

MPS-MOPAC JOINT AUDIT COMMITTEE

Tuesday, 20 October 2025, 14:00

Room 8.1 New Scotland Yard

Membership

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

Attendees

MOPAC

Rena Lalgie, Chief Executive
Amana Humayun, Chief Finance Officer and Director of Corporate Services
Naomi Oldroyd-Simpson, Head of Priority Projects, Planning Performance and Risk

MPS

Clare Davies, Chief People and Resources Officer
Adrian Scott, Chief Strategy and Transformation Officer
Dan Worsley, Chief Finance Officer
James Hunter, Deputy Director Strategic Planning and Risk
Rachel Williams, AC Professionalism
Paul Oliffe, Director of Financial Accounting and Operations
Dale Kidson, Director of Commercial Services
Kate Kieran, Detective Superintendent Professional Standards
Simon Messinger, Commander Counter Corruption

Audit Representatives

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

Business to be considered:

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**The next meeting of the Joint Audit Committee is
scheduled for 26 January 2026**

MPS-MOPAC JOINT AUDIT COMMITTEE

29 July 2025

Record of the Meeting

PRESENT

Committee:

Jayne Scott – Audit Committee Chair
Sam des Forges – Member
Jon Hayes – Member
Ros Parker – Member

MPS:

Adrian Scott, Chief Strategy and Transformation Officer
Clare Davies, Chief People and Resources Officer
Dan Worsley, Chief Finance Officer
James Hunter, Head of Strategic Planning and Risk
Melanie Williams, Deputy Director Performance and Assurance
Anthony Richards, Head of Human Resources Policy and Reward
Paul Oliffe, Director of Financial Accounting and Operations
Alison Bowler, Portfolio Delivery Lead, Transformation

MOPAC:

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

Audit Representatives:

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

1. APOLOGIES FOR ABSENCE, INTRODUCTIONS AND DECLARATIONS OF INTERESTS

- 1.1 Apologies were noted from committee member Marta Phillips and Darren Mephram, MOPAC Interim Chief Executive Officer.

2. MINUTES OF MEETING 6 MAY 2025

- 2.1 The minutes of the meeting held on 6 May 2025 were agreed and the update on actions noted.
- 2.2 There was a discussion of action 4 regarding the results of the latest MPS staff survey. The committee requested that the staff survey results be an agenda item for the 20 October meeting to enable a more in-depth discussion. The committee

extended an offer to AC Rachel Williams to have a discussion with the committee ahead of that, if she would find it useful.

Action 1: The MPS to provide a paper for the 20 October 2025 meeting to enable an in-depth discussion of the latest staff survey results. AC Rachel Williams invited to have a discussion with the committee ahead of the meeting, should she find that useful.

3. BUDGET GOVERNANCE AND INTERNAL CONTROL FRAMEWORK

3.1 Amana Humayun introduced the joint MPS and MOPAC report which provided an update on the latest financial position and the internal control framework. The committee was:

- Updated on the draft outturn position for 2024/25 and that the MPS's proposal to the Deputy Mayor for Policing and Crime for the underspend was to transfer £10m into the general reserve, £13.5m into earmarked reserves to manage workforce pressures in 2025/26 and future years, and £10m into the managing the budget reserve.
- Updated on the delivery of the savings required for 2024/25.
- Provided with the outcome of the spending review for policing nationally, in which it was noted that the implication for the MPS was yet to be communicated by the Home Office.
- Advised of the risk arising from the national reset to the approach to the allocation of business rates, which could have implications for the amount of funding the Greater London Authority receives in business rates and a subsequent allocation to the MPS.
- Advised that MOPAC was developing a documented Financial Oversight Framework to reflect its oversight of the MPS budget and financial management.

3.2 Dan Worsley advised that the underspend for 2024/25 was less than 1% of the budget. Achievement of the savings required was discussed and the committee advised that they were not allocated in the budget until it was confirmed that they were recurring.

3.3 The following points were made in discussion:

- MPS was working to improve budget forecasting, including through training and letters of delegation.
- The need to bring together performance and financial oversight.
- The need for financial oversight to be streamlined and focused on the right areas.

Resolved: The Joint Audit Committee:

- Noted the progress and that significant financial challenges remained.
- Noted the need to closely monitor delivery of the efficiency savings and tough choices following finalisation of the 2025/26 budget.
- Noted the headline figures from the recent spending review announcement but that detail would not be known until December 2025.
- Noted the work underway by MOPAC to develop a financial oversight framework.

4. MPS TRANSFORMATION PORTFOLIO – PROGRESS UPDATE

- 4.1 Adrian Scott introduced the paper which provided an update on the MPS's transformation portfolio, covering progress to date, key risks and delivery challenges and an update on 2025/26 prioritisation and sequencing exercise.
- 4.2 Adrian Scott advised the committee:
- 89% of the commitments in NMfL had been delivered. NMfL phase 2 was being developed, setting out what would be delivered in the next three years. It would move from reform to fundamentally improving performance, both for crime fighting and running the organisation. There would be an increased focus on productivity, including through technology and automation, and greater emphasis on partnership working across London. The Met had worked with MOPAC in developing NMfL phase 2, had held stakeholder events and were undertaking public consultation in the coming months.
 - Of the programmes supported by the Transformation Directorate, 57% of the milestones were on track, 21% were at-risk and 22% were delayed. Nearly half of the at-risk or delayed milestones were within command and control and culture change programmes.
- 4.3 There was a discussion of:
- The MPS learning from NMfL1 and ensuring that NMfL 2 was financially deliverable.
 - The overlapping of programmes eg culture change and the estates strategy. The committee was advised that the MPS was considering whether there was still the need for a programme to deliver cultural change or whether it was adequately being mainstreamed into the organisation.

Resolved: The Joint Audit Committee:

- Noted the latest delivery progress against the Portfolio Delivery Plan.
- Noted the prioritisation and sequencing activity undertaken and the savings identified against the 2025/26 New Met for London budget.
- Noted the work underway to deliver the Portfolio Improvement Plan.

5. MPS AUDIT AND RISK REPORT

- 5.1 James Hunter introduced the report which updated the committee on the outcomes from the MPS's Audit and Risk Assurance Committee (ARAC) meeting, the output from the corporate risk refresh, key audit and inspection updates and the draft Annual Governance Statement for 2024/25.
- 5.2 The committee discussed:
- Risk appetite – the importance of how it was put into practice and the value of using examples to bring it to life.
 - The discontinuation by the MPS of using Effective Controls Action Plan (ECAP). All relevant activity and updates would be captured as part of a revised MPS assurance framework approach. The committee was given assurance that the new approach would continue to monitor the themes from ECAP.

Resolved: The Joint Audit Committee:

- Noted the refreshed corporate risk register and the outcome of the ARAC discussion in relation to the deep dives into two corporate risks – victim care and standards.
- Noted the steps being taken towards the implementation of risk appetite and tolerance.
- Agreed it would continue to monitor how the revised MPS assurance framework considered the themes from ECAP.
- Noted the draft Annual Governance Statement for 2024/25.
- Noted the insight and inspection activity being conducted by HMICFRS.

6. MPS PERFORMANCE AND INSIGHTS

6.1 Melanie Williams introduced the paper which provided an overview of the new performance framework and an example of Monthly Reporting to the MPS Strategic Performance Group. The committee was advised:

- That there had been a root and branch review of the performance framework, and that the performance measures had been changed so that they were more strategic in nature.
- The performance framework was fully aligned to strategic planning and would drive activity to achieved desired outcomes.
- Performance management had also changed and the strategic meeting structures reviewed.

6.2 The committee asked:

- Whether the MPS had the data collections required to provide the measures, and was advised that it was a challenge. While the data existed, the way it was being used was new and therefore there was not always comparators.
- About the consideration given to perverse incentives and was advised that the design included checks to ensure the outcomes were those that the MPS wanted to achieve.

6.3 There was a discussion of this being an opportunity for officers and staff to feel connected to the performance measures.

Resolved: The Joint Audit Committee:

- Noted the development of the performance framework.
- Noted the performance position highlighted in the paper's appendix.

7. MPS PAYROLL ASSURANCE FRAMEWORK

7.1 Clare Davies introduced the paper providing an update on work to strengthen the MPS Payroll Assurance Framework.

7.2 There was a discussion of the move to Oracle Fusion platform and the risks associated with that. The committee advised that its members had experience in this area and offered its support to the MPS.

Resolved: The Joint Audit Committee:

- Noted the progress made on strengthening and embedding the payroll assurance framework to reduce the potential overall risk relating to payroll and expenses inaccuracies.

8. MOPAC ANNUAL GOVERNANCE STATEMENT 2024/25

8.1 Naomi Oldroyd-Simpson introduced the paper which provided MOPAC's draft Annual Governance Statement (AGS) for 2024/25 and improvements intended through the Governance Improvement Plan.

8.2 The committee was advised:

- Improvements had been made to the AGS, responding to feedback, a Senior Leadership Team self-assessment, and referencing best practice.
- It sets out progress against the previous year and clear commitments.
- The risk management framework had been refreshed, focusing on risk assurance maturity across the organisation. Work had started on risk appetite and tolerance levels.
- Key areas of improvement identified were stakeholder engagement, improving data availability, improving decision-making, formalising succession planning and investing in leadership training, developing an early warning system, integrating budget and performance considerations at MOPAC Board, expanding transparency.
- There was a risk associated with MOPAC's future capability to deliver effective assurance, risk oversight and governance improvement resulting from the budget savings required for 2026/27.

Resolved: The Joint Audit Committee:

- Noted the draft Annual Governance Statement for 2024/25.
- Noted the improvements intended in MOPAC governance through the Governance Improvement Plan.

9. EXTERNAL AUDIT UPDATE

9.1 Lucy Nutley introduced the External Audit report, advising that work on the financial statements had begun and that they had received the accounts ahead of the deadline. The Auditor's Annual Report and Value for Money statement would be submitted to the October 2025 meeting.

9.2 The committee requested that the External Auditor advise the committee of any issues it identifies ahead of the October meeting.

10. IMPLEMENTATION OF 2023/24 EXTERNAL AUDIT RECOMMENDATIONS

10.1 The update report from the MPS and MOPAC on the implementation of the actions from the 2023/24 External Audit was discussed. The committee was advised that the Home Secretary had requested the Chartered Institute of Public Finance and Accountancy (CIPFA) to review the MPS's function. The committee requested that the recommendations be shared with them when available.

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

11. MPS AND MOPAC INTERNAL AUDIT DRAFT ANNUAL REPORT 2024/25

11.1 David Esling introduced the Internal Audit report which provided the internal audit annual opinion for MOPAC and the MPS internal control environment, and summarised the activities and performance of the Directorate of Audit, Risk and Assurance (DARA).

11.2 The committee was advised:

- The Internal Audit Annual Report for 2024/25 for MOPAC and the MPS was in draft, with discussions with MOPAC and the MPS ongoing. However the opinion for both organisations would not be changing.

MOPAC

- The Director of Audit, Risk and Assurance concluded that MOPAC had an adequate internal control environment supporting achievement of its strategic objectives, which generally operated effectively. Fully embedding the revised internal governance, risk management, and decision-making arrangements would drive progress in meeting agreed policing priorities and objectives. Key areas identified were:
 - Budget objectives needed to be clearly defined.
 - Risk management processes to be strengthened.
 - The continued impact for MOPAC of the cyber-attack on its IT provider.

MPS

- The Director of Audit, Risk and Assurance concluded that the current internal control environment within the MPS had limited effectiveness in supporting the achievement of its strategic objectives. Progress had been made with a clear and structured improvement plan in place. This plan aimed to develop a more mature and cohesive control environment that was essential for defining, coordinating, and monitoring the delivery of agreed strategic priorities. Key areas identified were:
 - A business plan for 2025/26, setting out the performance ambition, areas of focus across core policing and reform and the allocation of the budget, was awaiting sign-off and embedding into business group activity.
 - Corporate governance arrangements had been further developed during 2024/25.
 - More action was required to further embed risk management.
 - The scale and affordability of the transformation portfolio continued to present significant challenges.
 - Greater understanding and insight on workforce was required to enable decision making.

11.3 There was a discussion of:

- The results to date of the National Fraud Initiative exercise.
- The discontinuation of ECAP in its current form, with instead relevant activity and updates captured as part of a revised assurance framework. The

committee suggested that Internal Audit's views on this be included in the final version of the report.

Action 2: Internal Audit to reference in its Annual Report for 2024/25 for MOPAC and the MPS the MPS's discontinuation of ECAP and development of a revised assurance approach capturing the key elements of ECAP.

Resolved: The Joint Audit Committee:

- Considered the draft Internal Audit Annual Report of the Director of Audit, Risk and Assurance.
- Noted the annual opinion on the adequacy and effectiveness of the MOPAC and MPS internal control environments.

12. MPS AND MOPAC INTERNAL AUDIT DRAFT PLANS 2025/26

12.1 David Esling introduced the report setting out the proposed MOPAC and MPS Internal Audit Plans for 2025/26.

12.2 The Panel was advised:

- The Internal Audit Plan had been drawn up in line with the Global Internal Audit Standards (GIAS), which became effective for the UK public sector on 1 April 2025.
- DARA had identified, with senior colleagues in the MPS, key areas to focus on, ensuring alignment with the NMfL.
- Should the risk profile change during 2025/26 and therefore a change be required to the Internal Audit Plan, the committee would be advised.

12.3 The following was raised in discussion:

- The MPS would prefer the Internal Audit Plan to be finalised closer to the start of the financial year.
- The MPS noted that the plan had a high level of advisory days and queried whether, as a source of savings, these could be reduced. David Esling advised the committee that advisory work was forward looking, rather than a review of what was currently in place, and that advisory work fed into the annual opinion. DARA would review why some areas were on the audit programme and some on the advisory programme and would articulate what information contributed to assurance opinions.
- The committee requested that the plan include an indication of how many audits days each area may require, to give a sense of the size of each audit.
- Whether there should be more focus in the Audit Plan on business continuity.

Action 3: Internal Audit to include audit days in the draft plan in light of the discussion and provide a final version for approval to the committee's October 2025 meeting.

Action 4: Internal Audit to provide MOPAC and the MPS a breakdown of advisory work that will support the annual opinion for 2025/26.

Resolved: The Joint Audit Committee reviewed the draft Internal Audit Plan for 2025/26 and requested that a revised version which took account of the issues raised in discussion, be submitted to the October 2025 meeting.

13. AOB – JOINT AUDIT COMMITTEE TRANSPARENCY STATEMENT

- 13.1 The Chair asked MOPAC and the MPS if they were content with the draft transparency statement, which outlined the expectations regarding the publication of the committee's minutes and papers. There was agreement.

Resolved: The Joint Audit Committee approved the Transparency Statement.

14. TREASURY MANAGEMENT STATEMENT 2025/26

Resolved: The Joint Audit Committee noted the Treasury Management Strategy 2025/26.

15. DRAFT STATEMENT OF ACCOUNTS 2024/25 MOPAC AND MOPAC GROUP

Resolved: The Joint Audit Committee noted the draft statements of accounts and the timelines for completing the external audit and publishing the final accounts.

The next meeting is scheduled for 20 October 2025

Ref	Actions	Status
1	The MPS to provide a paper for the 20 October 2025 meeting to enable an in-depth discussion of the latest staff survey results. AC Rachel Williams invited to have a discussion with the committee ahead of the meeting, should she find that useful.	Agenda item 3
2	Internal Audit to reference in its Annual Report for 2024/25 for MOPAC and the MPS the MPS's discontinuation of ECAP and development of a revised assurance approach capturing the key elements of ECAP.	Included in agenda item 5
3	Internal Audit to include audit days in the draft internal audit plans 2025/26 in light of the discussion and provide a final version for approval to the committee's 20 October 2025 meeting.	Included in agenda item 5
4	Internal Audit to provide MOPAC and the MPS a breakdown of advisory work that will support the annual opinion for 2025/26.	Included in agenda item 5

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	20 October 2025
Presented by:	Adrian Scott, Chief Strategy and Transformation Officer
Title/Subject	MPS Transformation Portfolio - Quarterly Update
Purpose of the Paper	This paper provides a quarterly update on the Transformation Portfolio, covering progress to date, key risks and delivery challenges, and an update on the delivery planning for New Met for London Phase 2 (NMfL 2).

Recommendations

The Joint Audit Committee is asked to:

- Note the latest delivery progress against the Portfolio delivery plan.
 - Note the delivery planning and engagement on NMfL2
 - Note the work underway to deliver the Portfolio improvement plan
-

1. Background/summary

- 1.1. The overall Portfolio delivery confidence remains at Amber, consistent with the status reported last quarter.
- 1.2. We continue to manage a complex and ambitious programme of delivery as set out in our consolidated portfolio plan (baselined at IPG and Management Board in October 2024).
- 1.3. The organisation is planning and preparing for activity within NMfL2. The transition isn't to something 'new', instead focussing on embedding the improvements from NMfL1, driving up performance, and the planned evolution of the current portfolio. Alongside this, work on productivity and efficiency is underway to reduce forecast spend, drive operational productivity and efficiency alongside maximise income. This will allow us to continue to improve performance with existing operational resources.

