

Annual Governance Statement 2014/15

1. Introduction

The Annual Governance Statement (AGS) is a statutory document that explains the governance processes and procedures in place, to enable the Mayor's Office for Policing And Crime (MOPAC) to carry out its functions effectively. MOPAC is a statutory body and a corporation sole.

In the 2013/14 AGS, a number of areas for improvement were identified to further enhance governance arrangements in MOPAC. MOPAC's governance framework continues to develop and mature with ongoing work, which ensures appropriate oversight is exercised in all key areas of business, both in terms of meeting the requirements of the Police and Crime Plan (PCP) and in effectively discharging statutory requirements. However, there is no complacency as all areas continue to be monitored and evaluated to ensure they remain fit for purpose

This Statement sets out how MOPAC complies with the requirements of the Framework of Good Corporate Governance and provides assurance that governance is being managed through a number of internal mechanisms. It highlights the progress MOPAC has made in developing the governance framework which contributes to having an effective internal control framework.

The MOPAC governance framework remains dynamic and subject to continuous improvement and complements the published MOPAC Code of Governance.

2. Scope of Responsibilities

The business conducted by MOPAC is set out in the Police Reform and Social Responsibility Act 2011.

MOPAC ensures that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Mayor of London's Police and Crime Plan (PCP) outlines how MOPAC should hold the Metropolitan Police Service (MPS) to account, and deliver his manifesto commitments and expectations.

The Mayor delegates day to day running of MOPAC to the Deputy Mayor for Policing and Crime (DMPC), whose role is similar to that of an elected Police and Crime Commissioner elsewhere – MOPAC is a Corporation sole.

The Commissioner of the Police of the Metropolis is an independent legal entity and also a Corporation sole. The Commissioner is accountable in law to MOPAC for the delivery of efficient and effective policing, management of resources and expenditure by the Metropolitan Police Service (MPS). He is also responsible for delivering operational policing. The MPS has its own Annual Governance Statement supporting its own internal control and risk management framework.

The published Scheme of Delegation and Consent sets out approval delegations and in particular, states business cases for revenue and capital expenditure, budget virements and/or movements and sponsorship above £500,000 be delegated to the DMPC.

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

3. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which MOPAC is directed and controlled, and the activities through which it is accountable to and engages with the community. It enables MOPAC to monitor the achievement of its strategic objectives and oversight of the MPS and to consider whether the objectives have led to the delivery of appropriate, cost-effective services, which represent value for money.

The AGS specifies and provides a continuous review of the effectiveness of MOPAC's governance arrangements including internal control and risk management systems. Addressing issues raised as part of the AGS is a vital part of this process to demonstrate and ensure that improvements are being made within MOPAC.

4. MOPAC Governance Arrangements

The key elements of the systems and processes that comprise the governance arrangements that are in place in MOPAC to ensure that strategic oversight of the MPS is exercised, is carried out through a number of Boards, Panels and Committees as stated below.

4.1 Oversight Board

The Oversight Board was established to enable the DMPC to effectively exercise the role and duties of the Police and Crime Commissioner for the Metropolis, as delegated by the Mayor of London.

It meets bi-monthly and has responsibility for commissioning the MPS strategy to support the delivery of the MOPAC PCP. All MPS strategies are jointly owned with MOPAC to facilitate more effective working relationships with partners across the Criminal Justice (CJ) sector. MOPAC have joined with the wider CJ partners to develop a far richer understanding of shared challenges and broken the impasse on sharing data.

4.2 MOPAC Challenge

MOPAC Challenge is a mechanism through which the Mayor holds the Met Commissioner and his top team to account.

Each month experts in the field are invited to explore different themes from across the spectrum. In the past year, MOPAC Challenge has focused on a range of issues, with the

DMPC leading in-depth investigations into police performance, youth reoffending, substance misuse, diversity in policing and intrusive police tactics.

