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Title and Version	MPS Annual Assurance Statement – Final Version
Purpose	As part of the corporate governance framework, an AAS has to be completed, signed by the Commissioner and passed to the MPA.
Relevant to	MPS, Corporate Governance Coordination Group
Creating branch Code	BRMT, Finance
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Metropolitan Police Service (MPS) - Annual Assurance Statement
(position as at April 2008 including plans for the financial year 2008/9)

1. Scope of Responsibilities
The Commissioner is responsible for the direction and control of the MPS. In discharging his functions, the Commissioner shall have regard to the local policing plan issued by the Metropolitan Police Authority (MPA) for his area. In addition the Commissioner will have responsibility where the MPA delegates its functions in respect of securing an efficient and effective police force.

In this regard the Commissioner is responsible for ensuring the MPS's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Commissioner is also responsible for putting in place proper arrangements for the governance of the MPS and facilitating the exercise of its role, which includes ensuring that arrangements are in place for the management of risk.

2. The Purpose of the Governance Framework
The governance framework comprises the systems and processes, and culture and values through which the MPS manages its activities. It enables the Commissioner to monitor the achievement of MPS objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.
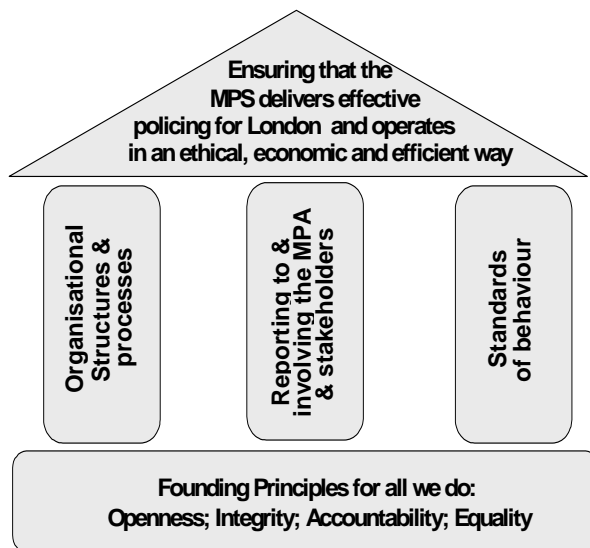
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process

designed to identify and prioritise the risks to the achievement of the MPS's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

The governance framework has been in place at the MPS for the year ended 2007/8 and up to the date of approval of the annual report and statement of accounts.

3. The Governance Framework

The MPS has adopted the following temple model of corporate governance as a means of reflecting how the Service's values support the delivery of agreed outcomes;

Ensuring that the MPS delivers effective policing for London and operates in an ethical, economic and efficient way

Organisational Structures & processes

Reporting to & involving the MPA & stakeholders

Standards of behaviour

Founding Principles for all we do: Openness; Integrity; Accountability; Equality

MPS Mission and agreed outcomes

- Taking informed and transparent decisions
- Being accountable
- Demonstrating values and good governance through high standards
- Achieving common purpose with clearly defined roles and functions

MPS Values – how we achieve our outcomes

Pillar one is about how the MPS is organised internally to enable delivery of our objectives, pillar two is about working with the community being fundamental to delivering quality policing and pillar three helps the MPS demonstrate how the work is carried out ethically and in a way that meets legal requirements placed on us.

The following section describes the key elements of the systems and processes that comprise the governance arrangements that have been put in place for the MPS:

- **Process for setting objectives and targets that support the policing priorities outlined in the Annual Policing Plan including reporting to**

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the MPA – the corporate strategic assessment (CSA), existing corporate strategies, corporate and territorial policing target setting processes are all regularly reviewed and approved by the strategic leads, Management Board and MPA (where applicable). External stakeholder requirements are also a key aspect to this process.

- **Decision making structures for establishing priorities and considering strategic issues facing the MPS** – The MPS corporate values (reviewed every 3 years as part of the corporate strategy) and the Management Board Operating Framework structure (Management, Investment, Performance & Productivity Boards) are key controls here. CSA and business planning are key controls here as well. MPA oversight and scrutiny is achieved via Committee reporting structures, regular liaison/meetings/updates. Policy positions and corporate meetings consider changes in the external environment and an annual service conference considers strategic issues facing the MPS.

- **The monitoring processes by which performance against operational, financial and other strategic plans are considered and key issues identified and tasked** – MPS Performance Board monitors key performance across the MPS, with regular reporting to and liaison with the MPA Planning and Performance Review Committee. The Crime Recording Oversight Group monitors implementation of the National Standards for Incident Recording and the National Crime Recording Standards action plan. HMIC baseline success provides recommendations to the Performance Board as does the Police Performance Assessment Framework, with regards to the progress being made by the MPS across a wide range of performance areas.

