is appropriate scrutiny, advice and oversight to all material financial decision making. We will ensure that the annual governance statement clearly explains how our arrangements meet the CIPFA requirements that the CFO can bring influence to bear on all material business decisions and have direct access to the Commissioner, other leadership team members, Audit Panel and internal and external audit.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations



Governance

Improvement recommendation 6

MOPAC's arrangements in relation to reserves

Given the scale of transformation and reset in the MPS, revenue reserve should be reviewed and scrutinised to ensure their planned use and purpose is aligned to the new strategy.

Why/impact

As at 31 March 2022, MOPAC held over half a billion of useable revenue reserves representing just under 12% of annual gross expenditure. The vast majority of these reserves are earmarked for specific purposes, many of which aligned to the previous 'Met Direction'.

If priorities of the MPS have changed and that change requires investment, then there ought to be some shift in the way MOPAC deploys its reserves to pump prime the transformation the MPS wants to make.

This arrangement is key to ensuring Value for Money because revenue reserves are a scarce resource that can only be used once. Ensuring that the use of revenue reserves are aligned to the current strategy reduces opportunity cost and supports the much needed transformation of the MPS.

Management Comments

MOPAC accepts this recommendation. The level of MOPAC reserves is reviewed annually as part of the annual budget-setting process, and in-year as part of quarterly monitoring. As part of 2024-25 budget-setting, MOPAC will review each earmarked reserve to identify opportunities for re-prioritisation, subject to approval by the Deputy Mayor of Policing & Crime.



The range of recommendations that external auditors can make is explained in Appendix B.

Improvement recommendations



Governance

Improvement recommendation 7

MOPAC's arrangements in relation to oversight

MOPAC should make changes and additions to its arrangements to better collate, analyse and utilise the information and intelligence its officers are obtaining from interactions with the MPS. The aim is to establish a holistic view of oversight and this will also require an element of cultural change.

Why/impact

More effective methodology will lead to more efficient and effective scrutiny.

Management Comments

MOPAC accepts this recommendation. MOPAC is refreshing its oversight arrangements in light of the Casey findings, including establishing the London Policing Board. This will include developing closer feedback loops from partners and community scrutiny mechanisms to inform our oversight activity, and exploring opportunities for improving the way we use information and data to inform oversight. We are also reaching out to other PCCs offices and the wider public sector (including NHS) to identify good practice that we can use to inform the new arrangements.

This builds on work which has already been done over the previous 12 months to improve how MOPAC coordinates and drives work around oversight in a more strategic fashion. For example, a central repository has been created for all MOPAC staff to feed in information. The Oversight Analysis Meeting then considers that feedback, as well as wider data, and highlight areas of concern which should be raised at a more senior level. The Oversight Coordination Meeting, chaired by the Director of Strategy and MPS Oversight, then determines the best means to that being raised with the MPS and makes recommendations to DMPC and the CEO about the items which should be covered at their bilateral meetings with MPS Board Members and at formal Oversight Boards. This internal governance will continue, and be strengthened, under the new London Policing Board structures.



The range of recommendations that external auditors can make is explained in Appendix B.

Improving economy, efficiency and effectiveness



We considered how MOPAC and the MPS:

- use financial and performance information to assess performance to identify areas for improvement
- evaluate the services they provide to assess performance and identify areas for improvement
- ensure they deliver their role within significant partnerships and engage with stakeholders they have identified, in order to assess whether objectives are being met
- where they commission or procure services assess whether they are realising the expected benefits.

Performance Monitoring

Key Performance Indicators (KPIs) for the MPS are monitored through the mechanism of the performance framework, which outlines a set of key performance metrics agreed by the Management Board. The aim of the framework is to measure the MPS' success in delivering the its strategy. In 2021/22 the strategy was the Met Direction; setting out seven pillars reflecting the priorities of the organisation:

- What matters most to Londoners.
- Mobilising partners and the public.
- Achieving outcomes.
- Data and digital opportunities.
- Care for each other.
- Learn from experience and responsible.
- Exemplary and ethical.

Each pillar had an owner responsible for delivery, and the performance framework sets out aspirational targets for improvement.

Performance is reported and published quarterly within the MPS' intranet for employees to access and view. Performance is also published on the MPS website for the public to view. The performance board meets regularly to review and monitor the organisations performance as well as identify areas for improvement. Quarterly performance reports are also discussed at Oversight Board meetings between the Mayor, DMPC, Commissioner and Deputy Commissioner who will also monitor and challenge performance.

Performance is regularly benchmarked against other similar forces. A recent example is a comparison to Humberside Constabulary to review call data, as Humberside received an outstanding grade when the MPS was found to be inadequate. Every business case application requires benchmarking to be done against costs, performance, method etc. Vfm profiles and crime data is also used to compare with other forces.

We believe the MPS performance monitoring arrangements require review given that HMICFRS consider there has been insufficient improvement to the extent additional monitoring and governance arrangements are now in place.

The new Commissioner is in the process of writing a new strategy and accompanying performance framework. His aim is to be more data rich, and have daily data that can inform decision-making. He has also set up a Turnaround Board which reports directly to the Management Board. Membership of the Turnaround Board is made up of representatives from external organisations such as HMICFRS, the College of Policing and Independent Office of Police Complaints. Its focus is on building trust and confidence, driving change, streamlining recommendations (from all reports) and making improvements, reviewing current working practices, communicating effectively and sharing good practice. It is the place where all reports will be discussed and recommendations prioritised and we follow this up in our work in 2022/23.

Improving economy, efficiency and effectiveness

Data

In 2020/21, we made a recommendation for the MPS to improve data quality by providing further education to the wider organisation, and focusing on individuals to ensure inputs are right first time. We recommended investing in data checking to ensure errors and omissions were identified and amended appropriately in a timely way. The response has been positive; the MPS has since invested in its data quality team, increasing its resources. Regular measurement of Data Quality both by selected core systems and highlighted data entry themes is now in place as part of the Year of Data Quality initiative. Further work is planned across the Data Office to incorporate all existing data quality measures into a single set of metrics under Data Foundations. This coupled with the data sourced from CONNECT (the new fully digitised criminal justice computer system) will maximise the value from data. In the second half of 2022, a new Data Science Team was also set up within the Data Office to assist in gaining maximum value from data sets.

The Year of Data Quality thematic programme of work focused on different elements of data inputting each month, to encourage better quality and less errors. This has resulted in a 41.2% reduction in errors on crime reports since January 2022 (see Fig.6)

An independent (data) maturity assessment was also carried out in 2022 which showed that whilst there has been improvement, there is still a requirement for further investment in skills, roles and technology. The new Commissioner has made data quality and data management a priority for 2022/23 and we will review progress in 2022/23.

Fig 6. Graph illustrating total victim errors 2022



Improving economy, efficiency and effectiveness

Transformation

For several years, we have reviewed the arrangements in the Transformation Directorate and each of those arrangements continue to mature. One of our long standing observations, and one also raised in the Mary Calam review of how the MPS manages organisational change, was the maturity of arrangements to facilitate and promote change below the programmatic level. TD had become a victim of its own success insofar as it was running more projects and programmes than it was initially set up for.

As part of our work this year, we have observed significant progress in the arrangements to monitor, facilitate and organise change at the level below TD. The new 'Enterprise View of Change' and a software system launched in March 2022. Together, they enable the MPS to identify and monitor the 200+ change projects happening across the organisation at the level below TD. This new system allows TD to have oversight of change across the organisation. This feeds into the new strategy providing an opportunity to reframe and review, with TD checking projects to see if they still offer value for money and are aligned with the strategic direction.

We have also seen change at the TD level as well. Reporting has been streamlined to cover the 25 highest risk programmes only, giving a more structured and effective consolidated view. Projects are considered at the Portfolio and Investment Board, overseen by MOPAC and can be escalated if necessary.

We are satisfied that the arrangements in place at MPS to facilitate change and transformation have improved since 2020/21. There remains however the risk around skills and capacity which has been a long standing observation of ours. This is a risk that the MPS are fully aware of and put in place actions to mitigate, although recent events in terms of the behaviour of officers and staff mean this risk is one that requires increased attention.

CONNECT

As part of our risk assessment and planning work, we identified a risk of significant weakness around both CONNECT and Command and Control. This is because at the time of carrying out our planning work, we became aware of delays in both of the projects and were concerned that benefits were being eroded and there was a realistic chance that the projects would be aborted. As part of our work to respond to this risk we have conducted a series of interviews with relevant officers and reviewed key documents.

CONNECT is a large integrated technology platform consolidating nine legacy systems into one. CONNECT is a key enabler for the MPS to achieve its objective of digitalising the MPS. CONNECT will provide the MPS with a powerful data set which it can then use operational to improve policing in the capital.

The implementation of the CONNECT system was scheduled to start in 2021, however due to Covid-19 there were delays, with the project start date was pushed back to November 2022. Phase one was successfully launched in November 2022.

The MPS also put in place arrangements to provide them with assurance over the arrangements of the project. This included the MPS commissioning several external reviews of the CONNECT project and they all reported on the project positively. A decision was taken by MPS management to split implementation into two drops to de-risk the change. This was done based on lessons learned from other forces. Officers and staff have been trained, with super users receiving double the training available across the organisation for support.

Having performed our review over the arrangements around the CONNECT project, we are satisfied that there is no risk of significant weakness in terms of our VfM work under the NAO Code.

Improving economy, efficiency and effectiveness

Command and Control.

Command and Control (C&C) is another large programme which will integrate local, specialist and central command services to allow the MPS to flex resources dynamically to meet the needs of London and to mobilise and respond to operational policing challenges. C&C was scheduled to be implemented in April 2022 but the project has been red risk rated for several years.

The C&C project is in fact the MPS' second attempt to deliver a new Command and Control solution. In 2017, the MPS took a decision to abort the first C&C project as a result of having no confidence in the ability of the supplier to deliver. The abortive costs of the first C&C project was circa £60m although the MPS did pursue legal compensation from the supplier to mitigate this. Given then the history of C&C and given its red risk rating, we identified the arrangements to monitor and deliver C&C as a risk of significant weakness.

Lessons had been learnt from the initial procurement. For example, in this second procurement we have observed evidence that the MPS have been more specific in the scope of the design which was an issue in the first procurement. Moreover, the C&C project also goes through the full governance of TD and its processes for programmatic change.

As part of our review this year, we have updated our understanding and reviewed the underlying project arrangements. In 2022, as a result of the delays and growing costs – the MPS management board received information and evidence upon which to make a decision as to whether to terminate the contract, reprocure or continue with C&C. Having reviewed the options, the management board took the decision to continue. The fact management board was having to make such a decision is evidence of how challenging delivering C&C had become.

By 2022, the delay to C&C was considerable. Having decided to continue with the project, the forecast go-live date was pushed back to Q2 of 2024. This is a 2.5 year delay to the initial go-live date. Whilst the delay is resulting in increased cost (as discussed below), the most pressing issue is an operational one.

The Command and Control system is one of the most important IT systems for any effective police force. It supports call handling as well as the dispatch of officers. The MPS are currently using an IT system that is decades old which is very expensive to maintain and keep running. Aside from the cost, older systems that have come to the end of its life are more prone to faults and falling over.

In terms of the rising cost, the full business case (FBC) for C&C was £235m for its entire life. A recent forecast has seen this entire life cost increase by 35% to £319m. A table of this forecast is set out below. Whilst we have been assured by management that the £319m project is a worst case scenario, we meet this with some scepticism given that the MPS suffers from optimism bias when it comes to capital investment – something we reported on in the prior year.

Fig 7. Projected costs for C&C

TCO Excl Contingency £'000	Total £'000	FBC £'000	Var £'000
Total BaU	142,839	125,617	17,222
Total BAU Capital	-	12,000	(12,000)
Total BAU	142,839	137,617	5,222
Total Project Capital	161,800	97,362	64,439
Total Project Revenue	14,482	-	14,482
Total Project	176,282	97,362	78,920
Total TCO	319,121	234,979	84,142

Improving economy, efficiency and effectiveness

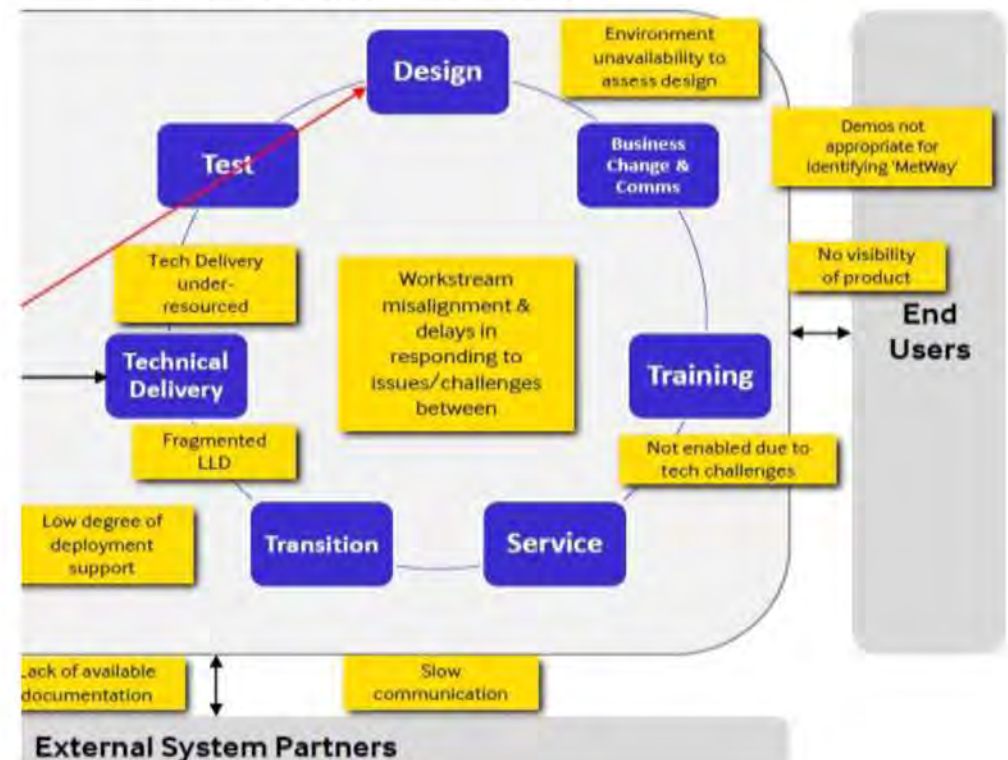
As part of our work we reviewed the underlying project management evidence that provides financial governance and oversight over C&C. In documents we have reviewed we found some evidence of challenge in relation to the project timelines and associated cost, but we have found limited documentary evidence of further scrutiny and procurement methodology. At the individual line level, arrangements were not effective in driving value for money. Owners of individual cost lines were not providing sufficient assurance to the project manager around costs. The arrangements for financial governance of C&C were less mature than those for CONNECT during 2021/22.

Whilst we have seen some improvement in arrangements during 2022/23, more work needs to improve the arrangements around financial governance. We are concerned by the high variance in project costs, particularly given the further delay; £84m is the forecast additional cost to the MPS over the life of the project and there is still scope for this to increase. Consultants from EY, Accenture, Capgemini, Moorhouse, Chaucer and others are working on different aspects of the project with limited evidence of scrutiny and accountability for their outputs. The spiralling costs and limited scrutiny gives rise to a key recommendation.

Fig 8. shows a graphic completed by the company carrying out an external review of the C&C project in February 2022. The findings show slow communication, a lack of documentation, no visibility of the product, workstream misalignment, and others.

One of the key changes we have seen in 2022/23 has been the relationship between the MPS and the main supplier. At the very highest level, there is better dialogue between both of the parties and there is a real commitment from both sides to deliver this project.

Fig 8. Findings of an external review into the Command and Control Project – February 2022



Key recommendation

The MPS must improve its arrangements around financial governance over the C&C project. This includes getting a better grip and control over individual cost lines and providing challenge and scrutiny over contractor spend.

Improving economy, efficiency and effectiveness

Fig 9. Graphic from FMS to show assessment of MPS status

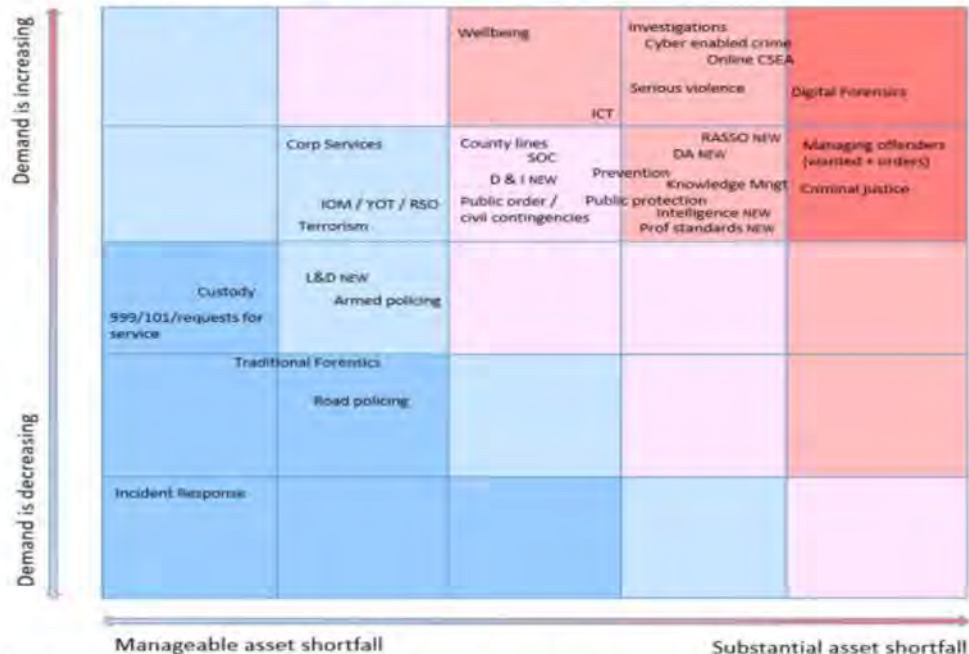
Call Demand

In September 2022, His Majesty’s Inspectorate of Constabulary published its latest inspection report of the MPS. The MPS was given the worst possible rating for ‘responding to the public’ and was found to be inadequate. ‘The force needs to improve how it answers calls for service and how it identifies vulnerability at the first point of contact’ was identified as a cause of concern, and the force was given 6 months to improve.

Within 6 months, the report said the MPS should improve the process for risk assessing callers to identify those that are vulnerable or at risk; make sure that repeat callers are routinely identified; and make sure that call takers give good advice on the preservation of evidence and crime prevention. Within nine months the force should: make sure emergency calls made to the force are answered promptly; and make sure it can answer a larger proportion of non-emergency 101 calls so that caller attrition levels are reduced and kept as low as possible. Many of the calls to the MPS are inappropriate; members of the public have dialled 999 to report spilt milk for instance. But they still need to be managed. The MPS are also constrained by outdated technology which leaves the Command and Control directorate (MetCC) ‘hamstrung’ until the introduction of the new command and control system.

The MPS Force Management Statement (FMS) covers the period from February to June 2022. The FMS Board Assessment map (see Fig9), showed that incident response was manageable with demand decreasing a direct contradiction of the inspection findings. The pie charts overleaf (Fig10) show the number of 999 calls that took over a minute to answer has not changed in the year to November 2022. The MPS has been unable to answer why the data is so contradictory. We recommend that data for MPS CC is considered a priority, and additional resource is provided to analyse the data and produce performance packs that are widely

FMS 2021 Board assessment



Having considered the findings of the FMS, we acknowledge progress made through productivity, transformation and additional resources (most visibly in the positive changes in our response to violent crime, and investigation). The list below highlights some of the points we took into account.

Incident response

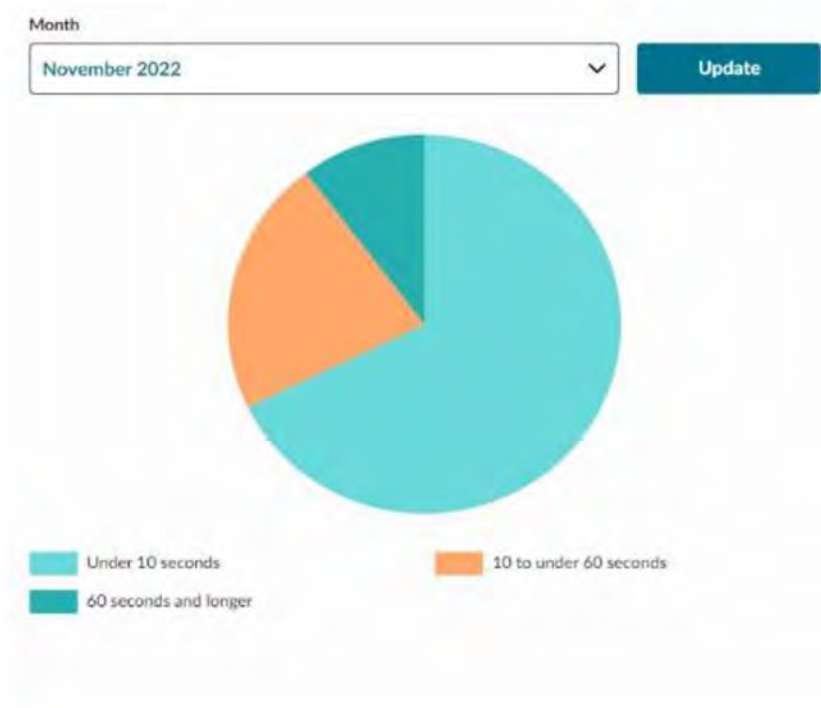
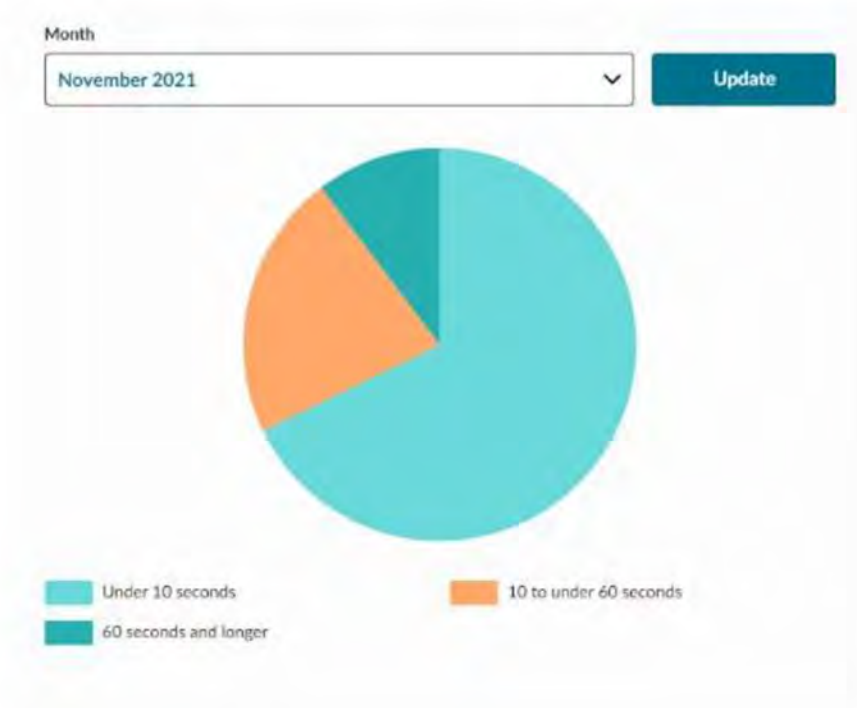
During 2020 we have deployed to relatively less I-calls, creating capacity for more S-calls deployment. Response time performance is relatively good. However demand trend is declining since 2013 (noting that demand is influenced by our deployment policy). The data does not evidence asset shortfall. The MPS is in a strong position to respond to future incident demand.

999, 101 and other requests for service

During 2020 demand has been down; 999 underlying trends remains upwards. 101 has been more manageable since interactive voice recognition (IVR) was implemented, whilst our expansion of digital channels has brought in increased demand. Flexing capacity rather than lack of capacity has traditionally been the issue – and there remains a pressure on overtime. This will need to be managed in the short term, as the area will receive considerable investment through the Command & Control transformation of the operating model which will help us manage demand more efficiently.

Improving economy, efficiency and effectiveness

Fig 10. Pie charts illustrating time taken to answer calls to MetCC



Improving economy, efficiency and effectiveness

Call Demand Cont.

Responding to the HMICFRS findings from September 2022 will take time, but there is already progress being made. The MPS now has a comprehensive plan in place. Staffing across Met CC had been allowed to reduce considerably. A recruitment campaign has now successfully recruited a number of staff to fill vacancies and restore the teams back to establishment. An additional £5m internal funding enabled the recruitment of a number of extra permanent posts to offer resilience. Regular training days have been introduced to get the staff 'back to basics' and a quality assurance team has been set up to QA call handling and ensure the recently mandated THRIVE vulnerability assessments for all crime reports, are carried out. THRIVE is a mnemonic to assist officers and staff to complete risk assessments and stands for threat, harm, risk, investigation, vulnerability and engagement. Levels of sickness have been reduced from 16% to 12% and shift patterns are being reviewed to reduce the number of flexible work patterns in Met CC leading to more consistent supervision and high standards.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services PEEL Report

For over 160 years, HMICFRS has independently inspected and reported on the efficiency and effectiveness of police forces across England, Wales and Northern Ireland.

Following serious concerns raised from its most recent inspection of the MPS published in September 2022, the decision was made to put the MPS into the 'Engage' process of monitoring. This gives the force greater access to assistance from HMICFRS, the College of Policing, the Home Office and other law enforcement agencies to make improvements. Overall, the MPS was rated inadequate in one area, requiring improvement in five areas, adequate in two and good in just one area. The report was published in September 2022, and in addition to those already discussed it highlighted a number of concerns including;

- The quality of the investigation of crime is improving, but supervision isn't always effective
- The force should improve its understanding of its demand and of the capability, capacity and skills of its workforce.
- In March 2022, an inspection of the MPS's counter corruption arrangements and other matters related to the Daniel Morgan Independent Panel described a range of systemic failures. These were not just in relation to counter corruption but more general matters too, such as the quality of basic supervision provided to officers.

The majority of the findings of the report relate to operational policing matters. However, this has an overarching impact on MOPAC in its role as the elected representative of Londoners and how it holds the Commissioner to account to ensure the strategic objectives of the Mayor's Police and Crime Plan are implemented. The majority of financing decisions and planning are also completed across both MOPAC and the MPS with the finance departments needing to understand the demand drivers and areas of investment required to address the concerns.

The MPS has responded publicly to the report and will now be under continued review by HMICFRS. In 2021-22, some of the issues highlighted by HMICFRS were not new to the MPS and the MPS had failed to make sufficient progress and in some cases regressed. The systemic issues highlighted in the Morgan report have been present for a number of years and as already discussed, MetCC had been allowed to continue on reduced staffing without training or adequate supervision for some time. By 2021 22 the arrangements to respond to HMICFRS were inadequate.

Improving economy, efficiency and effectiveness

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services PEEL Report Cont.

In light of being placed into 'Engage' we identified a risk of significant weakness as part of our risk assessment and planning work. Our detailed work in this area has confirmed that this risk crystallised insofar as the MPS did not have adequate arrangements to respond to the findings of HMICFRS. Staffing numbers had been allowed to fall in Met CC, sickness levels were high and standards were not being met. Data reporting was questionable. Systemic failures highlighted in the Morgan report had been around for some time. As a result, we have made a key recommendation – see below.

Key recommendation

The MPS should put in place arrangements to review the findings of HMICFRS and put in place those necessary changes to respond. The suite of actions to respond to HMICFRS need to be funded and resourced appropriately to ensure the change is delivered.

2022/23 progress

In the last 6 months there has been considerable improvements in governance arrangements. Plans are gaining traction and improvements can already be seen. As well as the MetCC improvement plan, the new Commissioner has set up a Turnaround Board with external representatives to help quality assure, improve thinking and prioritise plans. It is the place where all reports will be discussed and recommendations prioritised. His new strategy and campaign of 'more trust, less crime, higher standards' to turn the MPS around has been widely publicised.

Conclusion

There has been an investment in the data quality team, and the management of data in crime recording has improved since our recommendation was made in 2020/21. But there are still data issues. The C&C project is in danger of costs spiral out of control due to lack of scrutiny, and the management of call demand needs to improve to ensure the MPS is providing an effective service to the public. Both would benefit from a more data rich picture to allow managers to make more informed decisions. Prioritising this would also support the MPS to respond more effectively to the HMICFRS findings.

Improvement recommendations



Improving economy, efficiency and effectiveness

Improvement recommendation 8

Your arrangements in place to monitor and manage demand for service

The FMS opinion on demand for service was in direct contradiction to the findings of the latest HMICFRS report which said that the force was inadequate in providing a timely call handling response. We recommend that data for Met CC is considered a priority, and additional resource is provided to analyse the data and produce performance packs that are widely understood.

Why/impact

The force has been told it needs to improve its response to the public but until it fully understands its own data it will be unable to show improved performance. Consistency is required across the organisation to ensure that performance is measured accurately and can be prioritised accordingly.

Management comments

We have accepted the recommendations made by HMICFRS and plans are taken forward through the MetCC Improvement Programme with reporting through to the Turnaround Board.

Progress made to date includes:

- Investment in MetCC capacity is paying off: increased % of 999 calls answered in 10 seconds from 57.3% in June 2022 to 71% in March 2023.
- Can now identify the top 20 individual repeat callers at any point, to recognise potential repeat victims.
- Improving our call handling system so it mandates completion of Thrive+ before a call can be closed.
- Using precise data tracking to improve first response to VAWG.
- Commissioned end-to-end review into victim care, engaging with victims from across London to improve service from call to trial.

However, we continue to experience significant demand risk. If the 999 demand we are experiencing continues, we risk not being able to meet the service level required. Demand into MetCC has continued to increase, 999 call volumes are up by 10 – 15 % when compared to the same months last year. We are regularly experiencing record levels of emergency calls – over 9k per day, which has only ever been seen previously on NYE and Major Events. The introduction of 'In Vehicle Technology' and more sophisticated SOS systems in handheld devices and watches that trigger 999 auto dials, has seen the number of mistaken calls increase to record levels. These are routed automatically to police and our protocols to handle these take c6 mins per call. This has on some days accounted for over 2.5k calls per day. We are running online media campaigns to educate the public on when to call 999 as we continue to despatch officers to only c30% of our demand.

The range of recommendations that external auditors can make is explained in Appendix B.

Opinion on the financial statements



Audit opinion on the financial statements

We gave an unqualified opinion on both MOPAC's and the MPS' financial statements on 18 November 2022.

Audit Findings Report

More detailed findings can be found in our Audit Findings report, which was communicated to the Deputy Mayor of Policing and Crime and the Commissioner of Police of the Metropolis in November 2022.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the MOPAC and the MPS. This work includes performing specified procedures under group audit instructions issued by the National Audit Office (NAO).

This work is not yet complete.

Preparation of the accounts

MOPAC and the MPS provided draft accounts in line with the national deadline and provided a good set of working papers to support it.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation



Appendices

Appendix A – Responsibilities of the Police and Crime Commissioner (MOPAC) and Chief Constable (Met Commissioner)

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the PCC and CC's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the PCC and CC will no longer be provided.

The PCC and CC are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B – An explanatory note on recommendations

A range of different recommendations can be raised by the auditors of MOPAC and the MPS as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the audited body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	Not applicable
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the audited body. We have defined these recommendations as 'key recommendations'.	Yes	Page 7 to 14
Improvement	These recommendations, if implemented should improve the arrangements in place at the audited body, but are not a result of identifying significant weaknesses in the audited body's arrangements.	Yes	Financial sustainability pages 23 to 25 Governance pages 35 to 38 Economy, efficiency and effectiveness – page 48

Appendix C - Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?
1	Publication of external data in relation to MOPAC is not always updated on a timely basis and therefore creates a risk that data being relied upon from stakeholders is out of date and therefore may no longer be reliable. MOPAC should ensure that dashboard performance data is published on a timely manner and continued to be kept up to date to ensure transparency of performance against the PCP with the wider public.	Improvement	Feb 2022	Dashboard performance data is now up to date	Yes
2	As MOPAC prepares for the delivery of the next Police and Crime Plan, it should use the opportunity to ensure that strategic and oversight frameworks are strengthened and allow MOPAC to provide a holistic view of how it discharges its oversight and governance responsibilities. The Met should ensure it is able to better articulate its sources of assurance and corporate assurance framework. This would provide better assurance to Management Board and enable more effective oversight in key areas from MOPAC, which in turn will support MOPAC in meeting its strategic priorities as set out in the PCP and fulfilling its statutory oversight function.	Improvement	Feb 2022	Strategic oversight has been restructured. The original oversight board meeting has been divided into two meetings to allow more time for discussion, debate and scrutiny. These are held quarterly. There is still a need to ensure changes and additions to its arrangements to better collate, analyse and utilise the information and intelligence its officer's are obtaining from interactions with the MPS. The aim is to establish a holistic view of oversight and this will also require an element of cultural change.	In progress - improvements noted but recognition that more work is still required as set out in our commentary.
3	The Met should map the impact, outcomes and intended benefits of its transformation portfolio to the performance framework to ensure that organisational performance is being met as intended and in turn meeting the overall strategic objectives of the organisation as reflected within Met Direction.	Improvement	Feb 2022	The enterprise view of change will allow a more overarching view of transformation projects. Organisational performance monitoring still requires improvement in order to ensure it meets strategic objectives.	Yes
4	The Met should continue to ensure it manages the risks and interdependencies associated with the CONNECT and Command and Control programmes. As delivery timescales have continued to slip there is now limited contingency. It is imperative that action is taken at the earliest identified opportunity where there is the potential for risk of non delivery of these projects.	Improvement	Feb 2022	CONNECT phase 1 has been delivered successfully and the project is on track for phase 2. CSC has more risk attached and is likely to slip further. Reviews have been undertaken to ensure the project should continue.	Partial key recommendation raised in respect of CC however we are satisfied that progress on CONNECT is satisfactory.

