

## AUDIT PANEL

### Friday, 31 March 2017

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## MOPAC Governance Report

Report by: Director of Strategy (Acting)

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### 1. Report Summary

- 1.1 This report provides a summary of the developments in the governance arrangements for MOPAC.
- 1.2 The organisation is now in the early implementation stages of a refreshed governance model. This new model has been developed cross-departmentally to reflect the changing needs of the organisation, the requirements of this Deputy Mayor and the new Police and Crime Plan.

### 2. Recommendations

It is recommended that the Audit Panel note the progress made to enhance oversight and embed sound governance arrangements within MOPAC to date and the further action planned during 2017/18.

### 3. Supporting Information

#### **Police and Crime Plan Update**

- 3.1 The Police and Crime Plan consultation period closed in early March and the new Police and Crime Plan has now been published.

#### **MOPAC Governance Improvement Plan**

- 3.2 Areas of improvement were highlighted in the MOPAC Annual Governance Statement in 2016. These were informed by the Director of Audit, Risk and Assurance annual opinion and report.
- 3.3 The DARA annual opinion noted that MOPAC's internal control environment was not yet fully effective and that MOPAC's governance framework continues to develop and mature. A further update against this plan is provided at Appendix A.

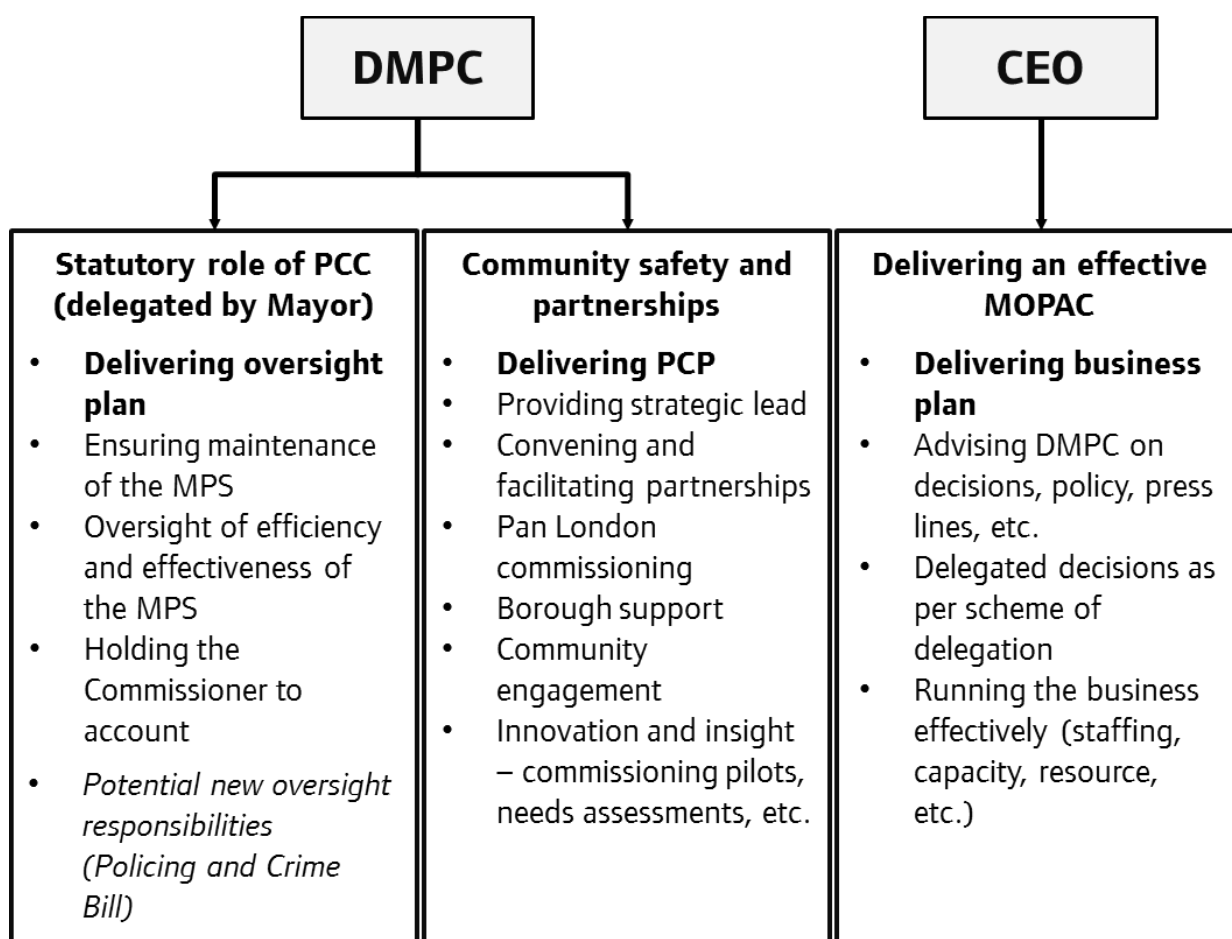
#### **Refreshed governance model**

- 3.4 Building on areas identified in the DARA Governance Improvement Plan, a refreshed internal governance model has been developed to enable better

internal controls and oversight, clear lines of accountability and to facilitate organisational decision making.

