

## Risk Based Planning

# Metropolitan Police Authority

Audit 2006/2007

### Introduction

Planning discussions with senior officers in the MPA and MPS, with the Director of Internal Audit and with HMIC have identified the audit and inspection risks to the Authority, and provide an initial basis for determining the audit and inspection programme for 2006/07 onwards.

In accordance with the Audit Commission's strategic priorities of minimizing the burden of regulation and working in partnership with other regulators in undertaking audit and inspection activity, discussions have been held between the Audit Commission, Metropolitan Police Authority Internal Audit and Her Majesty's Inspectorate of Constabulary (HMIC) to identify any areas of activity suitable for a joint approach and agree a programme of activity.

Exhibit 1 presents details of potential audit risks and responses under the requirements of the Code of Audit Practice. A number of these risks may be addressed through a joint approach between the Audit Commission, HMIC and/or internal audit.

Risk	Audit response
<p><b>Managing police officers' overtime</b></p> <p>Police officers' overtime is an important facility in resource planning and a significant element of the MPA's expenditure, budgeted at £113m in 2005/06. Despite a considerable improvement focus from the MPA and MPS, the budget has been subject to large overspends for a number of years, presenting an ongoing risk to the overall financial position.</p>	<p>We will review the arrangements for managing police officers' overtime, working closely with internal audit.</p>

<b>Risk</b>	<b>Audit response</b>
<p><b>Asset management</b></p> <p>The MPS' arrangements for managing its assets, particularly estates, continue to develop. The scale of the maintenance backlog, and the resources available to fund improvements, present major barriers to delivering the property and estates strategy, however. This situation presents a number of risks to operational policing and service delivery to Londoners.</p>	<p>We will review arrangements for asset management, focusing on delivery of the property and estates strategy.</p>
<p><b>Implementing C3i</b></p> <p>The C3i project is now in its implementation phase, necessitating fundamental changes in the way the MPS delivers policing in London. Effective management of the change process is key to the project's success.</p>	<p>We will review progress in implementing C3i in the MPS, focusing on the business process reengineering and cultural changes necessary to deliver success. Our review will build on work completed by HMIC.</p>
<p><b>Partnerships</b></p> <p>Partnerships remain key to delivering the corporate priorities of the MPA and MPS. The Service Review identified scope for improvement in how the MPS manages working in partnership.</p>	<p>We will follow-up our 2004/05 review of partnerships.</p>

### **Audit work mandated by Police Standards Unit (PSU)**

Following the work undertaken by the Commission's auditors on crime data during 2005/06, a fourth year of crime data reviews is currently being planned. This will involve building on the work from previous years on crime data and activity-based costing, focusing on elements of the data reported by police authorities in the Police Performance Assessment Framework. The details of this work have not yet been determined, and we will update you further when this is agreed.

The PSU has recently written to the Commissioner and to the Chief Executive indicating the intention of a further review of activity based costing in 2006/07.

The details of this have not yet been determined but we will keep you informed on any further work. Any work will be funded directly by the PSU and will not be included within your audit fee.

## **Initial Performance Assessment follow-up**

In 2004 we reported the outcome of the Audit Commission's Initial Performance Assessment (IPA) of the GLA group, including the MPA. We completed a locally tailored review, comprising a follow-up of progress in improvement planning and a non-scored use of resources assessment, in 2005. In 2006 we will develop the approach to inspection activity across the group, taking forward the findings of the IPA. Our approach will be:

- consistent with the local government approach (where appropriate);
- proportionate; and
- tailored to reflect the unique nature of the GLA group and any ongoing national developments.

We will engage with the Authority and the GLA group as we work to develop the approach via the Performance Improvement Network, which has representation from across the group.