MOPAC continues to gain insight into Criminal Justice partners and hold them to account through MOPAC Challenge. This is done in public, with the regular MOPAC Challenge meetings taking place at City Hall.

4.3 Joint Investment Board (JIB)

JIB is an advisory board to the DMPC. It supports the DMPC in considering how MPS investment decisions deliver the PCP and are founded on a sound business case, contributing to the budget targets set by the DMPC for the MPS. No decisions are delegated to it.

4.4 Joint Asset Management Panel (JAMP)

JAMP is an advisory body to the DMPC. It considers whether the estates strategy meets the objectives outlined in the Police and Crime Plan and the operational requirements of the Commissioner. It has no decisions delegated to it.

4.5 The London Crime Reduction Board (LCRB)

LCRB is the place where the Mayor, the Commissioner and London's boroughs come together to agree a coordinated approach to crime reduction, local policing and community safety in London. High-level intelligence on crime and public concerns about safety is also reviewed.

4.6 Formal and Informal meetings

4.6.1 Bi-laterals

The Mayor routinely meets with the Commissioner to discuss policing in London.

The DMPC and the Commissioner have monthly bi-lateral meetings to provide in depth scrutiny of the effectiveness and efficiency of the MPS and to consider issues of importance to policing and crime reduction in London.

4.6.2 Informal One to Ones

On an informal basis, the DMPC meets regularly with MPS Assistant Commissioners and sometimes with the Deputy Assistant Commissioners.

4.7 Non-Executive Advisors

Non-Executive Advisors (NEAs) provide advice to the DMPC on the implementation of MOPAC's mission and priorities.

4.8 External Scrutiny

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

4.8.1 Police and Crime Committee

The London Assembly's Police and Crime Committee (PCC) is the statutory body that scrutinises the work of MOPAC and meets twenty times a year. Ten of those meetings are used principally to hold question and answer sessions with the DMPC or his representative and the Commissioner and his representative. The Committee can require the DMPC and / or staff from MOPAC to attend its meetings for the purpose of giving evidence and provide documents to it.

It can carry out investigations on issues as part of this scrutiny.

4.8.2 Mayor's Questions

The Mayor's Question Time (MQT) meetings take place ten times a year. Assembly Members as part of their role in holding the Mayor and his functional bodies to account can ask the Mayor a range of questions within the remit of his role, which includes policing.

Questions which are not answered at the meeting receive written responses. A number of policing questions are asked of the Mayor during MQT.

4.8.3 Functional Body Question Time

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

4.8.4 Budget and Performance Committee

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

The Budget Monitoring Sub-Committee, is a Sub-Committee of the Budget and Performance Committee, which considers reports on its behalf. This mainly involves scrutinising the quarterly monitoring reports provided by the GLA and its functional bodies which includes MOPAC.

4.9 Independent Panels

There are two different independent panels that provide advice to the Mayor and the DMPC.

4.9.1 Audit Panel

There are a number of key elements to the systems and processes that comprise MOPAC's governance arrangements, the Audit Panel is one of such systems.

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

4.9.2 Ethics Panel

The London Policing Ethics Panel (LPEP) acts independently to provide external advice to the Mayor and the DMPC, so that they may effectively discharge their duty to maintain oversight of the MPS.

It sets with the Mayor an annual programme of work on strategic issues. The Panel does not undertake casework and is not able to examine or consider individual incidents or complaints.

5. MOPAC's Achievements

The Mayor, through MOPAC is working to make London the safest big city in the world, tackling the crimes that concern Londoners most and making sure that the MPS is ready to face the challenges of policing a global city in the digital age.