- 3.5 We continue to exercise financial oversight of the MPS through budget setting, regular budget monitoring, and scrutiny of business cases. The Chief Finance Officer is reviewing the arrangements for financial oversight and will provide an update for the Audit Panel in June.
- 3.6 This internal governance refresh is predicated on the key functions and duties of the Deputy Mayor as a Police and Crime Commissioner and of the Chief Executive Officer to run an effective organisation. Figure 1 below gives an overview of these responsibilities.

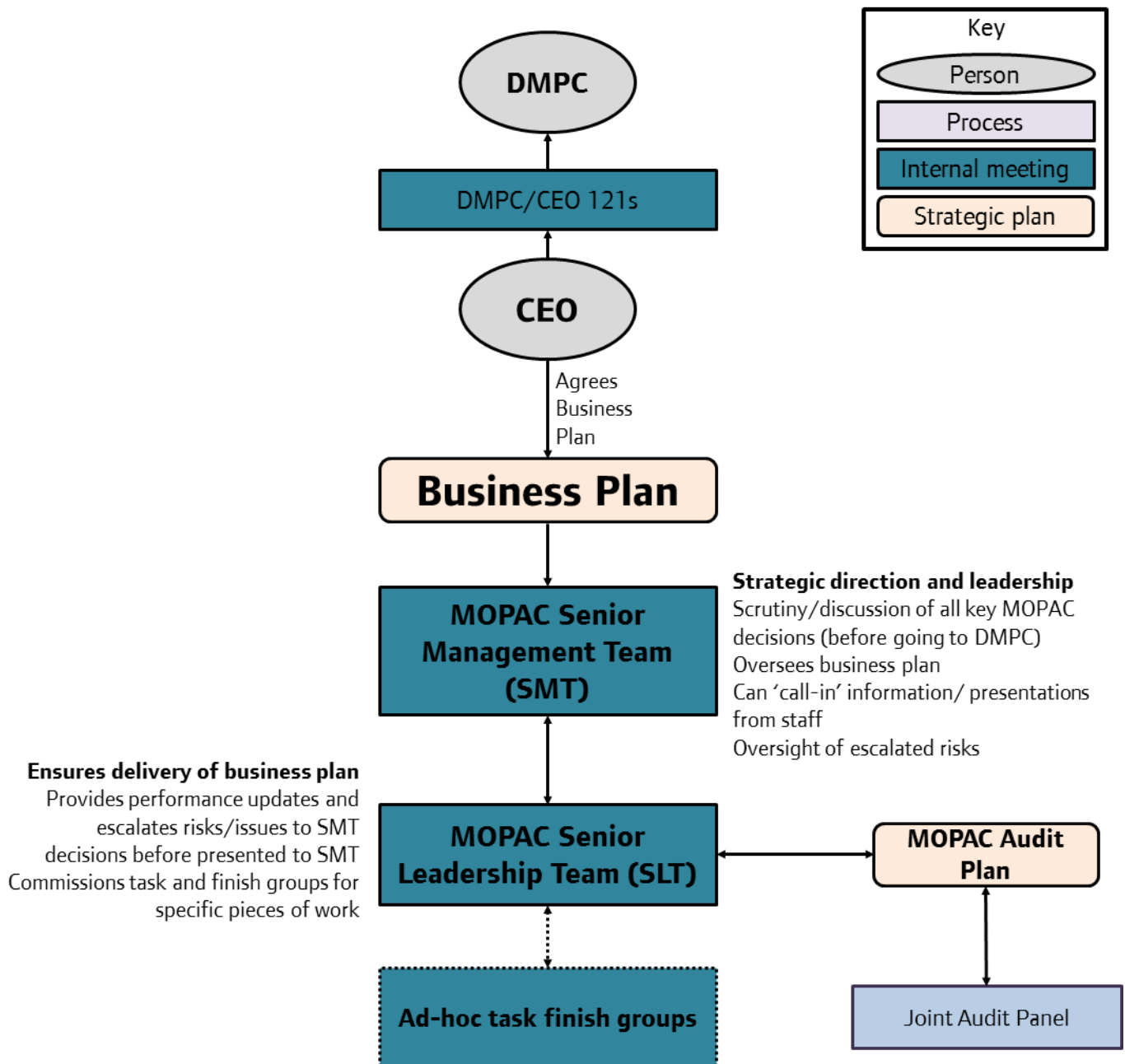
**Figure 1 - DMPC and CEO duties and functions**



- 3.7 As per the third column above (under CEO), the new model of governance is driven by the requirement to deliver the organisational Business Plan. Governance mechanisms will work to oversee and ensure delivery of the Plan, to identify and manage risk and to ensure organisational decisions are well informed and effective. This plan ensures organisational focus on capacity and capability and offers better alignment with MPS' business planning.