2. Paper content

2.1. Progress against Portfolio Plan

- The Transformation Directorate supports 14 Programmes within the portfolio, with Met HQ added from July. Investment approvals have been granted in this period for Command and Control (interim funding ahead of the planned FBC in November); Frontline Policing; Transport for London Special Services Agreement Implementation; Firearms; and Digital Enablers (for Data, AI and Analytics; Text Redaction and DataCamp). Investment requests for the Met Business Services procurement, NMfL External Support procurement and Culture, Standards and Integrity Ecosystem are expected to be managed through the 8 October IPG (noting these take place after this paper submission).
- Of our portfolio's current milestones, 61% are on track, 20% are at-risk ('amber') and 19% are delayed ('red'). The proportion of undelivered milestones that are at-risk (amber) or delayed (red) have reduced over the last quarter (from 43% to 39%). 20% of the at risk or delayed milestones relate to LEDS, which are caused by Home Office delays on which we are dependent; 19% are owned by Command & Control, where close management and oversight is in place through procurement negotiations with their supplier. A further 11% are with the TfL programme who are managing key design issues with Transport for London.
- Following a period of planning and resourcing between Transformation Directorate and the Culture, Diversity and Inclusion (CD&I) leadership, the Culture Programme is moving the remaining activity into Business as Usual (BAU) governance, and work will continue at pace and scale supported by transformation resources. An evaluation of the programme's historic work will provide analysis of the outcomes and propose that the current programme structure closes in its current form. The MPS has been driving work to intensify our culture, leadership and performance activity in the past weeks, which will further drive culture reform across the organisation.

2.2. NMfL2

- Strategy and Transformation teams have engaged senior leaders across the organisation to develop delivery planning for NMfL2. This extensive engagement is building the detail for 'what' we are delivering, 'how' it will be delivered, 'when' and 'why' (inc target outcomes aligned to our performance framework). As part of this work, we are building a view of the scale of change over time, resource requirements and delivery mechanism (ie BAU or portfolio-led), and demands on enablers (including HR, learning

and development, business change, data and digital). ExCo and ACCO continue to inform decisions on sequencing and alignment with broader BAU activity ahead of NMfL2 publication.

- To meet the demand for NMfL2, Transformation Directorate is reviewing its service offer and the capabilities and capacity it will need for the next 2-3 years. This in turn is informing what external support we will require and we will launch a separate procurement this autumn for that support.

2.3. Portfolio Improvement Plan

- Transformation colleagues continue to mature areas of Portfolio Management, addressing the lessons learnt from recent internal reviews¹ and prepare us for NMfL2 delivery. Work underway includes embedding a refreshed assurance framework that is proportionate to need, where both Tier One programmes in the Portfolio (MBS and Command and Control) will have critical stage gates for their FBC decisions in the next 12 weeks. Plans for 'reactive' (targeted) assurance and ongoing programme health checks will be rolled out across the portfolio in the new year.
- We continue to mature and embed benefits management in accordance with a revised benefits management framework; all programmes now have benefits registers and dashboards supporting a coherent portfolio view of benefits. There is a focused activity underway to quantify and monetise non-cashable benefits. A revised quarterly benefits report will be shared at October IPG.
- A Change Support Hub has been established, providing an online 'one stop shop' (repository) for all business change and programme management guidance, tools and templates. This platform also provides access to training material to enhance consistency, as well as support capability development across the organisation.

3. **Financial information**

3.1. Draft Q2 Budgetary position

- Q2 budget position indicates that the NMfL Portfolio is on track against both Revenue and Capital forecasts. A deep-dive on forecasts across all Programmes will go to IPG in October with recommendations to be provided on where potential underspends should be reallocated to ensure we maximise portfolio delivery and effective financial management. We continue to have increased clarity on projected demand, including NMfL 2

¹ As discussed at 6th May 2025 JAC, under MPS Transformation Portfolio – Quarterly Update

requirements and non-workforce efficiencies (NWEs); these will inform proposals on where to prioritise/allocate available funding.

4. Key risks and metrics

- 4.1. The work on NMfL2 is likely to result in small changes to the portfolio structure (e.g. re-aligned programme scope). Whilst this may impact ongoing activity it will be managed in line with current governance to ensure continuity of delivery.
- 4.2. Our plans to secure external support to deliver NMfL2 has progressed this Summer and is linked to the review of the Transformation Directorate design. This procurement is critical to ensure we have an option to secure additional resourcing, skills and expertise where needed to manage change delivery over the next few years of NMfL2 and beyond.

5. Further considerations

n/a

6. Conclusion

- 6.1. Overall, the portfolio delivery confidence remains at Amber, with demonstrable progress against the agreed delivery milestones and NMfL commitments, HMICFRS Engage milestones, and Angiolini Recommendations; providing a firm foundation on which to build as we secure and embed the benefits to date and improve performance.
- 6.2. The Joint Audit Committee is invited to:
- Note the latest delivery progress against the Portfolio Delivery Plan
 - Note the ongoing work to evolve the portfolio change delivery from NMfL1 into NMfL2 and continue to mature our assurance of our major programmes to ensure timely intervention and support as needed.
- 6.3. Next Steps ahead of January's Joint Audit Committee, we will:
- Agree the NMfL2 Delivery Plan
 - Continue to oversee and manage monthly progress with the Programme teams, highlighting delivery achievements and management of delivery risks, continuing to manage the portfolio in a dynamic way, reallocating our budget as necessary to maximise delivery

Approval / consultation

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

Name, job title of paper author

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

Appendices

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

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	20 October 2025
Presented by:	Amana Humayun and Dan Worsley
Title/Subject	Budget Governance and Internal Control Framework Update
Purpose of the Paper	This paper sets out the quarterly update to the Joint Audit Panel

Recommendations

The Joint Audit Committee is asked to:

- Note the need to continue to closely monitor delivery of the efficiency savings and tough choices following finalisation of the 2025/26 budget.
 - Note the development of the 2026/27 process is underway.
 - Note that work to develop a financial oversight framework has developed and remains in progress.
-

1. Background/summary

- 1.1. The Joint Audit Committee has requested a report be provided at each meeting that updates on budget governance by the respective Chief Finance Officers. This report provides an update on progress since the Committee last met in July 2025.
- 1.2. MOPAC Group at Q1 is forecasting a £23.9m overspend to budget, of which £24.0m is driven by the Met. MOPAC and VRU are forecasting a small underspend of £0.04m. The forecast includes a £84.9m overspend on gross expenditure, offset by £78.9m additional income including specific grants. This includes pressures across pay, overtime, supplies and services, and capital financing.
- 1.3. Following publication of the Mayor's budget guidance in July, the 2026/27 budget setting process has started. The draft budget will be submitted for publication November 21st.
- 1.4. To strengthen financial oversight of the MPS, MOPAC continue developing a financial oversight framework, due to be implemented at the start of 2026/27.

2. Quarter 1 Review

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

2025/26 Quarter 1 Monitoring Position

- 2.2. At Q1 MOPAC and the MPS are forecasting a £23.9m overspend, of which £24.0m is driven by the MPS. MOPAC and VRU are forecasting a small underspend of £0.04m.
- 2.3. Against original budgets, there are overspends on workforce costs of £32.6m the majority of which relate to pay (£21.0m) and overtime (£11.6m), with a further overspend on running costs of £51.8m.
- 2.4. These are offset by forecast over delivery in total income of £124.5m, the majority of which are specific grants (£91.3m).
- 2.5. This position is before in-year budget revision by the MPS, particularly to reflect additional income.

Delivery Of Savings

- 2.6. One of the three priorities for A New Met for London is to fix the Met's foundations and set it up to succeed. To deliver a balanced budget in 2025/26, the budget included the delivery of £75.0m of non-workforce savings primarily through streamlining support services and improving value for money of commercial arrangements. At the end of Q1 2025/26, £12.7m savings have been delivered, with a further £47.3m forecast to be delivered by the end of the year.
- 2.7. The balance of savings (£15.0m) are at risk of delivery either because they are not underpinned by detailed plans or these plans reflect some risk. Momentum in delivering savings has picked up in Q2, and forecast delivery has increased to £65m.

Review of Reserves

- 2.8. The opening balance for reserves is £309.1m and includes a General Reserve of £76.6m. Reserves continue to be reviewed as part of the quarterly monitoring.
- 2.9. As at Q1 the forecast drawdown from reserves was £85.1 million, a reduction of £17.9 million compared to the approved budget of £103.0m, reflecting revised assumptions on Home Office funding and slippage of project delivery.

3. Budget Setting Process 2026/27

- 3.1. Work has begun on producing the 2026/27 budget. The published budget currently includes a funding gap of £150.3 million in 2026/27 rising to £203.6 million in 2027/28.
- 3.2. The Spending Review announced in June 2025 and Mayor's budget guidance published in July 2025 will impact these assumptions. Whilst the headline growth for police spending power announced in the Spending Review was positive, how this is distributed nationally, and what it entails once precept and CT policing spend is accounted for remains unconfirmed. Furthermore, Central Government's Fairer Funding Review has implications for the level of business rates funding received by the Mayor. This in turn could impact the MPS, potentially creating additional pressures.
- 3.3. This is likely to be a challenging budget setting process given the uncertainties detailed above. The draft budget will be submitted to the GLA on November 22nd in advance of both the provisional grant settlement and the outcome of the Fairer Funding Review being announced. It will be based on a set of assumptions that will require revisiting once the outcome of these announcements is known.

4. Financial Oversight Framework

- 4.1. MOPAC has never had a documented Financial Oversight Framework to explain its oversight of the MPS budget/ financial management. Current financial oversight activity is based on the Scheme of Delegation and a range of practices that have developed over time.
- 4.2. The Mayor has requested that MOPAC review its financial oversight of the MPS to assure that it is robust, strategic, and addresses areas of concern that have arisen in recent annual budget cycles.
- 4.3. MOPAC's approach to oversight needs to be transparent, setting out the range of its oversight and adopting an approach that is published with clear roles, responsibilities, outputs and outcomes.
- 4.4. The framework once finalised will complement other key MOPAC governance documents such as the Scheme of Delegation which is currently under review. Any changes to the Scheme require a clear oversight framework which may need to be enhanced should greater financial autonomy be granted to the MPS.
- 4.5. To date there have been conversations with colleagues in the MOPAC Oversight team, and a workshop with the MPS to explore what a financial oversight framework could look like. In addition, MOPAC have approached both the Joint Audit Committee, and Grant Thornton and intend to shortly approach the London Policing Board, Home Office and CIPFA for their views.

- 4.6. Next steps are to prepare a first draft of the Financial Oversight Framework for feedback and seek initial input from the MPS and the Mayor's Office before the end of 2025, with the intention of preparing a final version for publication in March 2026, for application for Financial Year 2026/27.
- 4.7. The objective of this review is to bolster and formalise current arrangements, discontinuing any current activity that has become redundant and replacing it with effective, assuring oversight measures. The review will take into account other existing oversight/ regulatory/ audit/ compliance activities carried out by the MPS itself, and by external bodies such as External Audit to avoid duplication. MOPAC's review will factor in such assurances in refreshing its financial oversight of the MPS to avoid duplication.

5. Financial information

- 5.1. There are no direct financial implications arising from this report to the Audit Panel however the role of the Panel in seeking assurances on the budget governance and internal control environment may influence the control framework.

6. Key risks and metrics

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

7. Further considerations

- 7.1. There are no further considerations.

8. Conclusion

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

9. Recommendations

The Joint Audit Committee is asked to:

- Note the progress.
- Note the need to continue to closely monitor delivery of the efficiency savings and tough choices following finalisation of the 2025/26 budget.
- Note the development of the 2026/27 process is underway.
- Note that work is underway to develop a financial oversight framework.

Approval / consultation

This paper has been prepared for the Joint Audit Committee.

Name, job title of paper author

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

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	20 th October 2025
Presented by:	The MOPAC Chief Finance Officer and Director of Corporate Services and MPS Chief Finance Officer
Title/Subject	2024/25 External Audit Recommendations Update
Purpose of the Paper	This paper provides an update on audit findings from the statutory audit of VFM arrangements by the MOPAC & CPM external auditor, Grant Thornton. This audit is for the period 2024-25.

Recommendations

The Joint Audit Committee is asked to:

- Note the findings of the report at and proposed management responses.

1. Background/summary

- 1.1. This paper provides an update on audit findings from the statutory audit of VFM arrangements by the MOPAC & CPM external auditor, Grant Thornton. This audit is for the period 2024-25.

2. Paper content

- 2.1. Under the Local Audit and Accountability Act 2014, MOPAC and the MPS are required to have an independent audit of arrangements for securing economy, efficiency and effectiveness (value for money) in our use of resources. This audit is conducted by our statutory auditor (Grant Thornton) on an annual basis.
- 2.2. Grant Thornton have now completed this work and have raised a number of recommendations. Grant Thornton have concluded that there are significant weaknesses in arrangements relating to financial sustainability and the estates programme. However, they have not completed their work on Command and Control and therefore further findings in relation to this programme are anticipated.
- 2.3. This is an improvement from their position in 2023-24 when they identified 6 significant weaknesses. In addition, they have identified a number of improvement recommendations.

- 2.4. Responses to the recommendations have been prepared in draft to give the Joint Audit Committee an indication of the responses and are set out at Appendix A. Routine updates will be made to the Joint Audit Committee.

3. Financial information

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

4. Key risks and metrics

- 4.1. The external audit function provides an independent opinion on the statutory accounts and the arrangements for delivering value-for-money which are used as a basis to inform the AGS and governance improvement.

5. Further considerations

- 5.1. None.

6. Conclusion

- 6.1. The report sets out the findings from the external auditors annual value for money assessment, and management responses. A further report will be made to the Joint Audit Committee once the auditors have concluded their assessment of Command and Control.

7. Recommendations

- 7.1. To note the findings of the report at and proposed management responses.
-

Approval / consultation

None – Approvals to follow, given timings of the Joint Audit Committee responses are being shared in draft.

Name, job title of paper author

Annabel Cowell – Deputy Chief Finance Officer MOPAC

Appendices

Appendix One – Management Responses

Ref	Recommendation	Relates to	Responses	Responsible Officer	Due Date
KR1	<p>CPM and MOPAC need to : Continue their focus on delivering a balanced budget for 2025/26 and setting a balanced budget for future years that does not rely on the use of reserves and achievement of a challenging savings programme.</p> <p>Put in place and deliver plans to ensure that MOPAC Group reserves do not fall below the minimum level set by MOPAC's Chief Finance Officer of £125m to ensure their financial resilience.</p> <p>Enhance CPM's resource flash reports to provide clarity that £155m workforce cost efficiencies have been transacted via reductions in the workforce budgets with narrative of how workforce cost pressures may put achievement of the planned efficiencies at risk.</p>	Financial Sustainability	<p>MOPAC are currently developing a financial oversight framework which will strengthen its financial oversight of the MPS. This will include enhanced oversight of MPS financial performance, the development of suitable financial metrics and a financial resilience dashboard.</p> <p>As part of the 2026/27 budget setting process a number of joint workshops are being held between Senior stakeholders in MOPAC and the MPS, prior to a draft budget being submitted to the GLA on November 21st.</p> <p>The MPS partially accept this recommendation. the 2025-26 budget was developed to ensure there was no reliance on use of reserves to close the budget gap. In addition we have set an ambitious but realistic efficiency target. These principles will continue through to the budget setting for 2026-27 and over the MTFP.</p> <p>A key component of our budget setting, is to ensure that MOPAC and the MPS achieve the right balance between maximising investment and performance now and ensuring financial resilience and sustainability. Central to this is ensuring that reserves are maintained at an appropriate level and in line with approved MOPAC Reserves Strategy.</p> <p>The MPS do not accept the recommendation regarding the Flash Report. The impact of workforce reductions have been transacted in both the workforce plan and budgets - so our in year financial monitoring already focusses on ensuring the delivery of planned workforce reductions (and the resultant budgetary savings).</p>	Amana Humayun & Dan Worsley	TBC
KR2	<p>CPM and MOPAC must: Prioritise the capital programme within the limited funding envelope – for example to address the poor quality of estate given the Estates Strategy states that half of CPM employees are not working in a</p>	Financial Sustainability	<p>As part of the 2026/27 budget setting process a number of joint workshops are being held between Senior stakeholders in MOPAC and the MPS this will include a workshop focussed on developing an affordable capital programme.</p> <p>The MPS and MOPAC accept this recommendation from a process perspective. The MPS is conducting a zero based review of capital</p>	Amana Humayun & Dan Worsley	TBC