Appendix C - Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?
5	The Met should provide further education to the wider organisation on data quality as well as focus on improving skills of individuals to ensure inputs are right first time. Investment should be considered in data checking to ensure any errors or omissions in data are identified and amended appropriately before output data is used for review and analytical purposes. This is especially key as legacy data continues to migrate to the new CONNECT system.	Improvement	Feb 2022	The Met has had a 'thematic year of data' with monthly themes to support data quality improvements and invested in its data teams. Data recording has improved as a result.	Yes
6	As the Met develops its plans to effect culture change it will adapt existing workstreams such as the STRIDE strategy, Leading for London (Leadership) and Rebuilding Trust Plan. It will be important that plans and progress in each of these areas and others are captured to provide a holistic view of the work undertaken to ensure that changes in culture are moving in line with strategic plans to instil trust and confidence in the organisation. The Met and MOPAC should develop estimates of the anticipated level of investment required to effect the desired changes and build these into future plans.	Improvement	Feb 2022	Due to significant changes in leadership during 2021/22, there is now a reset in terms of vision and priorities. Progress has been made on this recommendation as the MPS has been through an exercise to estimate the cost of the cultural transformation required.	In progress
7	MOPAC and the Met should utilise the new templates and checklist requirements; ensuring templates focus on pulling out areas of key risks, the impact of decisions and mitigations of any risks at the earliest possible stage of the decision making process.	Improvement	Feb 2022	Evidence that this has been implemented has been obtained	Yes
8	MOPAC and the Met should establish and define a range of questions or key criteria which can be used to help indicate a novel or contentious decision. This will enable novel and contentious items to be flagged at the early stages of the decision making process.	Improvement	Feb 2022	Progress has been made around this through MOPAC's attendance at PIB level 2.	Yes

Appendix D - Key acronyms and abbreviations

The following acronyms and abbreviations have been used within this report

MOPAC - Mayor's Office for Policing and Crime

DMPC - Deputy Mayor for Policing and Crime

PCP - Police and Crime Plan

IAM - Investment and Monitoring (meeting)

PIB - Portfolio and Investment Board

PIB Level 2 - Portfolio and Investment Board sub meeting

TD - Transformation Directorate

BCU - Borough Command Unit

DARA - Directorate of Audit, Risk and Assurance

HMICFRS - His Majesty's Inspectorate of Constabularies and Fire & Rescue Services.



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

Year ending 31 March 2023

July 2023

Contents



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Key matters

Factors

Police sector developments

Police Funding Settlement 2023/24

The Home Office has published the provisional police funding settlement for 2022/24. The Government is proposing a total police funding settlement of up to £17.2 billion for policing in 2022/24. Overall funding available to PCCs will increase by up to £523m next year - an increase of up to 3.6% when compared to the 2022/23 funding settlement – if PCCs make full use of their flexibility to increase precept.

Police Officer Uplift

The Government is committed to delivering an additional 20,000 officers by March 2023. Latest statistics show that, as of 30th June 2022, 13,790 of these officers were already in place.

The MPS was provided with a total uplift allocation of 4,557 officers over a 3 year period. As at Q3 2023, the MPS were unable to meet this police officer uplift programme (PUP) target. As a result, the MPS has assumed that it will not receive the full ring-fenced PUP grant of c£31m this year.

Our response

- We will consider your arrangements in place to secure financial resilience and sustainability for both the MPS and MOPAC as part of our value for money work.

Key matters

Factors

Local context and events

MOPAC and the MPS have both faced challenges this year including a number of high profile issues which have impacted trust and confidence. A number of independent reviews have concluded in the 2022/23 financial year, including Baroness Casey's review and HMICFRS's 21/22 Peel report.

Due to the serious nature of the concerns raised by Baroness Casey and HMICFRS and from our own work we raised, in our 2021/22 Auditors Annual Report (AAR), Key Recommendations with regard to the need:

- to rebuild trust and confidence in the force
- for better and grip and control with regard to its transformation projects
- to monitor and improve the performance of the force.

The MPS has begun to respond to these matters and is undertaking work to rebuild trust and confidence in its police force. Since October 2022, the new Commissioner has prioritised these areas and issued a two year Turnaround Plan to meet the overarching objective of 'More Trust, Less Crime, High Standards'.

MOPAC has revised its oversight and governance structures to ensure effective oversight of the MPS. MOPAC officers now regularly attend MPS sub-board meetings, giving them more influence on the decision making process. The overall governance and oversight of the force by MOPAC and the relationship between the two organisations is being revisited.

Our response

- We will review the arrangements in place for recommendations raised as part of independent reviews ensuring that appropriate arrangements are in place to oversee effective delivery of rebuilding trust and confidence within the MPS.
- We will consider the governance arrangements in place at both MOPAC and the MPS to ensure delivery of key priorities as set within the Mayor's Police and Crime Plan/ the Commissioner's Turnaround Plan.
- We will consider the effectiveness of MOPACs oversight of MPS and the relationship between the two bodies
- We will follow up our Key Recommendations from the 2021/22 AAR.

Introduction and headlines

Purpose

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

Respective responsibilities

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



Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the MOPAC, MPS and the group's financial statements that have been prepared by management with the oversight of those charged with governance (the DMPC and the Commissioner); and we consider whether there are sufficient arrangements in place at each body for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Deputy Mayor for Policing and Crime and the Commissioner of your responsibilities. It is the responsibility of the Deputy Mayor for Policing and Crime and the Commissioner to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Deputy Mayor for Policing and Crime and the Commissioner are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of MOPAC and the MPS business and is risk based.

Introduction and headlines

Group Audit

MOPAC and the MPS are required to prepare group financial statements that consolidate the financial information of MOPAC and the MPS.

Significant risks

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

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

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

Value for Money arrangements

Our risk assessment regarding MOPAC's and the MPS' arrangements to secure value for money has identified 5 risks of significant weakness:

- the risk that the revised governance arrangements in the MPS and in MOPAC are not effective in delivering improvement in London policing and performance;
- the risk that the turnaround arrangements put in place by the MPS and MOPAC fail to adequately respond to the recommendations from HMICFRS and Casey;
- the risk that vetting arrangements are not effective;
- the risk that arrangements are not effective to mitigate the delivery and financial risk in two major transformation projects relating to CONNECT and Command and Control; and
- the risk that budgeting arrangements are not effective in the transparent and realistic reporting of current and forecasted financial performance.

As part of our value for money work, we will follow up on the 5 key recommendations made in our 2021-22 auditor's annual report. More details on our value for money risk assessment is set out on pages 21 and 22.

Introduction and headlines

Materiality

We have calculated materiality individually for the Group, MOPAC and the MPS. In determining materiality for the financial statements for the group, MOPAC and the MPS, we have selected the lowest level of materiality being the materiality level for the MPS and applied that level of materiality for the group, MOPAC and the MPS financial statements.

We have determined planning materiality to be £60m (PY £58m) for the group, MOPAC and MPS, which equates to 1.4% of the MPS's prior year gross expenditure for the year adjusted for the effects of non-recurring items. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

Clearly trivial has been set at £3.1m (PY £2.9m).

New Auditing Standards

There are two auditing standards which have been significantly updated this year. These are ISA 315 (Identifying and assessing the risks of material misstatement) and ISA 240 (the auditor's responsibilities relating to fraud in an audit of financial statements). We provide more detail on the work required later in this plan.

Audit logistics

Our interim visit will take place in April 2023 and our final visit will take place in July/August 2023. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Our fee for the audit will be £169,108 (PY: 169,052) for MOPAC and £136,700 (PY: 140,477) for the MPS, subject to the bodies delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks explained

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

'Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.' (ISA (UK) 315)

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

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

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
<p>The revenue cycle includes fraudulent transactions (rebutted)</p>	<p>Group, MOPAC and MPS (rebutted)</p>	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at MOPAC, we have determined that the risk of fraud arising from revenue recognition for all revenue streams can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of police authorities, including MOPAC and the group, mean that all forms of fraud are seen as unacceptable. <p>Therefore we do not consider this to be a significant risk for MOPAC and the group.</p> <p>For the MPS, revenue is recognised to fund costs and liabilities relating to resources consumed in the direction and control of day-to-day policing. This is shown in the MPS's financial statements as a transfer of resources from MOPAC to MPS for the cost of policing services. Income for the MPS is received entirely from MOPAC.</p> <p>Therefore we do not consider this to be a significant risk for the MPS.</p>

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Group, MOPAC and MPS	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>MOPAC and the MPS face external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Valuation of land and buildings</p>	<p>Group and MOPAC</p>	<p>MOPAC re-values land and buildings on a rolling basis over a five-year period to ensure that carrying value is not materially different from current value at the financial statements date. The valuation of land and buildings is a key accounting estimate which is sensitive to changes in assumptions and market conditions. In valuing your estate, management have made the assumption that for a number of sites, in the event they need to be replaced, they would be rebuilt to modern conditions.</p> <p>Within the valuation of MOPAC’s specialised operational land and building sites the valuer’s estimation of the value has several key inputs, which the valuation is sensitive to. These include the build costs, the size and location of the sites and any judgements that have impacted this assessment and the condition of the property site. Non-specialised asset valuation estimates are sensitive to inputs including market rent, yields and size of asset.</p> <p>You have utilised Avison Young to value your estate at 31 March 2023.</p> <p>We have identified that the accuracy of the key inputs driving the valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work. We will engage our own valuer to assess the instructions to the group’s valuer; • evaluate the competence, capabilities and objectivity of the valuation expert; • write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; • challenge the information and assumptions used by the valuer to assess the completeness and consistency with our understanding. We will engage our own valuer to assess the group’s valuer’s report and the assumptions that underpin the valuation; • carry out testing of data provided to the valuer to gain assurance if it is complete and accurate; • test revaluations made during the year to see if they had been input correctly into MOPAC and (group’s) asset register; and • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different from current value at year end.

Significant risks identified

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

Other risks explained and identified

'In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them.' [ISA (UK) 315]

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

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

Group audit scope and risk assessment

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

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
Mayor's Office for Policing and Crime	Yes		<ul style="list-style-type: none"> • Management override of controls • Valuation of land and buildings • Valuation of pension fund net liability 	Full scope audit performed by Grant Thornton UK LLP
Commissioner of Police of the Metropolis	Yes		<ul style="list-style-type: none"> • Management override of controls • Valuation of pension fund net liability 	Full scope audit performed by Grant Thornton UK LLP
Empress Holdings Limited and subsidiaries	No	Out of Scope	<ul style="list-style-type: none"> • None 	<p>MOPAC holds 100% of the issued share capital of Empress Holdings Limited and its subsidiaries ("Empress Holdings Group"), which holds the freehold interest in the Empress State Building (ESB).</p> <p>On 3 April 2018 the beneficial interest in Empress State Building was transferred to MOPAC. Empress State Building was classified under Property, Plant and Equipment in the MOPAC single entity accounts at 31 March 2021, and subsequently 31 March 2022. In 2020/21 these companies were placed in liquidation and the final process of winding up the companies is in progress. The net residual interest in the Empress Holdings Group for MOPAC at 31 March 2021, and subsequently 31 March 2022, was the issued share capital which was valued at nil. Therefore liquidating the companies had no net impact on the group accounts. On 10 February 2023 Empress Holdings Limited and its subsidiaries ("Empress Holdings Group"), issued a notice of final account prior to dissolution anticipated on 18 May 2023.</p> <p>We will continue to review the judgement of management not to consolidate Empress Holdings Limited and subsidiaries to ensure it is reasonable and in line with the requirements of the accounting framework.</p>

Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to risks of material misstatement of the group financial statements
- Analytical procedures at group level

Other matters

Other work

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

- We read your Narrative Reports and Annual Governance Statements and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of MOPAC and the MPS.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statements are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2022/23 financial statements, consider and decide upon any objections received in relation to the 2022/23 financial statements;
 - issuing a report in the public interest or written recommendations to the MOPAC or the MPS under section 24 of the Local Audit and Accountability Act 2014 (the Act).
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
 - issuing an advisory notice under section 29 of the Act
- We certify completion of our audits.

Other material balances and transactions

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



Our approach to materiality

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

Matter	Description	Planned audit procedures
1	<p>Determination</p> <p>We have determined financial statement materiality based on a proportion of the prior year gross expenditure of the group, MOPAC and MPS adjusted for the effects of nonrecurring items. In the prior year we used the same benchmark.</p> <p>For our audit testing purposes we will apply the lowest of these materialities, which is £60m (PY £58m), which equates to 1.4% of the MPS's prior year gross expenditure for the year adjusted for the effects of nonrecurring items.</p>	<p>We determine planning materiality in order to:</p> <ul style="list-style-type: none"> – establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements – assist in establishing the scope of our audit engagement and audit tests – determine sample sizes and – assist in evaluating the effect of known and likely misstatements in the financial statements
2	<p>Reassessment of materiality</p> <p>Our assessment of materiality is kept under review throughout the audit process.</p>	<p>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.</p>

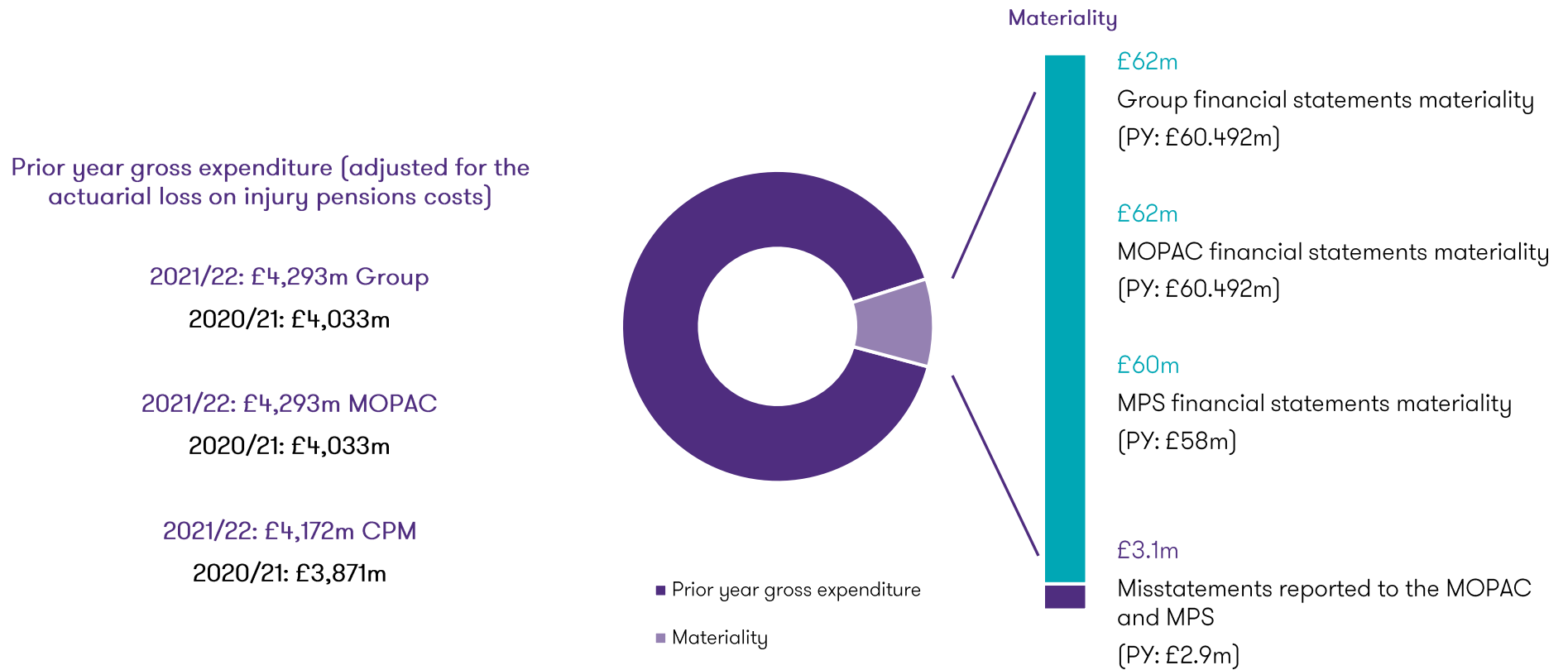
Our approach to materiality

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

Matter	Description	Planned audit procedures
3	<p data-bbox="259 651 1021 756">Other communications relating to materiality we will report to the Deputy Mayor for Policing and Crime and the Commissioner of the Police of the Metropolis</p> <p data-bbox="259 766 1021 1117">Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the MOPAC and the MPS any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance.</p> <p data-bbox="259 1126 1021 1267">ISA 260 (UK) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p>	<p data-bbox="1055 651 2110 756">We report to the Deputy Mayor for Policing and Crime and the Commissioner of the Police of the Metropolis any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.</p> <p data-bbox="1055 766 2110 871">In the context of the group, MOPAC and the MPS, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £3.1m (PY £2.9m).</p> <p data-bbox="1055 880 2110 1018">If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Joint Audit Panel to assist it in fulfilling its governance responsibilities.</p>

Our approach to materiality

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



IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs. We say more about ISA 315 Revised on slide 26.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach, we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Oracle EBS (PSOP)	Financial Reporting	<p>A detailed review of the IT General Controls related to security management, development and maintenance and technology infrastructure was carried out by our internal IT specialists team in the 2020/21 financial year. No significant control deficiencies were identified as a result of the review carried out over Oracle EBS. We therefore plan to place reliance on the work performed in 2020/21 in relation to the design effectiveness of IT General Controls for the current financial year and update our understanding of any changes in the system. We will review any changes identified in key controls from the prior year and assess the impact of any changes on the planned audit approach.</p> <p>We will also follow up on any recommendations made in the 2020/21 review in relation to IT general control to assess whether these have been actioned by management.</p>
Real Asset Management (RAM)	Fixed Asset Register	<p>A detailed review of the IT General Controls related to security management, development and maintenance and technology infrastructure was carried out by our internal IT specialists team in the 2020/21 financial year. No significant control deficiencies were identified as a result of the review carried out over RAM. We therefore plan to place reliance on the work performed in the 2020/21 in relation to the design effectiveness of IT General Controls for the current financial year and update our understanding of any changes in the system. We will review any changes identified in key controls from the prior year review and assess the impact of any changes on the planned audit approach.</p> <p>We will also follow up on any recommendations made in the prior year in relation to IT general control to assess whether these have been actioned by management.</p>

Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2023

The National Audit Office issued its latest Value for Money guidance to auditors in January 2023. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

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



Financial Sustainability

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



Governance

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

Risks of significant VFM weaknesses

As part of our planning work for 2022/23, we considered whether there were any risks of significant weakness in the bodies' arrangements for securing economy, efficiency and effectiveness in their use of resources that we needed to perform further procedures on. Our 2021/22 Auditor's Annual Report is currently being agreed with management. This identified a number of significant weaknesses in the arrangements at MOPAC and the MPS giving rise to key recommendations. Based on this work and our initial planning work, the risks we have identified are detailed in the first table below, along with the further procedures we will perform. We will also follow up on the recommendations we made in 2021/22 to assess progress in implementing them. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the next slide.

Risks of significant weakness

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the body to deliver value for money.

Trust and Confidence



The MPS was put into 'Engage' in September 2022 following the publication of its latest PEEL report. The Casey review was published in March 2023. During the first 100 days of the Commissioner's new role, he spoke about his 'Turnaround Plan' which was then published in April 2023.

We will review the arrangements in place in both MOPAC and the MPS to respond to the recommendations raised from HMICFRS and Casey, ensuring they are appropriate to oversee effective delivery of rebuilding trust and confidence.

Governance Structure



The new Commissioner started work in September 2022, and set out the way he wanted to manage the MPS. A number of changes were made to his leadership team. MOPAC is also reviewing the way it works with and scrutinizes the MPS. This includes the introduction of the Local Policing Board.

We will consider the effectiveness of the revised governance arrangements in the MPS and in MOPAC and whether they are effective in delivering improvement in London policing and performance.

Standards and Compliance



The arrests of serving police officers Wayne Couzens and David Carrick for very serious crimes, raised questions about standards and compliance within the MPS.

We will assess the progress made by the professionalism directorate since last year, the effectiveness of vetting arrangements and management of recruitment, and we will review the arrangements in place to oversee the diversity and inclusion strategy.

Risks of significant VFM weaknesses (Continued)



Project Delivery

The CONNECT and Command and Control Projects remain a considerable risk. The CONNECT project has been launched and is impacting Force performance. C&C is delayed and over budget.

We will consider the effectiveness of the governance arrangements in both MOPAC and the MPS and whether they offer sufficient oversight to ensure effective delivery.



Financial sustainability – budgeting and impact of major capital projects

In our 2021/22 Auditor's Annual Report, we raised an improvement recommendation following our work that identified the Medium-Term Financial Strategy (MTFS) included an assumption for police officer numbers which was unrealistic and not credible. If financial forecasts are not based on realistic assumptions, there is a risk that both entities either fail to make, or make inappropriate financial decisions. Given the macroeconomic climate of high inflation, high interest rates and the prospect of a recession – it is imperative that MOPAC's and the MPS' arrangements for budgeting is sound.

We will review the budgeting arrangements at the MPS and the arrangements within MOPAC to oversee and scrutinise the process. As part of our financial sustainability work, we will also review the potential financial impact of any issues arising from the two major capital projects set out above.

Risks of significant VFM weaknesses (Continued)

We may need to make recommendations following the completion of our work on significant weaknesses. The potential different types of recommendations we could make are as follows:

Potential types of recommendations

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



Statutory recommendation

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



Key recommendation

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



Improvement recommendation

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

Audit logistics



Audited Entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to:

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement;
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you;
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing;
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit; and
- respond promptly and adequately to audit queries.

Audit team



Mark Stocks

Key Audit Partner/ Relationship Partner

T 0121 232 5437

E Mark.C.Stocks@uk.gt.com

Mark will have ultimate responsibility for the delivery of your audit service. Specifics of the role include:

- leading our relationship with the Mayor's Office for Policing and the Commissioner of Police of the Metropolis;
- ensuring you have access to Grant Thornton's full service offering;
- reviewing the audit file, giving particular focus to any key areas of risk or critical judgements exercised during the audits;
- reviewing and signing off all audit reports;
- attending Joint Audit Panel to discuss key issues arising from our work and any recommendations;
- acting as a 'sounding board' on key decisions relevant to our responsibilities as your auditors; and
- sharing good practice identified at other organisations.



Alex J Walling

Director

T 0117 305 7804

E Alex.J.Walling@uk.gt.com

Working alongside Mark, Alex will have responsibility for the delivery of your audit service. Specifics of the role include:

- having a relationship with the Mayor's Office for Policing and the Commissioner of Police of the Metropolis;
- being a key contact for the Chief Finance Officers and the Joint, Audit Panel meeting frequently with key members of management;
- taking responsibility for delivering high quality audits which meet professional standards;
- agreeing with you the annual joint audit plan, and a timetable for delivering the work;
- reviewing the audit file, ensuring our high quality standards have been met;
- reviewing all audit reports; and
- attending Joint Audit Panel to discuss key issues arising from our work and any recommendations.

Audit team



Parris Williams

Senior Manager

T 020 7728 2542

E Parris.Williams@uk.gt.com

Parris is responsible for planning, managing and leading the audit and providing feedback to you throughout the audit process. Parris is responsible for audit quality, project management of the audit, ensuring the audit requirements are fully complied with. He will respond to ad-hoc queries whenever raised and meet regularly with the Chief Finance Officers and members of the finance team. Specifics of the role include:

- ensuring responsibility for delivering high quality audits which meet professional standards;
- drafting audit reports;
- ensure key matters which arise during the audits which were not identified at the planning stage are properly assessed and dealt with;
- review the work of in-charge auditor and the wider fieldwork team;
- manage, motivate and coach team members; and
- attending and contributing to senior audit liaison meetings, sharing good practice identified at other organisations.



Jasmine Kemp

Audit In-Charge

T 020 7865 2682

E Jasmine.R.Kemp@uk.gt.com

Jasmine will work as part of the team, leading the on site audit team, providing a service which meets or exceeds client expectations and supports the engagement lead / manager team. Specifics of the role include:

- taking an active part in the audit planning discussions to identify audit risks and appropriate audit strategy;
- communicating any issues relating to the audit with the engagement manager or engagement lead;
- overseeing all aspects of audit fieldwork and completion;
- addressing and discussing queries in respect of technical and audit issues identified during the course of the audit;
- maintaining good working relationships with client staff; and
- delegating work to other members of the audit team, ensuring they understand their responsibilities and have received appropriate on-the-job training / coaching.

Audit fees and updated Auditing Standards including ISA 315 Revised

PSAA awarded a contract of audit for MOPAC and MPS to begin with effect from 2018/19. The fee agreed in the contract was £101,508 for MOPAC and £92,400 for the MPS. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2022/23 audit. For details of the changes which impacted on years up to 2021/22 please see our prior year Audit Plans.

The major change impacting on our audit for 2022/23 is the introduction of ISA (UK) 315 (Revised) - Identifying and assessing the risks of material misstatement ('ISA 315'). There are a number of significant changes that will impact the nature and extent of our risk assessment procedures and the work we perform to respond to these identified risks. Key changes include:

- Enhanced requirements around understanding the MOPAC and MPS's IT Infrastructure and IT environment. From this we will then identify any risks arising from the use of IT. We are then required to identify the IT General Controls ('ITGCs') that address those risks and test the design and implementation of ITGCs that address the risks arising from the use of IT.
- Additional documentation of our understanding of the MOPAC and MPS's business model, which may result in us needing to perform additional inquiries to understand the end-to-end processes over more classes of transactions, balances and disclosures.
- We are required to identify controls within a business process and identify which of those controls are controls relevant to the audit. These include, but are not limited to, controls over significant risks and journal entries. We will need to identify the risks arising from the use of IT and the general IT controls (ITGCs) as part of obtaining an understanding of relevant controls.
- Where we do not test the operating effectiveness of controls, the assessment of risk will be the inherent risk, this means that our sample sizes may be larger than in previous years.

These are significant changes which will require us to increase the scope, nature and extent of our audit documentation, particularly in respect of your business processes, and your IT controls. We will be unable to determine the full fee impact until we have undertaken further work in respect of the above areas. However, for an authority of your size, we estimate an initial increase of £5k. We will let you know if our work in respect of business processes and IT controls identifies any issues requiring further audit testing. There is likely to be an ongoing requirement for a fee increase in future years, although we are unable yet to quantify that.

The other major change to Auditing Standards in 2022/23 is in respect of ISA 240 which deals with the auditor's responsibilities relating to fraud in an audit of financial statements. This Standard gives more prominence to the risk of fraud in the audit planning process. We will let you know during the course of the audit should we be required to undertake any additional work in this area which will impact on your fee.

Taking into account the above, our proposed work and fee for 2022/23, as set out below, is detailed overleaf and has been agreed with the Chief Finance Officers for MOPAC and CPM.

Audit fees

	Actual Fee 2020/21	Final Fee 2021/22*	Proposed fee 2022/23
MOPAC Audit	£159,483	£169,052	£169,108
MPS audit	£132,525	£140,477	£136,700
Total audit fees (excluding VAT)	£292,008	£309,528	£296,808

*The final fee variation is subject to PSAA approval.

As the VFM work is ongoing, this has not been included in these figures as yet.

Assumptions

In setting the above fees, we have assumed that MOPAC and the MPS will:

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

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \[revised 2019\]](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit fees – detailed analysis

	MOPAC (£)	MPS (£)	Total audit fees (excluding VAT) (£)
2022/23 Scale fee published by PSAA	126,508	92,400	
Increased FRC challenge, Materiality, PPE, Pensions		16,600	
PPE – support of expert	4,500		
Additional work on Value for Money (VFM) under new NAO code	20,000	10,000	
ISA 540	5,800	7,300	
ISA 240/700	6,800	4,900	
Increased audit requirements of revised ISAs 315	5,000	5,000	
Enhanced payroll testing	500	500	
Total proposed audit fees 2022/23 (excluding VAT)	169,108	136,700	296,808

All variations to the scale fee will need to be approved by PSAA

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the MOPAC and the MPS.

Communication of audit matters with those charged with governance

Our communication plan for those charged with governance i.e. the Deputy Mayor for Policing and Crime and the Commissioner of the Police of the Metropolis	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•	
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

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

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

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

Respective responsibilities

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

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

Appendix 1: Progress against prior year audit recommendations

We identified the following issues in our 2021/22 audit of the MOPAC, MPS and the groups financial statements, which resulted in three recommendations being reported in our 2021/22 Audit Findings Report.

We have followed up on the implementation of our recommendations as reported below:

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Self authorisation of journals</p> <p>From our knowledge of your finance system and its control environment we are aware that management have chosen not implement a control which does not allow the self authorisation of journals for CPM.</p> <p>From our review of journals that were tested there was appropriate supporting backing to corroborate the posting of the journal. However, where a journal is initiated by the same person who authorises it, this undermines the segregation of duties and weakens your control environment, as it heightens the risk that inappropriate journals are not identified through your authorisation review process.</p> <p>The individual requesting the journal to be posted should not be the same individual who subsequently authorises the posting of the journal.</p>	<p>MPS have taken the decision to adopt detective, rather than preventative controls regarding journal posting. Management made this decision for two reasons:</p> <ul style="list-style-type: none"> - Management deem detective controls to be more efficient given the volume of journals raised by MPS - the outsourcing arrangements for finance transactions means that for journals processed by SSCL, there is segregation of duties. <p>Management recognise that preventative controls are preferable and have agreed to consider how future finance system upgrades (allied to process change) can be used to facilitate the adoption of an efficient journal authorisation process. At the same time, management will seek to reduce the volume of manual journals to reduce the MPS's risk exposure.</p>

Appendix 1: Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Capitalisation of assets</p> <p>Our discussions held with your internal auditor DARA highlighted that a number of covert assets had not been capitalised within the fixed asset register (FAR) and therefore did not exist within the Balance Sheet. The value of assets not capitalised is not material however a control weakness exists where covert assets are not capitalised on the fixed asset register and therefore are not accounted for.</p>	<p>Management cite historic decisions for covert assets not to be capitalised in the fixed asset register due to the sensitive nature of the assets. These assets are tracked on classified systems, and the spend associated with the assets are recorded offline in a restricted area.</p> <p>Management have agreed to include all capital purchases on the FAR (with redacted descriptions for covert assets) with the exception of covert vehicles. Management have determined that such vehicle assets are trivial in value compared the financial statements.</p>
✓	<p>Assets Under Construction (AUC) Reclassifications</p> <p>From our testing performed on AUC reclassifications and AUC closing balances we identified a number of assets which had become fully operational in year or in previous years that had not been reclassified in the correct financial year. There is a risk that the net book value of assets becomes misstated where assets are not classified in the correct asset class in a timely manner and depreciation not charged on the asset once it becomes operational.</p>	<p>Management acknowledge that Corporate Finance rely on business areas to notify them when assets under construction are complete, and brought into use. This is done through updates on systems as to the project status.</p> <p>For some property projects, there have been delays in the updating of systems with when projects are complete and assets brought into use. Management will ensure that systems are updated in a timely fashion.</p>

MOPACMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

2 August 2023

MOPAC AGS and Governance Improvement Plan

Report by: The Director of Strategy & MPS Oversight

Report Summary

Overall Summary of the Purpose of the Report

This report is presented to Audit Panel to provide an overview of MOPAC's approach to governance going forward, outline the key areas of improvement and the actions in place to address them.

Draft MOPAC Annual Governance Statement 2022/23

The 2022/23 draft Annual Governance Statement (AGS) at Appendix A, sets out the framework, processes and procedures in place to enable the Mayor's Office for Policing and Crime (MOPAC) to carry out its functions effectively whilst ensuring the organisation continues to achieve value for money.

Governance Improvement Plan 2023/24

The Governance Improvement Plan is a live improvement plan bringing together the improvements identified in the AGS 2021/22 with those carried forward from the Governance Improvement Plan 2022/23. AGS 22/23 improvement actions will be included in the GIP and presented to the next Panel meeting.

Recommendations

The Audit Panel is recommended to:

- a. Review the Draft AGS for 2022/23, with a view to providing feedback prior to formal publication in September 2023.
- b. Note the improvements being made in MOPAC Governance through the Governance Improvement Plan.

1. Draft Annual Governance Statement 2022/23

- 1.1. The draft Annual Governance Statement (AGS) is attached as Appendix A to this report. The draft report was presented to MOPAC Board throughout June, which provided feedback to be incorporated into the final version.

- 1.2. The AGS draws on a range of input and feedback resources to capture different perspectives. These include senior management review, internal and external audit and external reviews of the Metropolitan Police Service (MPS). The HMICFRS Engage process and the report by Baroness Casey into the culture and standards of the MPS are also key considerations reflected in this document and will be central to our oversight of the MPS's work and delivery of their reform plan in the coming year.
- 1.3. MOPAC has made improvements to oversight governance during 2022/23, with further changes proposed for the coming year, working with the MPS Commissioner and his senior team collaboratively throughout. The creation of the London Policing Board is a fundamental change to the way oversight is conducted, bringing scrutiny into the public forum with independent members also being recruited for their expertise. MOPAC is working through the processes and internal governance that is needed to enable this enhanced oversight to happen.
- 1.4. The AGS highlights some other key areas of improvement that MOPAC will focus on over the next 12 months. Examples include:
 - Embedding the Finance and Corporate Services transformation programme, which will improve processes, maximise resources and provide resilience for MOPAC.
 - MOPAC will use its strengthened programme management approach to manage the work in response to the Baroness Casey's review into the culture and standards of the MPS.
 - Ensure that we remain compliant with information governance legislation but conducting an overhaul of all the documentation and processes and delivering mandatory training to staff
 - MOPAC will carry forward work to overhaul community scrutiny and engagement
 - The VRU will deliver compliance with the Serious Violence Duty for London
- 1.5. These improvements have been identified to deliver sustained change and will be monitored through the governance improvement plan, alongside those actions carried forward from the current year.

2. Governance Improvement Plan

- 2.1. Appendix B, the Governance Improvement Plan for 2022/23, collates MOPAC's areas for improvement and sets out their source, the specific recommendation they relate to, actions taken or proposed, action owners and a proposed completion date. The areas for improvement identified have been compiled from:

- Outstanding actions from the Governance Improvement Plan 2021/22 which are carried forward into this year's plan.
 - Areas identified in the Annual Governance Statement (AGS) in sections marked "What could be improved".
 - The DARA Internal Audit Annual Report 2022/23 and subsequent inspection reports.
- 2.2 This is a live document, refreshed monthly for internal review purposes, allowing leads to set realistic timescales for improvement actions and to capture in year DARA recommendations. A comprehensive annual refresh is undertaken to include AGS outputs.

3. **Overview of GIP**

- 3.1. Between the period 1 January and 28 February, 6 actions have been marked as complete and 17 actions reported as on track with target dates that fall in 2022/23 or beyond. There are currently 2 recommendations where the initial delivery timescale has been revised, 6 on hold and 14 complete.
- 3.2. There are 39 work-streams captured in the MOPAC Governance Improvement Plain for 2022/23.

Key Achievements and areas for improvement

- 3.3 Work continues to progress through improvements in MOPAC's governance and control mechanisms, although resourcing pressures have resulted in some timescales being pushed back. Dedicated resource has been prioritised for a number of the improvements within the plan, which will show in expected completion of actions during Q4. Since MOPAC last reported to Audit Panel in January there has been 6 new completed actions.