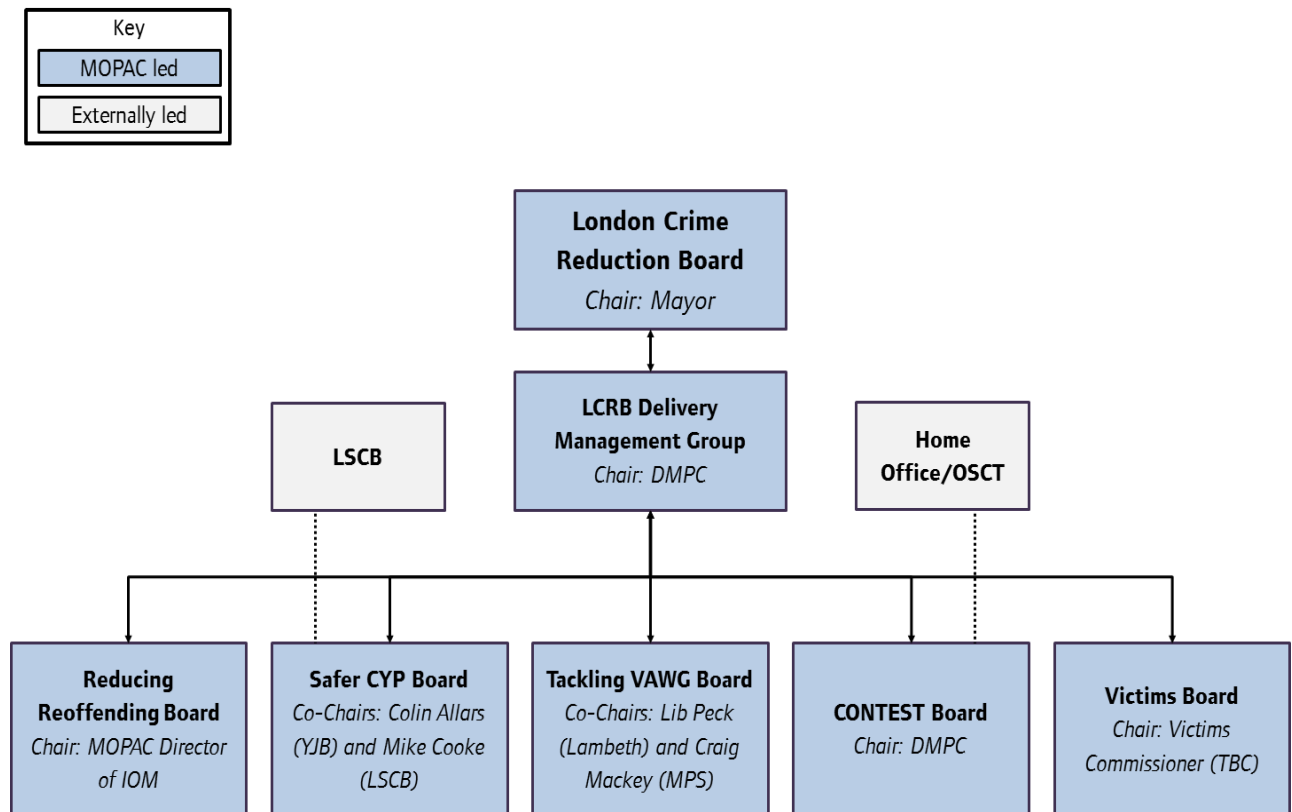
- 3.8 The model is two tiered, with a strategic Senior Management Team with an operational Senior Leadership Team beneath it, as per the governance

Figure 2 - Internal governance structures



structure diagram below.

- 3.9 This is intrinsically linked to a developed partnership structure feeding into the London Crime Reduction Board (LCRB) and aligned to the new Police and Crime Plan as below.

**Figure 3 - Partnership structures**

3.8 These structures are now being implemented to tie in with the launch of the Police and Crime Plan.

#### 4. Equality and Diversity Impact

MOPAC is committed to ensuring access for all, which involves achieving a balance between mainstreaming equalities into governance arrangements and access to MOPAC's decisions which are considered consistently across MOPAC's activities.