Ref	Recommendation	Relates to	Responses	Responsible Officer	Due Date
	<p>“good” quality building, and ensure delivery of key IT projects.</p> <p>Inform prioritisation by consideration of realistic business cases; detailed cost/benefit analysis; consideration of alternative/lower cost solutions (such as partnerships with other bodies, consideration of leasing assets).</p> <p>Keep the sustainability of borrowing to fund the capital strategy under review.</p> <p>Review the revised approach to MRP (which increases all asset lives to 50 years) to ensure that this is prudent given the poor quality of estate, as outlined in the Estates Strategy. The revised asset lives should be subject to scrutiny by MOPAC and Internal Audit.</p>		<p>building on the existing capital plan and is preparing a new estates strategy. The MPS is also reviewing the sustainability of borrowing and the approach it will take to address this, in the context of proposing future debt ceiling levels to MOPAC ultimately for their decision. However without a capital grant and within a sustainable debt and borrowing position it is not possible to fully address the MPS capital requirements given the need for major systems replacements, investment in technology, and the need to maintain the estate and fleet.</p> <p>The MRP is already based on a range of asset lives from 4 to 50 years. In terms of the estate we will do a post-implementation review of the revision of asset lives to 50 years. MOPAC will consider this review and whether further scrutiny or DARA support is required</p>		
IR1	In collaboration with JAC and DARA, MOPAC and CPM should ensure that in year reporting provides sufficient information to provide assurance in respect of progress against the plan, including any slippage, assurance opinions to date and progress being made to implement Internal Audit Recommendations.	Governance	DARA will continue to refine the reporting of Internal Audit activity/recommendations and progress against the indicative plans in collaboration with MOPAC and MPS. This will reflect JAC's and senior management's responsibility as set out in Domain 3 (Governing the Internal Audit Function) of the new Global Internal Audit Standards.	David Esling	TBC

Ref	Recommendation	Relates to	Responses	Responsible Officer	Due Date
IR2	In collaboration with JAC and DARA, MOPAC and CPM should ensure that in year reporting to JAC provides sufficient information to provide assurance in respect of the work being undertaken to prevent, detect and investigate fraud.	Governance	MOPAC and the MPS agree with the DARA audit findings and will be implementing changes in line with agreed recommendations, this aligns with a recent review of the Internal theft and fraud strategy and plans to re-institute the Internal Theft and Fraud strategic Board (previously Oversight board) to provide governance across the MPS/DARA and MOPAC and not just via the Counter Corruption steering group	Rachel Williams	TBC
IR3	MOPAC and CPM must sustain the improvement in relationships; to ensure there is effective partnership and collaborative working. MOPAC and CPM need to ensure there is a timely solution approved to the outstanding issue of sharing CPM operational data.	Governance	MOPAC and the MPS accepts this recommendation.	Adrian Scott	TBC
IR4	<p>The Engine Room Board must ensure: Completion of people moves to complete the Pillar 1 affordable workforce design.</p> <p>Completion of remaining design and implementation plans at the earliest opportunity to ensure effort is focused on execution of people moves required to deliver Pillar 2 Tough Choices.</p> <p>People moves result in delivery of the business as envisaged at design stage.</p> <p>The resulting workforce allocations</p>	Improving economy, efficiency and effectiveness	<p>We fully endorse the recommendation and welcome the improvements recognised by the team.</p> <p>We've already implemented the majority of the Pillar 1 workforce changes, ensuring we have an affordable designs and in doing so establishing us with a solid foundation to build our strategic workforce planning.</p> <p>Pillar 2 (Tough Choices) designs are well advanced and being rolled out as scheduled.</p> <p>Budgets have been aligned to the post-Pillar 1 and 2 structures, ensuring that projected savings are realised.</p>	Marie Heracleous	TBC

Ref	Recommendation	Relates to	Responses	Responsible Officer	Due Date
	achieve the efficiencies required to contribute to delivery of balanced budget for 2025/26 and minimise any funding gaps in the future.				
IR5	CPM should: Appropriately address HMICFRS's new cause of concern. Maintain its grip on delivery of wider improvement required to address HMICFRS's other areas of improvement as well as ensuring wider ongoing continuous performance improvement.	Improving economy, efficiency and effectiveness	The MPS accepts this recommendation.	Adrian Scott	TBC
IR6	MOPAC and CPM should: Review the arrangements in place for awarding and approving Single Tender Actions to ensure these are used appropriately and not in place of competitive tendering. Enhance reporting, including the frequency reporting, of Single Tender Actions to include further information for example the number issued retrospectively or in extreme urgency etc	Improving economy, efficiency and effectiveness	MOPAC is currently reviewing the information that should be reported to IAM on commercial activity. This will include Single Tender Actions. The MPS partially accept this recommendation. The MPS have controls in place regarding the use of single tender actions: - Relevant Procurements are subject to BJP approval with a specific section for Commercial justification of the chosen route to market - BJP based on value are subject to a significant approval process which includes keyholder review, IPG, EXCO and IAM. This is based on their value or if they are novel/contentious and follows the agreed Scheme of Delegation A new report format is currently being finalised for commercial activity - and this will include enhanced reporting on STA's as recommended.	Amana Humayun & Clare Davies	TBC

Report to: **MOPAC/MPS Joint Audit Committee**

Date of the meeting: Tuesday 20 October 2025

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

Title: **Internal Audit Activity Report**

Purpose of the Paper: Provides an update on Internal Audit activity since the Committee last met, including risk and assurance, advisory and counter fraud work and a forward look. It also includes Internal Audit Plans for 2025/26 and the final 2024/25 Annual Report.

Recommendations

The Joint Audit Committee (JAC) is asked to note the outcome of DARA work undertaken since it last met, the updated 2025/26 Internal Audit Plans for MOPAC and the MPS and the final 2024/25 Annual Report.

1. Supporting Information

1.1. Status of audit activity is set out in the table below:

Audit	Status
FINALS	
Professional Standards Units–Governance & Assurance	Adequate
Programme Management Framework	Adequate
Cloud Security Follow Up	Adequate
MO19 Pro-Active Review Follow Up	Adequate
MOPAC Budget Accountabilities, Roles and Responsibilities	Adequate
MOPAC Procurement and Contract Management Follow Up	Advisory
DRAFT REPORT	
End to End Recruitment Phase 1 (Interim Report Issued)	
Offender Management	
Budgetary Control Framework	
Strategic Contract Management Framework Follow Up	
MOPAC GDPR Compliance Framework	
MOPAC Framework Supporting ICV Scheme Follow Up	
MOPAC Complaints Review Team – Performance Framework Follow Up	
FIELDWORK	
MO9 Expenses and Overtime	

Assurance Framework – ongoing review
End to End Recruitment Phase 2
MOPAC Commissioning Impact and Grants Allocation & Management
SCOPING
Decision Making Framework
Forensic Regulators Code Compliance
McCloud Pension Remedy
Leadership Academy
MOPAC Appropriate Adults Programme
PLANNED
BCU Reviews
CDI Strategy Implementation
Cyber Assurance Framework
MOPAC VRU Financial Management
MOPAC HR Policy Review Follow Up

1.2. Key outcomes of work completed since the previous meeting are summarised below:

- **Professional Standards Units – Governance and Assurance**

The audit found that there is effective oversight of investigations and appropriate training provided to teams. There has been a reduction in caseload, and timeliness is reviewed with targets for completion but can be impacted by external factors in the event of an appeal. Communication across both internal and external stakeholders could be enhanced, and stronger emphasis on performance outcomes will support the evaluation of how public complaints and misconduct issues affect the organisation, enabling more informed decision-making and fostering organisational learning.

- **Programme Management Framework**

The review noted that during 2024/25, work was initiated by the Portfolio Office to strengthen the framework supporting delivery of the Met's change programme. Improvements have been delivered, with management recognising there is more to do. Implementation of a Portfolio Improvement Plan, capturing key lessons learned from review activity, will increase the maturity of portfolio arrangements in key areas such as programme assurance, benefits and financial management.

- **Cloud Security Follow Up**

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

- **MO19 Pro-Active Review Follow Up**

The review found that local controls introduced for expenses and card expenditure are having a positive impact on compliance levels and overall spend. There remain challenges with police overtime which continues to be a significant area of spend, impacted by operational requirements and systems limitations, with planning, authorisation, monitoring and oversight to improve.

- **MPS End to End Recruitment**

This work was requested by the Met and includes review and testing of the Met's outsourced supplier's processes to ensure compliance with employment legislation, MPS and national policing requirements. Interim findings have been shared with the Met Business Services Director, with a focus on developing a clearer policy framework and improving assurance mechanisms in place relating to contractor compliance. A second phase of testing has also now been completed, focussing on providing further assurance over officer assessment outcomes. The final output from this review will be reported at the next JAC.

- **MOPAC Budget Accountabilities, Roles and Responsibilities**

The review concluded that the control framework is generally well designed to support MOPAC's budget management. There is reliance on the finance team to bring together reporting data and undertake ad-hoc day-to-day duties due to access limitations of the Police Single Operating Platform (PSOP). Budget objectives need to be clearly defined, and risk management processes could be strengthened.

- **MOPAC Procurement and Contract Management Follow Up**

Oversight and assurance of MOPAC commercial activities has improved through the Commercial Assurance Group and the use of commercial assurance justification templates. Work is underway to review and update the MOPAC Contract Regulations, along with the development of Contract Management guidance to align the Procurement Act 2023, MOPAC Contract Regulations and contract management practices.

Counter Fraud Activity

- 1.3 The Counter Fraud Team continue to review the 6,079 data matches across 25 reports that have been generated via the 2024-2025 National Fraud Initiative exercise. 4,105 matches have been processed resulting in £104k of overpayments identified as suitable for recovery. These include:
 - £13,315 from matches in respect of MPS pensions to Department of Work and Pension's deceased records
 - £81,997 from matches in respect of MPS Pensions to Injury benefits
 - £8,136 creditor related matches.
- 1.4 Payroll related matches have also identified cases where secondary employment has not been declared. The Counter Fraud team continue to engage with Met Business Services to address delays in processing pension related matches caused by the outsourced supplier.

- 1.5 The Director of Audit Risk and Assurance is attending the national Police Audit Group Conference at Warwick in November 2025 as one of its Board members.

2. Internal Audit Plans

- 2.1 The 2025/26 Internal Audit Plans for MOPAC and the MPS (Appendices 1 and 2) have been realigned to the April–March financial year. As a result, the current plans cover a 10-month period and now include indicative days for each audit review.
- 2.2 We have reduced the MPS plan by 150 days in line with the Audit Committee's July feedback, primarily by scaling back the level of advisory work. The plan remains risk-based and will be regularly reviewed to ensure continued focus on key strategic priorities.

3. Internal Audit Annual Report 2024/25

- 3.1. The final Annual report for MPS and MOPAC is at Appendix 3. This now reflects the agreed position to incorporate the ECAP themes in the Met's developing assurance framework.
- 3.2. The Director of Audit, Risk and Assurance has concluded that *'The current internal control environment within the MPS has limited effectiveness in supporting the achievement of its strategic objectives. However, we are encouraged that progress has been made, with an updated assurance approach being developed to support a more mature and cohesive control framework. This is essential for defining, coordinating, and monitoring the delivery of agreed strategic priorities.'*
- 3.3. The Director of Audit, Risk and Assurance has concluded that *'MOPAC has an adequate internal control environment supporting achievement of its strategic objectives, which generally operates effectively. Fully embedding the revised internal governance, risk management, and decision-making arrangements will drive progress in meeting agreed policing priorities and objectives.'*

4. Financial Information

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

5. Key Risks

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

6. Equality and Diversity Impact

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

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

Appendix 1 – Draft MOPAC 2025/26 Plan

Appendix 2 – Draft MPS 2025/26 Plan

Appendix 3 – Internal Audit Annual Report 2024/25

MOPAC AUDIT PLAN 2025-26

Governance	Audit Title	Review Activity Focus	Days	Directorate	Corporate Risk Areas
Oversight Governance	Police and Crime Plan – Implementation and Oversight of the 2025-2029 PCP	Assessing the effectiveness of oversight and implementation of the 2025-2029 PCP.	20	Strategy and Oversight	1. Strategic 2. Operational 3. Reputational
Corporate Governance	Business Planning	Supporting the RAPP team on the integration and delivery of MOPAC strategic objectives.	10	Corporate Services	1. Strategic 2. Financial
Financial Assurance	VRU Financial Management Framework	Assessing the financial management framework in place, evaluating the effectiveness of the design and application of controls.	15	VRU	1. Financial 2. Operational 3. Compliance
Financial Assurance	Financial Oversight	Evaluating transparency and effectiveness of framework supporting the arrangements in place for the 2025/26 budget and the 2026/27 savings programme. This will include a review of the new coding framework.	20	Corporate Services	1. Financial 2. Strategic 3. Compliance
Delivery	Appropriate Adults Programme	Review of contract compliance following the implementation of the Appropriate Adult's Service. First quarter data to be used for compliance testing.	10	Commissioning and Partnerships	1. Operational 2. Financial
Information Governance	AI Governance and Implementation	Advising on the effectiveness of guidance and the implementation of AI practices across MOPAC.	10	Corporate Services	1. Information 2. External 3. Reputational

2025/26 Follow Ups		
Internal Governance Arrangements (8 days)	HR Policy Review (6 days)	Decision-Making Framework (10 days)

MOPAC AUDIT PLAN 2025-26

Audit Days	Days
Audit, Assurance and Follow Ups Reviews	109
Counter Fraud Days incl. NFI	15
Management Time and Board Attendance	71
Contingency	10
Total MOPAC Audit Days	205

MOPAC Governance Board/ Working Group	DARA Activity
Joint MOPAC/MPS Audit Committee	Supporting the work of the joint MOPAC/MPS Audit Panel; contribute to the Panel's annual review of its effectiveness and subsequent Annual Report.
Risk Assurance Working Group	Advising on areas of improvement arising from audit reviews included in the MOPAC Governance Improvement Plan. Contribute to the further development of the MOPAC risk management framework and agree the MOPAC Annual Audit Plan.
MOPAC Board	Supporting the implementation of the MOPAC strategic objectives including the review of core processes advising on the development of a system based on proportionate controls.
Oversight Framework and Analysis Group	Attending the MOPAC Oversight Analysis Group and providing advice on the further development of the oversight framework to support the new PCP.
MBS Programme Board	Attending and advising the Programme Board overseeing development of the future core support services IT solution.
Artificial Intelligence Working Group	Supporting the implementation of AI within MOPAC, advising on the development of strategy, governance, and oversight.

MPS AUDIT PLAN 2025-26

Assurance Theme	MPS Risk Category	Internal Audit Assurance Activity	Days	MPS Directorate/ Command	Other Assurance Activity
Financial Resilience	Financial Ability to Operate	<u>Risk & Assurance Reviews</u>			
		<ul style="list-style-type: none"> Business Planning Core Systems health check reviews Capital Framework CT Funding and Control Decision Making Framework Pro-active Data Analytic Reviews (eg MO9) 	25 50 25 25 25 75	Strategy & Transformation Corporate Resources (Finance/HR) Professionalism	HMICFRS (Managing Fraud) SSCL internal audit / ISAE3402
		<u>Advisory</u>			External Audit
		<u>Follow Up Reviews</u> <ul style="list-style-type: none"> MBS – Finance Processes 	30		CIPFA Review
Operational Resilience	Ability to Operate Confidence & Satisfaction Health, Safety & Wellbeing	<u>Risk & Assurance Reviews</u>			
		<ul style="list-style-type: none"> Forensic Regulators Code Compliance Op Benbow – Non-Aid Contributions 	25 25	Met Ops & Performance	HMICFRS (Prevention/Detection of Crime, Responding to Public, Crime Investigation, Use of Powers, Workforce)
		<u>Advisory</u>			
		<ul style="list-style-type: none"> Performance Framework – including alignment with Risk Management Met Ops Training Costs / VfM 	25 25		
		<u>Risk & Assurance Reviews</u>			
		<ul style="list-style-type: none"> Risk Maturity Action Planning Assurance Framework – map out, control and assurance training 	25 25	Strategy & Transformation	
		<u>Risk & Assurance Reviews</u>			
		<ul style="list-style-type: none"> Local Implementation of FLP Design BCU Reviews (inc risk management) 	25 50	FLP	SHRMT (2 nd line)

MPS AUDIT PLAN 2025-26

Assurance Theme	MPS Risk Category	Internal Audit Assurance Activity	Days	MPS Directorate/ Command	Other Assurance Activity
		<u>Follow Up Reviews</u> <ul style="list-style-type: none"> Framework Supporting the Handling of Non-Police Firearms 	10		
Third Party Relations & Supply Chain	Ability to Operate	<u>Risk & Assurance Reviews</u> <ul style="list-style-type: none"> Contract Management Reviews 	30	Corporate Resources (Commercial, PSD) / All	HMICFRS (Managing Fraud)
		<u>Follow Up Reviews</u> <ul style="list-style-type: none"> ESG 	10		SSCL audits
Workforce / People & Recruitment	Ability to Operate	<u>Risk & Assurance Reviews</u> <ul style="list-style-type: none"> End to End Recruitment CDI Strategy Implementation McCloud Pension Remedy Leadership Academy Training Pathways 	45	Corporate Resources (HR) Professionalism	HMICFRS (Leadership/Force Management, Workforce) SHRMT
			25		
			25		
			25		
	Health, Safety & Wellbeing	<u>Follow Up Review</u> <ul style="list-style-type: none"> Professional Standards Units–Governance & Assurance 	10		
Digital, Data & Technology	Ability to Operate	<u>Risk & Assurance Reviews</u> <ul style="list-style-type: none"> Cyber Assurance Framework Data Governance / Security DDaT FinOps VfM 	25	DDaT	Information Assurance Unit (2nd line) Police Digital Service
			25		
			25		
		<u>Follow Up Review</u> <ul style="list-style-type: none"> ICT Contract Management 	10		

Audit Days	Days
Audit, Assurance and Follow Up Reviews	780

MPS AUDIT PLAN 2025-26

Management Time and Board Attendance	165
Contingency	50
Counter Fraud Days incl. NFI	220
Total MPS Audit Days	1,215

MPS Counter Fraud Programme	
Fraud Prevention & Data Analysis	<ul style="list-style-type: none"> Driving integration of the assessment and management of fraud risks into Met corporate risk management process, delivering fraud and risk awareness training and inputting to a revised fraud risk analysis for the Met.
	<ul style="list-style-type: none"> Supporting implementation of Anti-Fraud, Bribery and Corruption Strategy with DPS, business units and Strategic Oversight Forum.
	<ul style="list-style-type: none"> Delivering a proactive analytical programme providing assurance on integrity of data and transactions in high risk/sensitive areas.
Fraud Investigation	<ul style="list-style-type: none"> Conducting investigations into potential fraud and/or financial irregularities as appropriate.
	<ul style="list-style-type: none"> Developing systems supporting and encouraging reporting of potential fraud and/or irregularities in liaison with DPS.
	<ul style="list-style-type: none"> Identifying and analysing underlying risks related to inform fraud prevention, detection and investigation activity, in liaison with the Strategic Oversight Board.
	<ul style="list-style-type: none"> Advising on MPS reporting to External Audit on management of fraud risks and the occurrence of fraud.