Completed actions:

- 3.4 **Complaints review system (C6)** – MOPAC has implemented a new process to provide assurance that the MPS takes appropriate action following a complaint review and be able to monitor the implementation of agreed actions.
- 3.5 **Commissioned services performance (C7)** - MOPAC has developed an improved approach to performance reporting for MOPAC's commissioned services, to support increased transparency and enable better communication of the impact of spend.
- 3.6 **Complaints Review Team review (D7)** – MOPAC has completed a process review of the CRT which includes new service standards, review of resources to align with caseload, overtime payments and increase headcount.
- 3.7 **Oversight of external reports (F1)** – This work has been superseded by the MPS who has compiled a consolidated tracker of all recommendations for the MPS. Work is underway to use the information to prioritise where our oversight is best placed. MOPAC is dedicating resource to this work going

forward, which will allow us to capture progress updates against each oversight area, and flag areas of risk. Staff expected in post Apr/May23

- 3.8 **Risk Management approach (G2 & G4)** - The project risk management approach has been implemented and is reported through updates at the Portfolio Board. A review of corporate risk has been done and corporate risk register has been approved. A risk management framework/policy will sit alongside the register and communicated to staff.

Actions where timescales have slipped:

- 3.9 **VRU Dashboard (F2)** - Delays in procurement & implementation of our Grant Management System (GMS), and software complications re Digital transfer have pushed the publication back.
- 3.10 **Vetting of Shared Service staff (G7)** – Since the initial action was raised, MOPAC is transitioning to a new shared service provider for all IT services. Work is in progress to ensure that all new SS staff are vetted, and this is maintained. The transition programme has pushed this timeframe.

4 **Equality and Diversity Impact**

The governance improvement plan itself contains a number of actions relating to equality and diversity, not least the focus on our EDI strategy.

5 **Legal Implications**

Under the Local Government Act 1999, MOPAC has a statutory duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, MOPAC is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions, including a sound system of internal control and management of risk.

MOPAC and the Commissioner of Police are both under a statutory duty to approve an AGS. In order that it can discharge the duty, MOPAC prepares an AGS, against the CIPFA Principles (Delivering Good Governance in Local Government: Framework 2016), which demonstrates how aspects of governance have been implemented, and from which the GIP stems.

6 **Risk Implications**

The paper identifies the key risk areas in the GIP and shows how these are being managed.

7 **Contact Details**

Report author: Gemma Deadman, Governance, Risk and PMO Manager

8 **Appendices and Background Papers**

Appendix A – Draft Annual Governance Statement 2022/23

Appendix B – MOPAC Governance Improvement Plan – Official Sensitive

Annual Governance Statement 2022/23

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1. Introduction

The 2022/23 Annual Governance Statement (AGS) gives us the opportunity to explain the framework, processes and procedures in place which ensure that the Mayor's Office for Policing and Crime (MOPAC) carries out its work in accordance with the law and appropriate standards.

MOPAC is a corporation sole and has a responsibility to ensure that its business is conducted in accordance with the law and proper standards. It also has a duty to ensure that public money is safeguarded, properly accounted for and that the value for money (VfM) principles of economy, efficiency and effectiveness are strongly adhered to in order to deliver VfM for taxpayers.

MOPAC is legally accountable for the decisions and operations of both MOPAC and the Violence Reduction Unit (VRU) and both are subject to MOPAC's scheme of delegation and consent.

MOPAC aims to ensure that resources are directed in accordance with agreed policy and according to priorities within the Police and Crime Plan (PCP), that there is sound and inclusive decision making and that there is clear accountability for the use of those resources to achieve desired outcomes for London's service users and communities. Further detail of MOPAC's governance framework is in Annex A.

MOPAC conducts an annual review of the effectiveness of its system of internal control and publishes this statutory AGS with the Statement of Accounts. Within the AGS is a review against the governance framework, a review of effectiveness of our governance arrangements and an action plan to address the areas of focus raised.

The AGS draws on a range of input and feedback resources to capture different perspectives. These include senior management review, internal and external audit and external reviews of the Metropolitan Police Service (MPS). The HMICFRS Engage process and the report by Baroness Casey into the culture and standards of the MPS are also key considerations reflected in this document, and will be central to our oversight of the MPS' work and delivery of their Turnaround Plan in the coming year

Oversight is a key area of focus and features heavily within the improvement areas within this statement. The creation of the new London Policing Board will be an important step forward towards improving transparency of MOPAC oversight. Alongside this, internal processes are also an area in which MOPAC needs to improve and will focus resource upon over the coming year.

Overall, we conclude that MOPAC has an adequate system of internal control which facilitates the effective exercise of its functions.

2. 2022/23 Context

Following the publication of the Mayor's Police and Crime Plan for London in March 2022, 2022/23 was a year of focused delivery on the Mayor's priorities.

Trust and confidence in policing – a key Police and Crime Plan priority and the focus of the Mayor's 2020 Action Plan for Transparency, Accountability and Trust – remained a dominant issue in London during 2022/23, following a series of appalling scandals, continued declines in public confidence and the resignation of the Commissioner. In June 2022, Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) announced that it would be moving the MPS into the Engage process of monitoring, following substantial and persistent concerns about the Service's performance in key areas of its work, including investigating crime, responding to the public and protecting people from harm.

In July 2022, the Mayor and Home Secretary announced the appointment of Sir Mark Rowley QPM as the new Commissioner of the Met, and since taking up office in September 2022, he has begun an extensive programme of reform of the capital's police service. The Commissioner's draft Turnaround Plan published for consultation in January 2023, focuses on addressing the concerns raised by HMICFRS.

The importance of these reforms has been underlined by the findings of Baroness Casey's Review – the Mayor requested that this review be commissioned by the Met and be led by Baroness Casey – into the standards of behaviour and internal culture of the Met. Baroness Casey found institutional racism, misogyny and homophobia at the Met, findings that the Mayor accepted. She also described the Met as defensive, resistant to change and unwilling to engage with communities.

The Mayor continues to act to put the Met on a path of far-reaching systematic and cultural reform, with the appointment of the new Commissioner and leadership team who acknowledge the scale of the problems. In 2022/23 the number of BAME officers and women officers in the Met reached record highs, although acknowledging that this is still too low. The Mayor announced new £12m investment for a new Leadership Academy for all Met leaders to raise standards, £2.5m to improve the service Londoners receive when they first call police and new £3m annual investment to make it easier for victims to access key information about their case, increase the number of Met staff responsible for victim care and signpost victims to specialist support services.

The Mayor remains unflinching in his resolve to support and hold the new Commissioner to account as he works to overhaul the MPS and improve the service to Londoners. It is clear that there is more for MOPAC and the Met to do and we are reflecting carefully on Baroness Casey's findings and recommendations. Steps are being taken to further strengthen MOPAC oversight in 2023/24, including bringing together national oversight bodies to understand how best to apply our collective levers for reform.

Intensive efforts to reduce violence in London continued over this period. MOPAC has continued to make record investment in policing, and in 2022/23 officer numbers reached a record high in London. The MOPAC-convened Reducing Homicide Partnership has brought together the MPS and other partners to co-ordinate efforts to reduce and prevent serious violence. The Mayor continued to prioritise tackling the causes of crime through the work of his Violence Reduction Unit (VRU). With the Mayor's support and investment, the VRU has supported more than 150,000 young people over the last two years. This includes measures to support families, funding to keep young people in education, investment in the vital role played by youth workers and mentors, and support and resources for communities to tackle the issues affecting their neighbourhoods. The Mayor also announced additional investment of £2.5m to tackle the violence and harm associated with drugs, which remains a priority for communities.

This work began to show results in 2022/23. Comparing the twelve-month period to March 2023 to the twelve-month period prior to the Mayor taking office (to May 2016), knife crime with injury was down 5%, gun crime was down 15% and homicide was down 4%. In the calendar year 2022, the number of murders in London fell to its lowest since 2014, and teenage murders also reduced by more than 50 per cent compared to the previous year.

Building on the Police and Crime Plan and the Mayor's wider work to tackle violence, in June 2022 he published his refreshed tackling Violence Against Women and Girls Strategy for London. The Strategy - published after extensive consultation with Londoners, victims of crime, partner agencies and community and voluntary groups - champions a public health approach and encourages everyone in London to play their part in ending the epidemic of violence against women and girls by: placing a stronger emphasis on partnership working, prevention and education across a wide range of services in London; targeting the behaviour and actions of perpetrators of abuse and violence and making sure they are the focus for change; investing an additional £17.7m for support services- including a specialised response to support all victims; London's Victims' Commissioner has worked closely with the Metropolitan Police and Crown Prosecution Service on improvements to victim care, including by ensuring that reform work appropriately engages with victims' lived experience; recognising that violence starts with words, and we all have a responsibility to challenge the behaviour that can lead to violence and making women feel unsafe; and taking action to rebuild confidence and trust in the police and criminal justice system to ensure victims are supported and empowered to get the justice they deserve.

3. Strategic objectives

The Mayor's vision is that London is a safe city for all. The Mayor wants London both to be a safe city and for Londoners to feel safe. It is important that not only do we reduce crime, but that Londoners feel the change. To deliver this vision the Police and Crime Plan has the following objectives:

- Reducing and preventing violence;
- Increasing trust and confidence in the MPS;
- Better supporting victims;
- Protecting people from exploitation and harm; and
- Being fair and inclusive in all we do

4. Reviewing the effectiveness of MOPAC's governance arrangements

The review of effectiveness of MOPAC's governance arrangements is informed by the work of MOPAC Board, the Directorate of Audit, Risk and Assurance and the external auditors and other review agencies.

The roles and processes applied in maintaining and reviewing the effectiveness of the governance framework are outlined in *Appendix 1*.

MOPAC has introduced more robust and systematic governance for the delivery of key projects and programmes through a Portfolio management approach. Effective escalation from internal sub boards is included in the terms of reference of each Board.

As part of MOPAC's response to the MPS entering the ENGAGE phase of HMICFRS oversight, MOPAC officers have been looking outwards to identify and learn from promising practice relating to wider oversight frameworks. We have talked to several PCCs offices, including that of the Greater Manchester Combined Authority, and are looking more widely across the public sector, including MHS oversight and improvement frameworks. We will use this learning to inform the refresh of our own oversight framework.

5. Description of arrangements and review of effectiveness

The following section assesses MOPAC's position against each of the seven principles of the CIPFA framework for good governance in the public sector.

5.1 Managing risks and performance through robust internal control and financial management

Our arrangements

Our risk management processes, and risk register, are reviewed at a monthly Governance and Risk Working Group attended by MOPAC and MPS staff. We continue to report quarterly to the Joint Audit Panel on corporate risk and on the alignment of our risks where appropriate. MOPAC has established a risk management framework for project and programme risk through the development of a PPM approach to support the MOPAC Portfolio.

Financial sustainability is key and strong financial management arrangements have been in place throughout the year and are continuing. The budget process identified the ongoing funding needs and the 2023/24 budget reflects this. The current Medium-Term Financial Strategy (MTFS) for MOPAC is a balanced position for the next two financial years and a rigorous budget process is underway to refresh and update the medium-term financial strategy. A particular focus will be to look at the impact of potentially higher than anticipated inflation, including for pay, and also the impact of any short-term funding. An approach to dealing and mitigating the risk of short-term funding will be developed as part of the budget process.

For the 2022/23 financial year there was an underspend of £2.969m, this included the carry forward of funds into future years totaling £28.882m to ensure the continued delivery of some projects which are to be delivered across more than one financial year. The underspend has been transferred to the budget resilience reserve. Effective financial control with monthly reporting arrangements to the MOPAC Board are fully established. The out-turn position and the impact on reserves has been discussed at both Board level and with the DMPC for formal approval.

MOPAC's reserves remain healthy. The reserves policy refresh was refreshed in 2022/23 to ensure that reserves are reviewed on a regular basis and that plans are in place to ensure these are maximised. A budget smoothing reserve is in place to manage the impact of any changes in short term funding and the budget resilience reserve is available to support any new and emerging pressures and priorities. Criteria to access the budget resilience reserves are in place against which any requests must be assessed and will improve the overall management and governance of the reserve.

MOPAC's quarterly performance report brings together performance and finance reporting in a consistent format. This pack, along with the MPS quarterly report on performance against its business plan, forms the core agenda of the quarterly Oversight Board meetings chaired by the DMPC, and is issued to the Police and Crime Committee to support wider scrutiny by Assembly Members. The Oversight Board has also had deep dive sessions on information governance in the MPS, victim satisfaction, community engagement, use of force and

bringing offenders to justice. The Mayor and DMPC regularly discuss serious violence and other significant areas of business in meetings with the Commissioner and Deputy Commissioner. A formal stakeholder group to discuss the partnership approach to reducing homicides in London is in place, driving a more collaborative approach across all agencies.

MOPAC relies on a range of sources of assurance for our work in managing risk and ensuring the effectiveness of our internal controls. DARA plays a critical role as the internal auditor to both MOPAC and the MPS. MOPAC also works closely with the appointed external auditor, Grant Thornton, to respond to the recommendations made in their annual report on value for money.

The VRU is represented on MOPAC Board and is subject to the MOPAC financial management processes. The only additional aspect to VRU internal control is a VRU risk register managed via internal VRU SLT meetings.

A significant change in MOPAC's operating systems is underway to move to a new shared service provider (TfL) for our IT services. We are assured that our governance processes are robust enough to remain fit for purpose and do not require change. However, the programme itself has been deemed a corporate risk for MOPAC and is being monitored through our internal process set out above.

Actions and key developments in 2022/23

MOPAC had already taken steps to refresh its approach to oversight to place greater focus on key topical issues as well as ensuring that meetings cover strategic issues aligned to the PCP and its outcomes framework. Each of the oversight meetings between MOPAC and the MPS is thematically planned via regular co-ordination meetings, including working closely with the Commissioner's Office and their performance team, to ensure discussions are aligned and consistent. This approach ensures oversight is focused on those areas that will have the greatest impact in terms of driving improvement. MOPAC and the MPS also hold deep dives and seminars on various themes. Internal governance of oversight has been strengthened through establishment of an Oversight Analysis Group, which brings together colleagues from across the organisation to share intelligence from partners, providers and communities and ensures their insights are fed into oversight arrangements in the most strategic way, aligned with Mayoral priorities.

MOPAC has further developed its management of risk through defining the processes to do so at the strategic level, directorate/working level through to project level. This has been realised through the MOPAC Portfolio Board which provides assurance across the whole organisation, monitoring projects and programmes and escalating risks as appropriate. The Portfolio incorporates MOPAC's risks to ensure a fully joined up process. DARA has reviewed MOPAC's risk framework and will help develop training for staff to ensure that this is fully communicated.

Building on the improvements made by the core processes work of the Change Programme, MOPAC has worked with external consultants to create a clear set of integrated end-to-end (E2E) processes for the organisation, a user focused 'MOPAC way' that is supported by proportionate controls and intelligent technology, utilising automation that can reduce burdens on people and enhance how we share information and intelligence. The review worked through the following stages, Discovery, Design and Implementation Planning. The Discovery Stage reviewed the 'As Is', to understand the 'pain points and identify opportunities for improvement. The work has now been incorporated into the finance and corporate services transformation programme and will take on the design and implementation stages which will include an impact assessment of the introduction of the new processes and a roadmap to ensure these are fully embedded. The result of this programme of work will be an agreed set of centrally stored and accessible process documents to support the core MOPAC processes and recommendations on potential future enhancements using new technology.

DARA reviews in 2021/22 resulted in MOPAC focussing on areas for improvement over the last 12 months. Progress has been made within the business support processes, with a more robust recording and management

of IT and mobile equipment, and a review of MOPAC's asset register to ensure that it is up to date. MOPAC has also reviewed the IT shared services agreement with the Technology Group at the GLA to ensure that those staff that are working with MOPAC systems are vetted at CTC level.

An initial review of MOPAC's information governance has been completed. MOPAC has reviewed its current policy and requirements and entered into a new contract with an external provider to provide specialist advice and support to MOPAC. This has also been supported by additional resource within MOPAC. A further review of our processes and products will take place during 2023/24.

An Information Governance e-learning toolkit has been rolled out to all MOPAC staff and includes mandatory Cyber training. Separately, a training programme for all MOPAC staff is being developed with the external provider. This will be delivered remotely alongside a new toolkit as a guide to data protection and all areas of compliance to easily refer to.

In addition to this, the financial management framework within MOPAC has been enhanced with a refreshed Reserves policy and protocol that will enhance the control, management and transparency of all reserves both at MOPAC and within MPS. Consistent and standardised financial reporting will promote and enable greater financial resilience across the finance team and will provide a consistent approach for all budget holders. This approach has established a more consistent service offer to budget holders and MOPAC Board which supports the development and delivery of budget holder training across the whole of MOPAC.

A zero-based budgeting approach was applied to individual Directorate to ensure that budgets were properly aligned to support the delivery of services. Linking staffing budgets to team establishments was a key component of this process. The outcome of this work has led to a re-alignment of budgets within the budget envelope and was used as a basis for developing the 2023/24 budget.

Compliance with the Financial Management Code of Practice (FMCOP) is now a requirement and, as part of the assurance framework, a self-assessment of compliance with the code was carried out and reported to MOPAC Board.

Areas for focus 2023/24

A review of processes was completed in 2022/23, as detailed above. MOPAC Board agreed the primary focus from the review was the Procurement, Contracts and Grants Award and Payments Workstreams.

Complementary to this, MOPAC has identified key activities needed for a full End to End implementation to drive forward and deliver the change that is needed through a more effective Target Operating Model.

MOPAC seeks to improve the current set of core processes, to increase efficiency and improve effectiveness.

MOPAC will: -

- implement the Finance and Corporate Services transformation programme. This will include:
 - an effective and sustainable operating model that maximises resources available, creating effective enabling functions and providing resilience to MOPAC;
 - effective Procurement, Contracts and Grants Awards processes that are understood and followed
 - effective payment mechanisms and processes that are understood and followed.
 - fully trained and knowledgeable staff to increase compliance and adherence to rules
 - a refreshed Target Operating Model for Finance and Corporate Services with clear roles, responsibilities and accountabilities.

MOPAC has a mature and well-embedded decision-making process. The governance framework, including the Scheme of Delegation and Consent, decision making framework and supporting financial and contract regulations, define and document the roles and responsibilities of MOPAC and the MPS. All of MOPAC's major financial decisions are discussed at DMPC/Directors meetings, published online and available for public scrutiny.

MOPAC has worked closely with its legal department and the MPS over the past 18 months to review the Scheme of Delegation and Consent. A number of revisions have been identified to update the Scheme, and to streamline decision-making in specific areas. MOPAC will ensure that this remains up to date and takes into account the most recent legislation and guidance. MOPAC will continue its work to refine and update the Scheme of Delegation and Consent and will implement the updates identified following legal and DMPC approval.

MOPAC will: -

- Continue to refine and update the Scheme of Delegation and Consent to ensure it remains fit for purpose, based on the most recent legislation and guidance.

MOPAC is drafting a formal 'Casey Response Programme' with a clear scope, objectives and deliverables, to establish what needs to be achieved, and how, in response to the findings of the Casey Review. The programme – still in draft form at the time of writing - consists of seven work strands.

MOPAC will:-

- Develop the Mayoral response to Casey Review
- Establish the Mayor's new London Policing Board
- Refresh MOPAC's MPS Oversight Framework
- Refresh performance framework
- Explore wider levers to drive reform
- Support the MPS to build trust and confidence with Londoners
- Prepare for next Police and Crime Plan and progress review

In 2023 MOPAC identified a data breach relating to information submitted on webforms hosted on the london.gov.uk website. The breach was reported promptly to the Information Commissioner's Office who continue to investigate the breach and both MOPAC and the Greater London Authority's (GLA) handling of it. MOPAC and the GLA are working jointly to manage any risk arising from the data breach including commissioning specialist third party support in areas such as cyber assurance and legal incident management. As noted above, MOPAC has already completed an initial review of information governance, and rolled out to all staff an Information Governance e-learning toolkit which includes mandatory Cyber training. We are already in the process of updating all our data protection policies and processes. Classroom based data protection training is being delivered to all MOPAC staff with additional sessions for MOPAC Board members.

MOPAC will:

- Review all service level agreements, MoUs and contracts to ensure data protection and information governance clauses are robust, and that secure controls are in place to manage personal information
- Review and update where necessary all data protection products, policies and processes, such as Data Sharing Agreements, Records of Processing Agreements, and Data Protection Impact Assessments

- Continue to strengthen its information governance resource to ensure a permanent in-house team is in place, supported if necessary by an external provider
- Deliver a mandatory programme of information governance and data protection training to all staff annually.

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

Our arrangements

MOPAC sends a comprehensive monthly report to the Police and Crime Committee (PCC). The DMPC and CEO regularly attended meetings of the PCC and the DMPC and Chief Finance Officer appeared as required by the Budget and Performance Committee. MOPAC published both MPS and MOPAC operational and financial performance reports on a quarterly basis.

In the year 2022/23, MOPAC answered 4,825 pieces of correspondence, 93% of which were answered on time, in line with agreed service levels. MOPAC answered 659 Mayor's Questions, of which 38% were submitted ahead of, or on time. MOPAC answered 53 Freedom of Information requests, 79% of which were responded to on time. Performance against FOI, MQs and correspondence is reviewed regularly by the MOPAC Senior Leadership Team and DMPC. Mayoral and DMPC Decisions, Oversight Board agendas and minutes continue to be published on the website.

MOPAC has published a complaint escalation procedure for staff matters and internal working practices. MOPAC has a gifts and hospitality policy which is included under our code of conduct.

To support and ensure scrutiny of the MPS, the law requires MOPAC to abide by certain regulations in matters relating to statutory functions carried out by MOPAC Professional Standards which are prescribed within Police Pensions Regulations 1987, Police (Conduct) (Amendment) Regulations 2015 and Police Appeals Tribunals (Amendment) Rules 2015.

MOPAC continues to have a strong working relationship with the internal auditors, DARA, taking their formal advice and recommendations through their reports and informally through our internal governance structures and meetings. MOPAC monitors its internal governance improvement actions on a monthly basis and, reports to the MPS-MOPAC Joint Audit Panel on a quarterly basis.

MOPAC has a statutory duty to make arrangements for police custody detainees to be visited by independent persons to ensure their welfare, rights and entitlements are upheld (s51 Police Reform Act, 2002 as amended). We do this through the Independent Custody Visiting Scheme, which recruits, trains and manages a pool of approximately 200 Independent Custody Visitors (ICVs). In line with the Code of Practice, the Scheme is led by a senior MOPAC officer and ICVs provide written reports to MOPAC.

The VRU Partnership Reference Group (PRG) was established in September 2018 and provides the strategic lead, direction, support and challenge to the work of the Violence Reduction Unit. The PRG is chaired by the Mayor and includes the Deputy Mayors for Policing and Crime; Communities and Social Justice; and Children and Families. The VRU Partnership Reference Group meets four times a year. The meetings are closed but the agenda, reports and minutes are available online.

Actions and key developments in 2022/23

MOPAC supported the MPS to produce a comprehensive recommendations tracker which identified recommendations for change or learning for the MPS from external reports including those from HMICFRS, the IOPC, the ICO and the external auditors DARA. We ensured that recommendations from other MOPAC reports were also included, as well as implicit recommendations from the Casey review so that the MPS could look across the piece when developing its Turnaround Plan. We are now able to use this tracker to identify themes and patterns emerging from the individual recommendations and ensure that the most appropriate oversight method is applied to monitoring their implementation.

In October 2022, MOPAC established and held the first London Drugs Forum (LDF). The LDF is a jointly chaired multi-agency partnership meeting – chaired by DMPC and the Mayor’s Senior Health Advisor - bringing together criminal justice and health agencies to develop an effective response to drug related harms and crimes across the city. The Forum is committed to the vision that there will be a reduction in both drug related crime and drug related deaths in London. LDF minutes are published on MOPAC’s website to ensure that the work of the Forum is open and transparent.

Areas for focus 2023/24

Baroness Casey’s review into the culture and standards of the MPS concludes that the MPS lacks transparency and accountability to Londoners. It was recommended that MPS borough accountability needed to be strengthened, allowing access to high quality data for local authorities and residents to hold their local police to account. MOPAC will seek to improve access to data through greater collaboration with the MPS and MOPAC’s Evidence and Insight Team.

MOPAC will: -

- Align analytical work with the MPS and promote greater usage on the front line.
- Routine analytical products will be linked with those of the MPS and will bring about joint sessions to share workplans.
- Further develop public dashboards so that the public can directly scrutinise performance.

Police and Crime Commissioners are required to publish certain information to allow the public to hold them to account. This is set out in the Police Reform and Social Responsibility Act 2011. The requirement includes publishing details of what the PCC spends. MOPAC will improve its transparency through publishing greater detail on its website.

MOPAC will: -

- Publish MOPAC’s contracts and grants register alongside the Finance and Performance Quarterly Report.
- Develop and implement a process for all new contract awards to be published on our website

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

Our arrangements

Fundamental to MOPAC's role in oversight of the Metropolitan Police is the duty to ensure that it acts in accordance with the law. This responsibility is fulfilled through the MOPAC governance framework and compliance is reviewed at the quarterly Joint Audit Panel Meetings. The Deputy Mayor for Policing and Crime meets with the Chair of the Joint Audit Panel and has regular meetings with the Director of Audit, Risk and Assurance, the head of internal audit for MOPAC.

Supporting this oversight is the work of the London Policing Ethics Panel. The Ethics Panel provides independent advice on complex issues facing policing, and the moral and ethical implications of them.

In accordance with paragraph 3.7.4.3 of the Code of Practice on Local Authority Accounting, it is noted that MOPAC's financial management arrangements conform with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government* (2010) as set out in the Application Note to *Delivering Good Governance in Local Government Framework*.

There is a comprehensive list of statutory requirements which is monitored. All MOPAC decisions consider the legal and risk implications amongst other implications and are published in compliance with the Elected Local Policing Bodies Orders 2011 and 2012 relating to transparency – satisfying the specified order.

MOPAC has an anti-fraud policy, and its Directorate of Audit, Risk and Assurance provides an effective counter-fraud service to MOPAC and the MPS.

MOPAC and the VRU have a code of conduct for staff in which is outlined the high standards to which staff should conduct themselves. Additionally, both organisations have a set of values that act as a key set of value-based behaviours which the organisation adheres to.

Actions and key developments in 2022/23

In 2022/23, MOPAC renewed its arrangements for third party specialist data protection support. With the help of this new specialist provider, MOPAC reviewed its requirements for information governance, which included a review of MOPAC's Business Continuity plan, an outline compliance plan against legislation, and reintroduction of annual GDPR training for staff.

In 2022/23 MOPAC successfully recruited a new joint Audit Panel chair and three new Panel members.

Areas for focus 2023/24

During 2022/23 MOPAC reviewed its requirements for information governance. As a result, it was identified that further improvement was needed to ensure that we remained compliant with legislation.

MOPAC will: -

- conduct a thorough overhaul of the processes and products associated with information governance. This includes data sharing agreements, records of processing activities and data protection impact assessments.
- deliver mandatory training to all staff on information governance.

5.4 Ensuring openness and comprehensive Stakeholder Engagement

Our arrangements

MOPAC continues to reach out to the public to ask their opinions and get their views in a variety of ways. In particular our Evidence and Insight team oversee various surveys to capture the voices of Londoners - be they members of the public or victims of crime. This includes the Public Attitude Survey (a representative sample of 19,200 Londoners per year including questions around victimisation, fear of crime & crime concerns, attitudes to policing, contact with police) and the User Satisfaction Survey (capturing perceptions of 12,800 victims of crime about the service provided to them by the Metropolitan Police Service).

MOPAC continued during 2022/23 to work with stakeholders to deliver the Mayor's Action plan to improve trust and confidence in the MPS and to address community concerns about the disproportionality in the use of certain police powers affecting Black Londoners. The Action Plan was developed following a series of consultations with more than 400 individuals and groups that either work with or within Black communities. The work was undertaken in response to concerns raised about the disproportionate use of police powers, including stop and search, the use of force and Taser. Quarterly review meetings are an opportunity for communities to hear about and contribute to the delivery of key parts of the action plan. In addition, MOPAC has established an External Reference Group to support and challenge MOPAC and the MPS in the delivery of the commitments set out in the Action Plan.

S14 of the Police Reform and Social Responsibility Act 2011 requires MOPAC to obtain the views of the community on policing and to obtain the views of victims of crime about matters concerning the policing of the area. As well as the other methods already described, MOPAC discharges these functions through the borough-based Safer Neighbourhood Boards (SNBs). SNBs are an accountability and engagement mechanism established by the Mayor of London to ensure the police focus on the priorities of local communities. MOPAC supports the SNBs through a pan-London forum, the provision of a bespoke data dashboard, and by providing development opportunities in key skills, such as chairing public meetings and understanding crime statistics.

Code A of the Police and Criminal Evidence Act sets out specific duties for MOPAC in monitoring and supervising the use of stop and search powers. In London, there is a well-established Network of borough-based Stop and Search Community Monitoring Groups (CMGs). MOPAC supports the local groups by facilitating a pan-London network and provide training to CMG/Network members in examining and interpreting data and the broader community engagement potential for their groups.

Tackling Violence Against Women and Girls (VAWG) is a key priority in the Mayor's Policing and Crime Plan. The refreshed London VAWG Strategy set out the commitments aimed at reducing the prevalence of VAWG in London, tackling perpetrators and supporting victims and survivors.

As part of a review of the work of the MOPAC VAWG Board in 2020, it was agreed to convene a new VAWG VCS Expert Reference Group which would feed in the views of the sector to the VAWG Board. In October 2020, MOPAC was given approval to directly award a contract to Women's Resource Centre (WRC) to provide part time secretariat support to the new VAWG VCS Expert Reference Group from March 2021 to March 2022. This contract was subsequently extended to continue funding from 01 April 2022 to 31 March 2025, funded at a value of £30,000 each financial year.

The VRU was set up to lead, coordinate and embed a partnership approach to tackling violence. There is no shortage of creative and impactful interventions across London from the charity sector, community organisations and the public sector institutions but there is not enough coordination nor a shared appreciation of what works, and often the voice of young people can be lost.

In London the focus has been to galvanise those efforts and bring all of those working so hard together to collectively reduce violence. We work together with the NHS, the police, local government, the voluntary and charity sector, communities, those in education and others, to coordinate a London approach to tackling violence.

The VRU's Young People's Action Group (YPAG) works alongside us to ensure the voice, opinions and ideas of young people continue to influence policy, our programmes and our funding decisions. The YPAG is a group of young people from across London with 'lived experience of violence' or who had campaigned on youth issues. The aim of the YPAG is to amplify the voices of young Londoners whilst supporting them to lead change.

Actions and key developments in 2022/23

During 2022/23 we commissioned Black Thrive to conduct a community review to look at the lived experiences and interaction Black Londoners have with police officers. This consultation looked to use the insights to propose improvements to existing local community oversight of policing in the capital. The consultation included both universal and targeted opportunities for communities across London to be involved either online or in person. A further series of online and a smaller number of in-person consultation events happened during February and March of 2023. There have been some delays in receiving the final Black Thrive report and recommendations and a new delivery timetable has been agreed.

Further work has been conducted during 2022/23 to review and improve community scrutiny of the MPS. MOPAC recognised that improvements needed to be made to increase representation, become more transparent and ensure that the structure fed into wider governance mechanisms. MOPAC has worked with stakeholders to develop a new approach to community oversight and will pilot this work in 3 boroughs. MOPAC will evaluate the pilots and consider a renewed London wide approach to community oversight.

MOPAC has further strengthened its oversight of ICVs with the introduction of a custody record review pilot scheme. This pilot looked at the end-to-end detainee journey and checked compliance against legislation. Monthly review meetings were put in place between ICVs and Met Detention to review the insight that was gained.

Areas for focus 2023/24

The Baroness Casey review highlighted that "a dysfunctional relationship has developed between the Met and MOPAC, with defensive behaviours on one side and tactical rather than strategic approaches on the other. MOPAC will take steps to improve oversight and relations with the MPS by moving to a more strategic approach.

MOPAC is working with the MPS to develop the new Turnaround Plan, drawing on research provided by our evidence and insight unit to ensure that it focuses on the areas we know Londoners deserve a better service from the MPS, such as support for victims. MOPAC officers provided advice and support to the MPS in engaging with a broad range of stakeholders, including for example directly linking them up with VAWG sector organisations and organisations working with young people. MOPAC – and colleagues from across City Hall – continue to work with the Met to facilitate and enable further engagement with Londoners as this work progresses.

MOPAC will: -

- Focus the MPS to define strategic approaches to how the force will work going forward through its reform and transformation programme – The MPS Turnaround Plan.
- The Mayor and Deputy Mayor will then hold the commissioner to account for delivery of that plan through a revised oversight framework which will include the creation of the new London Policing Board.

Increasing trust and confidence is the foundation of our system of policing by consent and crucial to everything we want to achieve. In line with the Mayor's Action Plan for transparency, accountability and trust in policing, MOPAC will carry forward work to overhaul community scrutiny and engagement.

MOPAC will: -

- run pilots in a small number of areas to test community scrutiny mechanisms
- develop a proposal for new approaches to community scrutiny, informed by the work of Black Thrive, the pilots and other wider relevant consideration.
- work together with the MPS to ensure our community engagement mechanisms are aligned and informed by good practice.
- improve the mechanisms for ensuring community voice informs and is brought into our oversight of the MPS, including but not limited to through the London Policing Board.

As part of the London VRU coordinating role for the implementation of the Serious Violence duty, the VRU will deliver compliance of the duty for London by ensuring all 32 boroughs Community Safety Partnerships:

- undertake an evidence-based analysis of the causes of serious violence in your area (and have effective data sharing to enable this)
- develop a strategic needs assessment based on the analysis
- develop and implement a strategy with solutions to prevent and reduce serious violence in your area, reviewed every year

The VRU Partnership Reference Group is made up of leading representatives from the Met Police, the NHS and public health, probation and education, and local authorities. The 32 London boroughs are represented by the political lead for crime and community safety and local authority officers nominated by London Councils, the cross-party organisation that works on behalf of all its member authorities. Representatives from the community, VCS and youth sector also sit alongside the public sector representatives to help ensure there is a strong community voice.

The VRU will:

- review PRG membership to ensure strengthened diversity and representation.

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

Our arrangements

The Police and Crime Plan states: *"In line with the Mayor's aspiration of achieving Carbon Net Zero by 2030, investment plans will be reviewed with an aim of accelerating the delivery of the three key areas in estates that have the most significant impact: power purchasing; replacement of fossil fuels to heat buildings as well as improving insulation; and roll-out of an electric car charging network."*

The Capital Strategy 2023/24 was refreshed to include the Mayor's ambition for Net Carbon Zero and this forms part of the prioritisation and evaluation process for new schemes. Consideration of environmental

impacts are set out in all proposals that are considered including the benefits and the associated financial implications including costs and ongoing savings.