#### 5. Financial Implications

Not implementing the actions highlighted may have control and cost implications. Efficient and effective governance arrangements are necessary in ensuring robust financial management.

#### 6. Legal Implications

The Mayor's Office for Policing and Crime (MOPAC) is a relevant body under Schedule 2 of the Audit Commission Act 1998 for the purpose of the Accounts being subject to audit. It is under a statutory duty to approve an Annual Governance Statement that has been prepared in accordance with proper practices. This report provides supporting information which evidences that MOPAC is delivering against the improvement areas set out within the Annual Governance Statement 2015/16. There are no direct legal implications resulting from this report.

**7. Contact Details**

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**Appendices and Background Papers**

Appendix 1 - MOPAC Governance Improvement Plan

## Appendix 1 - MOPAC Governance Improvement Plan

Area of Improvement	Progress and Further Action	Responsibility	Deadline
Enhance and embed oversight mechanisms	<p>External resource was brought in to assist with review of controls and mechanisms to connect both organisations via oversight and recommendations made to enhance financial oversight in particular. These are now being taken forward. With timely submission of forward plans, financial management information and other strategic action plans from the MPS, this will further support the oversight and management of strategic risks.</p> <p>This oversight is initially focused on finance but learning from this will be broadened into other areas of oversight and informed by the construction of the Police and Crime Plan priorities.</p>	<p>Head of Strategy and Corporate Planning</p> <p>Head of Strategy and Corporate Planning</p>	<p>Initial review complete</p> <p>Implementation January 2016</p> <p>Summer 2017</p>
Management of strategic risks	<p>Review of key strategic risks is being augmented by the Oversight Board chaired by the DMPC, which meets on a monthly basis.</p> <p>Work is being undertaken to improve the planning and performance management framework which will help to support a more integrated approach to the management of strategic risks. This includes alignment of the new PCP and MPS business plan priorities and objectives, and the subsequent assessment and management of risk and provision of assurance.</p>	<p>MOPAC Chief Executive</p> <p>MOPAC Chief Executive in liaison with MPS Director of Strategy and Governance</p>	<p>Complete</p> <p>March 2017</p>
Capture and review of statutory and regulatory requirements.	A comprehensive list of statutory and regulatory requirements has been compiled and is owned by the Corporate Development Team. This is monitored by the Company Secretary.	Company Secretary	Complete

## Appendix 1 - MOPAC Governance Improvement Plan

Area of Improvement	Progress and Further Action	Responsibility	Deadline
	Key statutory requirements will be captured in the new Police and Crime Plan. On a bi-annual basis, this will be reviewed at SLT meetings.	MOPAC SLT	November 2016 & March 2017
Enhance MOPAC business planning activities and align to new Police and Crime Plan	Planned activities for achieving statutory compliance have been allocated.  The MOPAC business planning framework will be developed further and aligned to the requirements of the Police and Crime Plan as it develops and is subsequently published.	Head of Strategy and Corporate Planning  Head of Strategy and Corporate Planning	Complete  December 2016 & March 2017
Influence and monitor introduction of new legislation impacting on policing and the wider criminal justice system.	New legislation is monitored by the CDO team and briefings provided. CDO ensure that the Monitoring Officer is kept abreast of all new legislation.  MOPAC will input to consultation on proposed new or changes to legislation as appropriate and this will be tracked by the CDO.	Corporate Strategy Manager  Head of Strategy and Corporate Planning	Complete  On-going
Increase transparency and clearly publish information.	The MOPAC website has been reviewed and information kept live. The External Relations team will continue to monitor information to ensure it is clearly sign-posted and easy to obtain.  MOPAC publishes both performance information and all decisions. A further review will be carried out to ensure transparency meets best practice requirements.	Head of External Relations  CDO Team	December 2016  January 2017
Embed and improve internal controls identified through review activity.	Work is ongoing for the areas of improvement to be embedded and mainstreamed to ensure that all actions agreed following DARA review activity are effectively implemented.	Chief Executive	June 2017

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Area of Improvement	Progress and Further Action	Responsibility	Deadline
Continuously review and improve MOPAC business processes.	A comprehensive review of key MOPAC business systems has been undertaken and further improvements subsequently introduced.	Head of Strategy and Corporate Planning	Complete
	Processes will continue to be reviewed and progress monitored in delivering work plans in support of the PCP.	Head of Strategy and Corporate Planning	On-going
	Monthly statistics on information governance will be sent to SLT and London Assembly's PCC to ensure transparency and accountability.	Company Secretary	June 2017