

Independent auditor's report to the Mayor's Office for Policing and Crime

In our auditor's report issued on 3rd May 2024, we explained that we could not formally conclude the audit and issue an audit certificate for the Mayor's Office for Policing and Crime (MOPAC) for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had completed the work necessary to issue our Whole of Government Accounts Component Assurance statement for the Authority for the year ended 31 March 2023.

The National Audit Office have now concluded their work in respect of Whole of Government Accounts for the year ended 31 March 2023 and confirmed that audit certificates that are open in relation to this can be issued. We are therefore satisfied all audit work necessary has been completed.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2023 issued on 3rd May 2024 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the group and of MOPAC as at 31 March 2023 and of the group's expenditure and income and MOPAC's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Report on other legal and regulatory requirements - MOPAC's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – MOPAC's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that MOPAC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter except on 29th April 2024 in our joint auditor's annual report we identified:

1. a significant weakness in how MOPAC and the Group's plans and manages its resources to ensure it can continue to deliver its services. This was in relation to the unsustainable use of reserves alongside insufficient identification and delivery of savings to support delivery of the budget resulting in challenges to MOPAC and the Group's financial resilience.

We recommended that MOPAC and the Group should set a balanced budget for 2024/25 and future years that does not rely on the use of reserves and achievement of a challenging savings programme. They should set a minimum level of reserves that they will maintain to ensure their financial resilience. A review of the capital programme should be undertaken to ensure that planned levels of borrowing are sustainable.

2. a significant weakness in MOPAC and the Group's governance arrangements. The HM Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) placed the Metropolitan Police Service (Met) into the 'Engage' phase in June 2022. A force is placed in engage if it not

responding to a cause of concern or it is not succeeding in managing, mitigating or eradicating the cause of concern. Whilst some progress has been made, the Met are still in engage which illustrates there are still weaknesses in arrangements, and change is still required to improve performance.

We recommended that MOPAC and the Group should increase resources to speed up the implementation of changes needed to address any gaps or issues identified by HMICFRS. By 31 May 2024, they should prioritise the most significant changes and ensure that they have the necessary resources and funding by 31 August 2024, to implement the changes effectively.

3. a significant weakness in MOPAC and the Group's governance arrangements. This was in relation to MOPAC and the group's arrangements for vetting. We found MOPAC and the group are unable to complete the vetting necessary to comply with national standards, causing considerable risk to the MOPAC and the Group, it's staff and the general public and lost opportunity to charge contractors to recoup the costs of vetting their employees.

We recommended that MOPAC and the Group should further invest to ensure that vetting time is significantly reduced. Consideration should also be given to charging contractors for vetting their employees.

4. a significant weakness in MOPAC and the Group's arrangements for improving economy, efficiency and effectiveness. This is in relation to MOPAC and the Group's arrangements to scrutinise finances for a transformation project named 'Command and Control' (C&C). Our detailed work found that project costs had deviated significantly from its approved full business case, and it's estimated that an additional £50-£100m funding will be required to see the programme through to conclusion.

We recommended that MOPAC and the Group should:

- 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; and
- commission a lessons learned project to consider how future large projects can be managed better.

5. a significant weakness in MOPAC and the Group's arrangements for improving economy, efficiency and effectiveness. This is in relation to MOPAC and the Group's arrangements to scrutinise finances for a transformation project named 'CONNECT'. In relation to CONNECT, we found there to be an inadequate understanding of the costs of CONNECT. This resulted in additional full business cases being required to approve additional expenditure. We also found there to be inadequate governance arrangements leading up to Drop 1 of CONNECT which resulted in a lack of mitigation for the issues encountered and stakeholder uncertainty in relation to successful implementation of CONNECT.

We recommended that MOPAC and the Group should:

- a. implement a process of ongoing challenge of contractual performance in the context of growing capital spend within the Delivery Agreement monitoring exercises;
- b. ensure delivery and monitoring of benefits realisation. Including non-financial benefits, such as savings in officer time;
- c. improve monitoring and evaluation of operational impacts of delivery; and
- d. conduct a lessons learned project to consider how future large projects can be managed better.

6. a significant weakness in MOPAC and the Group's arrangements for improving economy, efficiency and effectiveness. This is in relation to MOPAC and the group's workforce planning. We identified that MOPAC and the Group currently have a limited understanding of where its

resources are, and where they need to be. It is spending considerable money on overtime to fill gaps in resourcing. It currently hasn't got a baseline assessment of resources against demand. This would provide assurance that resources are in the best place to meet demand and deliver New Met for London. Financial plans should align to realistic workforce plans to identify any cost pressures requiring resolution.

We recommended that MOPAC and the Group should:

- conduct a baseline assessment of resources and demand for Basic Command Units as part of the "Resourcing the Met" Programme. This will enable a full understanding of where resources are, and where they are most needed (both geographically and operationally). The overall workforce plan should be aligned with financial planning so the financial risk around deliverability of the plan can be quantified.

No matters have come to our attention since that date that would have resulted in any additional exception reporting on MOPAC's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

Responsibilities of MOPAC

MOPAC is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Mayor's Office for Policing and Crimes' arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that MOPAC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the MOPAC's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how MOPAC plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how MOPAC ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how MOPAC uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements that MOPAC has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of MOPAC for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to MOPAC, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to MOPAC those matters we are required to state to MOPAC in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other MOPAC as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Stocks

Mark Stocks, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

7 May 2025