As part of the Mayor's budget, MOPAC has detailed a set of climate measures. They focus on optimising energy consumption at MPS buildings, replacing non-LED lighting and installing 600 additional electric vehicle charging points across the MPS estate. MOPAC and the MPS report on these measures at the GLA's Net Zero 2030 working group.

For the first time, MOPAC and the MPS has published a climate budget as part of the 2023/24 budget setting process. This sets out the cost and the carbon benefits/impacts of achieving Net Zero Carbon. How this can be achieved and funded will continue to be considered as part of the budget setting process in future years. Working together MOPAC and the MPS successfully applied for Public Sector Decarbonisation Scheme grant funding. This has already achieved the decarbonisation of three sites with £0.9m of funding and supported the current work in progress of a further two sites.

MOPAC and the MPS's commitment to the air quality policies in line with the London Environment Strategy has ensured that the MPS's fleet based within the Ultra-Low Emissions Zone (ULEZ) is fully compliant. The fleet currently includes over 800 electric, hybrid or hydrogen vehicles. By 2025, the expectation will be for the general-purpose fleet of over 800 vehicles to be hybrid and the MPS will seek to ensure that all new vehicles purchased beyond 2025 will either be hybrid or fully electric.

The VRU has listened to charity and grassroots community organisations, and through its own neighbourhood research, found that short-term funding and pilot schemes can sometimes cause more harm to communities than good. The VRU has moved to more prudent profiling of some programmes to enable multi-year funding, which is in keeping with the rationale for setting up the VRU to explore longer term approaches towards violence reduction, for more sustainable change.

Actions and key developments in 2022/23

A refresh of the capital strategy was completed during 2022/23, which ensured that priorities were fully captured and that it aligns to the Police and Crime Plan priorities as well as the wider sustainability agenda.

In order to bring about sustained change to address the outcomes for our partnership boards, a dedicated Partnership Team has been set up to provide a more collaborative partnership response, administer the new structure of LCRB and LCJB meetings and implement the documentation through a better functioning secretariat. Significant stakeholder engagement has taken place to embed the recommendations of the LCRB sub-board governance review (which took place during 2021/22), to maximise opportunities for collaboration and delivery against partnership PCP outcomes.

Areas for focus 2023/24

The Baroness Casey Review concluded that the Met's transparency and accountability to Londoners should be strengthened, recommending that a new quarterly board be established to oversee and scrutinise the changes needed to ensure full transparency and accountability to Londoners, whilst maintaining the operational independence of the Commissioner.

MOPAC will take steps to improve the transparency and accountability of our oversight and look to develop a framework that helps monitor sustainable reform for Londoners.

MOPAC will: -

- develop a performance framework for the London Policing Board. In doing so MOPAC will:

- Understand and apply existing data where possible
- Incorporate the views of partners and the public
- Incorporate cultural change measures
- Incorporate equality and vulnerability measures
- Ensure absence of perverse incentives
- Ensure process supported by evidence and insight
- Work to ensure framework aligns with that of Turnaround Plan so it is embedded within MPS governance
- Consider external validation (HMICFRS, Progress Reviews)

Ensure that the updated principles set out in the refreshed Capital Strategy are embedded in the process for developing the 2024/25 capital programme.

5.6 Determining the interventions necessary to achieve the intended outcomes

Our arrangements

The Investment, Advisory and Monitoring meetings continue to work in an effective way. This meeting scrutinises the investment decisions recommended to MOPAC by the MPS to ensure they are aligned with the PCP and/or other statutory requirements for policing, and that they contribute to achieving an effective and efficient police service for London. We put considerable focus in this area, particularly given the significant decisions required in many areas of the MPS transformation programme, such as strengthening local policing, transforming investigations and prosecution, and transforming the MPS estate.

The Oversight Board continues to challenge the MPS on delivery key strategic objectives. It takes place on a quarterly basis and enables the DMPC to effectively exercise the role and duties of the Police and Crime Commissioner for the Metropolis, as delegated by the Mayor of London. Further strengthening of this framework led to the creation of two oversight boards, one focussing on performance and risk and the other on organisational management which provides more space for discussion of organisational issues, risk, change management and assurance.

Focussed conversations at Oversight Board during 2022/23 included the new Commissioner's draft Turnaround Plan, which MOPAC collaborated on to ensure that victims and partners featured more prominently. We will continue to work with the MPS on the final reform plans during 2023/24, through planned seminars and direct conversations.

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 output through the sharing of readouts. 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.

Actions and key developments in 2022/23

Evidence-based insight underpins and informs MOPAC policy and commissioning at every level. MOPAC has developed a set of principles to guide the commissioning work which directly supports the PCP outcomes. A key principle is to use a broad range of evidence to inform commissioning and contributing our own insight

evidence through reflection and evaluation. MOPAC will continue to publish quarterly updates on the performance of its commissioned and grant-funded services.

During 2022/23 MOPAC developed a commissioning Outcomes Framework as a standardised process for measuring success for those services that are in place to support the strategic outcomes of the Police and Crime Plan. This has helped MOPAC demonstrate the purpose of its commissioning, have a standardised mechanism for defining and monitoring outcomes, and have consistent measures and resources across the four commissioning teams in MOPAC. A commissioning catalogue was created and includes key information for each commissioned service to help demonstrate why the service exists, the need it demonstrates, the desired outcomes and measures of success and funding streams. This is supported by a more detailed excel output and a toolkit to support the maintenance of the catalogue.

Complimenting this work, the VRU has developed its Outcomes Framework and guidance to drive programme commissioning and management for services supporting violence reduction. This is now being used to report outcomes updates at the PRG.

- Developed a Monitoring Minimum Standards to streamline and standardise data collection and reporting.
- Developed a new Monitoring Dashboard which reflects the VRU Outcomes Framework structure.
- Enhanced our in-house analytical capabilities to ensure support is directed at those most in need.

To further improve the area of complaints management, DARA has completed an audit review and identified that although MOPAC provide feedback to the MPS on lessons learnt in a number of fora, there is no formal process in place to ensure the MPS takes appropriate action to act upon any areas of improvement identified. Actions to address this include requiring the MPS to produce action plans to address the areas of improvement identified by MOPAC. MOPAC will continue to monitor the implementation of the agreed actions and progress through the revised formal oversight mechanisms.

Areas for focus 2023/24

As detailed above, MOPAC and the VRU is now able to demonstrate the need, desired outcomes and success measures and provide an evidence base for its commissioned services. We will seek to improve its transparency and awareness of the reach and impact of commissioned services through publication of key performance information.

MOPAC will: -

- develop a standard set of data to improve the reporting of the work of commissioned services.
- In addition, the VRU will continue to develop its Outcomes Performance Focused Framework and will further operationalise to ensure alignment across all VRU programmes.

As previously identified in our annual governance statement, a need to improve our existing procurement resource led to discussions to formalise a shared service agreement. Work to fully implement this procurement approach has been hindered by a restructure of the provider. Discussions have re-started, but agreement of terms of reference are on hold currently.

MOPAC will: -

- progress the terms of reference for Procurement during 2023/24 and incorporate this within the Finance and Corporate Services transformation programme.

The most recent Police and Crime Plan committed to MOPAC taking a ‘Child First approach’ to everything it does, including in the way it commissions services and oversees the MPS. MOPAC undertook a tendering exercise to commission academics to develop an evidence-based position statement for MOPAC on Child First, grounded in the experience of young people, accompanied by a checklist for MOPAC and its partners to apply when undertaking (or overseeing) any work with children. This work is currently underway, led by academics from the University of Salford, and should contribute to improving the delivery of our services to Londoners, as well as the services delivered by the MPS.

MOPAC will:

- Develop an evidence-based ‘Child First’ policy position statement and set of principles to improve delivery of its commissioned services and oversight activity as it relates to all interactions with children.

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

Our arrangements

During 2022/23 MOPAC’s corporate risk of *not having the right capability or capacity to achieve our mission and statutory function* moved to an Issue and accordingly was managed at Board level with robust short-term interventions alongside medium- and longer-term plans to ensure this risk was not realised. This work included reprioritisation of work and programmes, enhanced resource planning and delivery, effective use of talent pools, tighter controls on processes such as vetting, organisation design changes and longer-term workforce planning.

Further organisational growth has been implemented, to strengthen both Strategy and MPS Oversight Directorate and the Commissioning and Partnership Directorate. In addition, it was agreed to establish surge capacity through a new priority projects team. This will be implemented in the coming year and will enable MOPAC to flex its resources in a timely way to ensure that priority work can be progressed at pace.

Business as usual work continued throughout with a focus on staff wellbeing being prioritised, and MOPAC driving a more diverse and inclusive culture with support and training for managers to make practical improvements.

Actions and key developments in 2022/23

MOPAC has built a more structured workforce planning approach to better understand its growth and funding opportunities and future workforce design, at directorate and organisational level to deliver its strategic vision. Incumbent in this analysis is ensuring capacity and capability, resources and skills aligned to MOPAC’s business and delivery of the PCP. As described above, this work led to the strengthening of resource in Directorates.

Development of a new People Strategy 2023 – 2026 commenced which will include a strategic Talent management and learning and development approach. This work will ensure our workforce have the capabilities, skills and competencies to deliver against our vision and mission.

Year Two of the EDI strategy and the action plan focussed on consolidation and impact analysis as well as more developed work on embedding EDI through all our work. Developments included inclusive recruitment training, a revised staff network offering including new groups on 'race matters' and disability. The 2022 pay gap decreased in gender, ethnicity and disability.

In addition, the formation of the Partnership Team and the strengthened oversight governance ensured a stronger structured approach to using our levers to ensure our services meet the needs of London's diverse communities.

MOPAC conducted an organisational re-design of its Complaints Review Team. This was in response to the caseload being much higher than initially anticipated on transfer from the MPS. Whilst undergoing this redesign work MOPAC used a third-party provider to boost output and offered overtime for existing staff. The resulting design includes clearer role and accountabilities, process efficiencies, and increased headcount and service standards for the team. The team is now working more effectively and able to make recommendations and identify learning for the MPS complaint handlers. Training is given to MPS teams based on what is found in the reviews.

Areas for focus 2023/24

MOPAC has an identified corporate risk around capacity and capability as well as culture. Continuous improvement and a more developed people offering, and service has ensued in recent years, but it is recognised that further strategic and operational development is required. Further to discovery, diagnostic and design work including a staff survey, business and workforce indicators, and a consideration of external and internal drivers

MOPAC will: -

- implement its People Strategy to strengthen identity, culture and connection; equip individuals and the organisation for success; and become an adaptable and resilient organisation.

6. Governance issues for improvement

The Director of Audit, Risk and Assurance annual opinion for 2022/23 will be added to this document once published. Areas for improvement identified by DARA to further strengthen the internal control environment are reflected in the Annual Governance Statement and associated Governance Improvement Plan.

Governance Improvement Plan

The areas outlined in Section 5 of this document as needing improvement will be added to the MOPAC Governance Improvement Plan 2023/24. The Governance Improvement Plan outlines all areas of focus and steps necessary to further enhance our governance arrangements and ensure that MOPAC's governance continues to improve. It identifies and tracks more detailed actions against outstanding improvements. The Governance Improvement Plan itself is actively managed by the MOPAC Governance and Risk Working Group which meets on a monthly basis and is chaired by the Director of Strategy & MPS Oversight.

For reference, the key areas have been highlighted in the table below.

<i>Principle</i>	Area of focus	Action to take
Managing risks and performance through robust internal control and financial management	<p>A review of processes was completed in 2022/23, as detailed above. MOPAC Board agreed the primary focus from the review was the Procurement, Contracts and Grants Award and Payments Workstreams. Complementary to this, MOPAC has identified key activities that are needed for a full End to End implementation to drive forward change and deliver the change that is needed through a more effective Target Operating Model.</p> <p>MOPAC seeks to improve the current set of core processes, to increase efficiency and improve effectiveness.</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> implement the Finance and Corporate Services transformation programme. <p>This will include:</p> <ul style="list-style-type: none"> an effective and sustainable operating model that maximises resources available, creating effective enabling functions and providing resilience to MOPAC; effective Procurement, Contracts and Grants Awards processes that are understood and followed effective payment mechanisms and processes that are understood and followed. fully trained and knowledgeable staff to increase compliance and adherence to rules a refreshed Target Operating Model for Finance and Corporate Services with clear roles, responsibilities and accountabilities.
	<p>MOPAC has a mature and well-embedded decision-making process. The governance framework, including the Scheme of Delegation and Consent, decision making framework and supporting financial and contract</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> Continue to refine and update the Scheme of Delegation and Consent to ensure it remains fit for purpose, based on the most recent legislation and guidance.

	<p>regulations, define and document the roles and responsibilities of MOPAC and the MPS. All of MOPAC's major financial decisions are discussed at DMPC/Directors meetings, published online and available for public scrutiny.</p> <p>MOPAC has worked closely with its legal department and the MPS over the past 18 months to review the Scheme of Delegation and Consent. A number of revisions have been identified to update the Scheme, and to streamline decision-making in specific areas. MOPAC will ensure that this remains up to date and takes into account the most recent legislation and guidance. MOPAC will continue its work to refine and update the Scheme of Delegation and Consent and will implement the updates identified following legal and DMPC approval.</p>	
	<p>MOPAC is drafting a formal 'Casey Response Programme' with a clear scope, objectives and deliverables, to establish what needs to be achieved, and how, in response to the findings of the Casey Review. The programme – still in draft form at the time of writing - consists of seven work strands.</p>	<p>MOPAC will:-</p> <ul style="list-style-type: none"> • Develop the Mayoral response to Casey Review • Establish the Mayor's new London Policing Board • Refresh MOPAC's MPS Oversight Framework • Refresh performance framework • Explore wider levers to drive reform • Support the MPS to build trust and confidence with Londoners • Prepare for next Police and Crime Plan and progress review
	<p>In 2023 MOPAC identified a data breach relating to information submitted on webforms hosted on the london.gov.uk website. The breach was reported promptly to the Information Commissioner's Office who continue to investigate the breach and both MOPAC and the Greater London Authority's (GLA) handling of it. MOPAC and</p>	<p>MOPAC will:</p> <ul style="list-style-type: none"> • Review all service level agreements, MoUs and contracts to ensure data protection and information governance clauses are robust, and that secure controls are in place to manage personal information

	<p>the GLA are working jointly to manage any risk arising from the data breach including commissioning specialist third party support in areas such as cyber assurance and legal incident management. As noted above, MOPAC has already completed an initial review of information governance, and rolled out to all staff an Information Governance e-learning toolkit which includes mandatory Cyber training. We are already in the process of updating all our data protection policies and processes. Classroom based data protection training is being delivered to all MOPAC staff with additional sessions for MOPAC Board members.</p>	<ul style="list-style-type: none"> • Review and update where necessary all data protection products, policies and processes, such as Data Sharing Agreements, Records of Processing Agreements, and Data Protection Impact Assessments • Continue to strengthen its information governance resource to ensure a permanent in-house team is in place, supported if necessary by an external provider • Deliver a mandatory programme of information governance and data protection training to all staff annually.
<p>Implementing good practices in transparency, reporting and audit to deliver effective accountability</p>	<p>Baroness Casey’s review into the culture and standards of the MPS concludes that the MPS lacks transparency and accountability to Londoners. It was recommended that MPS borough accountability needed to be strengthened, allowing access to high quality data for local authorities and residents to hold their local police to account. MOPAC will seek to improve access to data through greater collaboration with the MPS and MOPAC’s Evidence and Insight Team.</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> • Align analytical work with the MPS and promote greater usage on the front line. • Routine analytical products will be linked with those of the MPS and will bring about joint sessions to share workplans. • Further develop public dashboards so that the public can directly scrutinise performance.
	<p>Police and Crime Commissioners are required to publish certain information to allow the public to hold them to account. This is set out in the Police Reform and Social Responsibility Act 2011. The requirement includes publishing details of what the PCC spends.</p> <p>MOPAC will improve its transparency through publishing greater detail on its website.</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> • Publish MOPAC’s contracts and grants register alongside the Finance and Performance Quarterly Report. • Develop and implement a process for all new contract awards to be published on our website

<p>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<p>During 2022/23 MOPAC reviewed its requirements for information governance. As a result, it was identified that further improvement was needed to ensure that we remained compliant with legislation.</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> • conduct a thorough overhaul of the processes and products associated with information governance. This includes data sharing agreements, records of processing activities and data protection impact assessments. • deliver mandatory training to all staff on information governance.
<p>Ensuring openness and comprehensive Stakeholder Engagement</p>	<p>The Baroness Casey review highlighted that “a dysfunctional relationship has developed between the Met and MOPAC, with defensive behaviours on one side and tactical rather than strategic approaches on the other. MOPAC will take steps to improve oversight and relations with the MPS by moving to a more strategic approach.</p> <p>MOPAC has worked with the MPS around the development of the new Turnaround Plan, drawing on research provided by our evidence and insight unit to ensure that it focuses on the areas we know Londoners deserve a better service from the MPS, such as support for victims. MOPAC officers provided advice and support to the MPS in engaging with a broad range of stakeholders, including for example directly linking them up with VAWG sector organisations and organisations working with young people. MOPAC – and colleagues from across City Hall – continue to work with the Met to facilitate and enable further engagement with Londoners as this work progresses.</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> • Focus the MPS to define strategic approaches to how the force will work going forward through its reform and transformation programme – The MPS Turnaround Plan. • The Mayor and Deputy Mayor will then hold the commissioner to account for delivery of that plan through a revised oversight framework which will include the creation of the new London Policing Board.
	<p>Increasing trust and confidence is the foundation of our system of policing by consent and crucial to everything we want to achieve. In line with the Mayor’s Action Plan for transparency, accountability and trust in policing, MOPAC will</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> • run pilots in a small number of areas to test community scrutiny mechanisms • develop a proposal for new approaches to community scrutiny, informed by the work

	carry forward work to overhaul community scrutiny and engagement.	<p>of Black Thrive, the pilots and other wider relevant consideration.</p> <ul style="list-style-type: none"> • work together with the MPS to ensure our community engagement mechanisms are aligned and informed by good practice. • improve the mechanisms for ensuring community voice informs and is brought into our oversight of the MPS, including but not limited to through the London Policing Board.
	As part of the London VRU coordinating role for the implementation of the Serious Violence duty, the VRU will deliver compliancy of the duty for London by ensuring all 32 boroughs Community Safety Partnerships will	<p>The VRU will:</p> <ul style="list-style-type: none"> • undertake an evidence-based analysis of the causes of serious violence in your area (and have effective data sharing to enable this) • develop a strategic needs assessment based on the analysis • develop and implement a strategy with solutions to prevent and reduce serious violence in your area, reviewed every year
	The VRU Partnership Reference Group is made up of leading representatives from the Met Police, the NHS and public health, probation and education, and local authorities. The 32 London boroughs are represented by the political lead for crime and community safety and local authority officers nominated by London Councils, the cross-party organisation that works on behalf of all its member authorities. Representatives from the community, VCS and youth sector also sit alongside the public sector representatives to help ensure there is a strong community voice.	<p>The VRU will:</p> <ul style="list-style-type: none"> • review PRG membership to ensure strengthened diversity and representation
Defining outcomes in terms of sustainable economic,	The Baroness Casey Review concluded that the Met's transparency and accountability	MOPAC will: -

<p>social and environmental benefits</p>	<p>to Londoners should be strengthened, recommending that a new quarterly board be established to oversee and scrutinise the changes needed to ensure full transparency and accountability to Londoners, whilst maintaining the operational independence of the Commissioner.</p> <p>MOPAC will take steps to improve the transparency and accountability of our oversight and look to develop a framework that helps monitor sustainable reform for Londoners.</p>	<ul style="list-style-type: none"> • develop a performance framework for the London Policing Board.
<p>Determining the interventions necessary to achieve the intended outcomes</p>	<p>MOPAC and the VRU is now able to demonstrate the need, desired outcomes and success measures and provide an evidence base for its commissioned services.</p> <p>MOPAC will seek to improve its transparency and awareness of the reach and impact of commissioned services through publication of key performance information.</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> • develop a standard set of data to improve the reporting of the work of commissioned services. <p>The VRU will:</p> <ul style="list-style-type: none"> • continue to develop its Outcomes Performance Focused Framework and will further operationalise to ensure alignment across all VRU programmes.
	<p>As previously identified in our annual governance statement, a need to improve our existing procurement resource led to discussions to formalise a shared service agreement. Work to fully implement this procurement approach has been hindered by a restructure of the provider. Discussions have re-started, but agreement of terms of reference are on hold currently.</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> • progress the terms of reference for Procurement during 2023/24 and incorporate this within the Finance and Corporate Services transformation programme.
	<p>The most recent Police and Crime Plan committed to MOPAC taking a 'Child First approach' to everything it does, including in the way it commissions services and oversees the MPS. MOPAC undertook a tendering exercise to commission academics to develop an evidence-based position statement for MOPAC on Child First, grounded in the experience of young people, accompanied by</p>	<p>MOPAC will:</p> <ul style="list-style-type: none"> • Develop an evidence-based 'Child First' policy position statement and set of principles to improve delivery of its commissioned services and oversight activity as it relates to all interactions with children.

	<p>a checklist for MOPAC and its partners to apply when undertaking (or overseeing) any work with children. This work is currently underway, led by academics from the University of Salford, and should contribute to improving the delivery of our services to Londoners, as well as the services delivered by the MPS</p>	
<p>Developing MOPAC's capacity, including the capability of its leadership and staff</p>	<p>MOPAC has an identified corporate risk around capacity and capability as well as culture. Continuous improvement and a more developed people offering, and service has ensued in recent years, but it is recognised that further strategic and operational development is required. Further to discovery, diagnostic and design work including a staff survey, business and workforce indicators, and a consideration of external and internal drivers</p>	<p>MOPAC will: -</p> <ul style="list-style-type: none"> • implement its People Strategy to strengthen identity, culture and connection; equip individuals and the organisation for success; and become an adaptable and resilient organisation.

7. 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 our 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 our next annual review.

Signed

Signed

Sophie Linden
Deputy Mayor for Policing and Crime

Diana Luchford
Chief Executive

Appendix 1: Background and governance framework

Scope of responsibilities

MOPAC's responsibilities are set out in the relevant legislation. Overarching responsibilities include:

a) Overarching Duties

MOPAC must secure the maintenance of the Metropolitan Police Service 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 Police and Crime Plan;
- 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) Her 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 to include the requirement to publish a summary of the force's performance against the HMICFRS PEEL inspection.

The Governance Framework

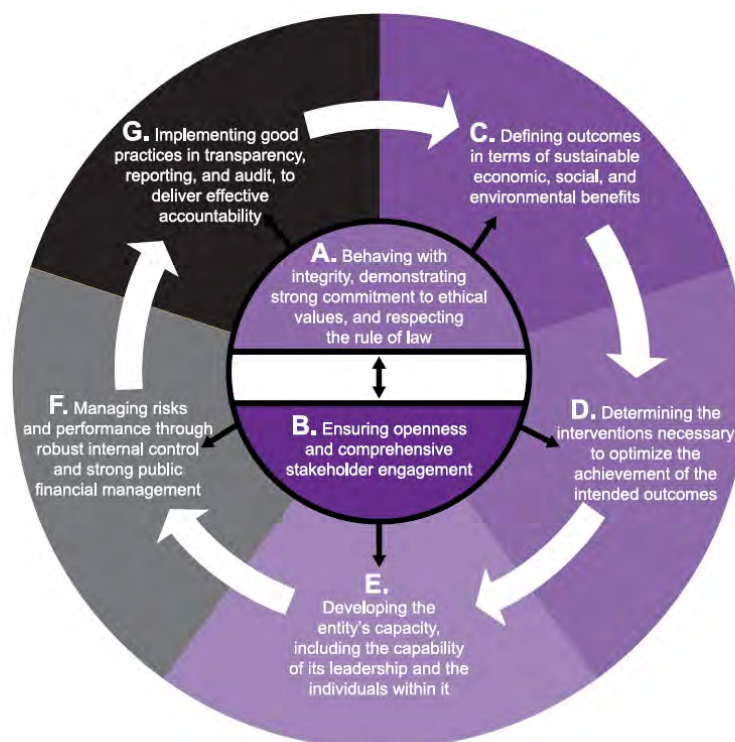
This AGS is drawn up in line with the *CIPFA - Delivering Good Governance in Local Government*¹ guidelines, which build on the Nolan principles².

The **MOPAC Governance Framework** (see figure 2) is modelled on the CIPFA produced *International Framework: Good Governance in the Public Sector* (the framework). It is dynamic and subject to continuous improvement.

The framework enables MOPAC to monitor and evaluate achievements against its strategic objectives – outlined in the PCP – and it is against this framework we have evaluated effectiveness in this document for the year 2022/23.

The [MOPAC Code of Governance](#) uses the framework as its base and ensures its principles are integrated into how MOPAC conducts business locally.

Figure 2- International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014)



MOPAC can demonstrate that the systems and processes in place to support these governance provisions are:

- monitored for their effectiveness in practice via the [Quarterly Reports](#) to the Joint MOPAC and MPS Audit Panel and annually via this [AGS](#)
- Subject to [scheduled reviews](#) by the Directorate of Audit, Risk and Assurance (DARA) to ensure it remains up to date and fit for purpose
- Improved and actioned through the organisation via the [Governance Improvement Plan](#)

The Mayor delegates day-to-day running of MOPAC to the [Deputy Mayor for Policing and Crime](#), whose role is similar to that of an elected Police and Crime Commissioner elsewhere.

¹ <http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

² <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

The framework governing the financial management of MOPAC is outlined in the Police Reform and Social Responsibility Act 2011, the [Financial Management Code of Practice for the Police](#), the MOPAC Scheme of Delegation and in the [MOPAC Financial Regulations and Contract Regulations](#).

MOPAC uses and publishes a [Scheme of Delegation and Consent](#) which sets out approval delegations to ensure that decisions are made at the lowest level consistent with efficient and effective decision making, whilst ensuring that MOPAC, DMPC and the MPS are properly protected against the risks associated with being the individual held to account for all decisions made.

MOPAC ensures that the process for raising any concerns employees have about the way business is conducted is simple, effective and confidential wherever possible, as set out in its [whistle blowing policy](#).

MOPAC is required to produce an Annual Report on progress in relation to activities, achievements, the financial position, performance against PCP priorities and objectives and ensure that it is communicated publicly. The 2022/23 Annual MOPAC report will be published to sit alongside the final AGS and the MOPAC accounts. It will be presented to a future PCC meeting for scrutiny.

MOPAC's internal governance structures

MOPAC is held to account over its objectives, operations and delivery of the PCP through various Boards and Panels, which are detailed below. More information can be found on the [MOPAC website](#).

Governance over the MPS and key partners

i. Oversight Board

The quarterly MOPAC-MPS Oversight Board enables the DMPC to effectively exercise the role and duties of the Police and Crime Commissioner for the Metropolis, as delegated by the Mayor of London. The creation of two oversight boards, one focussing on performance and risk and the other on organisational management provides more space for discussion of organisational issues, risk, change management and assurance.

The functions of the Oversight Board are to:

- Scrutinise MPS delivery against the Police and Crime Plan on behalf of the Mayor, and performance against agreed priorities
- Have oversight of value for money through economy, efficiency and effectiveness
- Undertake, at the request of the DMPC, assurance on key priorities and specific issues of concern to the public and PCP
- Approve and review the Mid-Term Financial Strategy (MTFS) in line with Mayoral priorities and
- Monitor progress, delivery and risks against the MPS Business Plan.

ii. The London Crime Reduction Board (LCRB)

At [LCRB](#), the Mayor, DMPC, the Commissioner, representatives from across the Criminal Justice System and London boroughs come together to agree a coordinated approach to crime reduction and community safety in London. High-level intelligence on crime and public concerns about safety is also reviewed. This board is key to utilising the Mayor's convening powers to work with a number of partners to deliver policing and crime priorities within the Police and Crime Plan for London.

iii. Bi-laterals

The [Mayor routinely meets with the Commissioner](#) and their team, including specialist operations, 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 MPS and to consider issues of importance to policing and crime reduction in London.

iv. Informal One-to-Ones

On an informal basis, the DMPC meets regularly with MPS Assistant Commissioners, as well as occasionally with key Deputy Assistant Commissioners, Commanders and other members of the MPS Management Board.

v. Investment Advisory and Monitoring (IAM)

IAM is an advisory meeting to the DMPC, to inform decisions subsequently taken and published. It ensures that MPS investment decisions deliver the police and crime plan and are founded on a sound business case, contributing to efficiency and effectiveness of the MPS. The business case proposals supporting key investments in the MPS transformational change programme are considered at this board.

vi. Corporate Investment Board (CIB)

In addition to the MOPAC governance, as part of the wider GLA corporate governance and to ensure consistency across the GLA, proposed MOPAC investment decisions are reported to the GLA Corporate Investment Board (CIB). The Deputy Mayor for Policing and Crime is a member of this board. The board is an internal forum chaired by the Mayor's Chief of Staff. Further information on and the public minutes of CIB meetings can be accessed here: <https://www.london.gov.uk/about-us/governance-and-spending/good-governance/decision-making>.

External

The Police Reform and Social Responsibility Act 2011 requires the establishment of an ordinary Committee of the Assembly to be the Police and Crime Panel. This function is and will continue to be carried out by the Police and Crime Committee (PCC). MOPAC is scrutinised via the following avenues:

I. Police and Crime Committee

The [London Assembly's Police and Crime Committee \(PCC\)](#) is the statutory body that examines the work of MOPAC and meets twenty times a year. Ten of those meetings are used principally to hold question and answer sessions with the DMPC and Commissioner or their representative. The Committee can require the DMPC and / or staff from MOPAC to attend its meetings for the purpose of giving evidence and provide documents to it. The Committee also investigates key issues relating to policing and crime in London as part of this scrutiny.

II. Mayor's Questions

The [Mayor's Question Time \(MQT\)](#) meetings take place ten times a year. Assembly Members as part of their role in holding the Mayor and his functional bodies to account ask the Mayor a range of questions within the remit of his role, which includes policing. Questions which are not answered at the meeting receive written responses. A number of policing questions are asked of the Mayor during MQT.

III. Functional Body Question Time

At least once a year, Functional Body Question Time (FBQT) or Plenary sessions on Policing issues are held with the Mayor and the Commissioner. This forms another opportunity for Assembly Members to hold both the Mayor and the Commissioner to account and examine policing matters in London.

IV. Budget and Performance Committee

The [London Assembly's Budget and Performance Committee](#) scrutinises the Mayor's budget for the financial year and the implications for services and council taxes in London. It also examines, monitors and reports on the budgets and performance of the GLA and Functional Bodies which includes MOPAC.

V. Oversight Committee

The [Greater London Authority \(GLA\) Oversight Committee](#) is responsible for a range of matters and sometimes examines the work of MOPAC as it pertains to their terms of reference.

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. Claire's ambitious programme of work includes:

- Establishing and chairing a Victims Board comprising of justice agencies which supports the delivery of the commitments set out in the Police and Crime Plan and provides the opportunity for the victims' voice to be at the centre of decision making.
- Running a Victims Reference Group for ongoing engagement with stakeholders including victims of crime to inform her work and the work of the Victims Board, so accessible, high-quality, integrated, and tailored services are available to enable those affected by crime in London to fully cope and recover.
- Convening two London Victims' Summits, bringing together senior leaders from across justice agencies, voluntary and community groups, local councils and victims of crime, and international Ministers and Commissioners, to galvanise a partnership effort to improve victims' experiences of navigating the justice system.
- Calling on the Information Commissioner's office to investigate the practices of mobile data extraction by police forces, which resulted in the release of the ICO's report in June 2020.
- Undertaking the most comprehensive review of compliance with the Victims Code of Practice to date, which highlighted low awareness and compliance with the Code.
- Completing London's two Rape Reviews in 2019 and 2021, which helped to advance understanding of how such cases are treated in the justice system, and why so little result in conviction. As a result, Claire has been able to make a number of recommendations to strengthen the rights of victims and survivors, as well as prompting Operation Soteria Bluestone, which is now a leading national transformation programme for rape and sexual offence investigations and prosecutions.
- Convening victims' roundtables, which have been attended by senior members of the Metropolitan Police Service and Casey Review team, to allow them to hear directly from victims and survivors about their experiences and concerns.
- Lobbying the government and campaigning to influence several pieces of legislation, including the Domestic Abuse Act, and upcoming Victims and Prisoners Bill, for which Claire has been convening working groups with victims, bereaved families and victim support organisations, to ensure that the legislation reflects their needs and views.
- Working closely with the Metropolitan Police and Crown Prosecution Service on improvements to victim care, including by ensuring that reform work appropriately engages with victims' lived experience.

Violence Reduction Unit (VRU)

In response to increasing violence in London, the Mayor announced the formation of the VRU in September 2018. The VRU Director, Lib Peck, was appointed in January 2019 and the unit became fully operational in early 2019/20.

The VRU is taking a fundamentally different, public health approach to violence reduction – one where the institutions and communities that make up London act together to help identify and address the underlying causes of violence. The Mayor chairs a Partnership Reference Group, to ensure that partner views are at the heart of the VRU's work. The Group met for the first time in October 2018 and met four times in 2022/23.

The VRU is a City Hall partnership with input from the Deputy Mayor for Policing and Crime, the Deputy Mayor for Communities and Social Justice; and the Deputy Mayor for Children and Families. MOPAC remains legally accountable for the decisions and operations of the VRU insofar as they relate to its' responsibilities. Where

decisions relate to MOPAC's responsibilities, the VRU is subject to MOPAC's scheme of delegation and consent. The VRU's permanent staff are employed on MOPAC terms and conditions.

Independent Panels

i) Joint Audit Panel

In line with the Home Office Financial Management Code of Practice established to support the implementation of the Police Reform and Social Responsibility Act 2011, a joint MOPAC/MPS Audit Panel, performing the functionality of an Audit Committee, was established.

The Joint Audit Panel is responsible for enhancing public trust and confidence in MOPAC and the MPS. It also assists MOPAC in discharging its statutory responsibility to hold the MPS to account. It advises MOPAC and the MPS Commissioner according to good governance principles and provides independent assurance on the adequacy and effectiveness of MOPAC and the MPS internal control environments and risk management frameworks.

The Joint Audit Panel held its first meeting on 31 March 2017. It receives regular reports at its quarterly meeting, including MOPAC governance and risk matters and the respective improvement plans.

MOPAC has responsibility for conducting regular reviews of the effectiveness of the governance framework, including the system of internal audit and the system of internal control. The review is continuous with a programme of reviews of governance policies to ensure they meet the demands and needs of MOPAC. DARA provides assurance on the effectiveness of the MOPAC governance framework and highlight areas for improvement which are reported to senior management. Internal reviews tend to include research into best practice, update of the framework and provision or update of policies and procedures. Changes are subject of a decision and will be published. The effectiveness of the framework is also reviewed in drawing up the Annual Governance Statement.

ii) Ethics Panel

The London Policing Ethics Panel (LPEP) is an advisory panel that is independent of the mayoralty, defines its own work plan and publishes its own findings, that are then sent to the Mayor, Deputy Mayor for Policing and Crime and Commissioner of the MPS.