In 2014/15:

- The MPS met the Mayor's target to reduce key neighbourhood crimes by 20%, a year ahead of schedule. Robbery has fallen by 44% and burglary is now at its lowest level since 1974.
- The number of officers has increased in line with the Mayor's promise to put more officers in neighbourhoods and overall Metropolitan Police officer numbers reached circa 32,000 at 31 March 2015.
- The Mayor's objective for the MPS to better reflect the community it serves made real progress with the launch of a London-only recruitment scheme and numbers of Black and Minority Ethnic (BME) and female recruits are increasing.
- MOPAC produced a Hate Crime Strategy for the capital, in consultation with partners. The Strategy aims to boost confidence, increase reporting, reduce victimisation and improve the effectiveness of the authorities' responses to hate crime.
- MOPAC was praised by business and community safety leaders alike for publishing a Business Crime Strategy to galvanise efforts by police, businesses and other agencies to crack down on this criminal threat and increase resilience.
- MOPAC launched a ground-breaking 'sobriety tagging' scheme, fulfilling the Mayor's commitment to enforce sobriety on those responsible for persistent alcohol-related crime and antisocial behaviour.
- MOPAC continues to gain insight into criminal justice partners and hold them to account through MOPAC Challenge. MOPAC produced a Criminal Justice Timeliness (CJ) dashboard, which has enabled MOPAC to develop a blueprint for digital justice across the Criminal Justice System and to promote innovation in courts.
- Millions of pounds were released for frontline policing through the streamlining of back office functions and the sale of outdated, costly and underused police premises. The sale of the New Scotland Yard alone is raising £370m.

- MOPAC took responsibility for commissioning services for victims of crime in London. Victims' Commissioner Baroness Newlove carried out a review of services available to victims and witnesses in London to inform this work.
- Safer Neighbourhood Boards were established in every Borough to set local policing and community safety priorities, along with scrutinising police performance.
- MOPAC continued to support a wide range of crime prevention and community safety projects via the London Crime Prevention Fund, which provides long-term funding of up to four years to enable organisations to tackle ingrained, complex problems. In the last year the Fund allocated over £18m in total.
- The Mayor led the way in transparency of policing and criminal justice data, with MOPAC launching a range of ground-breaking online dashboards to allow the public open access to a wealth of information and enable effective challenge and transparency.

6. Governance Framework

6.1 Reviewing MOPAC's governance arrangements

The governance arrangements for MOPAC were developed in line with the 2011 Police Reform and Social Responsibility Act, Statutory Policing Protocol, Home Office Financial Management Code of Practice and existing guidance on financial and governance matters. The PCP and the decision making framework including the Scheme of Delegation and Consent continues to reflect the governance arrangements and ensures that MOPAC remains fit for purpose.

There are defined lines of accountability, roles and responsibilities. The reporting mechanisms have been made clearer between the respective MOPAC boards and management meetings through the Scheme of Delegation and Consent and defined terms of reference.

6.1.1 Annual Report

MOPAC is required to produce an Annual Report which is an opportunity to report on progress in relation to activities, achievements, the financial position and performance against PCP priorities and objectives and ensure that it is communicated publicly. The 2014/15 Annual Report will be presented to the PCC at its July 2015 meeting.

6.1.2 Annual Statement of Accounts

MOPAC publishes its statutory Annual Accounts each year comprising core financial statements – Income and Expenditure, Movements in Reserves, Cashflow, the Balance Sheet and various disclosure notes. A draft statement of accounts is made available for external audit and for public scrutiny, with the final version published after the audit is concluded. The draft accounts for 2014/15 were published on 1 June 2015, 5 weeks ahead of last years' timetable, at <http://www.london.gov.uk/priorities/policing-crime/transparency/our-finances>. This in compliance with the CIPFA disclosure, pursuant of the 2010 Local Government Act s.3.7.4.3.

The final version of the accounts is expected to be published at the end of July.

6.2 Performance and Risk Management Frameworks

An internal planning and performance framework is in place which supports the delivery of the PCP. It provides an effective framework to monitor delivery of every aspect of the PCP and clearly defines lines of accountability, roles and responsibilities.