MPS AUDIT PLAN 2025-26

National Fraud Initiative (NFI)	<ul style="list-style-type: none">• Completing the NFI exercise, investigating and resolving the data matches for the MPS.
	<ul style="list-style-type: none">• Reporting the outcome from the NFI to Met Audit, Risk and Assurance Committee, and the Joint Audit Committee.

MPS AUDIT PLAN 2025-26

Governance Board	DARA Activity
Joint MOPAC/MPS Audit Committee	<ul style="list-style-type: none"> Supporting the work of the joint Audit Committee; contribute to the Committee's annual review of its effectiveness and subsequent Annual Report.
MPS Audit, Risk and Assurance Committee	<ul style="list-style-type: none"> Advising the Management Board on the effectiveness of Risk Management and Assurance and control emerging from DARA activity.
Strategic Crime Incident Recording Group (SCIRG)	<ul style="list-style-type: none"> Attend Group meetings and advise on the development of the framework supporting the recording of crime ensuring key risk issues previously identified through audit activity are addressed.
MBS Service Delivery Group	<ul style="list-style-type: none"> Attending and advising the Delivery Group overseeing development of the future core support services IT solution.
MPS Health, Safety and Wellbeing Board	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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.



**METROPOLITAN
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OFFICE FOR POLICING AND CRIME

Internal Audit Annual Report 2024/25

MOPAC and the MPS

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Background

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

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

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

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

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

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

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

Annual Assurance - MOPAC

Internal Audit Annual Opinion

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

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

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

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

MOPAC Internal Control Environment

Accountability

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

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

Strategic Framework

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

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

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

Oversight Governance

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

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

MOPAC Internal Control Environment

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

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

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

MOPAC's Independent Custody Visitors (ICV) Scheme discharges statutory duties to ensure the welfare, rights and entitlements of custody detainees, with 170 ICVs in place. DARA's follow up review of MOPAC's ICV Scheme found that the scheme still requires clear definition of the strategic outcomes and alignment to the MOPAC oversight framework. Progress had been made in reviewing scheme risk assessments and expense claims procedures, however in both cases further work is required to ensure effective implementation and monitoring.

Work is ongoing to ensure MOPAC's oversight of the police complaints process is strengthened through joint working with the Met and consideration is being given to how data can be further improved and used to inform oversight and increase transparency and public confidence in the police complaints system. However, lack of access to data and systems for oversight purposes remains a significant area of discussion between MOPAC and the Met.

MOPAC Corporate Governance

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

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

Decision Making Framework

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

MOPAC Internal Control Environment

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

Risk Management and Assurance

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

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

Workforce Capacity and Capability

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

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

Financial Management within MOPAC

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

The DARA follow up of the Budgetary Control Framework concluded it is generally operating effectively through early engagement with Budget Holders, robust financial forecasting, and addressing outstanding debts. Introduction of interdependent budget and performance

MOPAC Internal Control Environment

considerations, defining value for money principles, and updating the Contract and Financial Regulations will further improve effectiveness.

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

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

Equality, Diversity and Inclusion

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

Procurement and Contracts Management Framework

Contract management is an area that continues to develop to provide greater assurance that anticipated benefits and outcomes are being delivered as intended. A DARA follow up of Procurement and Contract Management found improved oversight and assurance of MOPAC commercial activities through the Commercial Assurance Group and the use of commercial assurance justification templates. However, MOPAC Contract Regulations have not been reviewed since 2018 and do not align with some current processes. Work is underway to review the Contract Regulations, along with the development of Contract Management guidance to align the Procurement Act 2023, MOPAC Contract Regulations and contract management practices.

DARA also advised on a Procurement Proactive Review; supporting a re-procurement exercise, ensuring that lessons learnt were addressed and the overall corporate framework enhanced through strengthened tender evaluation and greater assurance provision on contract award.

ICT and Information Management and Governance

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

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

MOPAC Internal Control Environment

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

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

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

Annual Assurance - MPS

Internal Audit Annual Opinion

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

However, we are encouraged that progress has been made, with an updated assurance approach being developed to support a more mature and cohesive control framework. This is essential for defining, coordinating, and monitoring the delivery of agreed strategic priorities.

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

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

Annual Assurance - MPS

robust mechanism exists for matching roles to those with appropriate expertise, will lever resources and help to build further capability and capacity.

- **Achieving cultural change** – continued progress has been made in identifying and exiting those individuals whose behaviour falls below expectations, although there remains more to be done. Ensuring that there is support for victims and reporters of wrongdoing and that leadership values are universally adopted and embedded across the whole of the Met is critical. Work has been undertaken to align strategy, organisational structure and process to cultural ambitions, through publication of the London Race Action Plan and internal Met Culture Plan.

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

Strategic Framework

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

Steps have been taken towards a more cohesive Strategic Planning Framework, aiming to provide an organisation wide view of transformation and business as usual activity and how financial and workforce efficiencies will impact on the provision of services to Londoners. To help develop a more robust understanding of demand the Met has begun to integrate Force Management Statement (FMS) production into its annual business planning cycle. Initial feedback from HMICFRS on the quality of the Met's 2025 FMS has been positive.

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

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

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

Corporate Governance Structure

Corporate governance arrangements have been revised during 2024/25, following an external post-implementation review of the structure introduced in 2023. Executive Committee (ExCo) meetings, the Budget and Business Plan Implementation Group (BPIG) and the Estates Sub-Group have been replaced by fortnightly ExCo meetings, with responsibility for operational, funding and policy decisions which have been delegated by Management Board. This streamlined structure aims to reduce delays in decision making and accelerate progress across key areas.

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

MPS Internal Control Environment

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

Transformation Governance

The Met's portfolio of change has focussed on delivering the 152 NMfL commitments (*87 delivered, 49 delivered in part**), 116 HMICFRS 'Engage' milestones (*114 complete**) and 16 recommendations from the Angiolini review (*12 complete**). Achievement of the majority of the HMICFRS milestones resulted in the Met being taken out of 'Engage' in January 2025. The IPG meets monthly to provide delivery assurance of progress and undertakes scrutiny of specific business areas, programmes, and projects. Membership includes programme SROs and senior stakeholders from enabling functions such as Finance and Commercial.

* Source: Portfolio Delivery Report July 2025

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

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

Corporate Risk Management

Steps have been taken to strengthen the corporate risk management which has included updating the documented approach and guidance and refreshing corporate risk assessments, facilitated by corporate risk discussions at ExCo and deep dives at recent ARAC meetings. The DARA follow up review of Risk Management highlighted that there has been an improvement in the application of the framework across the organisation, with the roll out of risk management training and increased business engagement and central support. Further embedding effective risk management across the Met, integrated with business planning and performance management and the assurance framework, will help support a robust approach to the identification and management of key risks.

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

between risk categories and planning categories to ensure that risk discussions are directly linked to strategic objectives.

Corporate Assurance Framework

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

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

Organisational Learning – Addressing Areas of Improvement

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

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

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

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

The Commissioner continued to provide regular updates on progress made in the areas of improvement identified as part of the 'Engage' process to the HMICFRS Policing

MPS Internal Control Environment

Performance Oversight Group. Implementation of DARA recommendations has improved under the oversight of ARAC, particularly for those reviews receiving a limited assurance rating.

Workforce, Capacity and Capability

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

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

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

Culture, Diversity and Inclusion Framework

The Met acknowledges that building public trust and confidence continues to be a challenge and that there is more to do. Data from the latest Public Attitude Survey shows that 74% of Londoners agree the Met is an organisation that they can trust. Internally, efforts continue to improve the integrity of the organisation including the introduction of new policies to support removal of corrupt officers and more robust policies for business interests, gifts and hospitality and declarable associations. Ensuring that there is support for victims and reporters of wrongdoing and that leadership values are universally adopted and embedded across the whole of the Met is critical.

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

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

MPS Internal Control Environment

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

Information Management Governance and ICT Control Environment

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

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

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

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

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

Financial Control Environment

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

MPS Internal Control Environment

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

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

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

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

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

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

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

Environment and Sustainability

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

Commercial and Contract Management Framework

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

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

Professional Standards and Counter Corruption

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

As part of the Professionalism and Vetting Transformation Programme, Professional Standards Units (PSUs) were integrated into DPS, providing a centrally managed but locally delivered professional standards capability. DARA review of the revised framework found that there was effective oversight of investigations and appropriate training provided to teams. There has been a reduction in caseload and timeliness is reviewed with targets for completion, although this can be impacted by external factors in the event of an appeal. Communication across both internal and external stakeholders could be enhanced, and a stronger emphasis on performance outcomes will support the evaluation of how public complaints and misconduct issues affect the organisation, enabling more informed decision-making and fostering organisational learning.

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

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

MPS Internal Control Environment

The follow up of the Grievance Management review found a robust risk assessment has been carried out, increased security of data records, and improvements to training and guidance. Improved reporting of cases has impacted on timeliness and capacity, delaying the review of procedures. A more granular understanding of the underlying issues impacting on confidence and disproportionality needs to be supported by enhanced insight into individual behaviours and outcomes. This will strengthen existing performance measurement, monitoring and assurance provision. A continued focus on wider consultation and engagement and enhanced analytical capability will better inform decision making and increase confidence in the system.

Operational Control Environment

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

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

The audit of the Framework Supporting the Handling of Non-Police Firearms (NPFs) highlighted the need for a more strategic approach clarifying the corporate position on ownership, accountability, and non-compliance issues for NPFs to be supported by more clearly defined policy and process, risk management and training to support frontline officers where the key risk of harm lies. Ensuring that learning from review activity identifies and addresses root cause and is embedded into daily operations through procedure updates, training and assurance activity is key. A delivery plan is being developed to support implementation of the audit recommendations which sit across different business areas.

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

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

Internal Control Framework

DARA Activity

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

MPS Assurance Review Ratings

Rating	Initial Reviews	Initial Reviews %	Follow Up Reviews	Follow Up Reviews %
Substantial	0	0%	0	0%
Adequate	6	60%	7	87%
Limited	4	40%	1	13%
No	0	0%	0	0%
Total	10	100%	8	100%

MOPAC Assurance Review Ratings

Rating	Initial Reviews	Initial Reviews %	Follow Up Reviews	Follow Up Reviews %
Substantial	0	0%	0	0%
Adequate	4	100%	5	83%
Limited	0	0%	1	17%
No	0	0%	0	0%
Total	4	100%	6	100%

Comparison to Previous Year

For the MPS, the percentage of initial and follow up reviews rated limited has reduced since last year, reflecting the positive direction of travel and implementation of audit recommendations. MOPAC initial audit ratings remain at the same level as last year, and there has been an increase in the percentage of follow up reviews rated adequate.

Advisory Reviews

Advisory reviews also inform the annual opinions on the effectiveness of internal control, with work this year reflected in this report, including Met Corporate Assurance and Risk Management Frameworks, FLP Assurance, Performance Management and Counter Fraud Governance. In MOPAC advice included Oversight Governance, Risk Management, Core Processes and FOI and GDPR Governance. Additional work was also carried out to support both organisations in enhancing financial governance and spending controls.

Governance Advice

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

Management Action

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

Internal Control Framework

Counter Fraud

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

The DARA review of the governance framework supporting the Anti-Fraud, Bribery and Corruption Strategy for the Met is to support proactive action to promote fraud prevention and awareness and the integration and embedding of fraud risk management into the corporate approach, aligned to the wider counter corruption programme of work.

Other Review Activity

Met Health Safety and Wellbeing Audits

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

Met Information Assurance Audits

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

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

External Audit Annual Report for 2023/24

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

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

Met taken out of Engage Status

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

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

In June 2023, the Mayor's Office for Policing and Crime in London commissioned HMICFRS

Internal Control Framework

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

- Response to children missing from home
- Accuracy of risk recording
- Working with safeguarding partners

PEEL 2023–2025: An Inspection of Metropolitan Police Service

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

Outstanding – Nil

Good – Nil

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

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

Inadequate - Investigating crime; Managing offenders and suspects.

Causes of Concern were identified as follows:

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

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

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

DARA Strategic Approach and Performance

Shared Internal Audit Services

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

Risk and Assurance, Advice, Counter Fraud Activity and Insight

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

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

Equality, Diversity and Inclusion

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

External Liaison

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

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

Professional Standards and Audit Independence

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

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

DARA Strategic Approach and Performance

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

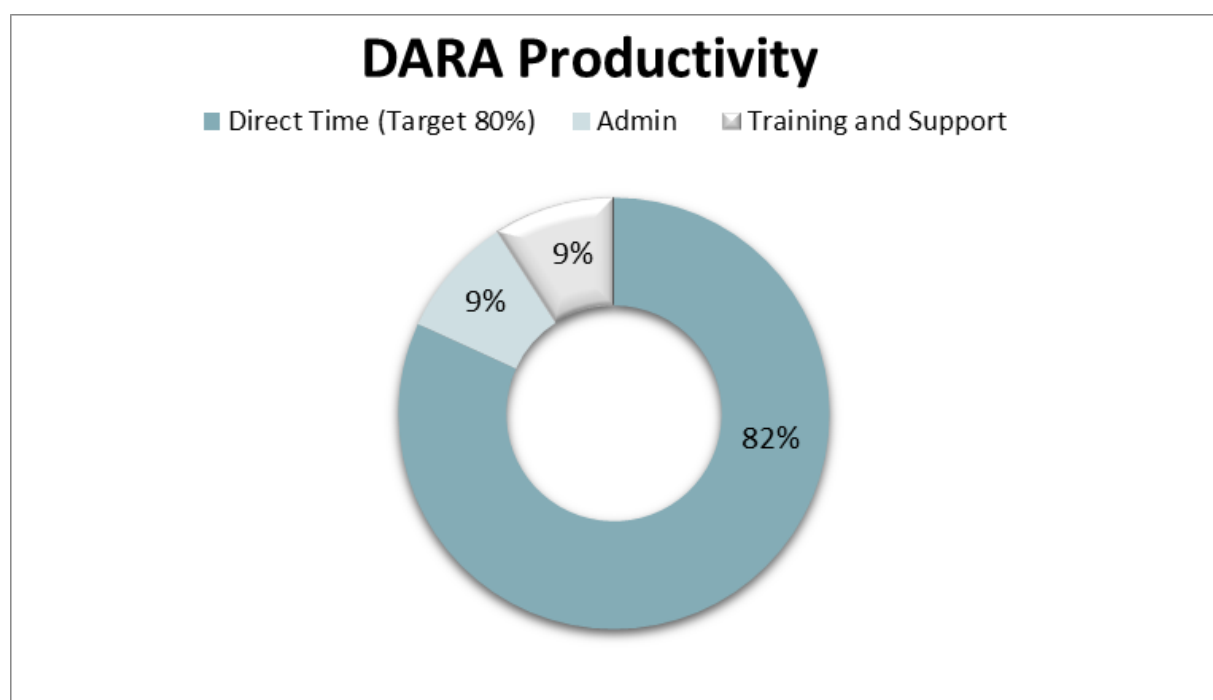
Planning and Delivery

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

Activity across each strand of work is summarised as follows:

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

* excludes contingency



Timeliness of Reviews

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

Insight and Influence

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

DARA Strategic Approach and Performance

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

Key Objectives for DARA in 2025/26

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

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

Key Control Themes Arising from DARA Review Activity

Accountability	Strategy Definition	Risk Management	Policy and Process	Capability and Capacity	Assurance	Management Oversight and Reporting
<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. • Clearly defined reporting lines. 	<ul style="list-style-type: none"> • Clarity of key strategic objectives in business areas. • Demonstrating link to corporate objectives/NMfL and risks. <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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"> • Identification of need to meet demand. • Effectiveness of Training delivery and evaluation • Deployment of resources to meet priorities. • Embedding organisational learning. • Knowledge Management – continuity in roles. 	<ul style="list-style-type: none"> • Definition of assurance requirements. • Provision of assurance across areas of strategic importance. • 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 to understand and respond to factors impacting performance.