Reports it produced in 2022/23 included the [conduct of searches exposing intimate parts by the MPS](#); and a report on the [openness and transparency of the MPS](#).



MPS-MOPAC JOINT AUDIT PANEL 2 August 2023

Governance Improvement Plan Update and Draft Annual Governance Statement 2022/23

Report by: Interim Chief Strategy and Transformation Officer

Report Summary

Overall Summary of the Purpose of the Report

To update on the Met's Governance Improvement Plans (GIPs) arising from the 2021/22 Annual Governance Statement (AGS). This is the final quarterly update, the previous being tabled in October 2022, January, and March 2023 Audit Panels.

Key Considerations for the Panel

- Progress has been made against all 32 improvement plans that were raised in 2021/22. Of these, 20 have been completed or are progressed through A New Met for London. The remainder have been carried forward to 2023/24.
- We have developed a draft action plan for 2023/24 with proposed Met leads, in response to areas identified in the 2022/23 internal control review and Annual Governance Statement.

Interdependencies/Cross Cutting Issues

Both documents cut across areas of improvement highlighted through inspections, audits, performance monitoring, risks, and senior leaders' assurance statements. As such, they have significant interdependencies with other Audit Panel considerations and agenda items including HMICFRS recommendations, DARA (Directorate of Audit, Risk and Assurance) audits, as well as our corporate risk management activity reported in a separate paper to this meeting and MOPAC's own AGS and Governance Improvement Plan.

Recommendations

The Audit Panel should:

- Note the progress made in the recent quarter.
- Review the Draft AGS for 2022/23, with a view to providing feedback prior to formal publication in September 2023.
- Endorse our proposed new approach to a Governance Improvement Plan for 2023/24.

1. Key GIP (Governance Improvement Plans) updates in the past quarter

1.1. The key improvements are:

a. Standards and Professionalism

- The Met has embedded new initiatives and processes, including Crimestoppers reporting channels, establishment of a formal Professionalism Transformation Programme, improved vetting processes across the Met enabling effective governance of high-risk areas.
- The findings of Baroness Casey's Review being addressed as a fundamental part of A New Met for London.
- Following Trust Inclusion and Diversity Board in May 2023, it was decided that the Command Assessment be revised to empower local leaders.

b. Learning and Development

- New First Line Leaders Programme launched on 17 April 2023 with separate programmes for newly promoted and substantive officers and staff.
- Head of L&D (Learning & Development) Business Engagement appointed to develop a new 'business partnering' capability, with expected start date in September 2023.
- Specialist support procured to deliver a rapid maturity assessment of L&D.
- L&D continued to redesign several high-priority core training courses, including PCSO (Police Community Support Officer) training, planned for launch in September, and annual Public & Personal Safety and Emergency Life Support, planned for launch in April 2024.
- Following the Early Years Attrition review, a fast-time programme mobilised to optimise the Met's current recruit training arrangements.

c. Risk

- Operations and Performance and Frontline Policing (FLP) have refreshed their risk registers, and both are now aligned to A New Met for London priorities.
- A review of governance has been completed and work is ongoing to define a set of expectations in relation to meeting structures and templates that all areas of the business will be expected to use.
- A proposal for our approach to assurance across the Met has been developed and work is being undertaken to identify what this will look like at all levels across the organisation.
- Risk training delivered to Comms and Engagement, FLP and Specialist Operations, as well as those in CTPN NW region, to improve capability.
- Analysis of the recent risk maturity self-assessment process has now concluded and documentation for respective business group leads to discuss at their next relevant risk meeting is being prepared.

d. Data Management

- Child Abuse External Business Intelligence Tool for partners now operating.
- New Deputy Director of Analytics, Science and Engineering in post.
- The role of performance analysis has moved out of DDaT (Digital Data & Technology) into a new dedicated performance function within Met Operations.
- Publication date for the Open Data Strategy has slipped into early Q2.

2. **Draft AGS 2022/23**

- 2.1. The Draft AGS is attached as Annex A to this report. The draft report was presented to Risk and Assurance Board (RAB) in June 2023, who provided feedback to be incorporated into the final version.
- 2.2. **The Panel are asked to review the AGS and provide feedback** for inclusion in the final report for Commissioner sign-off in September 2023.
- 2.3. This year's AGS takes a more thematic approach and highlights some key areas where the Met should seek improvements in the coming 12 months. Work will be done to ensure improvements address fundamental root causes and issues facing the Met, with a view to simultaneously discharging HMICFRS and other recommendations, as well as deliver the reform set out in A New Met for London.
- 2.4. We have carried over several continuing actions, as well as new actions identified through the AGS process, into 2023/24. These include:
- Enhancing the Met's business planning and strategic workforce planning and improving recruitment to fill critical technical and specialist roles.
 - Building a more cohesive, robust approach to risk and assurance across the MPS, embedding risk management in operational commands and standardising organisational learning.
 - Implementing the effective storage and management of property and exhibits.
 - Improving processes for digital device monitoring, security, policy compliance and reporting.
 - Making the way the MPS assess performance and promote people fairer and more transparent, providing better incentives to develop.
 - Expanding the new leadership development programme, developed, and piloted for First Line Leaders (Sergeants / Band Ds) to Mid-Level Leaders (Inspector / Band C) and Senior Leaders (Chief Supt / Band A).
- 2.5. These improvements will be the building blocks for lasting, sustainable change in the MPS, and represent a significant, multi-year challenge. They will form part of a single thematic Governance Improvement Plan for the organisation, and will be delivered in line with, and as part of, A New Met for London. This will be supported by a new, simpler process for the way in which GIPs are delivered. This will be presented at the next Audit Panel.
- 2.6. PwC (Price Waterhouse Cooper) undertook a root cause analysis in March 2023, basing their analysis on some of the Met's most pressing challenges

identified in key external reports, including the HMICFRS PEEL (Police Effectiveness, Efficiency and Legitimacy), and Baroness Casey's interim report. It also analysed how well the Met's draft Turnaround Plan was likely to address and resolve the root causes identified. Their findings found the key issues to be a lack of investment in people training, culture, and designing processes without a usability focus. These root causes are being addressed through A New Met for London and will be part of how we measure progress against the 2023/24 GIP.

3. Equality and Diversity Impact

The model of corporate governance used by the Met is based on the principles of openness; integrity; accountability and equality. The governance improvement plans contain several actions which are aligned to A New Met for London that aim to strengthen our engagement of communities and impact positively on equality and diversity within the Met and externally.

4. Financial Implications

There are no direct financial implications from this report. The costs associated with the areas of work identified in this report will be met from the relevant unit's budgets.

5. Legal Implications

MOPAC (Mayor's Office for Policing and Crime) and the Commissioner of Police are both under a statutory duty to approve an AGS. In order that it can discharge the duty, the MPS prepares an AGS, against the CIPFA Principles (Delivering Good Governance in Local Government: Framework 2016), which demonstrates how aspects of governance have been implemented within the service, and from which the GIP stems.

6. Risk Implications

The annual governance review identifies significant governance areas for improvement across the Met. These are monitored quarterly and aligned with corporate risk processes

7. Contact Details

Report author: Stephen Greenfield, Strategy & Transformation

8. Annex A: Draft AGS 2022/23

MOPAC

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

2 August 2023

MOPAC and MPS Internal Audit Annual Report 2022/23

Report by: Director of Audit, Risk and Assurance, Head of Internal Audit for MOPAC and MPS

Report Summary

The attached draft report contains the internal audit annual opinion for the Mayor's Office for Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS) internal control environments, and summarises the activities and performance of the Directorate of Audit, Risk and Assurance.

Key Considerations for the Panel

- Effective governance and operation of a sound internal control framework are key to achieving the fundamental cultural and organisational reform of the Met and successful delivery of agreed policing priorities and objectives.
- The Director of Audit Risk and Assurance has concluded:
 - *'MOPAC has an adequate internal control environment supporting achievement of its strategic objectives, which generally operates effectively with enhancing oversight governance a priority for the coming year.'*
 - *'The MPS internal control environment is limited in its effectiveness in supporting the achievement of strategic objectives.'* Noting, *'As the Met undergoes significant transition, the need for effective governance has increased. This includes the wider control environment, which currently lacks maturity and cohesion in its ability to oversee the development and performance of internal control across the organisation.'*
- Key areas of improvement for MOPAC are referenced on page 2 of the Annual Report and pages 9 -11 for the MPS.
- There were no impairments to DARA independence and full compliance with auditing standards. DARA achieved 88% completion of the plan to draft report (90% target) and productivity was 80% (target 82%).

Interdependencies/Cross Cutting Issues

Key areas of improvement identified in the Internal Audit Annual Report are addressed in the Annual Governance Statements for MOPAC and the MPS and the New Met for London Plan.

Recommendations

The Audit Panel is recommended to consider the 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. Supporting Information

- 1.1 The annual opinion of the MOPAC and MPS internal control environments is based on an assessment of the systems of governance, including risk management and of the internal control framework. Key points from the Internal Audit Report are summarised below.
- 1.2 The Report reflects it has been a challenging and transitional year for the MPS as it aims to deliver a radical programme of reform against a backdrop of declining public trust and confidence and continuing scrutiny by HMICFRS as part of the 'ENGAGE' process. The independent review into MPS culture and standards by Baroness Casey of Blackstock, published in March 2023, called for a series of actions to restore public trust and confidence.
- 1.3 In September 2022, the new Commissioner took up post and set a mission to deliver 'More Trust, Less Crime and High Standards' across the Met, issuing his draft Turnaround Plan in January 2023, culminating in the New Met for London Plan. MOPAC continued to focus on delivery of the Police and Crime Plan (PCP), whilst overseeing action and plans to secure Met reform and increase trust and confidence. Baroness Casey recommended a revised oversight governance structure be introduced to ensure full transparency and accountability to Londoners to oversee and scrutinise the changes.

MOPAC Internal Control Environment

- 1.4 The Director of Audit, Risk and Assurance has concluded that, "*MOPAC has an adequate internal control environment, which is generally operating effectively with enhancing governance oversight a priority for the coming year*"
- 1.5 The Mayor's Violence Against Women and Girls Strategy 2022-25 was refreshed in June 2022. Work continued in delivering the PCP and the Mayor's Action Plan aiming to improve trust and confidence in the MPS and to address community concerns relating to disproportionality. The revised governance arrangements for the London Crime Reduction Board were implemented.
- 1.6 MOPAC has an established corporate governance framework. The risk management framework has continued to mature with greater clarity over key roles and responsibilities and improved management of programme and portfolio risks.
- 1.7 A revised oversight model implemented in year enabled a more systematic approach to scrutiny focusing on key PCP priorities. Oversight was facilitated by improved quarterly reporting on performance and the overall financial position. In response to the Baroness Casey recommendation, a new governance structure to enhance strategic oversight, accountability and transparency to Londoners has been designed. A quarterly London Policing Board, chaired by the Mayor, is to be introduced in the Autumn.
- 1.8 The MOPAC change programme overseen by the MOPAC Portfolio Board, provides strategic oversight of core change programmes and projects and PCP

delivery. A formal Programme with a dedicated resource is being established to oversee and deliver the MOPAC response to the Baroness Casey Review.

- 1.9 The MOPAC People Strategy was published supporting work on a strategic workforce plan and learning and development framework to meet increasing demands and work pressures.
- 1.10 Monthly Investment and Monitoring Advisory Meetings, chaired by the DMPC, continue to ensure investment decisions are aligned to the PCP and transformation objectives. Work continued but has not yet concluded on a revised MOPAC Scheme of Delegation and Consent and Financial Regulations to better align the framework with legislative guidance. Improved reporting to the MOPAC Board and more detailed management information supporting budget monitoring at directorate level has improved the budgetary control framework.
- 1.11 The commissioning of services continued to be enhanced supported by improved analysis evaluating their impact. Procurement and contract management activity was hindered by challenges in recruiting, senior appointments have now been made.
- 1.12 An external review of information governance concluded work needed to be done to ensure a consistent and compliant approach to data information management in line with GDPR requirements across MOPAC. A data breach occurred during the year, which was reported to the ICO with significant senior management input from both MOPAC and the GLA overseeing remedial action. An improvement plan, supported by additional resource.
- 1.13 Action to improve effectiveness of the MOPAC internal control environment and reflected in the governance improvement includes;
- Effectively implementing and embedding the revised oversight governance arrangements for policing in London.
 - Implementing revised community oversight arrangements.
 - Aligning MOPAC and MPS management of key strategic risks and driving improvements to MPS assurance.
 - Strengthening resilience and efficiency of enabling functions supporting delivery of PCP and oversight of the MPS.
 - Implementing the MOPAC People Strategy - finalising workforce plans to ensure capacity and capability requirements are met across MOPAC.
 - Fully implementing information governance improvement plans.
 - Increasing reporting and transparency of MOPAC and VRU commissioning outcomes.

MPS Internal Control Environment

- 1.14 The Director of Audit, Risk and Assurance has concluded *'The MPS internal control environment is limited in its effectiveness in supporting the achievement of strategic objectives'*. Noting, *'As the Met undergoes significant transition, the need for effective governance has increased. This includes the wider control environment, which currently lacks maturity and cohesion in its ability to*

oversee the development and performance of internal control across the organisation.'

- 1.15 The New Met for London Plan encapsulating the outcome of engagement on the Commissioner's draft Turnaround Plan and the response to the Baroness Casey Review and other external and internal reviews, is the principal strategic document by which the MPS will measure its success and will be held to account by MOPAC and the public.
- 1.16 An executive redesign resulted in new appointments to the Management Board. An external review of Met governance recognised that existing governance did not effectively support transformation with the role of Management Board needing to be clarified and the number and membership of corporate boards streamlined. New arrangements will be introduced over the coming year.
- 1.17 Increasing the maturity and effectiveness of the Met's corporate risk management framework remains key to improving the effectiveness of the internal control environment as a whole. This includes conducting a comprehensive corporate risk assessment to delivery of the New Met for London Plan, effective integration with business planning and performance management and with the assurance framework, to support a robust approach to the identification and management of key risks across the Met. The need to define and develop the Met's strategic approach to assurance is of increased importance, given the scale of reform activity and need not only for the Commissioner to be assured but for public assurance. Assurance activity is fragmented and not driven by a corporate approach aligned to strategic objectives and risks.
- 1.18 DARA analysis in its Annual Report for last year highlighted many of the issues subsequently highlighted in the Baroness Casey Review. The Met has now collated all recommendations made by external and internal reviewers and determined reoccurring themes, which informed the New Met for London plan.
- 1.19 The outcomes of DARA and other review activity continue to demonstrate the need for effective training identification, delivery and evaluation and to better understand and define demand, to more effectively support the allocation and deployment of resources. Significant pressures also continue to be placed on supervisory activity within operational policing. Effective leadership is recognised as being essential to effect the scale of cultural change needed across the Met.
- 1.20 Previous DARA reviews highlighted the complexity of governance arrangements supporting the delivery of the Met's Inclusion and Diversity Strategy. The lack of a cohesive performance management framework and metrics hinders the ability to monitor and report progress against agreed strategic outcomes.
- 1.21 The Data Board continues to oversee and drive improvement to data governance, including work to enable the cultural change required to improve data quality across the Met. Work continues to strengthen digital and data governance to ensure value for money and the efficient and effective use of

resources. Issues remain around the delivery of two major technological change projects that continue to require close management attention and oversight.

- 1.22 A new operating model for the Directorate of Professional Standards (DPS) is being designed with significant additional resource and supported by a review of Counter Corruption governance arrangements. Significant work is also underway to address the issues raised relating to the management of criminal exhibits and vetting by both DARA and HMICFRS.
- 1.23 DARA conducted a number of key reviews within operational policing, which identified significant corporate issues now being addressed under the reform of Frontline Policing and root and branch review of Public Protection. The key issues identified were subsequently highlighted by Baroness Casey, contributing to the representation of a 'Beleaguered Frontline'. Recommendations have been aligned to corporate improvement plans.
- 1.24 The following is key to securing effective governance, risk management and internal control across the Met. DARA advisory work in the coming year will provide additional support;
- **Increasing risk maturity across the MPS and implementing a more cohesive and defined approach to assurance provision** – to be supported by increased and skilled resource.
 - **Ensuring a co-ordinated and strategic response to areas of improvement identified and in managing cultural and organisational reform** – implement revised governance structure supported by a cohesive internal control framework and robust transformation programme governance. Plans for reform will need to be effectively communicated and cascaded throughout the organisation to secure appropriate engagement at all levels.
 - **Increased emphasis on accountability for sound internal control** – to be supported by meaningful business planning in support of NMfL.
 - **Improving skills and capacity, including those that relate to specialist business support** – capacity and capability remain key issues, exacerbated by the increased demands in delivering fundamental reform.
 - **Further developing and implementing the strategic approach to organisational learning.**
 - **Designing corporate policies to include explicit objectives, consideration of risk and appropriate controls required to help achieve desired outcomes** – including increase in professional standards.
 - **Clarifying accountabilities, and roles and responsibilities** – of increased importance at a time of transformational change.
 - **Maintaining continuity within key roles** - need to consider ongoing impact of continual change in personnel performing key roles within the organisation.
 - **Increasing supervisory capacity and capability** - initiatives are underway to address supervisory capacity and capability, which remains a challenge.
 - **Increased understanding of demand and impact on allocation and deployment of resources** - initiatives are addressing areas of increased

demand. Further analysis and understanding supported by systems to effectively plan, utilise and deploy resources remains a priority.

- **Ability to demonstrate effectiveness of activity through the measurement of outcomes** - work is underway to shift the focus to measurement of outcomes.
- **Implementation of planned improvements to information management, data quality and digital capability** – NMfL articulates ambitions to be data driven and evidence led with enhanced analytical capability.

Directorate of Audit, Risk and Assurance Activity and Performance

- 1.25 There were no impairments to audit independence and objectivity during the year and on-going quality assurance activity continued. DARA completed 88% (target 90%) of the plan to report stage, with 7% in progress and 5% carried forward. Audit productivity was 80% against the 82% target. Increased time was spent on advisory work in support of transformation activity as reported to Panel during the year.
- 2. Equality and Diversity Impact**
The MOPAC and MPS commitment diversity and Inclusion are considered in all activities carried out by DARA.
- 3. Financial Implications**
There are no direct financial implications arising from the report. Savings and recoveries made as a result of DARA activity enable funds to be better directed towards core policing.
- 4. Legal Implications**
There are no direct legal implications arising from the report.
- 5. Risk Implications**
There are no direct risk implications arising from the report.
- 6. Contact Details**
Report author: Julie Norgrove, Director of Audit, Risk and Assurance
- 7. Appendices and Background Papers**
Appendix – MOPAC and MPS Draft Internal Audit Annual Report 2022/23
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**DRAFT
INTERNAL AUDIT
ANNUAL REPORT 2022/23
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 (MPS) 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 MPS, in support of that opinion.

MOPAC and the MPS are responsible for ensuring a sound internal control environment facilitates the effective operation of their functions and achievement of their strategic objectives. The annual opinion for each organisation is based on an assessment of the adequacy and effectiveness of governance, risk management and internal control frameworks, which make up the internal control environment. DARA risk and assurance and advisory reviews, systems development and counter fraud work inform that opinion. HMICFRS and External Audit reports, MOPAC and MPS annual assessments of governance and other external and internal review activity is also taken into account, as appropriate.

An independent joint Audit Panel for MOPAC and the MPS operates in line with the Financial Management Code of Practice. It met formally on a regular basis, receiving reports in line with its terms of reference and workplan. Separate briefings were held considering key governance developments, including; MPS Counter Corruption Strategy and Plan and MOPAC Oversight. A new Chair and three new members have recently been appointed for the next three year tenure of the Panel.

It has been a challenging and transitional year for the MPS as it aims to deliver a radical programme of reform against a backdrop of declining public trust and confidence and continuing scrutiny by HMICFRS as part of the 'ENGAGE' process. The independent review into MPS culture and standards by Baroness Casey of Blackstock, published in March 2023, called for a series of actions to restore public trust and confidence. Concluding, *'There were systemic and fundamental problems in how the Met is run and deep seated cultures need to be tackled in order for any changes to be sustained. There is a lack of accountability and transparency, with weak governance structures and a culture of defensiveness and denial. Discrimination is tolerated, not dealt with and has become baked into the system. Leading to institutional racism, misogyny and homophobia.'*

In September 2022, the new Commissioner took up post and set a mission to deliver 'More Trust, Less Crime and High Standards' across the Met, issuing his draft Turnaround Plan in January 2023, culminating in the soon to be published New Met for London Plan. MOPAC continued to focus on delivery of the Police and Crime Plan (PCP), whilst overseeing action and plans to secure Met reform and increase trust and confidence. Baroness Casey concluded a revised oversight governance structure should be introduced to ensure full transparency and accountability to Londoners to oversee and scrutinise the changes. A London Policing Board with a diverse membership providing specialist advise to the Mayor in holding the Met to account in delivering the reforms need to rebuild trust and confidence in the police, is currently being established.

Effective governance and operation of a sound internal control environment are key to rebuilding trust and confidence, delivering on agreed policing priorities and driving fundamental reform of the MPS.

Annual Assurance MOPAC

INTERNAL AUDIT ANNUAL OPINION

MOPAC has an adequate internal control environment supporting achievement of its strategic objectives, which generally operates effectively with enhancing oversight governance a priority for the coming year.

DARA review activity and advice has informed the MOPAC Annual Governance Statement and Improvement Plan, key areas for improving the effectiveness of the internal control environment include;

- **Effectively implementing and embedding the revised oversight governance arrangements for policing in London.** Establishing and supporting the London Policing Board to enable transparent and strategic oversight of MPS cultural reform and service delivery to increase public trust and confidence. This includes ensuring appropriate resource, performance analysis and insight support the operation of the Board and its sub-boards. Maintaining the improved relationships with the Met and securing MOPAC access to all relevant data remain key to facilitating oversight.
- **Implementing revised approach for community scrutiny and engagement** – building on initial work carried out to date to ensure effective mechanisms enable community engagement and input to the oversight of the MPS.
- **Aligning MOPAC and MPS management of key strategic risks and driving improvements to MPS assurance** - giving visibility to key interdependencies and greater assurance to MOPAC and the public on delivery of Met reform and PCP defined outcomes.
- **Strengthening resilience and efficiency of enabling functions** - includes increasing efficiency of core processes for MOPAC and the VRU and better supporting procurement and contract management activity as part of the Finance and Corporate Services Transformation Programme.
- **Implementing the recently published People Strategy** - in line with a defined action plan, finalising strategic workforce plans to ensure capacity and capability requirements are met across MOPAC to meet increasing demand, supported by a better defined learning and development framework.
- **Fully implementing information governance improvement plans** – in line with recommendations following the external review, which includes a thorough review and update of all supporting processes and products.
- **Increasing reporting and transparency of MOPAC and VRU commissioning outcomes** – building on the considerable work carried out to date within MOPAC in professionalising commissioning activity, developing a standard set of data for publication and further alignment of the outcomes focused performance framework across the VRU.

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 and has continued to consider MOPAC performance at its monthly public meetings with the DMPC in attendance.

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 allocated budgets following Mayoral and DMPC approval.

Strategic Framework

The PCP for London 2022-25 sets 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 MPS. It also outlines MOPAC's statutory responsibility for oversight of the MPS, including budget setting, performance scrutiny and strategy and policy development.

The Mayor's Violence Against Woman and Girls (VAWG) Strategy 2022-25 was refreshed in June 2022. The Strategy cuts across all PCP priorities with four strands: Preventing and Reducing VAWG; Supporting all Victims and Survivors; Holding Perpetrators to Account and Building Trust and Confidence. A DARA review of the framework supporting delivery of the Strategy is underway.

Work continued in delivering the Mayor's Action Plan aiming to improve trust and confidence in the MPS and to address community concerns relating to disproportionality in the use of certain police powers affecting Black Londoners. DARA previously advised on the governance arrangements overseeing delivery with communities continuing to play a significant part in oversight. MOPAC this year established an External Reference Group to support and challenge MOPAC and the MPS in the delivery of the commitments set out in the Action Plan.

The revised governance arrangements for the London Crime Reduction Board (LCRB) sub-boards, supported by a dedicated Partnership lead and team, were implemented to maximise delivery against partnership PCP commitments across the criminal justice system and wider MOPAC priorities. Key issues considered by the Board, included; major goals and challenges of MPS reform with a focus on partnerships, public trust and confidence and court backlogs.

The Partnership Reference Group, chaired by the Mayor, provides the strategic lead, direction, support and challenge to the Violence Reduction Unit (VRU). It includes the Deputy Mayors for Policing and Crime; Communities and Social Justice and Children and Families. 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. Work continued to align MOPAC and VRU governance and processes during the year.

Oversight Governance

Previous DARA review activity identified the need for a more cohesive and focused approach to both operational performance and financial oversight, which had been recognised with the implementation of a revised oversight model during the year. This enabled a more systematic approach to scrutiny focusing on key PCP priorities and emerging areas of risk and concern in the Met. Oversight Board was reconfigured into two Boards; 1) Performance and Risk and 2) Finance, Change and People. Key areas of scrutiny included; victim care, protecting people from exploitation and harm, community engagement, the Baroness Casey Review and MPS Turnaround Plan, CONNECT system implementation and MPS workforce capacity and

MOPAC Internal Control Environment

capability. Further work is to be undertaken to strengthen capacity for financial and transformation oversight of the Met, which is of increased importance given the scale of reform activity.

Regular bilateral meetings between the Mayor and the Commissioner scrutinised the effectiveness and efficiency of the Met supported by in-depth reviews of key areas of operational performance and trust and confidence in the Met, including the Met's response to being placed in the 'ENGAGE' process by HMICFRS. The DMPC continued to hold one to one meetings with the Deputy Commissioner and each member of the Met Management Board throughout the year.

Oversight was facilitated by improved quarterly reporting on performance against PCP outcomes and the overall financial position and a wide array of data analytics. Direct access to MPS data has remained an issue in some areas with further steps being taken to secure appropriate access. The Oversight Analysis Group, attended by DARA, brought functions across MOPAC together to better inform, co-ordinate and direct oversight activity. There was increased oversight in tracking Met progress in addressing recommendations from internal and external reviewers including; HMICFRS, IOPC, ICO, MOPAC, DARA and the Baroness Casey Review.

The DMPC commissioned the HMICFRS to conduct a review of the MPS Response to the Stephen Port Murders to establish whether lessons had been learned, and in particular whether the failures in investigation could happen again. The report was published in April 2023 concluding '*it was difficult to be reassured that the mistakes made in the Port case couldn't happen again*'. Areas of improvement included; training, Met oversight and supervision, quality of reports and record keeping, policy and guidance and the adequacy of intelligence and crime analysis processes.

MOPAC has worked with key stakeholders to develop a new approach to community oversight, which is to be piloted in three London boroughs. DARA is to advise on the evaluation of the pilot, which will inform a renewed London wide approach to community oversight.

The Baroness Casey Review observed a dysfunctional relationship had developed between the MPS and MOPAC, with '*defensive behaviours on one side and tactical rather than strategic approaches on the other; and the system as a whole did not hold or deliver real consequences where failures persist. Historically, the Met had made it very hard for MOPAC to scrutinise them.*' MOPAC and the Met, led by the DMPC and new Commissioner, have worked to ensure there is more effective engagement between the organisations, facilitated by joint seminars of their most senior leaders. MOPAC has worked in liaison with the Met on its Turnaround Plan and the subsequent New Met for London Plan, enabling engagement with communities and a focus on fundamental cultural reform, in setting Met objectives with measurable outcomes.

MOPAC has designed a new governance structure to enhance strategic oversight, accountability and transparency to Londoners in response to Baroness Casey's recommendation. The quarterly London Policing Board will be chaired by the Mayor, focusing on delivery of policing priorities and cultural reform. It will meet in public with the first meeting anticipated in the autumn with recruitment currently underway. The revised governance arrangements include development of a performance framework aligned with the Met and informed by views of the public and partners and cultural change measures.

A lack of levers available to those responsible for scrutiny to force improvement in the police service was highlighted by Baroness Casey. MOPAC has convened a group of national oversight bodies, chaired by its Chief Executive and attended by the DMPC, HMICFRS, IOPC, College of Policing and DARA, to determine how best to apply their collective levers for reform going forward.

MOPAC Internal Control Environment

A DARA follow up review of MOPAC's role as the Relevant Review Body for Police Complaints concluded effective action been taken to address the previous backlog with additional resources and streamlined processes being introduced, MOPAC also pressed for the publication of performance data relating to MPS complaints. Further work is needed to ensure prompt and effective action is taken to address areas of learning identified by MOPAC in reviewing police complaints.

MOPAC's Independent Custody Visiting Scheme, discharges statutory duties to ensure the welfare, rights and entitlements of custody detainees with over 200 Independent Custody Visitors in place. A custody record review pilot during the year looked at the end-to-end detainee journey and compliance with legislation. A DARA review of the Scheme noted defined policy and process in line with legislation and improved liaison with the MPS. There is a need to create a more structured approach to reporting performance around the ICV Scheme and to increase visibility of the scrutiny activity.

MOPAC Corporate Governance

MOPAC has an established corporate governance framework, which includes; MOPAC Board; PCP Programme Board, Governance and Risk Working Group, Internal Budget Monitoring and Contracts and Commissioning Working Group and regular meetings of the DMPC and MOPAC Board. Further progress was made in developing a suite of corporate data dashboards to support internal management of MOPAC performance with regular and improved reports being reviewed by the Board throughout the year.

The MOPAC change programme is overseen by MOPAC Portfolio Board as part of a new 'thematic' Board agenda, meeting bi-monthly. The Board provides strategic oversight of core change programmes and projects and PCP delivery, identifying cross-Portfolio risks, issues and dependencies and prioritising points of escalation. This is now supported by a permanent, skilled PMO resource and improved reporting and analysis facilitating Board considerations and decisions. A formal Programme with a dedicated resource is being established to oversee and deliver the MOPAC response to the Baroness Casey Review.

Decision Making Framework

Monthly Investment and Monitoring Advisory Meetings, chaired by the DMPC, continue to ensure investment decisions are aligned to the PCP and transformation objectives, founded on a sound business case with subsequent DMPC decisions recorded publicly. A DARA follow up review concluded Environmental, Social, Governance (ESG) considerations have become further embedded in decision making, in line with Mayoral ambitions, supported by enhanced tracking and monitoring of defined benefits supporting key investment decisions. Environmental impacts were also evaluated in updating and aligning the Capital Strategy 2023/24 to PCP priorities.

Work continued but has not yet concluded on a revised MOPAC Scheme of Delegation and Consent and Financial Regulations to better align the framework with legislative guidance, bringing greater clarity to key accountabilities, roles and responsibilities. DARA continue to advise on strengthening the decision making assurance model in support of the Scheme, which includes enhancing the MPS assurance framework for key investment decisions.

MOPAC Internal Control Environment

Risk Management and Assurance

The joint Audit Panel received regular reports from the Chief Executive on key strategic risks and the development of the risk management framework. The MOPAC Governance and Risk Working Group provided oversight of the identification and management of risks. The revised approach to corporate risk assessment and management continued to mature supported by an enhanced system for managing project and programme risk. DARA advised on strengthening the risk management framework supporting greater clarity and definition of; key roles and responsibilities at strategic, directorate and project level, MOPAC's appetite for risk and overarching risk management principles. Further work is to support embedding the framework across MOPAC, including a structured training programme advised by DARA.

The revised oversight structure, introduced during the year, was to provide more in-depth review and understanding of the MPS corporate assurance framework and the effectiveness of core processes supporting delivery of agreed policing priorities and objectives. This is of increased importance given the scale of MPS reform and will be key to providing the required assurance to both MOPAC and the public under the revised governance arrangements.

The Governance and Risk Working Group attended by senior leaders and DARA, oversees the implementation of the MOPAC Governance Improvement Plan and internal and external audit recommendations, receiving regular reports on progress from designated leads.

Workforce Capacity and Capability

Capacity within MOPAC to meet increasing demands in delivering PCP priorities and overseeing the Met, was recognised as a key issue during the year with additional scrutiny by the Board facilitating the prioritisation of resource management and recruitment activity. Additional resource within the Strategy and MPS Oversight and Commissioning and Partnership Directorates supported operation of the revised oversight model and commissioning of services in support of the PCP. A revised Target Operating Model for a Corporate Services function is being created to ensure effective enabling functions and provide greater resilience. Additional resource is also being designed to support implementation of the London Policing Board and revised governance model, which will be key to achieving the required increased accountability and transparency of oversight.

There have been significant challenges in recruiting contract management and procurement specialists, which has placed pressure on other areas of the business, recent senior appointments have now been made. A number of permanent finance professionals have also recently taken up post, following a period of reliance on interim appointments. Work to improve the efficiency of core MOPAC business processes has not yet concluded and is a key priority for the Corporate Services Transformation Programme.

The MOPAC People Strategy 2023- 2026, supported by a high level three year plan, has been developed setting aspirations to *'develop a high performing, highly engaged workforce, enabling MOPAC to be fit for the future to deliver its vision and work plan in challenging and changing times'*. Further work is planned to review HR policies and procedures and enhance strategic workforce planning and learning and development in support of the new Strategy.

Equality, Diversity and Inclusion

Progress against the MOPAC EDI Action Plan is regularly scrutinised by the Board informed by staff surveys and feedback. Year two of the implementation of the three year EDI Strategy included; delivery of inclusive recruitment training, a revised staff network offering new groups on 'race matters' and disability and key work to embed EDI across all MOPAC activity. Staff Networks, each sponsored by a member of the Board, were reviewed to enhance and support their role in informing key policies and processes designed to influence and shape the culture of the organisation.

MOPAC Internal Control Environment

Financial and Business Support Systems

Enhanced reporting to the MOPAC Board and more detailed management information supporting budget monitoring at directorate level, has improved the budgetary control framework. Further work was undertaken to refine budget profiling, in particular, to reflect funding for grants and commissioning activity which extend across a number of years. Accountabilities in the payment process were better defined and aligned to core responsibilities and budgetary control training is to support the launch of revised processes. The MOPAC reserves policy was further developed and supported by enhanced planning and reporting to support key strategic funding decisions. A review of the MPS position is to be considered as part of the budget process for the coming year. A self-assessment against the Financial Management Code of Practice was also carried out and reported to MOPAC Board.

DARA reviewed and advised on strengthening the arrangements supporting the governance of the Policing Property Act Fund (PPAF). Key accountabilities between MOPAC and the MPS have not yet been clearly defined with the strategic approach to the management and use of funds currently being developed.

The DARA review found the MOPAC business continuity plan is yet to be updated and regularly tested. Improved management of IT assets is to support the transition to a new IT provider (TfL) and the effective deployment of the IT resource going forward.

