



MOPAC

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MPS-MOPAC JOINT AUDIT PANEL Wednesday 8 January 2020

Met Governance Improvement Plans 2018/21 Report by: The Chief of Corporate Services

Report Summary

Overall Summary of the Purpose of the Report

We are reporting interim progress against the Met's 2018/21 governance improvement plans that aim to drive governance improvements over the near to medium term. We are also reporting on development of the Met's Annual Governance Statement (AGS) 2019-20.

Key Considerations for the Panel

- In 2018 we developed governance improvement plans for 2018/21 in the 10 areas identified in our internal control review and AGS. Our 2018-19 internal control review (March 2019) and AGS (July 2019) assessed the robustness of governance controls and progress against identified improvement areas. We noted headway in most areas.
- In 2019-20 we reviewed the priority level of the improvement plans in recognition of relative progress and to focus on where further impact was required. Four priority areas have been highlighted for 2019-20 – capability (remains); decision-making (escalated); engagement and confidence (escalated); and commercial contracts (escalated). We note continued progress in these areas.
- In support our internal control review, we have scheduled our 2019-20 Statement of Internal Control survey to 100 senior leaders, to Q3 (earlier than previously, and this is currently in progress). We will follow with selected one to one interviews, and review with other indicators such as the Staff Survey, Audit & Inspection, Risk and Assurance activity in building the 2019-20 AGS.

Interdependencies/Cross Cutting Issues

- The Met's 2018/21 Improvement Plans should be considered alongside MOPAC's Improvement Plan 2019/20, and our internal and external auditor's opinions.
- The Corporate Risk Register includes identified risks in: commercial contracts (risk 1); governance and assurance (risk 5); data and information management (risk 6); people (risk 9); capability (risks 11 and 12); public and local engagement (risks 13 and 14); organisational agility – organisational learning (risk 15); and legitimacy (risk 16).
- We are aiming for an integrated approach to Governance, Risk and Compliance (GRC) with robust assessment – we have made a number of steps to deliver this, as recognised by DARA.

Recommendations

The Board is recommended to:

- a. Note good progress against the four priority improvement areas.
- b. Note ongoing work to assess the Met's Internal Control environment for 2019-20 and develop the AGS against evidence.

1. Supporting information

- 1.1. The Met, as a corporation sole, is statutorily responsible for conducting an annual review of the effectiveness of its system of internal control and for publishing an Annual Governance Statement. The AGS reports publicly on identified key control areas and aims to provide assurance that the Met is monitoring and managing governance arrangements effectively.
- 1.2. The AGS reflects on current governance controls and outlines improvements in the near to medium term, taking into account the opinions of the Met's internal auditor (DARA), external auditors (Grant Thornton) and HMICFRS inspections. This review is also informed by senior leaders *Statement of Internal Control*, by our Corporate Risk Register, and by the Staff Survey.
- 1.3. We established Governance Improvement Plans for 2018/21 within a highly transformational environment, including the Met's Strategy to 2025, and improvement activity is adaptive. We are, during 2019-20, focusing our analysis and reporting of Governance, Risk and Compliance on what matters most, with more rounded thematic evaluation of business.

AGS 2019/20

- 1.4. We have started to assess the Met's internal control environment through the 2019/20 Statement of Internal Control. This has been circulated to 100 senior leads across OCU and BCU functions, for early January return. To date we have close to a 60% response.
- 1.5. We will follow this with an interview with the Board lead, exploring both their interpretation of results within their business area and their own viewpoint. During January – April 2020 we will develop the Met's AGS using evidence from these Statements, the Staff Survey, DARA and HMIC Audit and Inspection, Programme reports, Board discussions and other evidence. Our internal and external auditors' reports and opinions will be material.

Improvement Areas 2019/20

- 1.6. The 2018/19 review of the Met's internal control environment validated the multi-year governance improvement areas identified for 2018/21 and beyond, but suggested a reprioritisation to recognise relative progress and to focus attention on areas of required impact. Four priority areas were defined for 2019-20.
- 1.7. In focusing more on what matters most and mindful of business planning (activity), risk reporting (efficiency) and transformation (change) reporting, this paper addresses governance controls, structures and processes (effectiveness) mainly against four areas of perceived high impact/relative importance.
- 1.8. In September the Panel agreed that brief interim updates be submitted in January and March 2020, with substantive reporting at June 2020 Panel. In line with this the improvement areas, with an assessment of progress, are:

Priority***Capability, Training and Development****good progress*

Lead: AC Professionalism

Aim: we have a clear, effective, consistent, governance arrangements to deliver both the capacity and capability elements of the People Strategy.