**Most Frequent*

Summary of Risk Assurance and Advisory Activity

Met

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

Summary of Risk Assurance and Advisory Activity

MOPAC

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

Audit Assurance

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

Summary of Risk Assurance and Advisory Activity

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

Glossary

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

Statement of Compliance and Responsibility

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

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

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

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	30 October 2025
Presented by:	James Hunter - Deputy Director Strategic Planning and Risk
Title/Subject	MPS Audit and Risk Report
Purpose of the Paper	To update JAC on key audit updates, future audit review and reporting process change and the current position of corporate risk.

Recommendations

The Joint Audit Committee is asked to:

- Note the progress made to address outstanding DARA recommendations.
 - Note the changes to future audit reporting.
 - Note the refreshed corporate risk register (Annex B) and the update regarding the development and implementation of risk appetite and risk tolerance.
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1. Background/summary

- 1.1. This paper provides Joint Audit Committee with the progress to date on audit and risk activity.

2. Audit

- 2.1. As of 29 September 2025, the MPS has 54 open actions arising from four audits and four follow-up audits. Since the last ARAC meeting in June, the MPS has received the three audits listed below. Actions from these audits are included in the total number of open actions above; however, they have not yet been subject to a progress update request due to the timings of the audits and update cycle:
- MPS Corporate Risk Management Framework report (Level 3 working);
 - Professional Standards Units – Governance and Assurance Report (adequate)
 - Follow Up – Cloud Security and Management Framework (adequate).
- 2.2. The MPS has 4 overdue actions, 1 due by end of September and 3 with a deadline of August. These actions are from the Framework Supporting the Handling of Non-Police Firearms audit which is covered in detail in Annex A. Given the current quarterly reporting cycle, it is anticipated that these will report as closed in the November reporting period.

- 2.3. It has been agreed with DARA that from now on, DARA will take responsibility for reviewing the progress of open actions and will report their findings directly to the relevant boards. Leveraging their expertise, DARA will be well placed to determine whether progress is on track and to confirm when actions can genuinely be considered closed. This revised process will also enable DARA to review actions outside of the standard reporting cycle, providing a clearer indication of completion status. As a result, it is expected that the number of actions reappearing in follow up audits - despite being thought complete - will be significantly reduced.

3. **Risk**

- 3.1. After the report submitted to JAC in July, ExCo approved the update of the corporate risk register (Annex B). Upon their endorsement, a schedule for corporate risk deep dives has been developed in coordination with risk owners. Due to the cancellation of the September ARAC meeting, the first two deep dives - covering Victim Care and Reform Delivery - are now scheduled for presentation at the ARAC meeting on 2 December.
- 3.2. During the summer, progress has been made on developing the organisation's risk appetite and tolerance frameworks. Draft risk appetite statements and corresponding levels of appetite and tolerance have been prepared, drawing on examples from other policing and public sector bodies as well as HM Treasury's Orange Book. These proposals, together with an implementation plan, are scheduled for presentation to ExCo at the forthcoming risk meeting in November.

4. **Financial information**

- 4.1. The expenses incurred for corporate risk management are expected to be covered by the budget allocated to the respective unit.

5. **Key risks and metrics**

- 5.1. This paper presents elements of the Metropolitan Police's risk register and outlines ongoing initiatives to establish risk appetite and tolerance, thereby enhancing the Met's ability to effectively manage and monitor risks in pursuit of its strategic objectives.

6. **Further considerations**

- 6.1. Individual control owners are responsible for ensuring their activities to prevent and mitigate corporate risk consider race and diversity impacts. Equality Impact Assessments will be conducted on significant programmes of work.

7. Conclusion

- 7.1. This report provides an update to the Joint Audit Committee regarding the ongoing developments in risk and audit processes within the Met.

8. Recommendations

- Note the progress made to address outstanding DARA recommendations;
- Note the progress to address actions from the Handling of Non-Police Firearms audit (Annex A);
- Note the changes to future audit reporting;
- Note the refreshed corporate risk register (Annex B) and the update regarding the development and implement of risk appetite and risk tolerance.

Approval / consultation

Approved by Deputy Director Strategic Planning and Risk and signed off by Chief Strategy and Transformation Officer. This paper is not tabled elsewhere.

Name, job title of paper author

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

Appendices

Annex A – MPS Handling of Non-police firearms, Limited audit progress update – Official Sensitive

Annex B – MPS corporate risk register summary – Official Sensitive

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	20 October 2025
Presented by:	Head of Planning, Performance & Risk, MOPAC
Title/Subject	MOPAC Risk Management Report
Purpose of the Paper	This paper provides a high-level summary of MOPAC's top corporate risks, highlighting key areas of concern and opportunities to strengthen risk management across the organisation.

Recommendations

The Joint Audit Committee is asked to:

- a) Note MOPAC's top five corporate risks
 - b) Note delay to the publication of the 2024/2025 Annual Governance Statement and statement of accounts.
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1. Background/summary

1.1. **Purpose of the Report:** This six-monthly update provides a refreshed assessment of MOPAC's top five corporate risks, considering the latest developments. It also provides an update on the publication of the 2024/25 Annual Governance Statement and Statement of Accounts.

1.2. **AGS & Statement of Accounts Publication Update:** MOPAC has been unable to publish by the 30 September deadline due to Grant Thornton's continuing Value for Money opinion assessment. A statement has been agreed jointly between MOPAC and MPS and published on our website to explain the delay.

2. Paper content

2.1. Top five High Rated Risks:

- All top five risks are rated as high impact, with one of them identified as an issue. These risks are subject to close monitoring due to their likelihood of occurrence. The identified issue is being actively managed.
- Type of risks/issues:
 - 1 Strategic
 - 1 Operational
 - 1 Financial

- 1 Reputational
- 1 Compliance

3. Financial information

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

4. Key risks and metrics

4.1. Interdependencies/Cross-Cutting Issues

- 4.2. Efficiency savings and organisational change create shared risks for both MOPAC and the MPS. Delivering savings at pace can affect organisational resilience, workforce capacity and the ability to sustain frontline services. These risks cut across both organisations, meaning that decisions taken by one body may have a direct impact on the other. Oversight arrangements therefore need to ensure there is early visibility of planned changes and a clear process for managing the secondary impacts.
- 4.3. Financial pressures and uncertainty over external funding also create cross cutting risks. Both MOPAC and the MPS must plan within a constrained and uncertain financial environment. This can reduce flexibility, limit the ability to invest in priority areas and expose both organisations to political scrutiny. Coordinated planning and joint financial oversight remain critical. Without this, there is a risk of fragmented decision making, reduced accountability and missed opportunities to present a coherent response to funding challenges.

4.4. Risk 1 – Strategic - Possible (Likelihood) – High (Impact)

“At a time of reducing budgets and impact on headcount, MOPAC may not have the necessary capability to respond to new and existing challenges and priorities, including the delivery of the Police and Crime Plan (PCP), further impacting staff morale and wellbeing”.

Amid budget reductions and potential headcount constraints, MOPAC may not retain the capability or capacity needed to effectively respond to both existing and emerging challenges. This includes delivering on the priorities set out in the PCP 2025-2029.

A constrained workforce may limit flexibility and resilience affecting both strategic delivery and staff morale.

The overall risk score has remained, reflecting the organisation's ongoing financial pressures, workforce capacity issues, and the need for effective resource planning to sustain delivery. Scoring will be reviewed once the new corporate business plan and MOPAC's strategic plan has been implemented and delivered.

4.5. Risk 2 - Operational - Possible (Likelihood) – High (Impact)

“MOPAC faces a challenge to achieve £4.2m savings (with a stretch of £5m) to address a structural budget deficit from 26/27. Delivering this will require savings to MOPAC's workforce, commissioned services, and a need to become more efficient. With the potential for further savings to be required depending on MOPAC and the VRU's final 2026-27 settlement, there is a risk to MOPAC's overall efficiency and effectiveness without a clear and strategic approach to delivering the savings required”.

MOPAC faces considerable pressure to deliver efficiency savings, including potential headcount reductions. This is likely to impact the entire organisation and its current operating model, thereby challenging operational continuity and staff morale.

The scoring for this risk has been based on a combination of potential impact on MOPAC's operational capacity, workforce stability and delivery of strategic objectives. The scoring reflects both the strategic significance of the risk and the uncertainties surrounding future funding and resourcing.

MOPAC remains committed to prioritise staff wellbeing and clear communication throughout this transition.

4.6. Risk 3 – Financial - Issue (Likelihood) – High (Impact)

“MOPAC and the MPS's mid-term financial plan may not be sustainable or resilient due to rising financial pressures and the lack of confirmed external funding”.

MOPAC and the MPS face significant financial pressures in the medium term, exacerbated by rising costs and uncertainty of funding sources. This ongoing issue poses a high impact risk to the sustainability and resilience of the organisation, leading to reduced operational capacity, service disruption and challenges in delivering strategic priorities.

The risk is classified as an issue because it is currently impacting MOPAC and the MPS with rising financial pressures and uncertainty around external funding. To address and reduce this risk, we are continuously reviewing and updating MOPAC's financial planning to ensure it reflects changing circumstance and new information. We are maintaining proactive

engagement with funding bodies to secure long-term commitments. Additionally, scenario planning is in place to develop contingency strategies that prepare MOPAC for various funding and operational outcomes.

4.7. Risk 4 – Reputational - Possible (Likelihood) – High (Impact)

“MOPAC is not seen to be effectively fulfilling its oversight role in holding the MPS to account, including through the London Policing Board (LPB), resulting in perceptions of the Mayor and/or MOPAC not doing an effective job. A failure in effective oversight would also be an issue to the MPS and not act as an extra line of defence for them”.

This risk reflects the importance of transparency, credibility, and public trust in MOPAC’s role as a strategic oversight body of the MPS. A perceived failure to exercise effective oversight may weaken confidence in MOPAC. MOPAC is committed strengthening its oversight role to deliver against its key priorities and the outcomes MOPAC aims to deliver. To strengthen the foundation of evidence-based oversight, work continues to improve data-sharing arrangements, ensuring that MOPAC has timely and appropriate access to the information it needs.

4.8. Risk 5 – Compliance - Possible (Likelihood) – High (Impact)

“Failure to comply with relevant legislation, regulations or statutory guidelines could result in poor value for money, inefficiencies, and the inability to deliver against MOPAC’s agreed priorities/objectives. This could expose MOPAC to legal, financial, and reputational consequences.”.

This risk reflects the potential consequences of non-compliance with legislation, regulations, or statutory guidelines. Such failures could lead to inefficiencies, poor value for money and an inability to meet MOPAC’s priorities and objectives. the impact could be significant, including legal penalties, financial losses, and reputational damage. MOPAC is committed to ongoing compliance monitoring, staff training, and regular reviews of policies and procedures to ensure adherence to all relevant requirements.

5. Further considerations

- 5.1. MOPAC is continuing to develop its corporate business plan and refine its objectives, with risks and opportunities mapped against each corporate KPI to ensure a clear link between planning, performance and risk management.
- 5.2. To support this, the risk management framework is being refreshed and comprehensive training is being delivered across the organisation to build awareness and capability at every level, embedding risk management into day-to-day practice.
- 5.3. A MOPAC Risk Assurance Working Group (RAWG) has been established to strengthen collaboration, oversight and knowledge sharing. The Group

ensures that risks are identified, assessed and managed consistently across both directorate and corporate levels. An important function of the RAWG is the moderation of risk scoring, which provides assurance that risks are evaluated fairly and comparably, and that differences in assessment are appropriately challenged.

- 5.4. Risk consideration is also being embedded across governance and decision-making mechanisms, so that risks are properly factored into decisions on priorities, resources and accountability. This integrated approach is designed to strengthen MOPAC's risk culture and enhance organisational resilience in meeting both operational and strategic goals

6. Conclusion

- 6.1. Risks highlighted in this report focus on operational, financial, and strategic challenges exacerbated by the complex external environment and ongoing organisational change. These risks are being proactively managed through strengthened governance, enhanced risk framework and targeted mitigation strategies.
- 6.2. MOPAC remains committed to close monitoring and continuous improvement of its risk management processes, ensuring alignment with evolving priorities and external conditions. Through collaboration with the MPS and other partners, MOPAC aims to maintain resilience and deliver on its strategic objectives effectively and sustainably.

7. Recommendations

- 7.1. Note MOPAC's top five corporate risks.

8. Approval / consultation

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

Name, job title of paper author

Naomi Oldroyd-Simpson, Head of Planning, Performance and Risk

Appendices

Appendix A- MOPAC Corporate Risk Summary Position.

Appendix A: MOPAC Corporate Risk Overview

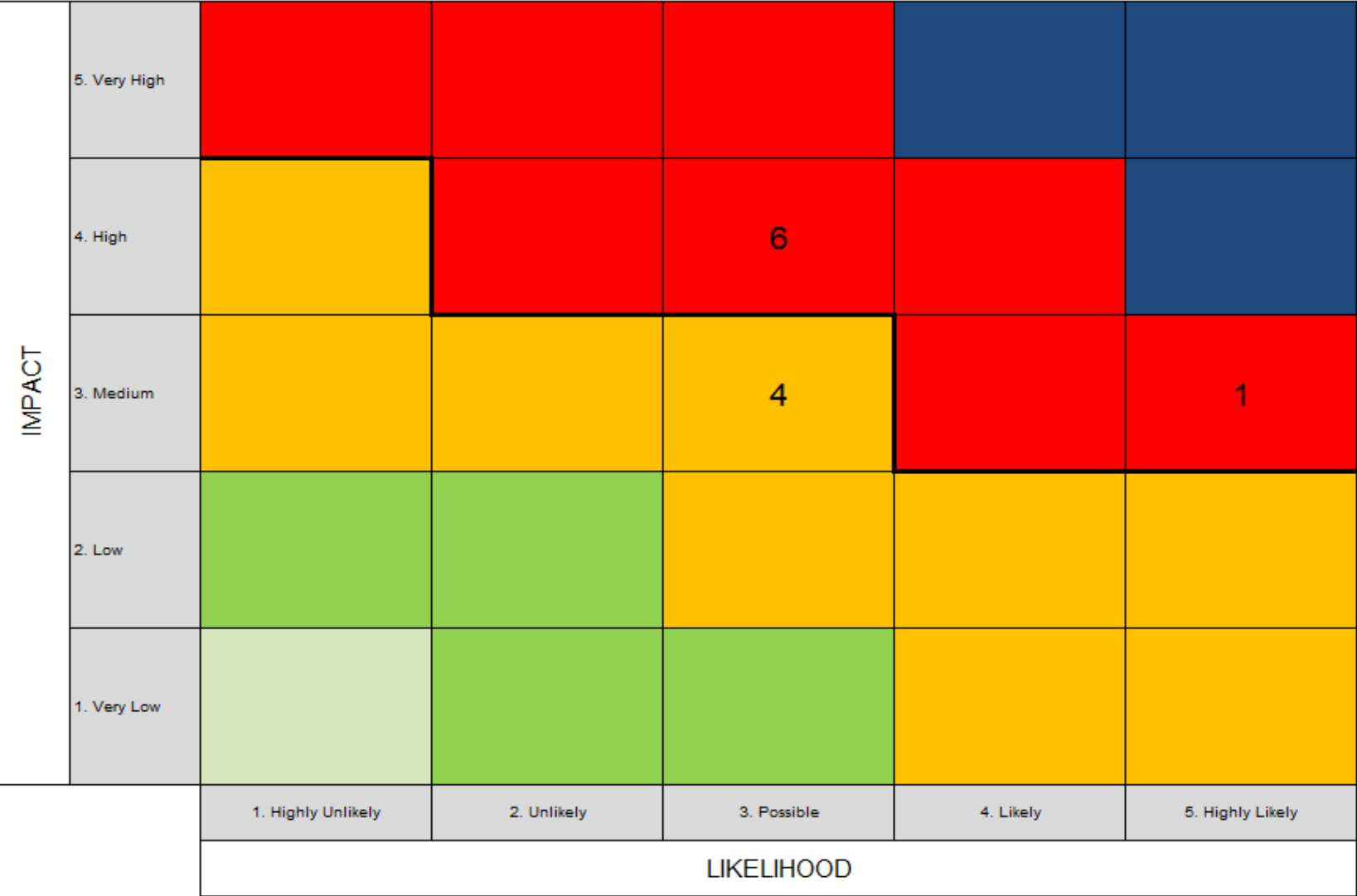
MOPAC Corporate Risks – October 2025

Rank	Orange Book Risk Category	Risk Description	Risk Owner	Overall Rating	Severity Score
1	Strategic	At a time of reducing budgets and impact on headcount, MOPAC may not have the necessary capability to respond to existing and new challenges and priorities, including the delivery of the PCP, further impacting staff morale and wellbeing.	Director of Strategy & Oversight	MAJOR	19
2	Operational	MOPAC faces a challenge to achieve £4.2m savings (with a stretch of £5m) to address a structural budget deficit from 26/27. Delivering this will require savings to MOPAC’s workforce, commissioned services, and a need to become more efficient. With the potential for further savings to be required depending on MOPAC and the VRU’s final 2026-27 settlement, there is a risk to MOPAC’s overall efficiency and effectiveness without a clear and strategic approach to delivering the savings required.	Chief People Officer	MAJOR	19
3	Financial	MOPAC's and the MPS' mid-term financial plan may not be sustainable or resilient due to rising financial pressures and uncertainty on future external funding following the spending review	Chief Finance Officer	MAJOR	19
4	Reputational	MOPAC is not seen to be effectively fulfilling its oversight role in holding the MPS to account, including through the LPB. A failure in effective oversight would also be an issue for the MPS and not act as an extra line of defence for them.	Director of Strategy & Oversight	MAJOR	19
5	Compliance	Failure to comply with relevant legislation, regulations, or statutory guidelines could result in poor value for money, inefficiencies, and the inability to deliver against MOPAC’s agreed priorities/objectives. This could expose MOPAC to legal, financial and reputational consequences.	Director of Strategy & Oversight	MAJOR	19

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

MOPAC Corporate Risks – October 2025

Heat Map of 'Live' Risks by Impact / Likelihood Rating



'Live' Issues by Severity Rating

Risk Rating	Description
Insignificant (0)	The consequences of the risk are so minor that have little or no effect on MOPAC. This is typically associated with a very low likelihood.
Minor (0)	The risk may cause a slight inconvenience or a small loss but has a limited effect. This is usually associated with a low to medium likelihood.
Significant (2)	The risk has a noticeable impact that cause moderate disruption and some effort to recover from. This is usually associated with a medium likelihood.
Major (1)	The risk would cause serious consequences, impacting MOPAC's strategic objectives. This is typically associated with a medium to high likelihood.
Severe (0)	The risk would result in catastrophic consequences that could seriously damage MOPAC. Immediate action and mitigation is necessary. This would be associated with a very high likelihood.