The Counter fraud follow up review found key accountabilities had been better defined with a draft action plan to support the Anti-Fraud, Bribery and Corruption Strategy being developed. This needs to be finalised and supported by the refresh of MOPAC HR policies.

Grants and Commissioning Framework

Quarterly updates on the performance of MOPAC's commissioned and grant-funded services were published with the level of financial information and analysis continuing to improve the management and profiling of commissioning spend and activity. The Commissioning Outcomes Framework has standardised process for measuring success of services supporting the strategic outcomes of the PCP. This key development was enhanced by the production of a Commissioning Catalogue, capturing details of commissioning activity and spend, enabling more effective analysis and evaluation of key outcomes to inform future funding decisions.

The VRU developed its Outcomes Framework and guidance to drive programme commissioning and management for services supporting violence reduction, reporting to the Partnership Reference Group (PRG). A DARA review advised on strengthening controls over the management and control of grant funded activity within the VRU.

Procurement and Contracts Management Framework

The challenges in making key appointments and finalising shared service arrangements have led to delays in implementing planned improvements to the procurement and contract management frameworks. Action to address the areas of improvement identified has now commenced following the recent appointments. This will include implementing efficiencies in the end to end process to facilitate the decision making and payment process supporting commissioning and grant activity.

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. More complete and consistent contracts and grants information is, however, to be published.

MOPAC Internal Control Environment

An external review of information governance concluded work needed to be done to ensure a consistent and compliant approach to data information management in line with GDPR requirements across MOPAC. A data breach occurred during the year, which was appropriately reported to the ICO with significant senior management input from both MOPAC and the GLA overseeing remedial action with input from DARA. An improvement plan, supported by additional resource, is being developed aligned to the external review's recommendations. Mandatory training has also been delivered.

DARA continued to advise on the processes for managing FOI requests and in particular, internal reviews. The overall framework has been strengthened supported by more clear guidance and improved reporting and oversight.

INTERNAL AUDIT ANNUAL OPINION

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

As the Met undergoes significant transition, the need for effective governance has increased. This includes the wider control environment, which currently lacks maturity and cohesion in its ability to oversee the development and performance of internal control across the organisation.

In particular, the following areas, highlighted in last year's annual report and updated here, are key to securing effective governance, risk management and internal control across the Met. They have informed the Commissioner's New Met for London Plan (NMfL) and governance improvement plans with the DARA work programme for the coming year providing for further advice and assistance to support the changes.

- **Increasing risk maturity across the MPS and implementing a cohesive and defined approach to assurance provision** - creating an environment with more certainty around delivery, providing increased confidence about the status of current initiatives and the anticipation of risks and to be better prepared if they occur. To be supported by increased capability and capacity.

It is crucial that strategic risks to delivery of the New Met for London Plan (NMfL) are understood and properly assessed and the Met is able to assure itself, and others, it is taking effective action to meet its ambitions for fundamental reform. This will also facilitate prompt action to identify and address any cultural and behavioural issues as they emerge and enable a more informed response to issues raised by external review. There is a commitment to reset the approach to risk and assurance, which needs to be supported by a skilled and increased resource facilitating effective risk management across the organisation.

- **Ensuring a co-ordinated and strategic response to areas of improvement identified and anticipated, and in managing the cultural and organisational change** - identifying and effectively managing key interdependencies, supported by appropriate governance and resources to meet the range and level of planned and anticipated cultural and organisational change.

Analysis of the strategic underlying issues arising from external and internal reviews informed the NMfL and improvement plans. The revised corporate governance structures need to be embedded and supported by a cohesive internal control framework. Robust governance and appropriate skills and capacity, including external expertise, will need to support the major transformation programme.

Plans to improve culture continue to develop and given the scale of transformational change, a more holistic top down and bottom-up approach will engage the wider organisation, encouraging active participation and commitment to reform.

Annual Assurance - MPS

- **Increased emphasis on accountability for sound internal control** - recognising its importance to the achievement of agreed priorities and objectives. Facilitated by effective business planning, ensuring all managers and individuals are clear about what they are to achieve, understand the challenges/risks and what is needed to succeed.

The NMfL sets out agreed priorities and objectives, reflects achievements to date and next steps. It is an ambitious plan of reform that will need to be effectively cascaded throughout the organisation supported by meaningful business planning and a greater understanding of internal control at all levels within the organisation.

- **Improving skills and capacity, including those that relate to specialist business support** - improving understanding of workforce capabilities and more informed training targeted to meet identified needs supported aligned to a strategic workforce plan.

Capacity and capability remain key issues, exacerbated by the increased demands placed on the Met in delivering fundamental reform. Work has started but not yet concluded on a strategic workforce plan to determine current capabilities, demand and projected needs to deliver the reform. Business support functionality is also to be reviewed.

- **Further developing and implementing the strategic approach to organisational learning** – supported by a framework designed to identify, share and embed best practice to maintain and sustain continuous improvement organisationally. Greater cohesion is needed.

Strategic underlying issues arising from areas of improvement identified by reviewers have been captured and informed the NMfL. Implementing a cohesive framework to support dynamic organisational learning and sustainable improvement will be key going forward.

- **Streamlining and designing corporate policy and supporting procedures to include explicit objectives, consideration of risk and proportionate controls required to help achieve desired outcomes** – policies can be unclear and guidance typically consist of processes with insufficient focus on the need for controls such as supervising, authorising and monitoring.

This was reinforced by the root cause analysis conducted, although the focus on internal control needs to be an integral part of the re-design and this is currently unclear.

- **Clarifying accountabilities, and roles and responsibilities** – provide greater clarity in the accountability framework and managing interdependencies e.g. Heads of Profession, Lead Responsible Officers and those responsible for delivery in FLP.

An executive redesign was concluded and the corporate governance review to be implemented has clarified key accountabilities around decision making at Board and Chief Officer Group/Business Group level. Heads of Profession have been aligned to FLP. Definition of wider roles and responsibilities at a time of transformational change is of increased importance.

- **Maintaining continuity within key roles** - to encourage longer term strategic planning, knowledge retention and a consistent approach to delivery and resource management.

There is a need to consider the ongoing impact of continual change in personnel performing key roles within the organisation.

Annual Assurance - MPS

- **Increasing supervisory capacity and capability** - securing the optimum number of skilled supervisors to effectively deploy and manage resources. The business model presents challenges in managing interdependencies and exercising effective oversight, exacerbated by the increased numbers of probationers requiring additional support and direction.

Initiatives are underway to address supervisory capacity and capability, which remains a key challenge. Following the review of attrition rates among new recruits action is being taken to upskill less experienced officers to reduce demands on supervisors.

- **Increased understanding of demand and impact on allocation and deployment of resources** - to better inform future capability and capacity requirements. Establishing clarity about demand and a more structured assessment of the number and nature of resources required and how they are to be deployed. Reviews show demand is not always fully understood or quantified and there is a lack of evidence to support resource requirement and utilisation.

Initiatives are addressing areas of increased demand e.g. Right Care Right Person. Further analysis and understanding supported by systems to effectively plan, utilise and deploy resources remains a priority. In particular, to provide assurance resources are properly directed to priority areas, including in Front Line and Neighbourhood policing.

- **Ability to demonstrate effectiveness of activity through the measurement of outcomes** - would help provide further assurance over delivery. Consistently linking performance explicitly to objectives to ensure the right activities are being measured, there tends to be a focus on input and output measures rather than qualitative assessment.

Work is underway to shift the focus to measurement of outcomes, this will take time to permeate through the organisation.

- **Implementation improvements to information management, data quality and digital and analytical capability** – joining up digital and data strategy, implementing key systems including, CONNECT and Command and Control, addressing IT legacy issues and developing data/information analytical capacity and capability to provide more effective and informed insight.

Digital and Data functionality were brought together under one Directorate. NMFL articulates Met ambitions to be data driven and evidence led with enhanced analytical capability a significant part of the transformation programme. Action is being taken to address legacy systems and the issues that continue with the two major IT programmes.

Appendix 1 provides further analysis of key control issues highlighted in DARA reviews.

MPS Internal Control Environment

Strategic Framework

Met Direction 2025 previously set the strategic vision and objectives for the Met. Following his appointment the new Commissioner established a fundamental programme of reform set out in a draft Turnaround Plan published in January 2023, which was to be subject to internal and external engagement. A New Met for London Plan encapsulating the outcome of engagement and the response to the Baroness Casey Review and other external and internal reviews, including DARA, is due to be published. It will be the principal strategic document by which the MPS measures its success and will be held to account by MOPAC and the public.

Performance is overseen by the Performance Board and Performance Group with progress against the Met objectives reported quarterly to the MOPAC Oversight Board. The performance framework has been reviewed to enable greater focus on strategic outcomes, which are being aligned to New Met for London and the PCP.

Embedding business planning in day to day activity and properly aligning to strategic and operational tasking will be essential in supporting delivery of the New Met for London Plan. This has previously proven challenging for the Met with DARA Annual Reports and current reviews continuing to reflect that business planning does not effectively drive activity and outcomes with often a disconnect between corporate and local priorities.

Corporate Governance Arrangements

The Met's organisational structure was changed to enable delivery of the Turnaround Plan with an executive redesign resulting in new appointments to the Management Board. Frontline Policing, Met Operations and Specialist Operations (which includes Counter Terrorism) remain with a new Digital, Data and Technology (DDaT) function and Strategy and Transformation Directorate being established.

Management Board was supported by: Portfolio and Investment Board (PIB), People and Training Board, Risk and Assurance Board, Trust, Inclusion and Diversity Board and Performance Board. The Turnaround Board, an external reference group with senior representatives from the College of Policing, National Police Chief's Council, Independent Office of Police Conduct, HMICFRS, DARA, MOPAC and representatives from London Communities and local authorities was also established in September 2022. Aiming to build a broad alliance to drive reform of the MPS with external input and expertise helping to develop and prioritise plans.

A Turnaround Portfolio was established to deliver against outcomes set out in the draft Plan with each of the Turnaround Priorities having an accountable lead at Board level and Senior Responsible Owners accountable for delivery. A Transformation Group provides oversight of delivery risks and progress with regular reporting into the PIB, which is responsible for strategic oversight.

An external review of Met governance with input from DARA, recently concluded. It was recognised that existing governance did not effectively support transformation with the role of Management Board needing to be clarified and the number and membership of corporate boards streamlined. Escalation points and accountability for key decisions are unclear and the quality of management information varies. Some aspects of culture and ways of working also did not facilitate effective governance.

The new arrangements to be introduced over the coming year, aim to establish and embed; a revised governance structure underpinned by core design principles, behaviours and ways of working and key enablers. Management Board will be supported by two Executive Committees (ExCo) focused on running and transforming the business; 1) Performance, People and Culture and 2) Investment, Transformation and Technology. The role of the NEDs will be extended with an increase in attendance/forum membership and management information is

MPS Internal Control Environment

to be redefined to embed consistent standards, enforced by an enhanced Strategic Secretariat. Key accountabilities and ways of working have also been defined at business group level. The revised arrangements will need to be effectively implemented, embedded and supported.

Corporate Risk Management

Increasing the maturity and effectiveness of the Met's corporate risk management framework remains key to improving the effectiveness of the internal control environment as a whole. This includes conducting a comprehensive corporate risk assessment to delivery of the New Met for London Plan, effective integration with business planning and performance management and with 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. This level of improvement will need to be supported by increased specialist skills and resources, as recognised within the external Governance Review, and a wider understanding and awareness of the role effective internal control plays in supporting delivery of strategic objectives.

DARA continued to work with colleagues in Specialist Operations on the implementation of a cloud-based risk management solution with considerable work undertaken. A corporate wide digital solution would support effective capture, assessment, management and escalation of risk across such a large and complex organisation as the Met.

Corporate Assurance Framework

The need to define and develop the Met's strategic approach to assurance has further increased in importance, given the scale of reform activity and need not only for the Commissioner to be assured but for public assurance. Assurance activity is taking place in some areas but is fragmented and is not driven by a corporate approach aligned to strategic objectives and risks.

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 and assurance that key strategies, policies and processes are being applied as intended to secure desired outcomes. In particular, there is a continued need for level two activity throughout the organisation to be more clearly articulated and understood to ensure best use of resources and first line activity is strengthened.

Organisational Learning – Addressing Areas of Improvement

Baroness Casey observed *'The Met itself sees scrutiny as an intrusion. This is both short-sighted and unethical. As a public body with powers over the public it needs to be transparent to Londoners for its actions to earn their trust, confidence and respect. A cultural shift is required for the Met to become a reflective and learning organisation which opens its doors and invites criticism, examination, challenge and assurance.'*

Previous DARA reports have stressed the importance of analysing and addressing the underlying strategic issues arising from internal and external review activity, which have contributed to the reported failings within the Met. Analysis in the Internal Annual Report for last year highlighted many of the issues subsequently raised in the Baroness Casey Review. Under the new leadership, the Met has collated all recommendations and determined reoccurring themes, which were reported to the Turnaround Board in May 2023 and have

informed the New Met for London. Root cause analysis of the reoccurring themes that lead to project failure also informed improvement plans.

The Commissioner continues 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. There has also been increased scrutiny of the implementation of DARA and HMICFRS recommendations monitored quarterly by the Risk and Assurance Board and more recently Management Board.

Workforce Capacity and Capability

The outcomes of DARA and other review activity continue to demonstrate the need for effective training identification, delivery and evaluation and to better understand and define demand, to more effectively support the allocation and deployment of resources. Significant pressures also continue to be placed on supervisory activity within operational policing. Activity has been initiated to address these core issues.

DARA worked in collaboration with a team of Met officers to help identify the underlying causes of rising attrition levels within the Met. Action is underway to address issues identified and recommendations made relating to governance and leadership, initial recruitment arrangements, training pathway delivery and putting learning into practice.

The Met is aiming to transform its strategic approach to Learning and Development (L&D), facilitated by the implementation of the Learning Management Service during the year. This had been delayed due to issues with the build of the interface with PSOP and resourcing challenges, which impacted on the mobilisation of a new Target Operating Model being developed informed by an external L&D Maturity Assessment. These key developments are not yet supported by a clearly defined strategic workforce plan and training strategy for the organisation.

Effective leadership is recognised as being essential to support the scale of cultural change needed across the Met. As part of the Transforming Leadership Programme - the First Line Leaders Programme has been launched for all sergeants and police staff equivalents with dedicated training days focused on Met values. In the longer term a new Leadership Academy is being created in collaboration with the College of Policing.

Culture, Diversity and Inclusion Framework

Previous DARA reviews highlighted the complexity of governance arrangements supporting the delivery of the Met's Inclusion and Diversity Strategy. Also noting that although considerable data and information are produced, the lack of a cohesive performance management framework and metrics hinders the ability to monitor and report progress against agreed strategic outcomes. This has been the case for some time with limited progress having been made, a consistent change of senior management leadership in this area has been a contributing factor.

The Met are to revise its strategic approach to Culture, Diversity and Inclusion (CDI) in line with reform activity, building a revised action plan closely aligned to the New Met for London priorities. A full review of how the Met delivers reform and improvements to CDI is underway and will inform a new operating model. Immediate initiatives focus, understandably, focus, on improving standards of behaviour, addressing day to day symbolism, leadership styles, structures and routine activities that prevent effective learning and inhibit delivery, will be key to achieving sustainable cultural change.

MPS Internal Control Environment

Information Management Governance

The Data Board continues to oversee and drive improvement needed for data governance, including work to enable the cultural change required to improve data quality across the Met. This was supported by a 'Year of Data Quality' aiming to embed Data Quality principles organisation wide. The Data Quality Board continued to develop KPIs and Data Quality metrics based on NPCC assessment criteria to be matched against the data that matters most to the MPS.

The Relentless Data Driven Delivery Programme is overseeing action to address the outstanding issues to improve compliance with Data Protection legislation, following the ICO report in November 2022. It is recognised that compliance over RRD with data protection, MOPI and other legislation will not be achieved until CONNECT and the RRD project are completed.

Past and future decisions on technology procurement have a direct impact on data quality, data governance and data compliance. Work continues to strengthen digital and data governance to ensure value for money and the efficient and effective use of resources.

ICT Control Environment

Issues remain around the delivery of major technological change projects that continue to require close management attention. Command and Control is to undertake a period to reset its approach and plans, following an external review. CONNECT, the core integrated policing application for custody, investigation, intelligence and prosecution, has had significant performance issues, which have been subject to increased scrutiny both from the Met and MOPAC. A key decision on its future development and timing for the next stage of implementation, Drop 2, is due to be taken by Management Board.

A DARA review concluded, the framework supporting use of Automatic Number Plate Recognition (ANPR) needs clarity in the future strategy and vision for ANPR deployment. Risks are to be fully identified and assessed and resourcing and training reviewed. The current ANPR system is not resilient with data back-up arrangements not being properly tested. Creating a new platform to support ANPR is a priority within improvement plans.

Cyber security has now been recognised as a corporate risk and subject to oversight by the Risk and Assurance Board. The DARA follow up concluded progress had been made since the original review with the introduction of a cyber security accredited standard and completion of Pentests with enhanced oversight by the Data Board.

A considerable number of stand-alone and legacy IT systems/applications (Grey Estate) operated outside of the corporate IT infrastructure. Work has been carried out during the year to assess the level of risk exposure in terms of business continuity, vfm and security, and to reduce the scale of the estate. Further action is focused on transitioning a number of major systems to the corporate infrastructure and implementing a robust framework enabling greater control over ICT development and spend. Robust controls are also being introduced to govern systems/applications that remain in the Estate.

A new cloud service provider has stabilised the Online Crime Recording Service and automation improved classification of data on CRIS. Auto-generated messaging provides greater clarity to those reporting crime and the MPS is to make a further request to the national provider to automate user feedback, to help increase satisfaction with the service.

Key Financial Systems Control Framework

DARA reviews of Accounts Receivable, Fixed Assets and Covert Fixed Assets were all given adequate assurance ratings. Accounts Receivable - roles and responsibilities between the

MPS Internal Control Environment

Met and SSCL (outsourced provider of core finance services), are clearly defined supported by appropriate policies and procedures and effective oversight of income and aged debt. There is a need to ensure the assurance framework adequately reflects risk and appropriate controls to provide effective on-going assurance.

The Annual Assurance from Government Business Services (Cabinet Office Function managing SSCL) showed a deterioration with an overall assessment of 'Limited'. MPS specific control compliance reviews were assessed as; *Unsatisfactory – Information Assurance for Equinti; Needs Improvement – Role Based Access within ERP and Satisfactory – PSOP Design Instructions*. GBS in liaison with MPS are taking action to address the improvements needed.

The SSCL contractual arrangement is due for review in 2025. A Met Shared Services Programme Board is overseeing the development and implementation of the future solution for delivering enhanced core systems. Re-planning is taking place to revise the delivery approach to focus on internal process improvements, advised by DARA, and related user benefits, before commencing the technology led transition.

Assurance over local processes and compliance with CFO obligations relating to fixed assets is not specifically requested from business areas, Corporate Finance continue to work with the business to ensure the quality, completeness and timeliness of data provided for inclusion in the financial statements. The risks associated with the purchase of digital assets outside of the Capital Programme are to be managed through the ongoing work on the Grey Estate. The value of covert assets has now been determined and reconciliations conducted. The risks associated with the inconsistent approach to capturing covert assets on the asset register have been accepted by senior management.

DARA continue to work with Finance Services to further develop the financial assurance framework. There remains a need to develop an appropriate assurance framework for the management of payroll, which is at an early stage of development. Further work is required to ensure it identifies risks and controls across the full range of pay and reward activities. This will enable the identification of gaps in assurance across the three lines and action.

The Baroness Casey Review highlighted a significant increase in the use of police overtime with an over reliance on overtime to meet demand and/or officers working outside of police regulations, either by working extra hours without recompense or by working overtime to meet their requirements rather than business need. These issues had been identified in a previous DARA review of the Overtime Framework with a Gold Group established to oversee the Met response. Action taken has, however, not led to sustained improvement with the key recommendation to keep the police overtime risk profile under review to allow for timely identification and management of emerging risks, not implemented.

Sustainability

A revised process has been implemented to support Environmental, Social, Governance considerations in taking key investment decisions. This is in support of a defined Sustainability Plan and the revised Environment and Sustainability (E&S) Strategy. Tracking and monitoring of environmental benefits going forward is to be enhanced.

Delivery of the Met's 2023-25 E&S Strategy is monitored through the annual Sustainability Management Plan with oversight of performance exercised by an E&S Board, chaired at Management Board level by the Met's Senior Environment Champion. Whilst much activity is driven and co-ordinated by the E&S team within Property Services Directorate, responsibility for delivery sits across the Met, including Fleet, Estates and Commercial. There is also an Environmental Champions' Network. With increased public scrutiny of organisations' environmental credentials and ongoing developments in public sector climate related reporting

MPS Internal Control Environment

requirements, there is a need to review the wider corporate approach to E&S risk management, communications, resourcing and reporting.

Commercial and Contract Management Framework

Work continued to improve the framework under the three year Commercial Functional Strategy in its third year of implementation. The Commercial Blueprint was further embedded and additional IT functionality implemented as planned. Senior appointments were made, continuing to increase skills and capacity and embedding revised business process with a focus on commercial acumen, agility and compliance, remain key to sustaining improvements made to date and realising commercial ambitions. The DARA follow up concluded development of the strategic approach to contract management, aligning the work of Intelligent Client Functions (ICFs) and the Supplier Relationship Management Strategy is a key priority. A number of issues relating to contract management were reported by Baroness Casey.

Professional Standards and Counter Corruption

Following the interim report of Baroness Casey in October 2022 and previous HMICFRS inspections raising significant concerns with professional standards and counter corruption capability, the MPS carried out a fundamental review. This includes the development of a new operating model for the Directorate of Professional Standards (DPS) with significant additional resource and a review of Counter Corruption governance arrangements.

DARA advised the Strategic Oversight Board and Tactical Liaison Forum and on their alignment with counter corruption governance. Each play a key role in supporting the delivery of the Anti-Fraud Strategy. Recent initiatives include the roll out of fraud risk management to individual business areas and the identification, capture and analysis of fraud related data streams to gain enhanced insight into corporate themes and trends.

DARA advised on the development of the Command Assessment process designed to provide assurance across a number of key areas relating to professional standards, highlighted by HMICFRS. The outcome of initial assessments was considered by Management Board to inform further action. DARA are to advise on the enhancement of this self-assessment tool in support of the wider corporate assurance framework.

Significant work is underway to address the issues raised relating to the management of criminal exhibits by both DARA and HMICFRS as part of Operations Sweep and Peridot. A Gold Group is overseeing activity, which includes mapping key processes and revising policy to improve security and record keeping. Developing a clear strategic approach linked to the wider management of criminal exhibits is key to delivering sustained improvement together with the successful implementation of CONNECT. The provision of sufficient capacity within the Met estate remains a challenge.

A DARA review of the framework supporting THRIVE+, risk assessments conducted at the initial point of contact with Met Command and Control (MetCC), found significant progress in meeting HMICFRS recommendations. DARA advice to the MetCC Improvement Programme Board focused on embedding an effective control within MetCC to ensure sustainable improvement. Revised policy and process need to be supported by training and implementation of planned improvements to capacity, with a continuing focus on compliance and service delivery. This is to be supported by effective risk management and integrated assurance arrangements.

The Baroness Casey Review concluded there was systemic and institutional bias in the misconduct system which was not fit for purpose. Action taken included; conducting more investigations, increasing the number of suspensions and holding more misconduct hearings with the number of officers dismissed for gross misconduct increasing by 70%. A review of legacy cases of officer and staff misconduct and/or criminality, including all cases relating to

allegations of sexual offending and domestic violence made against MPS officers and staff was also instigated.

Low levels of trust and confidence in the grievance system were also reported. A DARA review concluded the effectiveness of grievance management is limited by the level of confidence to engage at the outset, although the process itself has been designed to meet best practice. There is a need to improve controls to support a working environment where individuals may raise concerns without fear of recrimination. Understanding the behaviours that underpin current perceptions and outcomes needs to inform future learning and training content. Similar issues relating to the Met's ability to determine patterns of behaviour, timeliness of investigations and disproportionality in those raising a grievance were also identified. Oversight at a corporate level is to improve supported by a more holistic and transparent approach to reporting.

Operational Control Environment

DARA conducted a number of key reviews within operational policing, which identified significant corporate issues now being addressed under the reform of Frontline Policing and root and branch review of Public Protection.

A **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. Fieldwork was conducted in June to September 2022 with the outcome, reported in November 2022, identified common themes and root causes cutting across all areas reviewed. These included; 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 to effectively manage aspects of performance (including outstanding incidents on CAD). Many of these issues were subsequently highlighted by Baroness Casey, contributing to the representation of a 'Beleaguered Frontline'. DARA recommendations have aligned to corporate improvement plans and include reviewing existing BCU governance to ensure:

- Appropriate alignment between corporate and operational objectives and risks, including for escalation and reporting.
- Officer demand and productivity is understood to aid deployments and reduce non-core activity.
- Business support activities are properly assessed and resourced.
- Role requirements are properly matched to skills and competencies to achieve optimum utilisation of officers on front line duties and reduce the number of officers undertaking business support roles.
- Enhanced IT capability to improve analysis and insight into BCU activity, performance outcomes and operational grip. This includes real time information on front-line deployment.
- Performance, supervisory and capability issues are understood and addressed.
- Roles and responsibilities are clarified within BCU teams/units and between corporate and FLP for policy ownership and delivery.

Predatory Offender Units provide a dedicated proactive capability on BCUs to reduce the safeguarding risk and harm to adults and children posed by high harm offenders. Work is ongoing to review POU governance, oversight and delivery, as part of wider activity within the Strengthening Public Protection Programme. Resource within BCU Public Protection teams has been increased to drive offender management, a skills matrix to identify training gaps and performance management information to prioritise highest risk offenders. Developments are at an early stage of implementation and need to be effectively embedded to ensure sustainable impact on operational delivery.

Governance arrangements to oversee **Domestic Abuse (DA) investigative** performance and support delivery of the DA Action Plan had been clarified since an initial DARA review with policy updated to align with Authorised Professional Practice and changes in legislation. A KPI/Assurance Framework was being developed and at a corporate level action initiated to address supervision, capability and capacity issues within Response and Investigation teams, to drive the desired improvement in performance, which is now being taken forward under the Strengthening Public Protection Programme.

Project Aegis introduced in 2021 and due to conclude in November 2023, aims to improve outcomes across rape, and serious sexual offences, DA, missing persons and child abuse and exploitation, providing additional coaching and support to BCUs. A maturity assessment pre and post Aegis attendance identified some improvement in performance across BCUs, although significant corporate issues were identified. Sustained improvement remains a challenge with officer churn, increased demand and officer/supervisor inexperience, contributing to a dip in performance after six months. This highlights the need for the evaluation of the project under the Strengthening Public Protection Programme, to fully understand its strengths and weaknesses. DARA continue to advise on achieving sustainable improvement in embedding effective policy, process and oversight.

The framework supporting Met **use and control of Tasers** is aligned to Home Office and College of Policing guidance. Use of Force Data facilitates effective monitoring of Taser activations, including disproportionate use, and training is regularly updated to reflect learning from review activity. The target to reach 10,000 trained officers is, however, not being achieved. Whilst work is ongoing to address this shortfall, DARA advised it would be beneficial to clarify operational objectives supporting the allocation of Taser devices. There is also a need to ensure appropriate assurance mechanisms support implementation of the new self-issue system for Taser devices.

Governance arrangements with clearly defined objectives, roles and responsibilities support the **Aviation Command** within SO. Resources are agreed and flexed to meet contractual obligations with airport authorities and are effectively overseen. Risk management is to provide more visibility on WTR monitoring and the duty of care in managing risks of firearms officers working long hours. Several initiatives contribute to officer health and wellbeing and promote the Command's STRIDE objectives, although the EDI and People Strategies are to be finalised.

Effective controls facilitate compliance with current statutory **firearms licensing** requirements. Risks are managed effectively at an operational level with issues outside the Met's control escalated through national forums e.g. those that relate to GP assessments. These are to be captured within the Met's own risk management process to facilitate appropriate response, including acceptance of residual risks and internal escalation as required.

Internal Control Framework

DARA Review Activity

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

Assurance Ratings

Rating	Initial Reviews	Initial Reviews %	Follow Up Reviews	Follow Up Reviews %	All Reviews%
Substantial	0	0%	0	0%	0%
Adequate	14	67%	13	81%	73%
Limited	7	33%	3	19%	27%
Total	21	100%	16	100%	100%

Comparison to Previous Year

The rating for 67% (68% last year) of initial review activity conducted was assessed as adequate with 33% (32%) rated limited. A total of 81% (88% last year with 6% substantial) of follow ups were rated adequate and 19% limited (6%). Overall 27% (22%) of review activity was rated limited and 73% (76%) adequate (2% substantial last year).

Management Action

A total of 125 (140 last year) recommendations were made of which 25 (34) were high priority and 100 (106) medium priority. DARA follow up activity during the year showed 32% of agreed actions were fully implemented, 47% partly and 21% not implemented. Seven high priority actions had not been implemented and 18 were partly implemented. Action in the Met continues to be taken to address recommendations that remain outstanding from previous years, under the oversight of Management Board.

The Met Risk and Assurance Board has continued to oversee progress for those reviews rated as limited seeking assurance that appropriate action is planned and/or being taken. The MOPAC Governance and Risk Working Group oversees implementation of its recommendations.

Control, Risk and Governance Advice

Key advisory reviews included; MetCC Improvement Plans, Risk Management within SO, Business Lawful Monitoring, Fleet Procurement, Financial Assurance Framework, Counter Corruption Governance and Analysis of Underlying Issues identified in the Casey Review. In MOPAC, Risk Management Framework, End to End Processes, Revised Oversight Arrangements, FOI Governance and Data Breach assessments. Key governance boards attended by DARA providing advice and support to senior management including; Met Turnaround Board, Risk and Assurance Board and Counter Corruption Boards, MOPAC Board, Governance and Risk Working Group and MOPAC Oversight Forum.

Counter Fraud

Work continues on the remaining unresolved matches from the 2020/21 and 2021/22 NFI exercise with £160k identified for recovery to date. The 2022/23 exercise produced 6,761 matches. Investigations are on-going with an initial £500k being recovered as a result of DARA analysis identifying a duplicate payment. Liaison with MPS DPS continues with plans under way to re-commence the DPS Tactical Forum, which enables pro-active review of high areas of fraud risk across the MPS. Ongoing analysis of key financial systems included MPS Barclaycard payments and MOPAC Travel and Subsistence claims.

A follow up review of MOPAC's Counter Fraud Arrangements, advice on actions to support the MOPAC/MPS Anti-fraud and Corruption Strategy and the review of the MPS fraud risk assessment were concluded. The integration of the management of fraud risks into day to day

Internal Control Framework

business activity has not yet been achieved and the capture and reporting of instances of fraud continues to need to improve.

Other Internal Review Activity

Health Safety and Wellbeing MPS Audits

There remained significant demand to support operational related activity, which included advisory support at all command levels and deployment of safety and occupational health assets. The MPS Health Safety and Wellbeing maturity programme is operational with regular maturity self-assessment assurance reported. The MPS is at a level 3 maturity (compliant culture) with some BCU/OCUs showing positive conformity towards level 4 in a number of thematic areas. The current Occupational Health and Wellbeing provision has advanced and continues to mature.

Information Assurance Audits

Reviews continue to demonstrate the need for improvement with revised processes being introduced where necessary, particularly those linked to the implementation of CONNECT. A good level of compliance with national guidance (IS4) in relation Crypto Management was reported and Met use of Child Abuse Image Database was compliant with national guidance.

External Review Activity

Baroness Casey of Blackstock - Independent Review into the Standards of Behaviour and Internal Culture of the Metropolitan Police Service - published in March 2023. The review called for a series of actions to restore public trust and confidence. Concluding, there were systemic and fundamental problems in how the Met is run. It has not managed the integrity of its own police service leading, over time, to unacceptable behaviour being allowed to flourish and heinous crimes perpetrated by serving Met officers. Deep seated cultures need to be tackled in order for any changes to be sustained. De-prioritisation of front line policing and de-specialisation of public protection has put women and children at greater risk than necessary.

The review found that there is a lack of accountability and transparency, with weak governance structures and a culture of defensiveness and denial. Discrimination is tolerated, not dealt with and has become baked into the system. Leading to institutional racism, misogyny and homophobia. Sixteen recommendations were made with a review point of two and five years recognising the fundamental scale of reform required.

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

As part of their Police Effectiveness, Efficiency and legitimacy (PEEL) work, MPS performance across nine areas of policing were graded and found to be 'good' in one area (preventing crime), 'adequate' in two (recording data about crime and treatment of the public) 'requires improvement' in five areas (investigating crime; protecting vulnerable people; managing offenders; developing a positive workplace; good use of resources.), and 'inadequate' in responding to the public. As a consequence the MPS was placed in the 'Engage' process of monitoring in June 2022. The Commissioner provides regular updates on the MPS progress on ENGAGE to MOPAC and the HMICFRS Policing Performance Oversight Group.

MPS Response to the Stephen Port Murders HMICFRS inspection conducted at the request of the DMPC, to establish whether lessons had been learned, and in particular establish whether the failures in investigation could happen again. Published in April 2023 it concluded the MPS has been slow to listen and reluctant to change until it is forced to do so and should be more determined to learn from its mistakes. At the time of the report publication, *'it was difficult to be reassured that the mistakes made in the Port case couldn't happen again'*. Twenty recommendations covered six categories; 1) Policy and Guidance, 2) Quality and Scope of Training, 3) Use of Intelligence by Officers Responding to Reports of Death, 4) Local Forensic Support 5) Quality of Investigations into Unexpected Deaths and 6) Links to Groups and Charities.

Internal Control Framework

London Assembly Police and Crime Committee (PCC)

Following a second major review of **London's preparedness for a terror attack**, in April 2023 the PCC published their report with 12 recommendations for the Mayor, MOPAC and the MPS. They include conducting a review of the key risk factors for young people becoming radicalised and the MPS developing new partnerships with London Universities and private sector technology firms to establish secondment programmes for individuals with the digital skills required by a modern counter-terrorism operational response.

In April 2023 the PCC reported on its **investigation into missing children in London**, to better understand the reasons why children go missing and how services can better prevent, find and protect those that do. Concluding; low trust and confidence in the police may make parents and carers reluctant to report children missing, not every missing child incident results in a full safeguarding response and any information gathered from the return to home process is not effectively used to inform long term safeguarding plans. Seventeen recommendations for MOPAC, the MPS and the Mayor were made.

London Policing Ethics Panel

In September 2022 the London Policing Ethics Panel published an interim **Report on the conduct of searches exposing intimate parts by the MPS** as part of a project in response to public interest in searches prompted by publication of the Child Q Report. Recommendations included; improving guidance, review of use of searches for small amounts of cannabis, and evaluation of introduction of specific search areas.