- MOPAC has a number of internal panels and meetings to ensure it is discharging its duties of providing oversight to the MPS and ensuring that internal governance arrangements are being embedded.
- The DMPC fulfils the accountability role through a number of mechanisms as listed in the governance arrangements in section 4 above. In addition, less formal meetings are held between the DMPC and Senior Police Officers, staff and senior stakeholders, including CJ colleagues and Ministers.
- The Chief Operating Officer (COO) is the Head of Paid Service and the Monitoring Officer for MOPAC and takes formal decisions in line with the Scheme of Delegation and Consent.
- The COO and Directors otherwise known as the Senior Management Team (SMT) meet on a regular basis. They are charged with overseeing the strategic and operational management of MOPAC as delegated by the DMPC and to drive the implementation of the PCP and the Mayor's priorities. Each Director leads on specific work areas and hold regular meetings with senior MPS officers to drive forward delivery of these.
- The Senior Leadership Team (SLT) is chaired by the COO. It comprises Senior Managers in MOPAC and is responsible for the leadership, strategy and delivery of the priorities as defined within the PCP. It monitors work streams and programmes that will deliver the PCP; ensures the delivery of the Business Plan and effective management of its inherent risks and budget and the overall day to day running of MOPAC.
- Heads of Service meetings are held monthly to act as the cohesive group that brings all areas of MOPAC together and ensures that roles and responsibilities across directorates and service areas do not overlap.
- 20:20:20 Criminal Justice Board and Police Board are part of the internal governance arrangements. Senior officers in MOPAC chair and attend both boards, which drive the results in achieving the PCP priorities and delivery of objectives. Both Boards are working in line with their respective terms of reference.
- Business Planning meetings are held with Team Managers by the Strategy & Corporate Planning Team to review progress against the business plan.
- Financial and Business planning processes in MOPAC are being integrated and will be fully implemented for the 2015 Business Plan which will be fully costed.

- Directorate and Team meetings are held in all MOPAC teams, to ensure that there are bottom up and top down approaches to the tying in of individual roles and responsibilities with the overall business plan to ensure delivery of the Police and Crime Plan.
- MOPAC's risk management framework supports effective decision making and provides assurance that risk is managed effectively at all levels in MOPAC. The Framework is being embedded in the business planning and corporate strategy process. The Senior Leadership Team monitors the management of risk within its role and responsibilities. Risks and opportunities are identified in Team plans and cascaded to individuals' performance development reviews.

6.3 Setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising MPS' activities

The governance framework, including the Scheme of Delegation and Consent, decision making framework and supporting financial and contract regulations, define and document the roles and responsibilities of MOPAC and MPS. All MOPAC decisions are published and available for public scrutiny.

The Published Scheme of Delegation and Consent sets out approval delegations and in particular, states business cases for revenue and capital expenditure, budget variances and or movement sponsorship above £500,000 be delegated to the DMPC.

As suggested above, the respective roles of SMT and SLT are clearly defined and adhered to.

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

6.4 Developing, communicating and embedding codes of conduct, defining the standards of behaviour for the Mayor as occupant of the MOPAC and the DMPC, officers and staff

The Mayor and the DMPC are governed by the Greater London Authority (GLA) code of conduct for members.

The COO is the Monitoring Officer and Head of MOPAC staff and is bound by MOPAC staff policies and standards.

There is a MOPAC staff handbook in place which includes a code of conduct of staff, declaration of gifts and hospitality and staff declaration of Interest.

There is a cohesive framework governing all aspects of anti-fraud and corruption activity and integrating the identification and management of fraud risk within the existing corporate risk management framework.

6.5 Ensuring compliance with relevant laws and regulations, internal policies and procedures.

MOPAC has a duty to ensure that it acts in accordance with the law. This responsibility is fulfilled through the MOPAC governance framework and compliance is reviewed on a regular basis and in particular at the Audit Panel on a quarterly basis.

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

Professionally qualified staff occupy key roles throughout MOPAC with external advice sought as and when needed.