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	20 th October 2025
Presented by:	MOPAC Chief Finance Officer and Director of Corporate Resources
Title/Subject	MOPAC Counter Fraud Strategy
Purpose of the Paper	This paper sets out MOPAC's Counter Fraud Strategy

Recommendations

The Joint Audit Committee is asked to:

- Note the report.
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1. Background

- 1.1. This paper and supporting appendix sets out MOPAC's draft Counter Fraud Strategy. The paper is in draft and is due to be reviewed by MOPAC Board shortly. In the event of material changes it will be circulated as a 'to note' in a future Joint Audit Committee meeting.

2. Summary

- 2.1. One of the basic principles of public sector organisations is the proper use of public funds. It is, therefore, important that all those who work in the MOPAC are aware of the risk of, and means of enforcing the rules against, fraud, bribery, and other acts of dishonesty.
- 2.2. The Strategy sets out the regulatory framework in relation to fraud, bribery and corruption and money laundering within which MOPAC operates. It also sets out MOPAC's approach to managing fraud risk, including the policies and procedures that set out the control framework that protects MOPAC from fraudulent activity.
- 2.3. Roles and responsibilities are set out in the strategy. This includes the role of the Joint Audit Committee which has the responsibility for scrutiny and oversight of the joint audit function, including the specific objective for "*reviewing and monitoring the effectiveness of MOPAC strategies and policies for addressing issues of integrity and ethical behaviour and tackling fraud and corruption*". The Audit Panel also receives, as appropriate, information from Internal Audit, External Audit and any other Investigating Officers where suspected fraud has been investigated.
- 2.4. The Strategy is draft and is due to be reviewed by MOPAC Board shortly, after which a copy of the strategy will be published on MOPAC's website.

- 2.5. The strategy will be reviewed annually to ensure it remains up to date and reflects the latest legislation.

3. Financial information

- 3.1. The Chief Finance Officer (CFO) for MOPAC has a statutory responsibility for ensuring that adequate systems and procedures are in place to account for all income due and expenditure disbursements made on behalf of MOPAC, and that controls operate to protect assets from loss, waste, fraud, or other impropriety.

4. Key risks and metrics

- 4.1. Fraud risk is a component of risk management within MOPAC and will be considered and evaluated with appropriate controls and other management processes being put in place to reduce the likelihood of fraud occurring.

5. Further considerations

- 5.1. None.

6. Conclusion

- 6.1. The public expect the highest possible standards of all employees in public service, and MOPAC expects its staff to behave accordingly.
- 6.2. This strategy sets out clearly MOPACs approach to managing the risk of fraud and dealing with all aspects of fraudulent activity that may occur. The aim is to reduce fraud, bribery, and corruption to an absolute minimum.

7. Recommendations

- 7.1. The Joint Audit Committee are asked to note the Report.

Approval / consultation

The Anti Fraud Strategy is draft and is due to be reviewed by MOPAC Board shortly.

Name, job title of paper author

Annabel Cowell – Deputy Chief Finance Office and Head of Financial Management

Appendices

Appendix One – Draft Counter Fraud Strategy

MOPAC Anti-Fraud, Bribery & Corruption Strategy

MOPAC Counter Fraud Strategy

1. Introduction

- 1.1 One of the basic principles of public sector organisations is the proper use of public funds. It is, therefore, important that all those who work in the public sector are aware of the risk of and means of enforcing the rules against fraud, bribery, and other acts of dishonesty.
- 1.2 The public expect the highest possible standards of all employees in public service. The Mayor's Office for Policing and Crime (MOPAC) expect staff at all levels to lead by example, act with honesty and integrity and ensure adherence to legal requirements, rules, policies, and practices. Everyone who works at MOPAC must be aware that they must uphold and demonstrate high ethical standards of behaviour. MOPAC will not tolerate fraud, bribery, and corruption in the conduct of their business.
- 1.3 In carrying out its function and responsibilities, MOPAC is firmly committed to dealing with and reducing fraud, bribery and corruption and will seek the appropriate disciplinary, regulatory, civil, and criminal sanctions against perpetrators both within and outside the organisation.
- 1.4 The Chief Finance Officer (CFO) for MOPAC has a statutory responsibility¹ for ensuring that adequate systems and procedures are in place to account for all income due and expenditure disbursements made on behalf of MOPAC, and that controls operate to protect assets from loss, waste, fraud, or other impropriety.
- 1.5 MOPAC expects everyone to always act with integrity, to be honest and trustworthy and to comply with all policy and regulations at all times. Fraud, corruption, and bribery will not be tolerated.
- 1.6 In this document the generic term "employee" refers to MOPAC staff including VRU staff, volunteers, commercial partners and third parties acting on behalf of MOPAC.

2. Objectives

- 2.1 The objective of this document is to provide an anti-fraud, bribery, and corruption strategy for MOPAC. The strategy is supported by the MOPAC anti-fraud, bribery, and corruption response plan. This strategy is designed to;
 - Reduce losses due to fraud and corruption to an absolute minimum.
 - Maintain a "zero tolerance" culture to fraud and corruption.
 - Encourage sanctions and the implementation of recovery of monies where fraud is identified; and
 - Prevent fraud and corruption by designing and continuing to review policies and systems.

¹ under Section 151 of the Local Government Act 1972

- 2.2 As part of its strategic risk management process, MOPAC has a robust framework in place to mitigate risk of fraud and corruption.

3. Defining Fraud, Bribery and Corruption

Fraud

- 3.1 The Fraud Act 2006 creates a general offence of fraud and sets out three ways in which it can be committed;
- Fraud by dishonest false representation.
 - Fraud by dishonestly failing to disclose information.
 - Fraud by dishonestly abusing a position of trust.
- 3.2 In all three classes of fraud, for an offence to have been committed, a person must have been dishonest and have intended to make a gain or cause loss to another.
- 3.3 For the purposes of this policy, fraud will also include theft, forgery, concealment, and conspiracy. Fraudulent acts may include, but are not limited to:
- Stealing equipment
 - Submitting false expense or overtime claims
 - Misuse of MOPAC purchase card or MPS online systems like iProcurement
 - Intentionally overcharging for a service provided to MOPAC.
 - Manipulating or falsifying accounts, records or returns.
 - Irregular contract arrangement and other financial irregularities.

Bribery and corruption

- 3.4 For the purposes of this policy “corruption” is defined as the offering, promising, giving, requesting, receiving, or agreeing to accept an inducement or reward, (i.e., a bribe), which may influence a person to act against the interests of MOPAC. The definition of what constitutes a bribe is extremely broad and covers any financial or other advantage offered to someone to induce them to act improperly. The Bribery Act 2010 creates offences of:
- Offering, promising, or giving a bribe (active bribery)
 - Requesting, receiving, or agreeing to accept a bribe (passive bribery)
- 3.5 The Act also creates a new offence which can be committed by commercial organisations which fail to prevent persons associated with them (including third party providers) from bribing another person on their behalf. For the purposes of this policy, bribery and corruption acts may include, but are not limited to:
- Accepting a payment or other consideration to act other than in accordance with proper procedures,
 - Accepting private payments or rewards relating to official activity,
 - The favourable release of information to selected contractors/suppliers or other interested parties.

Money Laundering

- 2.6 Money laundering is a process by which the proceeds of crime are converted into asset that appear to have a legitimate origin so they can be retained permanently or recycled into other criminal enterprises.
- 2.7 Offences covered by the Proceeds of Crime Act 2002, the Money Laundering Regulations 2019 and the Terrorism Act 2000 will be considered and investigated in line with the anti-fraud and corruption framework.
- 2.8 The Proceeds of Crime Act 2002 makes provision in relation to money laundering, other than in relation to the laundering of terrorist's funds. The offences under the relevant provisions of the act including
- Offences involving a failure to disclose.
 - The offence of tipping-off
- 3.9 The Money Laundering Regulations' 2019 oblige organisations to have systems to detect and prevent money laundering.

4. Approach

- 3.1 Fraud risk is a component of risk management within MOPAC and will be considered and evaluated with appropriate controls and other management processes being put in place to reduce the likelihood of fraud occurring.
- 3.2 MOPAC has a number of interrelated policies and procedures that provide a framework to counter fraudulent activity. These are an important part of the internal control process, and it is important that all staff are familiar with them;
- Scheme of consent and delegation [mopac scheme of delegation](#)
 - Financial regulations (link to be added once document updated)
 - Contract regulations [Contract Regs FINAL](#)
 - Gifts and hospitality policy [MOPAC Gift and Hospitality Policy](#)
 - Business interest policy [Code of Conduct](#)
 - Whistleblowing and reporting wrongdoing policy [MOPAC Whistleblowing Policy](#)
- 4.3 This strategy sets out clearly the MOPAC approach to managing the risk of fraud and dealing with all aspects of fraudulent activity that may occur. The aim is to reduce fraud, bribery, and corruption to an absolute minimum by;
- Developing an anti-fraud, bribery, and corruption culture in MOPAC
 - Deterring fraud, bribery, or corruption where possible
 - Preventing fraud, bribery, or corruption where it cannot be deterred.
 - Detecting fraud, bribery, or corruption where it cannot be prevented.
 - Professionally and objectively investigating suspicions of fraud, bribery, or corruption where they arise.
 - Consistently applying a range of sanctions where fraud, bribery or corruption is proven.
 - Seeking redress to recover all funds obtained through fraud.

- Developing and maintaining a whistleblowing policy to enable members of staff, contractors, service providers, suppliers, and members of the general public report suspicions of fraud, bribery, and corruption.
- Developing and maintaining a gifts and hospitality policy and associated register to be published externally.
- Developing and maintaining a business interest policy
- Disclosing annually any material transactions with related parties²

4.4 The key aim of the strategy is to ensure that public funds entrusted to MOPAC are protected against fraud and loss. To do these the key objectives of this strategy are;

- Prevention
- Detection
- Investigation
- Sanctions and redress

Prevention

4.5 All employees have a duty to protect the assets of the MOPAC, which includes information and goodwill, as well as property, and MOPAC encourages anyone having suspicions of fraud, corruption, and bribery to report them.

4.6 The key components in preventing fraud is the development of an anti-fraud and bribery culture, which sets and maintains high ethical standards and behaviours. This is achieved through the establishment of an effective internal control framework, effective communication, supervision and review, and appropriate training.

To achieve this MOPAC will:

- Undertake effective recruitment and staff vetting to ensure the integrity of all new staff.
- Communicate the Code of Conduct
- Evaluate policy and procedure documents relating to fraud, bribery, and corruption to confirm they reflect up to date changes in operational and service delivery and ensure they are fit for purpose.
- Provide fraud and bribery awareness training to all staff and officers consisting of key messages focussing on high-risk areas of the organisations.
- Ensure business areas are responsible for the effective management of their fraud risks and provide an annual confirmation that the key controls are operating effectively.
- Ensure appropriate sanctions are applied in proven cases of fraud and corruption.

² Related Party Disclosure note in MOPAC financial accounts.

- Publicise (where possible) the outcomes of proven fraud and corruption cases to act as a deterrent.
- Provide information to the National Fraud Initiative (NFI).

Detection

- 4.7 The early detection of fraud acts as a deterrent and contributes to the establishment of an anti-fraud culture. Detection methods include whistle blowing and reporting arrangements, audit and inspection, supervision, and review plus local pro-active reviews, using analytical techniques to identify potential fraud and corruption.

Investigation

- 3.7 All reported suspicions of fraud are thoroughly investigated by appropriately skilled staff, in a fair, consistent, timely and professional manner.

Sanctions and redress

- 3.8 Following the conclusion of an investigation, if there is sufficient evidence of fraud, bribery, or corruption then appropriate disciplinary, regulatory, civil and/or criminal sanctions against perpetrators both within and outside MOPAC will be undertaken.

5. Roles and responsibilities

Deputy Mayor for Policing and Crime

- 5.1 The Deputy Mayor for Policing and Crime (DMPC) has a duty to protect the assets of MOPAC and avoid any suspicion of impropriety. The DMPC must ensure proper financial practice and adherence to all codes of ethics and standards.
- 5.2 The DMPC maintains a whistle blowing policy that enables staff to make allegations of fraud, misuse, and corruption in confidence and without recrimination, to an independent contact. The Policy will ensure that allegations are properly investigated to ensure that they are not malicious and that the appropriate action is then taken to address any valid concerns identified.
- 5.3 The DMPC also maintains a corporate register of hospitality and gifts which is published externally, business interests and additional employment.

Joint Audit Committee

- 5.4 Joint Audit Committee has the responsibility for scrutiny and oversight of the joint audit function. A specific objective of the Audit Panel is “reviewing and monitoring the effectiveness of MOPAC strategies and policies for addressing issues of integrity and ethical behaviour and tackling fraud and corruption”. The Audit Panel also receives, as appropriate, information from Internal Audit, External Audit and any other Investigating Officers where suspected fraud has been investigated.

Chief Finance Officer

- 5.5 The Chief Finance Officer (CFO) has a statutory responsibility under Section 151 of the Local Government Act 1972 for ensuring that adequate systems and procedures are in place to account for all income due and expenditure disbursements made on behalf of MOPAC and that controls operate to protect assets from loss, waste, fraud, or other impropriety.
- 5.6 The CFO is responsible for:
- undertaking a continuous internal audit of the accounting, financial and other operations within MOPAC, including to what extent assets and interests are accounted for and safeguarded from losses due to fraud and other offences.
 - monitoring the actions taken in respect of all allegations of fraud reported irrespective of whether the matter is the subject of criminal investigation with regard to any loss, financial irregularity, or suspected irregularity, including those relating to cash, physical assets, or other property of the organisation.
 - Undertaking an annual review of the MOPAC Anti-Fraud, Bribery & Corruption Strategy to ensure the strategy is kept up to date with any legislation changes or new types of fraud activity.
- 5.7 The CFO will undertake pro-active work within the agreed Internal Audit Plan to detect cases of fraud and corruption, particularly where system weaknesses have been identified. In addition, the CFO is responsible in consultation with DARA (Director of Audit, Risk and Assurance) for ensuring that there is a full review of procedures to prevent any recurrence.

Directorate of Audit, Risk and Assurance (DARA)

- 5.8 In consultation with the CFO, DARA has responsibility to ensure that there is a full review of procedures to prevent any recurrence where an enquiry establishes that a fraud or theft has occurred.

MOPAC Managers

- 5.9 All staff in management positions are responsible for ensuring that corporate procedures and systems of internal control are in place to safeguard the resources for which they are accountable. To help achieve this, managers have a responsibility to ensure their staff are aware and comply with requirements of the Code of Conduct, Financial Regulations, and other policies and regulations.
- 5.10 All staff in management positions must ensure that effective procedures, practices, and controls are in operation in their area or responsibility to minimise the opportunity for fraud and corruption.
- 5.11 As part of their stewardship role managers should be aware of all the areas within their service where the risk of fraud and corruption is high and must satisfy themselves that adequate controls are in place to detect irregularities at the earliest opportunity. There must be controls in place to:
- Safeguard assets.

- Check and evidence compliance with MOPAC policies and procedures.
- Ensure that resources are applied in the manner and on the activities intended.
- Minimise the opportunity for fraud and detect any instances of financial dishonesty.
- Ensure that expenditure is properly authorised and incurred only for the purposes which the funds were provided.
- Ensure that all income is identified, collected, and accounted for.