Main Issue: Significant structural and process change to meet PCDA (PEQF) and recruitment (SSCL) challenge

IA2-01 Develop a clear strategic approach with an integrated skills strategy and plan.

IA2-02 Clarify controls, roles and responsibilities around People, Training and Learning & Development.

IA2-03 Improve processes to identify gaps in workforce skills and to deliver required skills and develop capabilities.

IA2-04 Develop a strategic framework and controls to assure performance of (external) third party service providers.

IA2-05 Ensure processes for career development are robust and well communicated.

Significant progress has been made in L&D Transformation through the P8 Programme and in delivering the enabling '6 skills for 2020' plan through Individual Learning Board, in support of the 3-year People Strategy. Progress has also been made in Professionalism Governance (capability) through the Professionalism TOM and P8, although work remains. Delivering PEQF, specifically PCDA for September 2020, remains a priority. There has been a renewed focus on Leadership & Talent, and on CPD for officers and staff. A new PDR environment for senior officers and staff remains in development to launch 2020.

Monitoring: '6 Skills for January 2020' is tasked through People & Training Board; Individual learning Board re-designed for short term improvement and to deliver in 2019; Learning Transformation (P8) Programme for medium term Improvement and on 'majority' talent and lateral career development.

Decision making and delegation*progress*

Lead: Director of Strategy & Governance

Aim: we are clear about the Met's decision making framework and about authority to make decisions. We communicate decisions to encourage consistent activity and a shared understanding.

Main Issue: Clarity of ownership and controls through level 3 (executive) to level 1 (local) decision making and delegations

IA4-01 Review the Met's decision making framework and processes in the new operating model including non-financial delegations, roles, and responsibilities.

IA4-02 Communicate the Met's decision making arrangements and decisions that are made.

IA4-03 Strengthen and streamline the end-to-end process and the decision making interface between DMPC and the Met.

Designs to strengthen and clarify decision making continue including embedding the BCU Blueprint and operating processes, HQ redesign, Serious Crime redesign (TOM) and Professionalism redesign (TOM). A review of Met assurance and governance is focused on ensuring that controls are proportionate and that we focus on the most high risk, high value or complex decisions, and to increase awareness among leaders of how decisions and delegations work. Improvements on Investment decision-making and governance arrangements with MOPAC have proved positive.

Monitoring: The Chief of Corporate Services will hold the working leads to account; Investment Advisory and Monitoring group, the Met Portfolio Investment Board, and the Mayor's Corporate Investment Board provide the oversight.

Stakeholder engagement and confidence*progress*

Lead: AC Professionalism

Aim: we build relationships and engage with communities across London, and with our staff, to prevent crime and inspire trust and confidence in policing.

Main Issue: Integrated and consistent arrangements to develop engagement and trust with communities

IA9-01 Issue a joint Community Engagement Strategy (with MOPAC) and plan.

IA9-02 Review Met governance structures and controls including partnership forums.

IA9-03 Increase Public involvement and engagement.

IA9-04 Develop workforce voice and improve engagement processes.

IA9-05 Integrate with Media and Communications protocols on engagement.

We have developed a performance environment, within the corporate regime, to support our engagement framework and key delivery activities against the Met Direction 2025.

Engagement Board (previously Confidence Board) now co-ordinates direction. The Maturity Matrix initial self-assessment across BCUs has been used to inform improvements for Ward panels, community events, Neighbourhood Watch, Streetwatch, Schoolwatch, engagement platforms and crime prevention. The Met's digital engagement plan has been developed. Significant activity has taken place to recruit a balanced and representative workforce across London and within communities, through outreach and expanding opportunities for volunteering.

Monitoring: GLA/MOPAC quarterly meetings - Diversity and Inclusion data and information; STRIDE Board, focusing on organisational learning, building capability, national perspective and developing culture and behaviours; HMIC engagement and diversity & inclusion inspections; Engagement Board (was Confidence board); Race IAG, LGBTQ IAG, Disability IAG.

Commercial contracts*good progress*

Lead: Chief of Corporate Services

Aim: we effectively manage all the Met's Trading relationship throughout the commercial lifecycle, with enhanced performance monitoring and oversight of critical suppliers.

Main Issue: Arrangements for effective and consistent contract management across suppliers, notably SSCL.