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 continue to work in partnership with the private sector drawing on skills available in specialist areas such as IT.

Risk and Assurance, Advice and Counter Fraud Activity

Adopting a risk-based approach aims to help embed risk management across MOPAC and the MPS, highlighting action to strengthen governance and the management of key risks to corporate priorities and objectives. Follow up audits show where management action is taken this has a positive impact on the control environment. Management acting on DARA risk and control advice as systems develop helps to prevent control failures, which saves valuable resources. This year has seen an increase in advisory work in support of major transformation activity, which will continue in the coming year.

Fraud investigation work contributes to Met aims around resetting the values and the way Met officers and staff work and identifying areas where internal control needs to be strengthened. Prevention work aims to improve the identification and management of fraud risks from within the business to ensure risks do not materialise. The outcomes of DARA review activity have informed the MOPAC and MPS Annual Governance Statements and improvement plans and analysis of the underlying strategic issues, the New Met for London Plan.

Equality, Diversity and Inclusion

The MOPAC and MPS commitment to equality, diversity and inclusion is considered in all audits and investigations as appropriate. Key findings are captured and reported to senior management, this year this included the reviews of Grievance Management, Taser Use and Deployment, BCU Review, in particular.

External Liaison

DARA has an effective working relationship with External Audit who continue to place reliance on DARA in reviewing key financial systems and governance arrangements.

DARA influence the development of audit in the policing environment and wider local government through membership of regional and national forums. The Director chairs 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 to embed risk management. DARA are members of the Institute of Counter Fraud Specialists, and London Fraud Forum with counter fraud representatives from both 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 Public Sector Internal Audit Standards. Two graduate trainees are also being supported in professional studies. An External Quality Assurance review concluded; *'It is our opinion that the Directorate of Audit, Risk and Assurance FULLY CONFORMS to the requirements of the Public Sector Internal Audit Standards'* with DARA being *'recognised throughout the policing sector (and indeed elsewhere in the public sector) as being one of the leading in-house public sector internal audit services.'* To maintain standards there is;

DARA Strategic Approach and Performance

- Documented Processes and Standards - Audit Manual
- Supervision of each Audit Assignment
- Quality Assurance Reviews
- Self-Assessment against the Public Sector Internal Audit Standards (PSIAS)
- Client Feedback and Review
- Continuous Improvement – including introduction of enhanced audit software

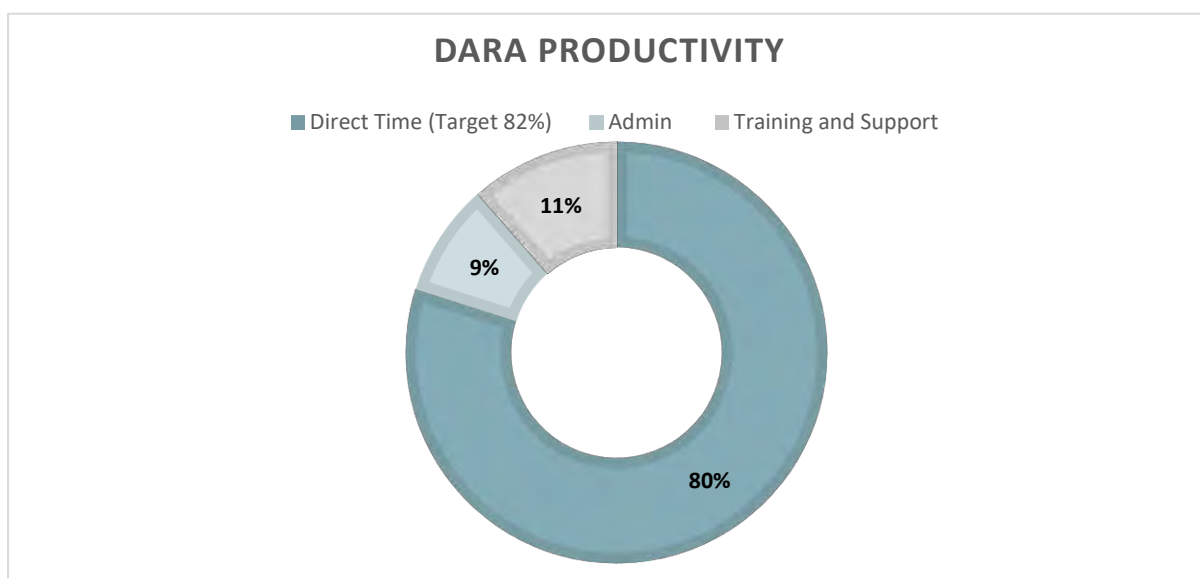
No areas of non-compliance were identified and there have been no impairments to DARA independence or objectivity during the year.

Planning and Delivery

A total of 88% of the programme to achieved report stage (90%) target with 7% in progress and 5% carried forward. Activity across each strand of work is summarised as follows increased advisory work was carried out in support of turnaround activity;

Activity	Planned	%	Actual	%
Risk and Assurance Audits				60%
Risk and Control Advice	347	15%	554	24%
Counter Fraud Activity	453	19%	366	16%
Total	2383*	100%	2275	100%

* excludes contingency



More time than planned was spent on training primarily due to the implementation of the graduate training scheme and introduction of an upgraded audit software solution.

Timeliness of Reviews

DARA achieved 80% for issuing reports within three weeks of completing fieldwork, meeting the target. Response times to draft reports exceeded the target at 86%. Timeliness in commencing reviews needs to improve with a number delayed due to a lack of effective engagement by the business at the outset.

DARA Strategic Approach and Performance

Key Objectives for DARA in 2023/24

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

- Aligning audit activity to strategic objectives around reform, and risks to MOPAC and the Met, providing independent assurance on the 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.
- Advising and supporting the development and implementation of the MPS Corporate Assurance Framework.
- Reviewing and advising on the framework supporting the revised oversight governance arrangements for Londoners.
- Continuing to liaise and engage with business and operational leads to increase risk, fraud and control awareness, providing timely advice as risks emerge.

KEY CONTROL ISSUES ARISING FROM DARA REVIEW ACTIVITY

Accountability	Strategy Definition	Risk Management	Policy and Process	Capability and Capacity	Assurance	Management Oversight and Reporting
<ul style="list-style-type: none"> • Clarity of accountabilities, roles and responsibilities. • Clearly defined delegations and authorities. • Ownership of Strategy and Policies. • Recognising and managing interdependencies/ partnerships. • Clearly defined reporting lines. • Appropriate separation of roles/ responsibilities and accountabilities. 	<ul style="list-style-type: none"> • Clarity of key strategic objectives in business areas. • Demonstrating link to corporate objectives, risks and business plan. • Definition of frameworks and/or plans to support delivery, change management and/or transformation. 	<ul style="list-style-type: none"> • 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. • Regular review and testing of Business Continuity and Disaster Recovery plans. 	<ul style="list-style-type: none"> • Definition of accountabilities, roles and responsibilities. • 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. 	<ul style="list-style-type: none"> • Definition of accountabilities, roles and responsibilities. • 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. 	<ul style="list-style-type: none"> • Definition of assurance requirements. • Provision of assurance across areas of strategic importance. • Clear justification and evidence for decision making. • Effective engagement • Reporting and acting on assurance activity outcomes – to strengthen first line controls. 	<ul style="list-style-type: none"> • 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.

MPS

Corporate Governance	
Risk and Assurance and Advisory Reviews	
Environment and Sustainability Strategy Implementation Framework	
Follow Up Interim Assurance	
Specialist Operations Risk Management Framework	
Risk Management Framework	
Frontline Delivery	
Risk and Assurance and Advisory Reviews	
BCU – Governance Framework	
BCU – Performance Management	
BCU – Partnership and Engagement	
BCU – Risk Management	
BCU – Management and Deployment of Resources	
Firearms Licensing Framework	
Youth Offending Teams – Delivery Framework	Drafting Report
Taser Use and Control	
Framework Supporting Implementation of THRIVE+	
SO18 Aviation Command – Strategic Planning and Delivery	
Integrated Offender Management (IOM) Framework – Violent/Persistent Offenders	Fieldwork
MPS Engagement in Major Event Planning and Delivery	Fieldwork
Public Protection – Operation Aegis	Advisory
Follow Ups Interim Assurance	
Framework Supporting Management of Criminal Exhibits Management	
Predatory Offender Units	
Domestic Abuse Investigations Policy Framework	
Crime Recording Governance and Compliance	Advisory
Professional Standards	
Risk and Assurance and Advisory Reviews	
Command Assessments Framework and Implementation	Advisory
MPS Counter Corruption – Op Peridot	Advisory
Lawful Business Monitoring	Advisory
ICT Control Environment	
Risk and Assurance and Advisory Reviews	
Cloud Security and Management	Drafting Report
Systems Supporting Use of ANPR	
Grey Estate (ICT legacy systems incl. Application Management)	
Follow Ups Interim Assurance	
Framework Supporting Online Crime Recording	
Cyber Security Framework	
Workforce – People and Resources	
Risk and Assurance and Advisory Reviews	
Probationers – Recruitment/Attrition Rapid Review	
Grievance Management Framework	
Follow Ups Interim Assurance	
PSD Next Generation Programme Framework	Advisory
Learning and Development/Organisational Learning	
Risk and Assurance and Advisory Reviews	
Organisational Learning – Casey, Analysis of Underlying Strategic Issues	Advisory
Follow Ups Interim Assurance	
Learning and Development Framework	
Financial Assurance	
Risk and Assurance and Advisory Reviews	
Expenses Framework	Pro-active

Funding and Governance of MPS Voluntary Official Organisations	
Accounts Receivable	
Payroll Assurance Framework	Advisory
Follow Ups Interim Assurance	
Covert Asset Management	
Fixed Asset Management	
Police Property Act Fund	
Commercial	
Risk and Assurance and Advisory Reviews	
Fleet Procurement – Evaluation & Advice	Advisory
Follow Ups Interim Assurance	
Commercial Lifecycle Framework	

MOPAC

Oversight	
Risk and Assurance and Advisory Reviews	
Portfolio/Programme Framework – Risk Management	
Lord Harris Review – Implementation Framework	
Development of Revised Oversight Governance	Advisory
Follow Ups Interim Assurance	
Oversight of Police Complaints – Relevant Review Body Role	
Counter Fraud Arrangements – Strategy and Action Plan	
Delivery	
Risk and Assurance and Advisory Reviews	
ICV Scheme/Programme	
Budgetary Control Framework	
Community Oversight Framework	Advisory
End to End Business Process Review	Advisory
VRU Grants Management	Advisory
VRU Commissioning Framework	Drafting Report
Violence Against Woman and Girls Strategy Delivery Framework	Fieldwork
Communicate – Public accountability and external communication	
Risk and Assurance and Advisory Reviews	
GDPR Compliance – Data Breach Assessment	Advisory
FOI Reviews and Framework	
Follow Ups interim Assurance	
Management and Deployment of Police Property Act Fund	
Business Support Services – ICT and Business Continuity	

Reviews Carried Forward to 2023/24
MPS Performance Management Framework
MOPAC/MPS Capital Strategy and Delivery Framework
MPS Management of Internal Communications

	Substantial		Adequate		Limited
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Governance Board	DARA Activity
Joint MOPAC/MPS Audit Panel	Supported the work of the joint MOPAC/MPS Audit Panel; facilitating Panel meetings and briefings, meeting with the Chair, and contributed to the Panel's annual review of its effectiveness and subsequent Annual Report.
MOPAC Governance and Risk Board	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 incl. Change Portfolio	Supported the implementation of the MOPAC Change Programme, in particular, in 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 Delegation and Consent 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.
MPS Turnaround Board	The Director is a member of the Commissioner's Turnaround Board inputting to the development of the Met's Turnaround Plan and New Met for London. Consideration of Baroness Casey Review findings and, in particular, advising on action being taken to address the underlying issues identified through DARA and other review activity.
MPS Management Board Risk and Assurance	Director attended quarterly meetings of the Board advising the Management Board on the effectiveness of governance, risk management and assurance arrangements and on key risks/issues emerging from review activity. The Board also considered and agreed the risk based Internal Audit Plan for 2023/24 aligned to the revised Met strategic objectives.
Strategic Crime Incident Recording Group (SCIRG)	Attend quarterly meetings providing oversight and scrutiny of crime recording, advising on outcome of DARA review activity. Continued to review HMICFRS PEEL findings 'Adequate' recording data about crime', although poor at recording crime when anti-social behaviour is reported, needs to reduce the time it takes to record crimes and needs to improve its recording of equality data.
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. Also, invited and participated in March 2023 external independent assessment of HSW Board Governance.
Information Assurance & Cyber security Sub-Group	Attended 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 (Counter fraud)	Supporting embedding effective fraud risk management within the Met and oversees delivery of an updated action plan in support of the Anti-Fraud Strategy and the revised Reporting Wrongdoing Policy. The introduction of a new Counter Corruption Board necessitated a refresh of the SOB terms of reference to ensure interdependencies are identified and managed. DARA advised on the TOR, which has a renewed focus on reporting of fraud and wrongdoing through enhanced use of data analytics.
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. Identified issues and trends to escalate to the Strategic Board as necessary. The Group are also tasked by the Strategic Board and includes work to roll out fraud risk management to business areas.

Counter Fraud Work	DARA Activity
National Fraud Initiative (NFI) and Investigative Reviews	<p>Work continued on the remaining unresolved matches from the 2020/21 and 2021/22 NFI exercise with £160k identified for recovery to date. A total of 82 deceased pension matches remain outstanding, delays in resolving were caused by issues with the third-party provider now being assessed by SSCL. NFI 2022/2023 produced 6,761 matches across Creditors (4,996), Payroll (119) and Pensions (1,646). Investigations are on-going initial findings include;</p> <ul style="list-style-type: none"> • Creditors – identification of duplicate payment of £508,526, which is currently being recovered. • Payroll – outside business interests have been investigated by DARA and MPS colleagues following identification of officers/staff failing to declare business interests. DPS has undertaken a more robust approach due to wider integrity concerns, resulting in awareness, learning and disciplinary activities against officers/staff. • Pensions – of the 263 deceased pension matches within the 1,646, 129 matches have been closed and the remaining 134 continue to be investigated. DARA assisted in providing 65 death certificates and identifying next of kin to recover overpayments. <p>Investigative reviews included;</p> <ul style="list-style-type: none"> • Cash losses at police stations, custody suites and exhibit stores continue to be reported by DARA to DPS from information provided by MPS Finance Team, twelve incidents with a value of £16k were reported for the financial year ending March 2023. • A pro-active review of MPS residential properties found no method to report officers end of service and non-entitlement to reside at a property, which had continued. Recommendations included; system to support reporting to Estate Management, annual occupancy survey with tenants and reviews of documentation to verify entitlement to occupancy.
Fraud Prevention Strategy and Training	<p>The DPS Tactical Forum, attended by DARA, identified 25 key fraud risks in updating the current fraud risk assessment which is to inform proactive review activity. The forum is due to recommence to progress planning for the proactive programme. At a strategic level the Counter fraud Strategic Oversight Board is to promote greater awareness of fraud risks and ensure risk assessment and management is integrated within the corporate risk management. The identification and reporting of instances of internal fraud are to be improved in line with previous DARA recommendations and in support of delivery of the Anti-Fraud, Bribery and Corruption Strategy. DARA carried out training within MOPAC and a follow up of the MOPAC counter fraud arrangements.</p>
Analysis of Key Financial Systems and Data.	<p>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. The rationale follows an increase of fraud with individuals working from home via agencies for more than one client on a purported full time basis;</p> <ul style="list-style-type: none"> • CIFAS Internal Fraud Database (National Database), UK database recording employee fraud and fraudulent job applications. • Membership of London Boroughs Fraud Investigators Group (LBFIG) and Counter Fraud Collaboration Professional Community.

Glossary of Terms

ANPR	Automatic Number Plate Recognition
BCU	Basic Command Unit
CAD	Computer Aided Despatch
CDI	Culture, Diversity and Inclusion
CFO	Chief Finance Officer
CIFAS	Not-for-profit Credit Industry Fraud Avoidance System
CIPFA	Chartered Institute of Public Finance and Accountancy
CONNECT	An integrated core policing IT solution replacing standalone legacy applications.
CRIS	Crime Recording Information System
DA	Domestic Abuse
DARA	Directorate of Audit, Risk and Assurance
DDaT	Digital, Data and Technology
DMPC	Deputy Mayor for Policing and Crime
DPS	Directorate of Professional Standards
EDI	Equality, Diversity and Inclusion
ENGAGE	Enhanced level of monitoring by HMICFRS
ERP	Enterprise Resource Planning
ESG	Environmental, Social, Governance
ExCo	Executive Committee
FLP	Front Line Policing
FOI	Freedom of Information
GBS	Government Business Services
GDPR	General Data Protection Regulation
GLA	Greater London Authority
GP	General Practitioner
HMICFRS	Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services
HR	Human Resource
HSW	Health, Safety and Wellbeing
IAU	Information Assurance Unit
LBFIG	London Boroughs Fraud Investigators Group
ICF	Intelligent Client Function
ICO	Information Commissioner's Office
IOPC	Independent Office for Police Conduct
ICT	Information and Communication Technologies
ICV	Independent Custody Visitor
IT	Information Technology
IOM	Integrated Offender Management
KPI	Key Performance Indicator
LCRB	London Crime Reduction Board
LMS	Learning Management System
L&D	Learning and Development
Met	Metropolitan Police Service
MetCC	Met Command and Control
MOPAC	Mayor's Office for Policing and Crime
MOPI	Management of Police Information
MPS	Metropolitan Police Service
NED	Non-Executive Director
NFI	National Fraud Initiative
NMfL	A New Met for London
NPCC	National Police Chiefs Council
OCU	Operational Command Unit
PCC	The Police and Crime Committee
PCP	Police and Crime Plan

Glossary of Terms

PEEL	Police Effectiveness, Efficiency and Legitimacy
PIB	Portfolio Investment Board
PMO	Programme Management Office
POU	Predatory Offender Unit
PPAF	Police Property Act Fund
PSIAS	Public Sector Internal Audit Standards
PRG	Partnership Reference Group
PSOP	Police Standard Operating Platform
RRD	Review, Retain, Delete
SCIRG	Strategic Crime Incident Recording Group
SO	Specialist Operations
SOB	Strategic Oversight Board
SSCL	Shared Services Connected Ltd
STRIDE	Strategy for Inclusion, Diversity and Engagement
TfL	Transport for London
THRIVE+	Threat, Harm, Risk, Investigation, Vulnerability Engagement + Prevention and Intervention
TOR	Terms of Reference
VAWG	Violence Against Women and Girls
VRU	Violence Reduction Unit
WTR	Working Time Regulations

MOPACMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

2 August 2023

MOPAC and MPS Internal Audit Plan 2023/24

Report by: The Director of Audit, Risk and Assurance
Head of Internal Audit for MOPAC and the MPS

Report Summary

This report sets out the proposed MOPAC and MPS Internal Audit Plan for 2023/24. The Internal Audit Charter, defining the purpose, authority, responsibility and scope of internal audit in line with professional internal audit standards, is also attached.

Key Considerations for the Panel

- The draft plan is aligned to MOPAC and MPS strategic objectives and risks and has been drawn up in line with audit professional standards.
- The work programme enables the Director of Audit, Risk and Assurance to provide the annual opinion on the effectiveness of the MOPAC and MPS risk management, internal control and governance frameworks, providing assurance to the DMPC and Commissioner and informing the respective Annual Governance Statements for 2023/24.
- The MPS Plan has been compiled in consultation with the Commissioner and MPS Management Board and the MOPAC Plan with the DMPC and MOPAC Board.
- The draft Plan includes key reviews of the revised MOPAC oversight governance arrangements and Met governance with an increased focus on advisory work, as the Met undergoes transformational reform.
- The draft plan is indicative and dynamic and will be reviewed throughout the year to respond to any key emerging risks within each organisation. Any subsequent amendments will be reported to the joint Audit Panel.

Interdependencies/Cross Cutting Issues

The Plan is aligned to the MOPAC and MPS strategic risk assessments and governance improvement plans submitted to the Panel and will provide assurance on the effectiveness of key mitigations and developments as the year progresses.

Recommendation:

The joint Audit Panel considers and approves the proposed 2023/24 Internal Audit Plan 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 Public Sector Internal Audit Standards, 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. This is supported by the Internal Audit Charter, attached at **Appendix 1**.
- 1.3 Risk and assurance audits give assurance on the effectiveness of controls supporting delivery objectives, interim assurance audits (follow ups) report progress on implementation of agreed action and advisory work is designed to address specific areas of development/improvement. This allows DARA to form an overall opinion on the effectiveness of the risk and control environment supporting delivery of transformation and BAU activity.
- 1.4 The MOPAC Plan, aligned to PCP objectives and MOPAC strategic risks, includes providing assurance on the revised oversight governance arrangements, including the framework supporting the new London Policing Board, the Deputy Mayor for Policing and Crime (DMPC) decision making framework, the evaluation of the impact of commissioning activity and information governance. Advisory work will continue in supporting the review of core processes, the alignment of MOPAC and MPS risk and assurance frameworks and delivery of the MOPAC People Strategy.
- 1.5 The Met Audit Plan is aligned to the New Met for London Plan, key strategic risks are currently under review and will inform any revision to the Audit Plan as the year progresses. As the Met undergoes significant transformation, the plan has an increased focus on advisory work that is key to helping the Met deliver its objectives, providing real time support on major changes projects and initiatives. This agile approach also allows the work programme to adapt to the changing risk landscape and evolving priorities, and will help the Met to address the underlying strategic issues instrumental to securing the desired cultural and organisational reform.
- 1.6 Audit work will include providing assurance on Met Governance including the revised performance framework supporting delivery of the New Met for London Plan. It also supports addressing key underlying strategic issues identified within the Baroness Casey Review and previous DARA reviews. This includes raising awareness around internal control and supporting the work underway in developing and integrating a cohesive corporate assurance framework across the Met. DARA will also continue with the BCU advisory programme assisting developing of effective governance supporting front line delivery.

- 1.7 DARA also 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 DARA review activity.
- 1.8 Counter fraud and analytical review activity, helping management in preventing, detecting and investigating potential fraud, forms part of the work programme. This 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, procurement activity in key/high risk areas of the business.
- 1.9 DARA co-ordinate their review activity with other assurance providers including, external audit and HMICFRS, and reliance will be placed on other review activity where appropriate. The key financial systems work programme will be carried out in liaison with SSCL's Audit and Assurance Team and external audit, this will be supported by the proactive analytical review programme.
- 1.10 The Director of Audit, Risk and Assurance confirms the skills and resources required to deliver the Plan are available to DARA with the new trainee auditor programme successfully underway. The indicative days planned for key areas of internal audit activity are summarised as follows:

Internal Audit Activity	Days	%
Risk & Assurance Audits (incl. follow up)	1,095	45%
Advisory Programme	910	38%
Counter Fraud Activity (incl. Pro-active)	399	17%
Total	2,404	100%

- 1.11 Effective engagement will continue to be of increasing importance, ensuring optimum impact of DARA review activity. Audit leads will be on hand to offer advice and assistance to MOPAC and Met Governance and Risk Boards, Senior Leadership Teams and Met Chief Officer Groups.
- 1.12 DARA is advising at a national level continuing to support internal audit across the policing sector. The Director chairs regular meetings of the National Police Audit Group with a conference planned for November of this year.

2. Equality and Diversity Impact

The MOPAC and Met commitments to diversity and inclusion are considered in all activities carried out by DARA. Each risk and assurance review will include consideration of equality, diversity and inclusion issues and potential risks.

3. Financial Implications

There is a risk of loss, fraud, waste and inefficiency if actions agreed as a result of DARA activity are not implemented. Savings and recoveries made as a consequence of audit work enable funds to be directed to core policing.

4. Legal Implications

The Accounts and Audit (England) Regulations 2015 (made further to section 27 of the Audit Commission Act 1998) provide that the MOPAC and the Met are required to maintain an effective internal audit of their affairs.

5. Risk Implications

Completion of the audit plan will enable the Director of Audit, Risk and Assurance to provide assurance on the adequacy and effectiveness of the MOPAC and Met risk management arrangements.

6. Contact Details

Report author: Julie Norgrove, Director of Audit, Risk and Assurance

7. Appendices and Background Papers

Appendix 1 – MOPAC and MPS Internal Audit Charter

Appendix 2 – Draft MOPAC and MPS Internal Audit Plan 2023/24



INTERNAL AUDIT CHARTER

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 Internal Audit's mission, purpose, authority, responsibility and scope of activity and sets out DARA's position 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 Panel¹.

DARA follow the International Professional Practices Framework (IPPF), which helps to influence and direct its role within MOPAC and the MPS. It is a globally recognised framework providing authoritative guidance for the professional practice of internal auditing, which forms the basis of the Public Sector Internal Audit Standards (PSIAS).



International Professional
Practices Framework



Mission Statement

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

¹ The Audit Panel performs the function of the board as defined by the Public Sector Internal Audit Standards

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 all our clients.

Definition and Purpose of Internal Audit

'Internal Audit is an independent and objective assurance and consulting activity designed to add value and improve activities and operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes'².

DARA as the internal auditor 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.³

Responsibility of Internal Audit

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 approach is based on supporting the delivery of the Police and Crime Plan and Met Strategic Plan, 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.

Statutory Authority

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 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 public sector internal auditing standards or guidance.

² Chartered Institute of Internal Auditors

³ Public Sector Internal Audit Standards

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. These include the International Standards from the Global Institute of Internal Auditors (IIA), which forms part of the IPPF, and the Public Sector Internal Audit Standards (PSIAS). The IPPF mandatory elements are:

- Core Principles for the Professional Practice of Internal Auditing
- Definition of Internal Auditing
- Code of Ethics
- International Standards for the Professional Practice of Internal Auditing (Standards)

The Code of Ethics based on the core principles of integrity, objectivity, confidentiality and competence are supported by rules of conduct to direct the behaviour of internal auditors. The Director of Risk and Assurance reports any areas of non-compliance with these standards within her annual report.

Independence and Objectivity

The requirement for the independence of internal audit is specified in the PSIAS. 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 Panel.
- 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, MOPAC Chief Executive and Board, MOPAC and MPS Chief Finance Officers and the joint Audit Panel.
- 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 staff:

- 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 Panel under her 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 Panel.
- DARA service improvement activity.

The frequency and content of reporting is determined in discussion with senior management and the joint Audit Panel 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 client. The Director will make any 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, service improvement and 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.

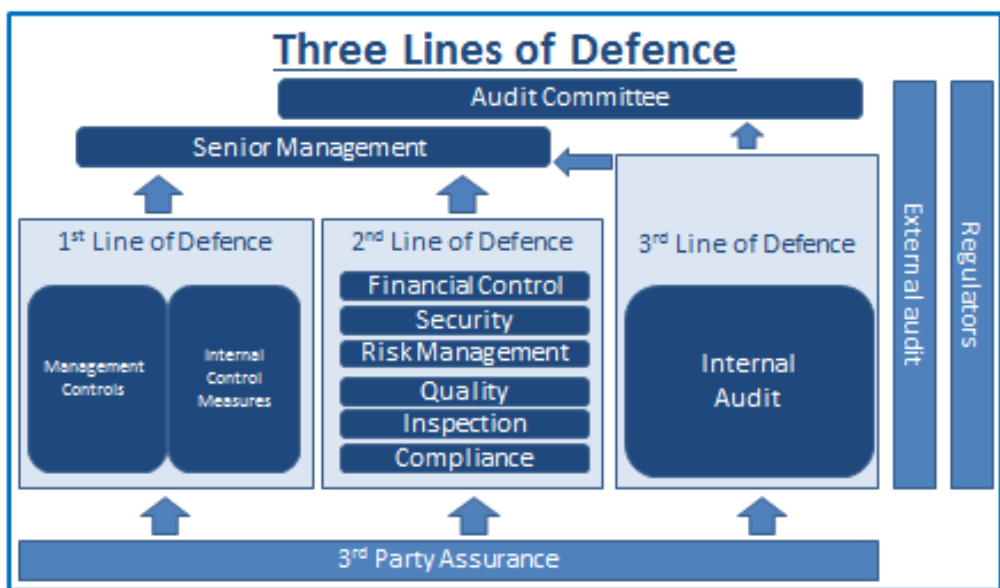
Resourcing

The Director of Audit, Risk and Assurance informs MOPAC and MPS senior management and the joint Audit Panel 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 PSIAS. 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 Panel through periodic activity reports.

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.

MOPAC and MPS 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 of Defence’ model, which helps to understand where and how assurance is achieved;



First Line

Broadly for MOPAC and the MPS the first line covers management assurance which is day to day management activity and monitoring and managing performance to establish agreed targets and policing priorities are being met.

Second Line

This work 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.

Third Line

This relates to independent and more objective assurance and in MOPAC and the MPS focuses on the role of DARA, which through an agreed programme of work is able to provide an objective opinion on governance, risk management and internal control.

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 Panel.

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



Internal Audit Plan

2023 – 2024

DRAFT

Governance	MOPAC Review Activity – Focus	Corporate Risks to PCP Delivery
Oversight Governance	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Framework Supporting London Policing Board – evaluating effectiveness of framework supporting revised oversight governance arrangements, including performance management. <p>Advisory:</p> <ul style="list-style-type: none"> • Community Engagement Oversight – support for evaluation of pilot in developing revised London- wide approach. • Alignment of MOPAC/MPS Assurance Framework – in liaison with MPS • Casey Response Programme – advising on governance of the programme, which includes oversight of action to address underlying strategic issues within the Met identified by DARA. 	1 - Resources 2 - Partnership 3 - Culture
Corporate Governance	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Decision Making Framework – evaluating effectiveness of DMPC decision making process. <p>Advisory/VfM:</p> <ul style="list-style-type: none"> • Risk Management Training - supporting embedding of approach across MOPAC. • MOPAC/MPS Risk Management Alignment 	Corporate Risks 1-6
Delivery – Commissioning and Grants	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Commissioning Impact - evaluation and reporting of commissioning outcomes. <p>Advisory:</p> <ul style="list-style-type: none"> • Development of Contracts Management Framework 	4 - Impact 5 - Finance
Financial Assurance	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Capital Strategy – Oversight and Delivery – also included in the MPS Plan • Financial Management Code of Practice Compliance <p>Advisory:</p> <ul style="list-style-type: none"> • Core Process Review – advising on implementation of revised enabling processes 	5 - Finance
Capacity and Capability	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Framework Supporting Delivery of People Strategy – evaluating effectiveness arrangements supporting delivery of the recently published Strategy. <p>Advisory:</p> <ul style="list-style-type: none"> • HR Policy Review – supporting updating of key HR policies ensuring outcomes of previous DARA review activity are addressed. 	1- Resources 3 - Culture
Information Governance	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • GDPR Oversight and Compliance Framework <p>Advisory:</p> <ul style="list-style-type: none"> • Support Transition to TfL ICT Shared Service – incl action taken to address Data Breach 	1 - Resources 2 - IT Shared Service
Follow Up (Interim Assurance) Reviews		
<ul style="list-style-type: none"> • VRU - Commissioning Outcomes Framework -Grants Management Framework (Advisory) 	<ul style="list-style-type: none"> • Framework Supporting ICV Scheme/Programme 	
<ul style="list-style-type: none"> • Risk Management Framework incl. Portfolio 	<ul style="list-style-type: none"> • Budgetary Control Framework 	
<ul style="list-style-type: none"> • Violence Against Women and Girls (VAWG) Strategy Delivery Framework 	<ul style="list-style-type: none"> • Lord Harris Review – Implementation Framework 	
<ul style="list-style-type: none"> • End to End Business Process Review 	<ul style="list-style-type: none"> • Oversight Framework (part of full review) 	
<ul style="list-style-type: none"> • Business Support Services – Business Continuity 	<ul style="list-style-type: none"> • Complaints Review Team – Performance Framework 	

Governance	MPS Review Activity – Focus	New Met for London Priority
Corporate Governance	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Met Governance – implementation and effectiveness of revised arrangements to support cultural and transformational change. Including review of revised Performance Framework - supporting delivery of New Met for London. <p>Advisory:</p> <ul style="list-style-type: none"> • Risk and Assurance Framework – supporting development of effective risk management and assurance provision, raising awareness and embedding revised approach. • Business Planning Framework– supporting integration and delivery of New Met for London Strategic objectives across Met, including alignment with risk management. 	<p>New Met for London Priorities 1-3</p> <ol style="list-style-type: none"> 1- Community Crime Fighting 2- Culture Change 3- Fixing our Foundations
Transformation Governance	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Programme Management Framework – evaluating effectiveness of the programme management framework supporting major transformation portfolio, including capacity and capability to deliver. • Capital Strategy - Oversight and Delivery Framework - management of the capital programme and effective deployment of funds enabling transformational change. <p>Advisory/VfM:</p> <ul style="list-style-type: none"> • Benefits Realisation – delivered by major programmes to include evaluation of framework to track and assess anticipated benefits on current programmes. 	<p>New Met for London Priorities 1-3</p>
Frontline Delivery	<p>Advisory:</p> <ul style="list-style-type: none"> • Delivering internal control awareness sessions/workshops to build level 1 capability in support of an effective Governance, Control and Assurance Framework. • Supporting frontline delivery by providing risk and control advice on initiatives developed as part of NMfL, drawing on BCU review carried out in 2022/23 and previous work in Public Protection. • Front Line Leadership Programme – supporting evaluation of impact of the programme in enabling cultural and transformational change. 	<p>1- Community Crime Fighting</p>
Workforce – People and Recruitment	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Health and Well-being - evaluating Trauma Support Effectiveness and Accessibility. • Property/Estates – Security and Standards – assessing effectiveness of the framework supporting enhancement of the Met work environment. <p>Advisory:</p> <ul style="list-style-type: none"> • Workforce Changes to Payroll - Data Cleansing (PSOP and CARMS) 	<p>2- Culture Change</p> <p>3- Fixing our Foundations</p>
Culture Inclusion and Diversity incl. Community Engagement	<p>Advisory:</p> <ul style="list-style-type: none"> • CDI and Community Engagement - delivery framework supporting implementation of the CDI Strategy with a particular focus on Culture and Community Engagement. 	<p>1- Community Crime Fighting</p> <p>2- Culture Change</p>
Learning and Development incl. Organisational Learning	<p>Advisory:</p> <ul style="list-style-type: none"> • L&D Transformation – supporting implementation of DARA recommendations re: integration of L&D across the Met aligned to workforce planning, in liaison with Transformation Team. • Organisational Learning – addressing underlying strategic control issues/learning arising from review activity and supporting development of OL capability to achieve sustainable improvement. 	<p>3- Fixing our Foundations</p>
Professional Standards	<p>Advisory and Counter Fraud:</p> <ul style="list-style-type: none"> • Command Assessments – further development of the framework and integration with wider corporate assurance model. • Counter Corruption - supporting implementation Crime Property, Business Interests etc. sustainable improvement plans drawing on previous DARA review activity and advice. 	<p>2- Culture Change</p> <p>3- Fixing our Foundations</p>

Governance	MPS Review Activity – Focus	New Met for London Priority
	<ul style="list-style-type: none"> • Conducting Pro-active Reviews – using analytical tools and capability to review key/high risk areas of business including MO and SO (overtime, allowances and expenses, corporate charge cards, procurement) in liaison with DPS. 	
Financial Assurance	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Key Financial Systems Assurance (Managing Resources/Overtime; Fixed Assets; Expenses: GPC) across business units. • Financial Management Code Compliance – arrangements for assuring requirements of the Code to support good financial management and demonstrate financial sustainability are met. <p>Advisory:</p> <ul style="list-style-type: none"> • Payroll Assurance Framework – addressing existing gap in financial assurance provision. 	3-Fixing our Foundations
Commercial Framework	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Contract Management and Intelligence Client Functions Framework – evaluating effectiveness of the frameworks to support improvement activity. • Consultancy/Contingent Labour VFM <p>Advisory:</p> <ul style="list-style-type: none"> • Supplier Policies Supporting Major Procurements • Managed Shared Services Programme – working with the project team providing real time risk and control advice on core system process redesign in support of the future managed service. 	3 Fixing our Foundations
Data and Digital	<p>Risk and Assurance:</p> <ul style="list-style-type: none"> • Digital Internal Control Environment Assurance – providing assurance over the ICT operating environment - to scope in liaison with DDaT and include third party assurance over security, delivery and performance of major outsourced providers. <p>Advisory:</p> <ul style="list-style-type: none"> • Data Governance and Assurance – supporting implementation of action to address areas of improvement previously identified by DARA to strengthen DATA control and assurance. 	1- Community Crime Fighting 3- Fixing our Foundations

Follow Up (Interim Assurance) Reviews

• Firearms Licensing Framework	• Financial Assurance: Accounts Receivable
• Framework Supporting Implementation of THRIVE+	• Funding and Governance of MPS Voluntary Official Organisations
• Framework Supporting Use of ANPR Systems	• Framework Supporting Taser Use and Control
• DDaT Control Environment: Grey Estate	• SO18 Aviation Command – Strategic Planning and Delivery
• DDaT Control Environment: Cloud Security and Management	• Engagement in Major Event Planning and Delivery
• Met Sustainability Plan	• Youth Offending Teams (YOT) – Delivery Framework
• Grievance Management Framework	

Joint MOPAC/MPS Audit Panel	Supporting the work of the joint MOPAC/MPS Audit Panel; facilitate Panel meetings and briefings, meet with the Chair, and contribute to the Panel's annual review of its effectiveness and subsequent Annual Report.
MOPAC Governance and Risk Board	Advising on areas of improvement arising from audit reviews included in the MOPAC Governance Improvement Plan. Provide updates on the outcome of internal audit review activity and discuss and agree the MOPAC Annual Audit Plan and contribute to the further development of the MOPAC risk management framework.
MOPAC Board incl. Change Portfolio	Supporting the implementation of the MOPAC Change Programme, in particular, in the review of core processes advising on the development of a system based on proportionate controls.
MOPAC 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.
MPS Turnaround Board	Attend the Commissioner's Turnaround Board supporting delivery of the New Met for London. In particular, advising on action being taken to address the underlying issues identified through DARA and other review activity.
MPS 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.
MSS Programme Board	Attending and advising the Programme Board overseeing development of the future core support services IT solution.
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 (Counter fraud)	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.