MOPAC Employees

5.12 All employees have a duty to protect the assets of MOPAC, which include information and goodwill, as well as property, and MOPAC encourages anyone having suspicions of fraud, corruption, and bribery to report them. All employees can do this in the knowledge that such concerns will be treated in confidence and will be properly investigated.

5.13 All employees must declare;

- Any pecuniary interest in contracts and must not accept fees or rewards other than by proper remuneration.
- All offers of gifts and hospitality whether accepted or declined. These must be declared and properly recorded in accordance with the Gifts and Hospitality Policy.
- Any business interest or additional employment. All MOPAC employees are required to declare any business interest.

5.14 All employees must bring to the attention of their line managers any areas of activity where systems of control appear inadequate, or there seems to be a risk that MOPAC property or interests can be misused or misappropriated.

Third Parties

5.15 The attention of all employees working for third parties acting on behalf of the MOPAC must be drawn to this policy, as there is a requirement for them to adhere to the requirement for MOPAC managers and staff.

Report to:	MOPAC / MPS Joint Audit Committee
Date of the meeting:	20 October 2025
Presented by:	Jayne Scott, Audit Committee Chair
Title / Subject:	Joint Audit Committee Effectiveness Review Self-Assessment 2024/25
Purpose of the paper:	This paper provides the self-assessment review of effectiveness which was carried out by the Committee in October 2025.

Recommendations

The Joint Audit Committee is recommended to note its self-assessed review of effectiveness for 2024/25.

1. Background/summary

- 1.1. We concluded that we continue to operate effectively against best practice for audit committees but that there are areas where we still feel we could improve.
- 1.2. We have summarised the issues below and would now request feedback from all colleagues and Committee attendees.

2. Positives identified

- We consider that we continue to operate in the role of critical friend.
- We have continued to strengthen relationships with MOPAC and MPS colleagues.
- We meet best practice for audit committees as set out by NAO and others.
- We have the right mix of skills and experience on the Committee to effectively undertake our role.
- There is good engagement at Committee meetings with open discussion.
- The quality of papers has improved over the year which has supported quality discussions at meetings.

3. Areas for further development

- As a Committee we are not yet clear where we can add most value to MOPAC and MPS. We would therefore request greater engagement from colleagues in the development of our annual work programme. It would also be good to consider how to ensure “buy in” to our annual work programme which is demonstrable through both organisations.
- It would be good to receive a “State of the nation” view from the Deputy Mayor for Policing and Crime and/or Deputy Commissioner ahead of reviewing our annual work programme.
- We aim to build upon the good working relationships established but we recognise the need to minimise the time requirement for additional meetings outside Committee meetings. We would welcome advice on how to get the right balance of input/time, for example, in undertaking deep dives in areas where we might add most value.
- We consider that site visits for the Committee remain important to better understand key issues and will aim to schedule visits at least on an annual basis.
- We recognise the recent senior leadership changes at both MOPAC and MPS and will work to develop effective relationships.
- We recognise the need for the Committee to do more to assess what effective oversight looks like and how we can provide assurance on this key aspect.
- We consider we could do more to demonstrate how good governance directly impacts front line services for communication throughout both organisations.
- We will work with colleagues to consider how we can support the drive to reduce the size and cost of MPS headquarters.
- We could still be better aligned with the work of the London Policing Board and the MPS ARAC and should use our annual work programme to review alignment.
- Risk management is still in development within both organisations, and we recognise that risk appetite is not yet fully defined (although used very effectively in operational settings). We should consider how the Committee can most effectively add value to risk management maturity.

- We consider colleagues could still make better use of our skills and experience in areas such as systems transformation, culture, performance management and risk.

4. Next steps

- 4.1. We now seek feedback from colleagues on the issues raised in this report as well on any other areas where our effectiveness could be improved.
 - 4.2. We will develop an action plan ahead of our next Committee meeting.
 - 4.3. We will incorporate key messages into our annual report to the DPMC and Deputy Commissioner.
-

Report to:	MOPAC/MPS Joint Audit Committee
Date of the Meeting:	20 October 2025
Presented by:	Paul Oliffe, Director of Financial Management
Title/Subject	Write-off of irrecoverable debt - 2024/25 annual
Purpose of the paper	This paper provides an update on the annual review of irrecoverable debt

Recommendations

The Joint Audit Panel is recommended to:

- Note the level of proposed write-off of irrecoverable debts which will require DMPC approval.
-

1. Background/summary

- 1.1. The MOPAC Scheme of Consent and Delegation, provides that the Deputy Mayor for Policing and Crime (DMPC) has the delegated authority to approve the write-off of all debts which are considered irrecoverable.
- 1.2. The approach in the MPS is to recover all debts including salary and pension overpayments made to employees. Consequentially debts will only be written off when all reasonable recovery actions have been considered. Even after a debt has been written off, if the debtor is traced or further information is received the debt will be written back on and the debt will again be pursued.
- 1.3. The MPS and SSL staff have reviewed the facts behind each instance before considering whether a debt is irrecoverable. Each case has been considered on its own merits and recommendations made accordingly. Circumstances which may lead the MPS to consider a debt to be irrecoverable or not in the MPS interests to pursue include:
 - In cases of bankruptcy, insolvency or where there is an administration order.
 - Shared culpability where there is acceptance that the individual was incorrectly advised or was not otherwise fully aware of the overpayment, for instance where the line manager misunderstood regulations around part time pay and entitlements.
 - Where the debtor is untraceable.

- Where the claims have been referred to the County Court, a County Court Judgement obtained but the Court itself is unable to pursue the debt.
- Where it is considered not in the interests of the MPS to pursue.
- Where the employee/pensioner can prove that there was no overpayment and that they were entitled to receive the money; and
- Where the employee/pensioner can demonstrate that it would be inequitable for them to repay either part or the full amount.

2. 2024/25 Annual Review

2.1. In line with the MOPAC Scheme of Delegation and Consent, approval will be sought from the DMPC to write off £1,088,681 of debts where the debts are considered irrecoverable and £20,539 of debts which are considered uneconomical to pursue. These are summarised in the tables below and detailed in Appendix 1. Source documentation is available for review if required.

2.2. The values of irrecoverable debts are as follows:

Irrecoverable Debt Payroll	Write-Off Value (£)
Payroll: overpayments: Historical	815,953
Payroll: overpayments: MPS error	5,382
Payroll: overpayments: Bankruptcy	12,838
Payroll: overpayments: Not in MPS interests to pursue	47,808
Payroll: overpayments: Death in Service	27,368
Payroll: overpayments: Untraceable debtor	3,273
Pension Payroll: overpayments: Not in the MPS interests to pursue	166,841
Debtors	
Unable to pursue	9,218
Total Irrecoverable	1,088,681

2.3. There are other instances where a debt is of a low value and/or any further pursuit of the debt through the small claims court would cost more than the value of the debt. In these cases, it is considered uneconomical to pursue.

Low value/uneconomical debt (trade debtors and payroll overpayments)	Write-Off Value (£)
Payroll Uneconomical to pursue	10,612
Trade debtors: Uneconomical to pursue	9,923
Low value cash discrepancy (under and overpayments by trade debtors)	4
Total Uneconomical	20,539

2.4. The objective must always be to keep write offs to a minimum. Line managers must inform HR in a timely manner where employees are leaving or where there

are changes in working hours/arrangements. New improved leavers journeys have been introduced in MyHub to support LMS in managing their leavers. This coupled with direct communications and action from the BPO is having a positive action on overpayments recovery.

- 2.5. The MPS has an overpayment process that has been established with intention to enable the MPS to recover most of the overpayments. The process enables MPS-MBS and the individual to resolve the matter and agree a reasonable payment plan without the need to start debt recovery, which could lead to court proceedings. This has been found to be successful with early resolution and agreed repayment plans. When there is a challenge, the aim is to find a resolution with the assistance of the individual's Line Manager. We extend the repayment period when required to ensure the MPS recovers the overpayment in full.
- 2.6. All major payroll write-offs, those with large amounts, are discussed within the MBS-Payroll team which includes the Director of MBS before a decision is taken on how to proceed. All evidence is reviewed and, if appropriate, advice is sought from Legal Services to seek recovery through the courts.
- 2.7. The total value of payroll overpayment write-offs is £923,236 for 624 individuals.
- 2.8. The MPS-MBS payroll team have continued to review historical overpayments, that had exceeded the Limitation Act and there was no correspondence with the individual for over 6 years. A total of 363 officers and staff, with overpayments totalling £815,953, were identified who had resigned or retired. The legal advice is that we would be unsuccessful with a claim through the courts, and they have recommended write-off action.
- 2.9. Sadly, we have also had a number of deaths in service where the overpayment exceeded the final pay to the next of kin. We do recover money if there is a credit for it to be deducted from, in these cases there was insufficient funds to recover the overpayment.
- 2.10. The total amount of pension overpayments for write-off approval is £166,840 for 91 individuals. Many of these cases are in respect of the death of a pensioner and result from a delay between the death of the pensioner and informing Equiniti to cease payment of the pension. Equiniti has allocated a dedicated resource to review all aspects of their pension administration with the MPS and produce more timely management information.

3. Financial Information

- 3.1 The financial implications are set out in the report and total debt recommended for write off is £1,109,220.

4. Further Consideration

- 4.1 The MOPAC Scheme of Consent and Delegation provides authority to the DMPC to approve the write-off of all debts considered irrevocable. The DMPC may therefore approve the recommendations set out in this report.

5. Key risks and metrics

- 5.1. The MPS-MBS payroll team continually review and improve payroll processes with SSL and hold monthly meetings to discuss and review overpayments and their progress.

6. Conclusion

- 6.1 This report updates the Joint Audit Committee on the value of the debt write-off that will be submitted, in line with the MOPAC Scheme of Delegation and Consent, for approval from the DMPC to write off £1,088,681 of debts where the debts are considered irrecoverable and £20,539 of debts which are considered uneconomical to pursue.

Approval/consultation

Peter Reid - Senior Payroll Lead

Francois Bibeau - Head of Employee Services

Mark Wilson – Director of Met Business Services

Carolyn White – Accounts Receivable/Cash and Banking Lead

Name, job title of paper author

Paul Oliffe, Director of Financial Management

Appendices

Annex 1 – Case details

Note Appendix 1 is exempt from disclosure under Data Protection Section 40 and Commercial Interest Section 43 of the FOIA.

Report to:	MOPAC/MPS Joint Audit Committee
Date of the meeting:	20 October 2025
Presented by:	MOPAC Chief Finance Officer and Director of Corporate Services
Title/Subject	Treasury Management Outturn 2024/25
Purpose of the Paper	The paper sets out the Treasury Management outturn position for 2024/25

Recommendations

The Joint Audit Committee is asked to:

- Note the Treasury Management Outturn position for 2024/25
-

1. Summary

- 1.1. In accordance with a requirement under the Treasury Management in the Public Services Code of Practice (The Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), this paper sets out the activities of the MOPAC Group's treasury management operation for 2024/25.

2. 2024/25 Outturn

- 2.1. The MOPAC Group's invested balances increased over the financial year from £7.4m as at 31 March 2024 to £188.0m as at 31 March 2025.
- 2.2. The MOPAC Group's long-term outstanding borrowing increased from £479.6m as at 31 March 2024 to £873.0m as at 31 March 2025. This reflects new long term external borrowing of £400.0m that was undertaken during 2024/25 to further align the debt portfolio with the Group's long term capital financing requirement and to manage associated treasury risks including interest rate risk and liquidity risks.
- 2.3. Interest receivable income achieved during 2024/25 was £15.2m against a budget of £13.3m, an overperformance of £1.9m. This was driven by a marginally higher rate of return than assumed in the budget, as well as higher average cash balances.
- 2.4. Interest payable on external borrowing for 2024/25 was £17.2m against a budget of £25.9m, an underspend of £8.7m. This was driven by lower than anticipated borrowing on average throughout the year.

- 2.5. All 2024/25 Treasury activity has been within the boundaries and levels set by the MOPAC Group in its Treasury Management Strategy Statement on 18 March 2024, DMPC Decision PCD 1624.

3. Financial information

- 3.1. As set out above

4. Key risks and metrics

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

5. Further considerations

- 5.1. None

6. Conclusion

- 6.1. The MOPAC Group's invested balances increased over the financial year from £7.4m as at 31 March 2024 to £188.0m as at 31 March 2025, reflecting the new long term external borrowing of £400.0m that was undertaken during 2024/25.
- 6.2. All investment and borrowing activity during 2024/25 was undertaken within the guidelines and objectives set out in the relevant policy and investment and borrowing strategies.

7. Recommendations

- 7.1. Note the Treasury Management Outturn position for 2024/25

Approval / consultation

The Treasury Management Outturn 2024/25 position was approved by the DMPC on 26 September 2025 following discussion at MOPAC Board.

Name, job title of paper author

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

Appendices

Appendix One - PCD 1877 – Treasury Management 2024/25 Outturn

Appendix Two - 2024/25 MOPAC Treasury Management Outturn Report

DMPC Decision – PCD 1877

Title: Treasury Management 2024/25 Outturn

Executive Summary:

This report is submitted in accordance with a requirement under the Treasury Management in the Public Services Code of Practice (The Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), which requires the submission of an outturn report on the activities of the MOPAC Group's treasury management operation.

The MOPAC Group's invested balances increased over the financial year from £7.4m as at 31 March 2024 to £188.0m as at 31 March 2025.

The MOPAC Group's long-term outstanding borrowing has increased from £479.6m as at 31 March 2024 to £873.0m as at 31 March 2025. This reflects new long term external borrowing of £400.0m that was undertaken during 2024/25 to further align the debt portfolio with the authority's long term capital financing requirement and to manage associated treasury risks including interest rate risk and liquidity risks.

Interest receivable income achieved during 2024/25 was £15.2m against a budget of £13.3m, an overperformance of £1.9m. This was driven by a marginally higher rate of return than assumed in the budget, as well as higher average cash balances.

Interest payable on external borrowing for 2024/25 was £17.2m against a budget of £25.9m, an underspend of £8.7m. This was driven by lower than anticipated borrowing on average throughout the year.

All 2024/25 Treasury activity has been within the boundaries and levels set by the MOPAC Group in its Treasury Management Strategy Statement on 18 March 2024, DMPC Decision PCD 1624.

Recommendation:

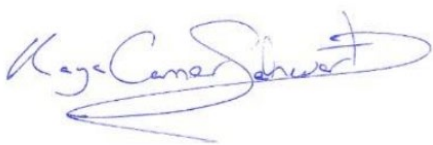
The Deputy Mayor for Policing and Crime is asked to note the performance of the Treasury Management function for 2024/25.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date: 26/9/2025

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. The CIPFA Treasury Management in Public Services Code (The Code) requires that organisations be updated on treasury management activities regularly (as a minimum a Treasury Management Strategy, mid-year and annual performance reports).
- 1.2. This report represents the annual performance report for the 2024/25 financial year and ensures that MOPAC is implementing best practice and the requirements of The Code.
- 1.3. Treasury management has been delegated to the Greater London Authority (the GLA) under Section 401(A) of the GLA Act. The GLA relies on its own officers together with those of London Treasury Limited (LTL), its wholly owned subsidiary authorised and regulated by the Financial Conduct Authority (FCA), to deliver its treasury management shared service.
- 1.4. MOPAC is both a participant in the GLA treasury management shared service and a limited partner in London Treasury Liquidity Fund. This fund is structured as an Alternative Investment Fund (AIF) and provides regulated oversight and assurance via its management by an independent Alternative Investment Fund Manager (AIFM), is scalable and reduces individual participants' accounting burdens.
- 1.5. The annual outturn report at Appendix 1 has been prepared by GLA Group Treasury and provides details of performance against the TM Strategy Statement (TMSS) 2024/25, approved by the DMPC on 18 March 2024 (PCD 1624). The report provides a review of investment performance for 2024/25, and reviews specific Treasury Management prudential indicators defined by the Code and approved by MOPAC in the TMSS.

2. Issues for consideration

2.1. Investment

MOPAC's investment balances in the London Treasury Liquidity Fund (LTLF) were £188.0m at 31 March 2025 (and averaged £277.5m over the course of the financial year). Returns on MOPAC's investments during the Reporting Period were £15.2m against an interest receivable budget for the Reporting Period of £13.3m, an overperformance of £1.9m. This was driven by a marginally higher rate of return than assumed in the budget, as well as higher average cash balances.

2.2. Debt Management

MOPAC's external borrowing increased from £589.6m at 31 March 2024 to £873.0m at 31 March 2025. New long term external borrowing of £400.0m from the PWLB was undertaken during 2024/25. The borrowing was undertaken to further align the debt portfolio with the authority's

long term capital financing requirement and to manage associated treasury risks including interest rate risk and liquidity risks. £110m of existing short-term external borrowing was also repaid during the year while existing long term loans of £6.6m matured.

2.3. Compliance

All treasury activities were within the Treasury indicators set in the TMSS, and borrowing was within the borrowing limits set by the Mayor for MOPAC. MOPAC CFO confirms that, based on reporting and assurances from the GLA shared service function, throughout the period all treasury activities have been conducted within the parameters of the TMSS 2024/25, alongside best practice suggested by the CIPFA TM Code and Central Government.