The Director of Audit Risk and Assurance reports on the effectiveness of MOPAC's systems of internal controls, making recommendations for improvement where appropriate.

All MOPAC decisions consider the legal and risk implications amongst other implications.

6.6 Whistleblowing, receiving complaints from the public and handling citizen and other redress

MOPAC is committed to dealing with all correspondence and complaints equitably, comprehensively, and in a timely manner.

Complaints made about MOPAC staff are initially dealt with by the relevant line manager, and brought to the attention of the relevant director.

MOPAC is also responsible for considering complaints made against the Commissioner.

Complaints made about the Mayor as occupant of the MOPAC or the DMPC are the responsibility of the GLA's PCC. They have delegated this responsibility to the Monitoring Officer at the GLA, unless it is a conduct matter or serious complaint in which case it will be referred to the IPCC.

MOPAC has a whistleblowing policy for its own staff and Directorate of Audit, Risk and Assurance (DARA) is one of the contact points for reporting wrongdoing within both MOPAC and the MPS.

7. Review of Effectiveness

The Audit Panel receives regular reports, including quarterly reports on MOPAC governance issues and improvement plans. This ensures that there is continuous improvement with the Panel endorsing the resulting action plans.

MOPAC has responsibility for conducting regular reviews of the effectiveness of the governance framework, including the system of internal audit and the system of internal control.

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

8. Governance Issues for Improvement

The improvement plan takes account of the Director of Audit, Risk and Assurance annual opinion which for 2014/15 is that the MOPAC internal control environment is not yet fully effective. The governance framework continues to develop and mature and plans developed to embed sound governance will help secure an effective internal control framework in supporting the achievement of policing priorities and objectives.

Areas of improvement identified through DARA activity have been used to inform this statement and the improvement plan. These improvements will further enhance the MOPAC governance arrangements, and are identified below together with on-going actions carried forward from the Governance Improvement plans.

A number of governance issues were identified through carrying out the 2014/15 Governance Improvement process.

8.1 Business and Financial Planning Framework

- MOPAC has come a long way since its inception in 2012. The MOPAC Business and Financial Planning framework continues to develop.
- In line with the Medium Term Financial Strategy, resource requirements are being integrated to ensure that key priorities and objectives are achieved. This will be kept live at the implementation level through regular monitoring and review by the SLT.
- The risk management process is being further integrated into the business planning and performance management framework promoting a consistent approach to the management and escalation of key strategic risks. Work being undertaken to improve the planning and performance management framework will help to support a more integrated approach to the management of strategic risks.
- DARA carries out the internal audit function for MOPAC and the MPS in line with the Home Office Financial Management Code of Practice (FMCP), which aims to minimise duplication and bureaucracy and increase value for money.

8.2 Governance

- The Internal MOPAC governance arrangements are being embedded via the work of the respective Boards and Panels.
- There is a risk and cost based Business Plan which is kept live and reviewed at SLT meetings.
- The Publication Scheme is due to be reviewed and updated by September 2015.

8.3 Organisational Development

- The MOPAC Head of Organisational Development is working with the Senior Management Team to produce and implement an organisational development plan.

8.4 MOPAC Business Processes

- The 20:20:20 Police Board and the Criminal Justice 20:20:20 Board are key internal MOPAC boards that meet on a regular basis to discuss progress in delivering work plans in support of the Police and Crime Plan.
- Actions arising from the Boards are implemented via teams and progress reported back to the relevant Board to ensure transparency and accountability.

It is proposed that over the coming year, MOPAC will take steps to address the above matters which will further enhance our governance arrangements and ensure that MOPAC's governance processes remain effective in a changing environment as we continue to monitor their implementation and operation. It will be reported in the quarterly Governance Improvement progress report to the MOPAC/MPS Audit Panel.

Date 24 July 2015

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Signed

Signed

Stephen Greenhalgh
Deputy Mayor for Policing
and Crime

Helen Bailey
Chief Operating Officer