IA5-01 Implement a new Target Operating Model (TOM) to optimise the contract management through the full commercial lifecycle.

IA5-02 Close commercial collaboration with other police forces / GLA.

IA5-03 Fully establish contract governance and effective management for Platinum (high value strategic) and Gold (lower value critical) suppliers.

IA5-04 Specifically enhance governance controls and processes for SSCL through Intelligent Client Function and contract management

The new TOM amalgamating Contract Management into Commercial Teams continues to provide robust governance focused on raising the commercial capability across the wider Met. Cabinet Office Contract Management Standards are in place. The Police Commercial Organisation (PCO) direction will 'go-live' in FY20/21. The Met is working on joint procurement across the GLA through the Collaborative Procurement Group. Improved Governance across all Platinum Suppliers with better Commercial Report / Supplier Dashboards presented to PIB/IAM is benefitting, as is stronger ICF functions in the Met. Summary Paper on enhancing the Met Commercial Capability to Chief of Corporate Services.

Monitoring: TOM presented and approved at appropriate MPS governance forums; National Commercial Board (NCB) and the APCC Enablers Sub-Board monitor progress on CLEP and FCOM; Proportionate contract governance reviews for all key suppliers – for platinum suppliers, three tiered approach and Exec level sponsorship; Three tiered governance boards in place for monitoring service – Operation Review Boards, Service Review Board, Strategic Oversight Board. ICF Review oversight by BSS Programme Board.

Standard

Assurance controls

progress

Lead: Director of Strategy & Governance

Aim: Management Board has assurance that the right controls are in place and that they are working effectively at all levels of the organisation.

IA1 Improvements to Met assurance and governance is underway – the objective is to ensure controls are proportionate and focus is appropriately challenged to the most high risk, high value or complex decisions. Level 2 assurance remains a focus.

Information (Data) Management

progress

Lead: AC Professionalism

Aim: data will be at the heart of what we do, with access to high quality data and information to help make the best decisions we can to keep London safe.

IA10 The Data Office design is progressing along three strands broadly of Information, Analytics, and Innovation. Recovery plan for FOIA has produced good results and SAR backlog has reduced significantly. The ICO is updated fortnightly. Focus now is on long-term sustainable arrangements.

Performance management

good progress

Lead: Director of Strategy & Governance

Aim: we manage and steer the performance of the Met and its resources to achieve organisational priorities at every level, providing high quality information to inform decisions.

IA7 Governance arrangements agreed at May 2019 Board are implemented, including Performance Board, Performance Group and business group Flex meetings, supported by a performance framework aligned to the Met Direction 2025. The performance framework is in place. Performance analyst roles have been re-aligned to better support analysis at corporate and local levels, with strong recruitment and new analytical training.

Compliance and Learning

good progress

Lead: AC Professionalism/AC Met Operations

Aim: we are a learning organisation. We learn from our experiences and from others to improve what we do, supported by good governance and by a culture sustaining transparency and trust.

IA3 An OL framework has been designed to support mapped structures, processes and our OL 'blame to praise' behavioural model, including BCU implementation. Dedicated OL resource is being formed across OCUs and through the BCU Blueprint in Supts, supported by forums and a corporate Centre. The DPS OL team continue to grip PSU learning and drive the learning culture.

Non-cashable benefits

good progress

Lead: Chief of Corporate Services

Aim: we fully realise the benefits from the Met's transformation programmes and share good practice and learning.

IA6 Our benefits management approach is embedded across the portfolio. All GIP improvement actions are complete, with a focus on assurance on benefits delivery and tracking outcomes in the medium to long term. Compliance with benefits review guidance at

each gateway stage continues to contribute to this continuing maturity. Annual benefits check point reviews are in place.

Collaborative and strategic partnerships

progress

Lead: Director of Strategy & Governance/AC Professionalism

Aim: the Met is a trusted partner, and we are effective in mobilising partners to keep London safe for everyone.

IA8 Plans to mobilise partners and public are progressing, with examples including closer working across communities and third-sector organisations such as The Lucy Faithfull Foundation (CSE), sports programmes and community inspired operations (such as Perseus against drugs). Our Crime Prevention Strategy and resourcing has been approved, and controls to support Violence Reduction are on track. Our relationships with universities and practitioner research organisations is growing rapidly, including LSE research on knife crime.

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

Report author: Paul W Clarke, Strategy & Governance
paul.w.clarke@met.pnn.police.uk