2.4. Prudential Indicators

Appendix 1 includes the maturity profile for the borrowing portfolio, and performance against the prudential indicators set as part of the 2024/25 TM Strategy. All indicators were met.

3. Financial Comments

- 3.1. The cost of external borrowing for 2024/25 was £17.2m. Interest receivable income achieved during 2024/25 was £15.2m. Both external borrowing costs and interest receivable over achieved against revised budgets. This was driven by slightly differing rates to those assumptions in the budget, as well as assumed average balances. The variance was significantly reduced to 2023/24 which shows forecasts and budget setting were more accurate in 2024/25.

4. Legal Comments

- 4.1. Under Section 1 of the Local Government Act 2003, MOPAC as a local authority defined under s23 of that Act, may borrow money for any purpose relevant to its functions under any enactment, or for the purpose of the prudent management of its financial affairs.
- 4.2. The Mayor is required under s3 of the Local Government Act 2003 to determine how much money the GLA and each functional body (which includes MOPAC) can afford to borrow. In complying with this duty, Regulation 2 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 required the Mayor to have regard to the Prudential Code for Capital Finance in Local Authorities when determining how much MOPAC can afford.
- 4.3. MOPAC's scheme of delegation provides that the Chief Finance Officer, as the s127 officer, is responsible for the proper administration of the MOPAC's financial affairs.

5. GDPR and Data Privacy

- 5.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work on behalf of MOPAC are fully compliant with the policy and understand the GDPR responsibilities.
- 5.2. This report does not use personally identifiable data of members of the public therefore there are no GDPR issues to be considered.

6. Equality Comments

- 6.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.2. There are no equality and diversity implications arising from this report.

7. Background/supporting papers

- Appendix 1- Treasury Management Outturn 2024/25 (MOPAC)

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – NO

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Chief Finance Officer has been consulted on this report.

✓

Legal Advice:

Legal advice is not required.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

GDPR/Data Privacy

- GDPR compliance issues are covered in the body of the report.
- A DPIA is not required.

✓

Director/Head of Service:

The Head of Financial Management has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

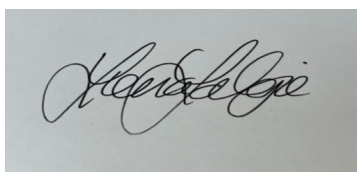
✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

Date: 24/9/2025



Appendix 1

2024-25 Treasury Management Outturn Report

1 Introduction

- 1.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services, the CIPFA Prudential Code for Capital Finance in Local Authorities and the Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Government Investments. It provides details of MOPAC's investment and borrowing activities for the period from 1 April 2024 to 31 March 2025 which requires the submission of an outturn report on the activities of MOPAC Group's treasury management operation.
- 1.2 MOPAC's investment balances in the London Treasury Liquidity Fund (LTLF) were £188.0m at 31 March 2025 (and averaged £277.5m over the course of the financial year). Returns on MOPAC's investments during the reporting period were £15.2m against an interest receivable budget for the reporting period of £13.3m, an overperformance of £1.9m.
- 1.3 MOPAC's external borrowing increased from £589.6m at 31 March 2024 to £873.0m at 31 March 2025. New external borrowing was undertaken in February and March 2025 to further align the debt portfolio and to manage the associated treasury risks of being under-borrowed by a significant amount against MOPAC's underlying need to borrow (its Capital Financing Requirement).
- 1.4 All treasury activities have been conducted within the parameters of MOPAC's Treasury Management Strategy Statement for 2024-25 (TMSS) which was approved on 18 March 2024.
- 1.5 Treasury management has been delegated to the Greater London Authority (the GLA) under Section 401(A) of the GLA Act. The GLA relies on its own officers together with those of London Treasury Limited (LTL), its wholly owned subsidiary authorised and regulated by the Financial Conduct Authority (FCA), to deliver its treasury management shared service.

2 Economic Update

- 2.1 MUFG Corporate Markets (MUFG, previously Link Group) has been appointed as treasury advisors to the GLA and the treasury management shared service participants. The follow commentary is adapted from information provided by MUFG.
- 2.2 UK inflation remained above the Bank of England's 2% for much of 2024/25. Having started the financial year at 2.3% year-on-year (April), the CPI measure of inflation briefly dipped to 1.7% in September before picking up again in latter months of the year, reaching 2.8% in February. Inflation has continued to rise in the first quarter of 2025/26: the latest reading (May 2025) is 3.4%.
- 2.3 Geopolitical risks have remained elevated and trade tensions have dominated the global economic foreground as the Trump administration has introduce new tariff policies on US trade with the rest of the world. Under these conditions, UK economic growth is expected to be limited: in March 2025 the Office for Budget Responsibility reduced its 2025 GDP forecast for the UK economy to 1% (previously 2% in October 2024) noting that the economic and fiscal outlook has become more challenging since the Chancellor's Autumn Budget.
- 2.4 Against this backdrop, the Bank of England's Monetary Policy Committee (MPC) maintained a cautious approach to reducing base interest rates over the course of the year. Bank Rate, which

started the financial year at 5.25%, has been gradually reduced to its current level of 4.25% (following the MPC's most recent 0.25% cut at its meeting in May).

- 2.5 Gilt yields (borrowing costs) rose significantly over the second half of the year and have remained elevated ever since. As a consequence, the yield curve is now somewhat steeper compared to the start of the year.
- 2.6 The table below provides a snapshot of the challenge facing central banks: inflation pressures remain, labour markets are still relatively tight by historical comparisons, and central banks are also having to react to a fundamental re-ordering of economic and defence policies by the US administration.

	UK	Eurozone	US
Bank Rate	4.25%	2.0%	4.25%-4.5%
GDP	0.1%q/q Q4 (1.1%y/y)	+0.1%q/q Q4 (0.7%y/y)	2.4% Q4 Annualised
Inflation	2.8%y/y (Feb)	2.3%y/y (Feb)	2.8%y/y (Feb)
Unemployment Rate	4.4% (Jan)	6.2% (Jan)	4.1% (Feb)

3 Rate Forecasts

- 3.1 As part of its advisory services, MUFG provides interest rate forecasts. MUFG's latest forecasts dated 10 February 2025 are set out in the table below, reflecting MUFG's view that the MPC will continue to cut interest rates gradually over the medium term to finish in March 2028 at 3.50% (0.75% below the current Bank Rate level).
- 3.2 This is broadly consistent with how financial markets are pricing in future interest rate cuts, although markets are currently expecting Bank Rate to be cut by 0.5% to 3.75% by year end, whereas MUFG Corporate Markets expect Bank Rate cuts to be a little slower, with Bank Rate forecast to be 4% at year end and reaching 3.75% early in the New Year.
- 3.3 MUFG similarly expects PWLB (borrowing) rates to be 0.80-0.90% lower by March 2028 compared to current levels.
- 3.4 The PWLB rate forecasts set out below are for the Certainty Rate (i.e. the PWLB standard interest rate reduced by 0.20%, calculated as Gilts plus 0.80%) which has been accessible to most authorities since 1 November 2012.

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

4 Treasury Management Strategy Statement and Investment Strategy Update

- 4.1 There are no changes to MOPAC's TMSS and investment strategy.
- 4.2 During the Reporting Period, all treasury management operations have been conducted in full compliance with MOPAC's Treasury Management Practices (TMPs) as set out in MOPAC's TMSS. The TMPs are currently undergoing a routine review and will be agreed shortly in 2025.
- 4.3 MOPAC is both a participant in the GLA treasury management shared service and a limited partner in LTLF. As part of its shared service, the GLA provides MOPAC with a monthly cashflow, investment and borrowing report. As principal portfolio manager of LTLF, LTL also provides MOPAC with monthly and quarterly investment reports in relation to its investment in LTLF.

5 Treasury Management Outturn Position at 31 March 2025

Treasury Management Position	Actual at 31/03/25	
	Amount	Rate (%)
Long-Term Borrowing	£873.0m	4.06%
Total External Borrowing (A)	£873.0m	
PFI Liabilities	£ 90.5m	
Finance Lease Liabilities	£79.3m	
Total Other Long-Term Liabilities (B)	£169.8m	
Total Gross Debt (A+B)	£1,042.7m	
Capital Financing Requirement	£1,407.6m	
Less Other Long-Term Liabilities	£(169.8)m	
Underlying Capital Borrowing Requirement (C)	£1,237.8m	
Under/(Over) Borrowing (C-A)	£364.9m	
Investments: Short/Long-Term (D)	£188.0m	4.47% ¹
Total Net Borrowing (A-D)	£684.9m	

6 Borrowing Activities

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

External Borrowing	Long-Term	Short-Term	Total
Balance at 31 March 2024	£479.6m	£110.0m	£589.6m
Add New Loans	£400.0m		£400.0m
Less Loans Repaid	-£6.6m	-£110.0m	-£116.6m
Balance at 31 March 2025	£873.0m	-	£873.0m

- 6.2 £400m of long-term external borrowing from the PWLB was undertaken during 2024/25 (February and March 2025). The borrowing was undertaken (at an average rate of 5.10%) to further align the debt portfolio with the authority's long term capital financing requirement and to manage associated treasury risks including interest rate risk and liquidity risks. £110m of existing short-term external borrowing was also repaid in April 2024 with three further occasions that temporary borrowing was required in December 2024 (£70m) and January (£107m) and February (£85m). Existing long term loans of £6.6m matured in the year.

7 Investment Activities

- 7.1 MOPAC's investment balances increased from £7.4m as at 31 March 2024 to £188.0m as at 31 March 2025.

¹ The one month return (annualised) for the LTLF as at 31 March 2025 is 4.47%.

8 Investment Performance

Interest Receivable and Payable	Actual at 31/03/25	2024-25 Budget	Variance: (underspend) / overspend
Interest Receivable	-£15.2m	-£13.3m	-£1.9m
Interest Payable	£17.2m	£25.9m	£8.7m

- 8.1 Total returns on MOPAC's investments during the Reporting Period were £15.2m against an interest receivable budget for the Reporting Period of £13.3m, an outperformance of £1.9m. Both average cash (investment) balances and the rate of return were marginally higher over the course of the year than assumed for the budget, leading to an outperformance.
- 8.2 Returns comprise predominantly of interest on MOPAC's investment in the London Treasury Liquidity Fund, or LTLF, (£13.8m) with a smaller portion of income earned on the authority's core commitment to the LTLF (£1.4m)

Investment Return 2024/25	Amount
Loan interest	£13.8m
Core commitment return	£1.4m
Total Realised Return	£15.2m

9 Prudential and Treasury Management Indicators

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

Capital Expenditure Prudential Indicators

Capital Expenditure and Capital Financing Requirement (£m)	Actual at 31/03/25	2024-25 Budget (Reporting Period)	Variance
Capital Expenditure	£442.1m	£340.5m	£101.6m
Capital Financing Requirement	£1,407.6m	£1,357.0m	£50.6m

External Debt Prudential Indicators (including PFI and finance lease liabilities)

Authorised Limit for External Debt (£m)	2024-25
Authorised Limit (revised approved)	£1,284.4m
External Debt at 31 March 2025 (including PFI and finance lease liabilities)	£1,042.7m
Headroom	£241.7m

Operational Boundary for External Debt (£m)	2024-25
Operational Boundary (revised approved)	£1,159.4m
External Debt at 31 March 2025 (including PFI and finance lease liabilities)	£1,042.7m
Headroom	£116.7m

Treasury Management Prudential Indicators

Limits for Maturity Structure of Borrowing (%)	Upper Limit %	Lower Limit %	Actual at 31/03/25
Under 12 months	50	0	0.6
12 months to 2 years	20	0	6.4
2 years to 5 years	20	0	19.4
5 years to 10 years	35	0	34.4
10 years to 20 years	35	0	19.2
20 years to 30 years	50	0	18.3
30 years to 40 years	25	0	1.7
40 years and above	20	0	0.0

Mayor's Office for Policing and Crime

2024-25 Treasury Management Outturn Report

1 Introduction

- 1.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services, the CIPFA Prudential Code for Capital Finance in Local Authorities and the Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Government Investments. It provides details of MOPAC's investment and borrowing activities for the period from 1 April 2024 to 31 March 2025 which requires the submission of an outturn report on the activities of MOPAC Group's treasury management operation.
- 1.2 MOPAC's investment balances in the London Treasury Liquidity Fund (LTLF) were £188.0m at 31 March 2025 (and averaged £277.5m over the course of the financial year). Returns on MOPAC's investments during the reporting period were £15.2m against an interest receivable budget for the reporting period of £13.3m, an overperformance of £1.9m.
- 1.3 MOPAC's external borrowing increased from £589.6m at 31 March 2024 to £873.0m at 31 March 2025. New external borrowing was undertaken in February and March 2025 to further align the debt portfolio and to manage the associated treasury risks of being under-borrowed by a significant amount against MOPAC's underlying need to borrow (its Capital Financing Requirement).
- 1.4 All treasury activities have been conducted within the parameters of MOPAC's Treasury Management Strategy Statement for 2024-25 (TMSS) which was approved on 18 March 2024.
- 1.5 Treasury management has been delegated to the Greater London Authority (the GLA) under Section 401(A) of the GLA Act. The GLA relies on its own officers together with those of London Treasury Limited (LTL), its wholly owned subsidiary authorised and regulated by the Financial Conduct Authority (FCA), to deliver its treasury management shared service.

2 Economic Update

- 2.1 MUFG Corporate Markets (MUFG, previously Link Group) has been appointed as treasury advisors to the GLA and the treasury management shared service participants. The follow commentary is adapted from information provided by MUFG.
- 2.2 UK inflation remained above the Bank of England's 2% for much of 2024/25. Having started the financial year at 2.3% year-on-year (April), the CPI measure of inflation briefly dipped to 1.7% in September before picking up again in latter months of the year, reaching 2.8% in February. Inflation has continued to rise in the first quarter of 2025/26: the latest reading (May 2025) is 3.4%.
- 2.3 Geopolitical risks have remained elevated and trade tensions have dominated the global economic foreground as the Trump administration has introduce new tariff policies on US trade with the rest of the world. Under these conditions, UK economic growth is expected to be limited: in March 2025 the Office for Budget Responsibility reduced its 2025 GDP forecast for the UK economy to 1% (previously 2% in October 2024) noting that the economic and fiscal outlook has become more challenging since the Chancellor's Autumn Budget.
- 2.4 Against this backdrop, the Bank of England's Monetary Policy Committee (MPC) maintained a cautious approach to reducing base interest rates over the course of the year. Bank Rate, which started the financial year at 5.25%, has been gradually reduced to its current level of 4.25% (following the MPC's most recent 0.25% cut at its meeting in May).
- 2.5 Gilt yields (borrowing costs) rose significantly over the second half of the year and have remained elevated ever since. As a consequence, the yield curve is now somewhat steeper compared to the start of the year.
- 2.6 The table below provides a snapshot of the challenge facing central banks: inflation pressures remain, labour markets are still relatively tight by historical comparisons, and central banks are also having to react to a fundamental re-ordering of economic and defence policies by the US administration.

	UK	Eurozone	US
Bank Rate	4.25%	2.0%	4.25%-4.5%
GDP	0.1%q/q Q4 (1.1%y/y)	+0.1%q/q Q4 (0.7%y/y)	2.4% Q4 Annualised
Inflation	2.8%y/y (Feb)	2.3%y/y (Feb)	2.8%y/y (Feb)
Unemployment Rate	4.4% (Jan)	6.2% (Jan)	4.1% (Feb)

3 Rate Forecasts

- 3.1 As part of its advisory services, MUFG provides interest rate forecasts. MUFG's latest forecasts dated 10 February 2025 are set out in the table below, reflecting MUFG's view that the MPC will continue to cut interest rates gradually over the medium term to finish in March 2028 at 3.50% (0.75% below the current Bank Rate level).
- 3.2 This is broadly consistent with how financial markets are pricing in future interest rate cuts, although markets are currently expecting Bank Rate to be cut by 0.5% to 3.75% by year end, whereas MUFG Corporate Markets expect Bank Rate cuts to be a little slower, with Bank Rate forecast to be 4% at year end and reaching 3.75% early in the New Year.
- 3.3 MUFG similarly expects PWLB (borrowing) rates to be 0.80-0.90% lower by March 2028 compared to current levels.
- 3.4 The PWLB rate forecasts set out below are for the Certainty Rate (i.e. the PWLB standard interest rate reduced by 0.20%, calculated as Gilts plus 0.80%) which has been accessible to most authorities since 1 November 2012.

	Jun 25	Sep 25	Dec 25	Mar 26	Jun 26	Sep 26	Dec 26	Mar 27	Jun 27	Sep 27	Dec 27	Mar 28
BANK RATE	4.25	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.30	4.30	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.50	3.50	3.50
6 month ave earnings	4.20	4.20	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.50	3.50	3.50
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5 yr PWLB	4.90	4.80	4.70	4.60	4.50	4.40	4.40	4.30	4.20	4.20	4.10	4.00
10 yr PWLB	5.20	5.10	5.00	4.90	4.80	4.70	4.70	4.60	4.50	4.50	4.40	4.40
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50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.70	4.60	4.60	4.50

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