

AUDIT PANEL

Tuesday, 19 December 2017

Met Governance Improvement Plans

Report by: The Director of Strategy & Governance

Report Summary

Overall Summary of the Purpose of the Report

This report sets out the Met's governance improvement plans for areas identified in the Met's 2016/17 annual governance statement (AGS) and DARA's annual report. It also includes a timeline for the development of the 2017/18 AGS.

Key Considerations for the Panel

- The improvement plans set out in appendix 1 provide the details of intended actions to mature the Met's governance processes. The Panel may wish to consider whether the improvements made to reporting this quarter deliver to their expectations.
- A timeline is set out for delivery of the Met's AGS, the Panel may wish to consider how and at which points during the timeline they would like to be consulted.

Interdependencies/Cross Cutting Issues

Governance improvement plans include significant controls for the governance, information management, fair treatment and capability risks reported in the Met's risk report. They also include actions on improving our governance around internal audit recommendations reported in the Met's audit and inspection report.

Recommendations

The Audit Panel is recommended to:

- a. note the improvement plans and intended timeline for development of the 2017/18 AGS.

1. Supporting Information

- 1.1. The Met's Annual Governance Statement (AGS) was published with the Statement of Accounts on 26 July 2017 and action plans developed to ensure delivery of the improvement areas set out in the AGS.
- 1.2. Eight areas for improvement were identified which include 42 delivery milestones. Of note, all of the commercial collaboration and strategic partnerships milestones are now closed. Resource uplifts, embedding of governance processes and key partner engagement have all contributed to the closure of them.
- 1.3. 42% of milestones still in progress have slipped past their original completion date. However, there are no visible concerns at this stage, as all but one have slipped within a 6 month period with mitigating activity evidenced. The remaining one (which was outside the 6 month window relates to the Portfolio & Investment Board approval of the Information Futures Programme Strategic Outline Business Case. There has been a resource issue but a Programme Manager is now in place and progress is being made against the revised deadline.
- 1.4. Details of the open and closed activity and comprehensive action plans can be found in appendix 1. A summary of open and closed actions against each improvement area is shown in table 1 below.

Table 1

Improvement Area	Number open	Number closed
IA1 - Strategic vision & planning	3	2
IA2 – Decision making processes and delegation	3	2
IA3 - Performance Management	2	2
IA4 - Assurance framework	2	2
IA5 - Capability, training and development	5	0
IA6(a) - Collaboration and strategic partnerships	3	1
IA6(b) - Commercial collaboration and strategic partnerships	0	4
IA7 - Community engagement & public confidence	2	2
IA8 – Information management	6	1

- 1.5. Details of activity to address the recommendations made in DARA's annual report can be found in appendix 2.
- 1.6. Preparations are now underway to begin the 2017/18 governance review with the broad timeline as follows:
 - w/c 11th December 2017 – issue the Statements of Internal Control
 - w/c 18th December 2017 – issue the AGS governance update requests
 - w/c 1st January 2018 – build the Code of Governance
 - Friday 26th January 2018 – BCU, Borough and OCU Statement returns
 - w/c 26th January 2018 – AGS governance update returns
 - Friday 9th February 2018 – MB Statement returns
 - w/c 12th February 2018 – analysis and build the AGS 2017/18
 - April 2018 – draft AGS 2017/18 to MB
 - 18th May 2018 – publish the Code, unaudited AGS and Statement of Accounts
 - June 2018 – AGS to MOPAC/MPS Audit Panel
 - 20th July 2018 – publish the audited AGS and Statement of Accounts.
- 1.7. Ahead of general publication in May we intend to share the unaudited draft with the Chair of the Joint Met/MOPAC Audit Panel, the audit lead at Grant Thornton and with DARA. However timelines are such that the draft AGS will not be available for consideration at the March meeting.
- 1.8. The panel may wish to consider how at which points it would like to be consulted throughout the process.

2. Equality and Diversity Impact

The model of corporate governance used by the Met is based on the principles of openness; integrity; accountability and equality. The development of the corporate governance framework through areas identified for significant improvement should have a positive diversity impact by ensuring that these principles continue to inform the way in which the Met operates.

3. Financial Implications

It is anticipated that the costs associated with the areas of work identified in this report will be met from the relevant unit's staff and officer budgets. Any funding required over and above these existing budgets will be subject to the normal MOPAC/Met governance approval and planning processes.

4. Legal Implications

The Mayor's Office for Policing and Crime (MOPAC) and the Commissioner of Police of the Metropolis (the Commissioner) are relevant bodies under Schedule 2 of the Audit Commission Act 1998 for the purpose of the Accounts being subject to audit. Both are under a statutory duty to approve an Annual Governance Statement (AGS) that has been prepared in accordance with proper practices in relation to internal control through members of the body meeting or as a whole or by a committee, under regulation 6 of the Accounts & Audit (England & Wales) Regulations 2015.

In order that MOPAC and the Commissioner can discharge the statutory duty referred to above, the Met provides its certification to the MOPAC by submitting an Annual Governance Statement (AGS), as recommended by CIPFA / SOLACE guidance “Delivering Good Governance in Local Government: Framework (2016)” (“The Framework”) and CIPFA Guidance Notes for Police Bodies in England and Wales (2016”) (“The Guidance”), which demonstrates how aspects of governance have been implemented within the police force.

The corporate governance framework provides the supporting information which evidences that the Met will ensure it has robust systems in place that demonstrate it is adhering to the strategic direction set by the Commissioner, and is delivering good governance through the delivery of many operational and financial aspects within a delegated framework, in accordance with Guidance and best practice.

Compliance with the governance framework will also assist in raising standards, reduce risk of legal challenge and build public confidence by ensuring the Met operates in a transparent manner.

5. Risk Implications

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

6. Contact Details

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7. Appendices and Background Papers

Appendix 1 – Governance improvement plans (Restricted)

Appendix 2: - DARA annual report recommendations (Restricted)