Counter Fraud Programme

Fraud Prevention and Data Analysis	<ul style="list-style-type: none"> • Input to the maintenance and continuous update of the revised Fraud Risk Analysis for MOPAC and the MPS. • Drive the integration of the assessment and management of fraud risks into the MOPAC and MPS corporate risk management process. • Support implementation of Anti-Fraud, Bribery and Corruption Strategy in liaison with DPS and relevant Met business units and the Strategic Oversight Forum.
	<ul style="list-style-type: none"> • Integrate Fraud Risk and Risk Review work. Support development and delivery of fraud prevention and risk and control awareness training in liaison with relevant Met and MOPAC business units. • Deliver a proactive analytical programme to provide assurance on the integrity of data and transactions in high risk/sensitive areas of the business, including; Police Overtime, Allowances and Expenses, HR transactions (incl. tax codes), VRES payments, Corporate Charge Cards, Estate Freeholds, and Procurement Activity. • Report outcomes of financial data analysis to MOPAC and Met senior management as appropriate, and Joint Audit Panel, and highlight areas of improvement/concern.
	<ul style="list-style-type: none"> • Conduct investigations into potential fraud and/or financial irregularities and report outcomes to MOAPC and Met senior management as appropriate, and Joint Audit Panel, ensuring recovery action is instigated as appropriate. • Develop further the systems supporting, and encouraging, the reporting of potential fraud and/or irregularities and maintain regular liaison with DPS. Support any further work required to implement any recommendations outstanding from the previous reviews of MOPAC and MPS counter fraud arrangements. • Identify and analyse underlying risks associated with the occurrence of fraud and feed into fraud prevention, detection and investigation activity, in liaison with the Met's Strategic Oversight Forum. • Advise on reporting to External Audit on management of fraud risks and the occurrence of fraud.
National Fraud Initiative	<ul style="list-style-type: none"> • Complete the NFI exercise, investigating and resolving the data matches.

(NFI)

- Report outcome from the NFI to MOPAC Governance and Risk Working Group, Met Risk and Assurance Committee and the joint Audit Panel.

MOPACMAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL

2 August 2023

MOPAC Risk Management Report

Report by: The Director of Strategy and MPS Oversight

Report Summary

Overall Summary of the Purpose of the Report

This paper sets out MOPAC's current approach to risk management and a high-level summary of the corporate risks.

Key Considerations for the Panel

MOPAC is reviewing its risk management framework

Interdependencies/Cross Cutting Issues

The Baroness Casey review of the MPS is a cross cutting issue that has influenced risk for both organisations.

Recommendations

The Audit Panel is recommended to:

- a. Note MOPAC's risk management approach

1. Supporting Information

- 1.1. This paper sets out MOPAC's current approach to risk management and a summary of MOPAC's corporate risks. It is important to note that MOPAC is currently reviewing the framework it uses for risk management and is attempting to align this with the new MPS approach as well as the wider approach taken by the GLA. This will go to MOPAC Board in the next month but does not change the fundamental approach outlined below or what we currently see as our principal risks.

- 1.2. Risk management is an integral part of MOPAC's corporate governance, supporting achievement of its objectives in delivering the Police and Crime Plan (PCP) outcomes. Risk cannot be avoided or eliminated entirely, but we can manage risk, identifying and understanding how, where and when threats and opportunities might arise. We can influence the likelihood of a given risk arising, together with the nature and extent of the impact and we can consider when and how much calculated risk to take.

2. MOPAC's Risk Management approach

- 2.1. The following principles underpin MOPAC's approach to risk management:

Embedded – an integral part of decision making, integrated within governance, business planning and performance management.

Dynamic – ongoing and continuous, operating vertically and horizontally at different levels and across different areas.

Proactive – actively used to look forward, to take charge of events and circumstances, and to mitigate threats and seize opportunities.

Proportionate – focuses on the things that matter, adds value and helps ensure controls are commensurate with potential threats.

Enabling – helps MOPAC to be agile, to innovate, to take calculated risks and to learn from successes and mistakes.

Owned – owned and driven by everyone with clear and specific accountabilities for risk management processes, individual risks and associated actions.

Communicated – effectively communicating the importance the organisation places on risk management and facilitating different areas of the business talking to each other about shared and cross-cutting risks.

Understood – there is a shared understanding of MOPAC's approach to risk management, of the organisation's appetite for risk and the range and nature of risk it faces, and of strategies for minimising threats and maximising opportunities.

Robust – practices are coherent, accord with best practice and are supported by helpful and practical guidance.

Evaluated – the effectiveness of MOPAC's management of risk and the risk management framework is regularly reviewed, leading to improved practices.

- 2.2. We have also ensured that our corporate risk register has links to MOPAC's strategic objectives. This will ensure that at all levels, the delivery of the Police and Crime Plan is at the forefront of our work. And associated risks to that delivery are fed into the corporate risk register and actions to control risk prioritised.

- 2.3. There are four levels for risk management focus within MOPAC:

Corporate risk

These are MOPAC's most serious risks. Those that MOPAC Board sponsor and those which drive strategic change. They have the potential to impact significantly on the overall capability and success of the organisation. If a corporate risk were to materialise it would have significant impact on MOPAC's ability to successfully deliver the corporate vision and PCP priorities, operate in an efficient and effective way, and affect its ability to oversee the MPS effectively. A corporate risk is also likely to pose a serious threat to the reputation of MOPAC and the Mayor.

Corporate risks are captured on the corporate risk register, which is owned by the Strategy and MPS Oversight Directorate. The approach to corporate risks sets the context for decisions at other levels of the organisation.

Directorate risks

These are risks that if they occurred would seriously impede the delivery of directorate aims and priority programmes. Compared with corporate risks, the impact of the risk will either be confined to the directorate or be unlikely to seriously impact on the delivery of MOPAC vision or overall PCP outcomes. Directorate risk are likely to operate over the medium-term and could arise from or relate to policy implementation, business as usual or project delivery.

PCP pillar risks

Under the internal MOPAC PCP governance structures there is a named lead for each of the 'pillars' derived to deliver the PCP outcomes. This involves cross-directorate working and it is the Pillar lead's responsibility to assess and manage (i.e. mitigate) risks as pertain to their own 'pillar'. Pillar risks are likely to operate over the medium-term and like Directorate risks, are likely to arise from or relate to policy implementation, business as usual or project delivery. These risks would seriously impede the delivery of the PCP outcomes.

Project risks

These risks relate to or flow from a specific project. They have the potential to impact on the project's scope, outcomes, budget or timescales. Where the risk could impact on other projects or objectives, or the project is considered a high priority and the level of risk is such that it could lead to a failure to deliver project objectives, the risk should be escalated to the directorate and possibly corporate level.

- 2.4. Risk escalation can happen at any level within the organisation. For a risk to be escalated from a project, PCP pillar or Directorate level to the corporate risk register, it would first need to be considered by the Governance and Risk Working Group, chaired by Director of Strategy and MPS Oversight, following a recommendation by the relevant project, pillar or Directorate lead. The short paper would include the detail of the risk and the controls that have already been put in place as well as the reasoning for why the risk should be considered to be escalated, satisfying the definition of a corporate risk. If agreed, MOPAC Board would receive the proposal for discussion and a decision would be made accordingly.

- 2.5. MOPAC adopts a robust process of internal review of its corporate risks. Discussions with each Risk Owner take place to better understand progress against control actions and ensure that the right processes are in place to improve risk position. Internal challenge is provided by the monthly Governance and Risk working group meeting to ensure the risk remain correct.
- 2.6. Controls are assessed to understand whether they remain appropriate to address the risk, and whether any further controls need actioning. The championing of risk management by the Chief Executive and Directors ensures that sufficient pressure is applied to drive this work forward. MOPAC Board review the corporate risk register on a quarterly basis, which ensures that decision making is risk based and the Board has a broader and deeper understanding of the operating context.

3. Summary of MOPAC's Corporate Risks

Risk 1 – Resources - VH (likelihood) / H (impact)

MOPAC does not have the right capabilities and capacity to achieve MOPAC's mission including delivery against statutory function

MOPAC Board to consider whether this corporate risk is to move to an issue. Due to consideration and resulting needs emanating from the Casey Review and 'The New Met for London' plan, fundamental changes to oversight are needed which will impact on MOPAC organisation design, role type, capability and capacity. Whilst progress has been made on the control actions for this corporate risk, these new immediate but long-term impacts result in a July23 assessed Residual Risk of VH/H.

Risk 2 – Partnerships - M (likelihood) / M (impact)

MOPAC does not have the right partnership structures and relationships to work effectively with partners and influence and frame the actions of others to deliver the Mayor's ambitions and the Police and Crime Plan

The reform of the London Criminal Justice Board and its sub boards has been successful and brings with it stronger partnership working between MOPAC, the MPS and Criminal Justice partners.

MOPAC has also put in place partnership boards with a focus on drugs, reducing homicide, and bringing boroughs together to raise awareness and share best practice around anti-social behaviour.

The Head of Partnerships meets regularly with councillors, community safety leads and safeguarding leads across the 32 boroughs to better understand the role MOPAC and councils could have. MOPAC is very aware that there is more work to be done to strengthen the partnership relations with Local Authorities and this is where the residual risk lays.

Risk 3 – Culture - M (likelihood) / H (impact)

Due to hybrid working and diminished space MOPAC loses its corporate identity which impacts on staff engagement and inclusion, shared purpose and effective understanding and working, leading to dissatisfaction and reduced delivery.

Engagement of staff has been a key priority for MOPAC, particularly given the reduced space to network and bring people together following a move from the old City Hall to the current office in Southwark. The creation of a forum for line managers to engage, dedicated senior leadership and directorate together days for collaboration, and enabling all the organisation to come together for learning and engagement has been successful.

The People Strategy holds the key for a number of controls for this risk. It encompasses a strategic approach to strengthen identity, culture and connection. Work to embed this over the next 3 years will ensure that focus remains on this corporate risk with a view to improve the culture of the organisation.

Risk 4 – Impact - M (likelihood) / H (impact)

MOPAC is unable to demonstrate impact as work is not prioritised in line with a set of defined outcomes supported by data/evidence. Impacted by the lack of understanding /visibility of the role of MOPAC/VRU.

Oversight and input into the MPS reform and transformation work has rightly been a priority. Work has progressed in the development of the London Policing Board and associated governance structures, both internally and for oversight of the MPS are being reviewed. The Met has agreed to a joint performance framework which will be used to oversee performance through the new London Policing Board.

Communicating our impact has been a focus, with key video content posted on our digital platforms to Londoners, stakeholders and internally to staff. This includes content for ASB awareness week, visit to Leytonstone to see the work of the Safe Streets pilot, and the work of Advance, a charity co-funded by MOPAC for women in contact with the CJS.

And the impact of our commissioned services will be demonstrated much more clearly once the performance information is developed and published.

Risk 5 – Finance - M (likelihood) / H (impact)

Failure to deliver the Medium-Term Financial Strategy and service delivery within the funding available.

Controls for this risk are built around the medium-term financial planning cycle, and therefore are circular each financial year. MOPAC's chief finance officer owns and leads the work in place to ensure that the 4-year MTFP is produced and updated regularly to take account of changes in funding, inflation, demand pressures, statutory and policy changes. Further controls include working strategically to ensure that budgets are maximised through active lobbying of government and working collaboratively with the Home Office on the review of the funding formula for the police budget.

Risk 6 – IT shared service - H (likelihood) / H (impact)

Failure to deliver a modern, consistent and reliable technology experience for MOPAC's users.

This risk was added to the corporate risk register in Q4 of last year. Therefore, the controls are yet to be established and contribute to a change in the residual risk score.

The transition of IT services from one provider to another brings with it risk. The control action plan ensures that sufficient resource is assigned through the shared service, that the appropriate policies are aligned, and that legal advice is sought on new information governance and cyber security policies. The importance of vetting shared service staff was highlighted within an audit report by the Directorate of Audit, Risk and Assurance, and this is a key control that is being prioritised.

A summary of risk scores and position is at **Appendix 1**.

4. Equality and Diversity Impact

MOPAC consider risk on a Project, Programme, Directorate and Corporate level, with risk alignment taking place at a forum that is representative of the diversity of MOPAC staff and enables a transparent assessment of risks. Risks and controls identified recognise that equality, diversity, and community engagement should be treated as strategic priorities.

5. Financial Implications

The MOPAC risk management framework will contribute towards the management of MOPAC budgets and ensure that financial pressures are responded to effectively.

6. Legal Implications

There are no direct legal implications arising from this report.

7. Risk Implications

The paper details the risk implications facing MOPAC and any interdependent risks or issues with the MPS.

8. Contact Details

Report author: Gemma Deadman, Governance, Risk and PMO Manager, MOPAC

9. Appendices and Background Papers

Appendix 1 – MOPAC summary risk position

Appendix 1: MOPAC corporate risk overview

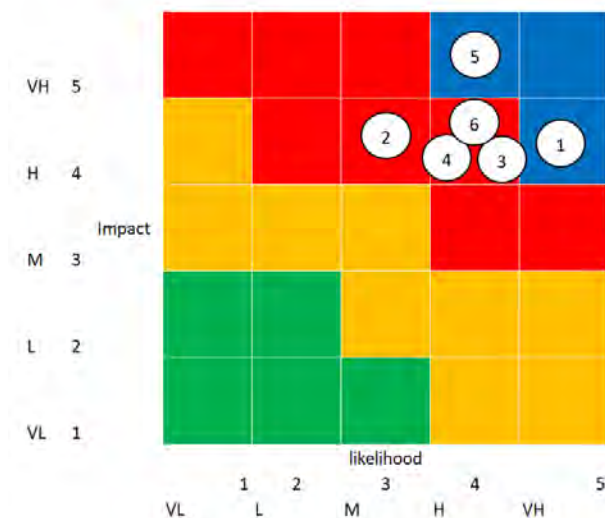
MOPAC Corporate Risks

	Risk Description	Risk Owner
1	MOPAC does not have the right capabilities and capacity to achieve MOPAC's mission including delivery against statutory function	CEO
2	MOPAC does not have the right partnership structures and relationships to work effectively with partners and influence and frame the actions of others to deliver the Mayor's ambitions and the Police and Crime Plan	Dir of Commissioning & Partnerships
3	Due to hybrid working and diminished space MOPAC loses its corporate identity which impacts on staff engagement and inclusion, shared purpose and effective understanding and working, leading to dissatisfaction and reduced delivery.	Chief People Officer
4	MOPAC is unable to demonstrate impact as work is not prioritised in line with a set of defined outcomes supported by data/evidence. Impacted by the lack of understanding/visibility of the role of MOPAC/VRU.	Dir of Strategy & MPS Oversight
5	Failure to deliver the Medium Term Financial Strategy and service delivery within the funding available.	Chief Finance Officer
6	Failure to deliver a modern, consistent and reliable technology experience for MOPAC's users.	Chief Finance Officer

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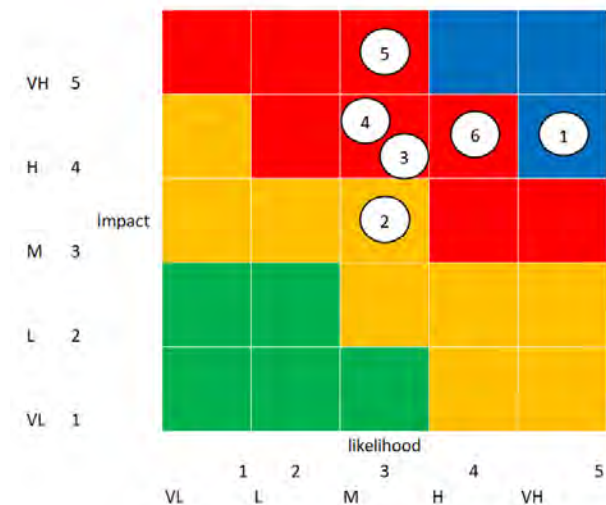
Inherent risk

Risk score map



Residual risk

Risk score map



ISSUES

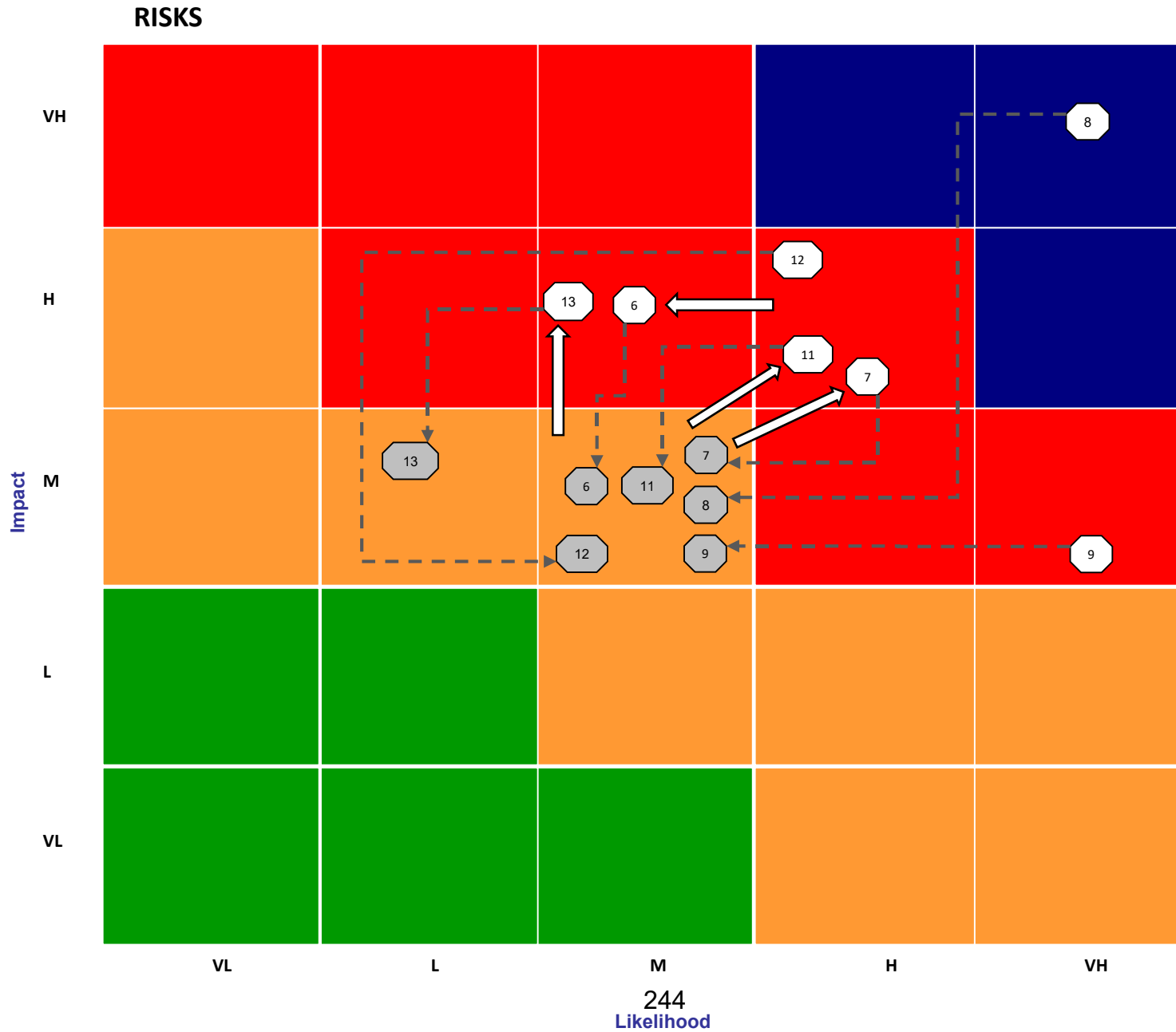
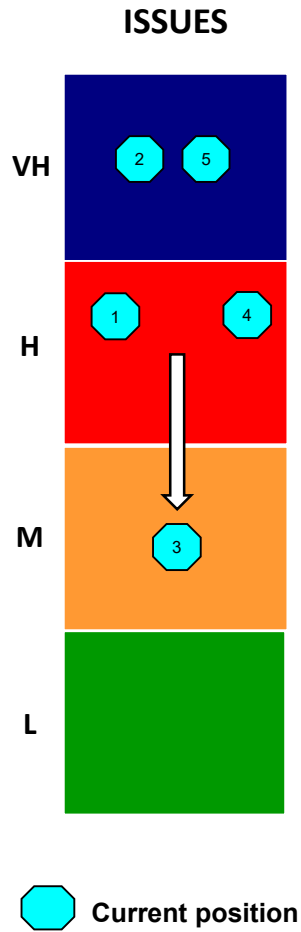
Ref	Primary "A New Met for London" priority	Issue Trend	Proposed Issue Description	Issue Owner	Working Lead(s)	Current Score
1	We'll get back to policing with London and put communities first across the Met	NEW	REFORM & LEGITIMACY - <i>Will be reviewed in the "A New Met for London" risk & issue alignment work & consolidated where appropriate</i> Failure to deliver the scale of reform needed quickly, sustainably or sufficiently enough leads to further loss of trust and confidence of partners and communities	Deputy Commissioner	Interim Chief of Strategy & Transformation	HIGH
2	We'll uphold the highest standards and remove those who don't meet them	↔	STANDARDS - <i>Will be reviewed in the "A New Met for London" risk & issue alignment work & consolidated where appropriate</i> Trust and confidence in the policing of London is undermined by poor professional standards and culture in the Met	AC Professionalism	Chief of Communication & Engagement	VERY HIGH
3	We'll reset our values and the way we work	↓	ENGAGE STATUS Failure to understand and address the root causes of systemic failures that led to the Engage status and deliver sustainable, assurable change	Interim Chief of Strategy & Transformation	HMICFRS Engage Lead	MEDIUM
4	We'll become a more diverse and inclusive organisation	↔	PEOPLE Inability to attract, recruit and retain people to ensure we have a sufficient, suitable and diverse workforce	Chief People and Resources Officer	HR Director	HIGH
5	We'll build a well-run organisation	↓	MONEY Inability to secure sufficient additional funding to deliver the A New Met for London plan (including the Efficiency Programme) and deliver the performance outcomes required for the organisation	Chief People and Resources Officer	Director of Finance	VERY HIGH

SHORT-TERM RISKS

Ref	Primary "A New Met for London" priority	Risk Trend	Proposed Risk Description	Risk Owner	Working Lead(s)	Current Score
6	We'll significantly improve our service to victims of crime	↓	CRIMINAL JUSTICE Failure to prepare for changes to the Criminal Justice System leading to sub-optimal performance and poor outcomes for victims	AC Operations & Performance	Cmdr Criminal Justice	M v H
7	We'll make it easier for our people to do their job	↑	IMPLEMENTATION OF CONNECT & COMMAND & CONTROL Failure to successfully deliver CONNECT and Command & Control and harness their benefits significantly undermining operational delivery	Interim Chief of Strategy & Transformation	DAC Major Projects	H v H
8	We'll transform our leadership and learning	↔	CAPABILITY & PREPAREDNESS Failure to ensure our workforce is appropriately skilled so that they are fully confident and able to perform effectively in meeting the demands they face	Chief People and Resources Officer	Director - Learning & Development	VH v H
9	We'll transform our leadership and learning	↔	PEOPLE (Competency / Capability gap) The level of inexperience across ranks of the Met alongside stretched or the lack of supervision leads to service failures	AC Frontline Policing	Cmdr Frontline Policing HR Director	VH v M
10			ENABLING CAPABILITIES - Will be reviewed in the "A New Met for London" risk & issue alignment work & consolidated where appropriate Transformation and technological requirements in A New Met for London cannot be supported by enabling capabilities, including for reasons pertaining to deliverability and resource constraints	Interim Chief of Strategy & Transformation	Director of HR Director of Finance Director of Digital Service Delivery	TBC
11	We'll change how we work with communities so they're confident we treat them fairly	↑	PUBLIC & LOCAL ENGAGEMENT - Will be reviewed in the "A New Met for London" risk & issue alignment work & consolidated where appropriate Our diversity and inclusion initiatives, communication and engagement activities do not have the positive impact sought in raising confidence amongst Black communities and other groups where a confidence gap exists	AC Professionalism	DAC Professionalism Cmdr Professionalism Dep Director Comm & Engagement	H v H
12	We'll prevent crime through a proactive and precise approach	↔	CRIME PREVENTION & PROACTIVITY Insufficient and ineffective crime prevention and proactivity fails to prevent victimisation and undermines community trust and confidence in policing	AC Frontline Policing	DAC Frontline Policing Cmdr CPIE	H v H

LONG-TERM RISKS

Ref	Primary "A New Met for London" priority	Risk Trend	Proposed Risk Description	Risk Owner	Working Lead(s)	Current Score
13	We'll build a well-run organisation	↔	CYBER Lack of preparedness to deal with a sophisticated attack could lead to a compromise in confidentiality, integrity, accessibility of our IT systems and the data therein	Interim Chief Digital, Data and Technology Officer	Director of Business Engagement and Technology	M v H



Awaits scores

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Likelihood

Alignment with a New Met for London priorities *pre-refresh

We'll get back to policing with London and put communities first across the Met			1	
We'll prevent crime through a proactive and precise approach			12	
We'll significantly improve our service to victims of crime			6	
We'll reset our values and the way we work		3		
				2
			11	
We'll become a more diverse and inclusive organisation			4	
We'll build a well-run organisation				5
We'll make it easier for our people to do their job			7, 13	
We'll transform our leadership and learning			9	8

Reference Document - Risk Appetite – rating criteria

Appetite	Approach	Tolerance for uncertainty	Choice	Compromise
	Overall risk taking approach	Willingness to accept uncertain outcomes or some quarter to quarter change	When faced with multiple options, willingness to select option that puts objectives at risk	Willingness to compromise against achievement of other measures
Brave	Will take justified risks	Fully anticipate and accept uncertainty	Will choose the option with the greatest positive outcome; accept possibility of failure	Willing
Open	Will take strongly justified risks	Accept some uncertainty	Will choose to put the objective at risk but will manage the impact(s)	Willing under right conditions
Moderate	Preference for safe delivery	Limited	Will accept if limited and heavily outweighed by benefits	Willing only if it's the best option for going forward
Cautious	Extremely conservative	Low	Will accept only if essential and there is limited possibility/extent of failure	With extreme reluctance
Averse	Avoidance of risk	Extremely low	Will always select the lowest risk option	Never

Reference Document – Risk rating criteria

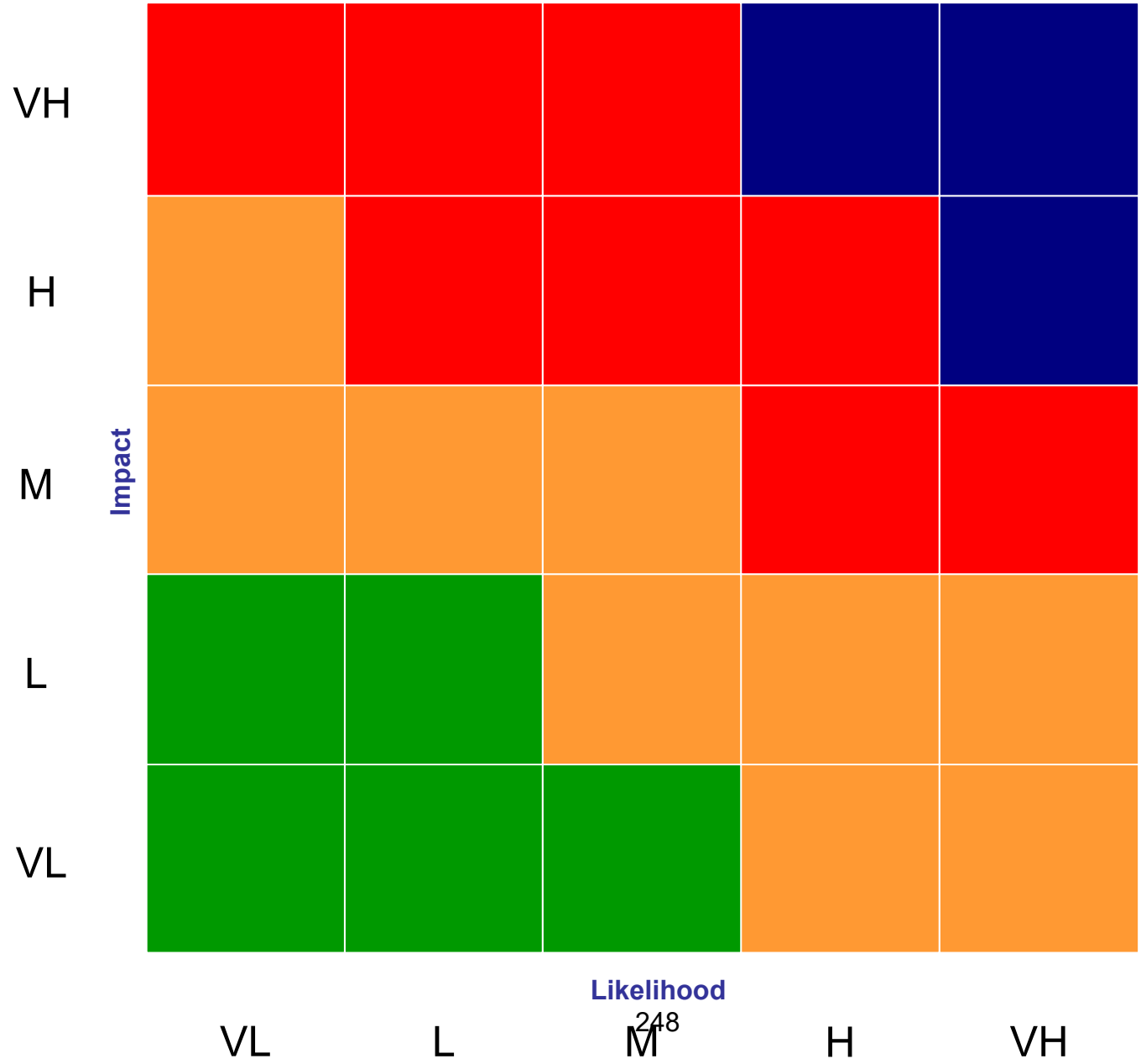
Criteria for Risk Likelihood

Likelihood	Descriptor
Very Low	Rare, no realistic possibility of occurrence
Low	Unlikely but could occur
Medium	Possible
High	Likely to occur
Very High	Certain/already occurring

Criteria for Risk Impact

Impact	Impact Categories			
	Delivery of Corporate Objectives	Confidence & Satisfaction	Financial	Community & Staff Safety
Very Low	No discernible impact on the delivery of corporate objectives	No discernible impact on service delivery/ reputation	Negligible budgetary / efficiency impacts	No injury
Low	Minor effects on the delivery of corporate objectives	Impact on service delivery / reputation of little / no concern to stakeholders	Minimal budgetary / efficiency impact	First aid injury
Medium	Noticeable effects on the delivery of corporate objectives	Impact on service delivery / reputation relevant & noticeable by stakeholders	Limited budgetary / efficiency impact	Lost time injury (over 3 days)
High	Delivery of several objectives compromised	Major impact on service delivery / reputation	Major budgetary / efficiency impact	Major injury
Very High	Failure to deliver corporate objectives	Catastrophic impact on service delivery / reputation	Beyond budget capability / Unworkable	Death

Reference Document – Risk Matrix



Likelihood

Impact

²⁴⁸
M