- **The Risk Management process by which the MPS identifies and seeks to mitigate key risks** – There is a joint MPA/MPS risk management strategy in place and this together with the risk management policy / standard operating procedure are key components here, together with the production and management of the Corporate, Business Group and B(OCU) risk registers. A continual training and engagement programme help maintain focus as does the establishment of the Corporate Risk Review Group, local risk facilitators, a Business Group Co-ordinators Forum, and guidance notes on the management of risk in partnerships, projects and programmes. Papers to Management Board and Investment Board require business risks to be considered.

- **Developing, communicating and embedding codes of conduct and defining the standards of behaviour for officers and staff** – The Directorate Professional Standards (DSP) has the lead here with the Professional Standards Strategic Committee oversees the strategy, policy and ownership issues and is backed up by the Professional Standards Support Programme (which assists to reduce specific risks identified at Borough level). The strategic intelligence assessment reviews the intelligence and assesses the risks regarding corruption and wrongdoing.

- **Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks** – Standing orders and financial instructions are both annually reviewed and updated to ensure that they are fit for purpose, and will be further developed as part of the overall corporate governance framework. A major review and subsequent updating of the MPS scheme of delegation has taken place with its subsequent launch in October 2007, which will ensure its subsequent appropriateness as part of the overall corporate governance framework. Procedure notes and manuals are in place for all key systems and are regularly reviewed to ensure that they are fit for purpose and will be developed as appropriate.

- **Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful** – All reports to Management and Investment Board must consider legal implications. The scheme of delegation requires consideration to be given to taking legal advice from the Directorate of Legal Services (DLS) before the MPS enters in to any form of commitment. Also, reports to MPA are routed through MPA solicitor. The Policy Management Policy is reviewed every 3 years with monitoring reports for each policy quality assured as well as annual checks of control measures/equality impact assessments completed for each policy. Various procurement reports are submitted to Investment Board, Management Board and MPA. The Procurement Oversight Group is a tri-partite monthly meeting between Procurement Services, MPA officers and members. The P2P Programme has reviewed and rationalized purchasing processes, developing systems to ensure compliance with policies and procedures. The workstreams that form the corporate governance framework will also ensure compliance and governance. This framework will also minimize the risk of system failures, such as Amex, through the implementation and use of robust controls.

- **Processes for receiving and investigating complaints from the public, and citizen and other redress, and providing reports to the MPA** – The Customer Services Team provides the central point of contact for receiving complaints. Quality and timeliness indicators are regularly monitored. Complaints are investigated, monitored and where applicable, critical cases escalated. The MPA have direct access to the MPS Tribune complaints database and receive quarterly reports/feedback at the MPA Professional Standards and Complaints Committee.

- **Determining the conditions of employment and remuneration of officers and staff, within appropriate national frameworks** – Annual negotiations with trade unions (re modernisation of police staff pay), maintenance of market competitive pay and benefits and regular equal pay reviews, support the Human Resources Using People Effectively and Employer of Choice programmes. Human Resources and wider MPS are represented at Police Negotiation Board and the National Policing Board to enable us to influence the national framework of officer pay, terms and

conditions.

- **Identifying the development needs of officers and staff in relation to their roles, supported by appropriate training and linked to the priorities of the MPS** – The Personal Development Review (PDR) process identifies, manages and monitors the work-related & personal development objectives for all staff. The induction, training and skills programme, supports such development. The Leadership Academy trains and develops new and existing managers through values based leadership development programmes and interventions. There are also structured induction/ probation programmes and mandatory training for new supervisors and line managers. The Human resources scorecard reports are discussed at monthly HR Board meetings and training issues at Training Management Board

- **Establishing clear channels of communication with all sections of the community and other stakeholders on priorities and plans** – In relation to the community aspect, Safer Neighbourhood (SN) Panels are key here with an associated guidance and communication strategy overseen by the SN Programme Board. Dedicated internet SN web sites, on-line & front counter surveys, a business engagement model, newsletters all help in establishing channels of communication. The MPS work in partnership with the MPA to discharge its statutorily required consultation to identify what the community of London feels the MPS should have as its corporate priorities – via questionnaires, internet and e-mailing key stakeholder groups.

- **Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships** – The MPS has accounting arrangements in place for partnerships and these are specified in the finance manual. Budgets and fixed expenditure and separately accounted for in the finance system. Further, there are specific grant terms and conditions that have to be complied with. There is also risk management guidance available, for the management of risks within the partnership agreements.

4. Review of Effectiveness

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework and system of internal control within the MPS. The review of the effectiveness is informed by the work of the Director of Resources, Director of Internal Audit and managers within the MPS who have the responsibility for the development and maintenance of the governance environment. In addition comments made by the external auditors and other review agencies and inspectorates have informed this review.

The MPS Corporate Governance Working Group (chaired by the Director of Resources) has been formed to ensure that the MPS has a corporate governance framework that reflects the principles of openness; integrity;

accountability and equality and supports the delivery of quality policing for London. Also, it is to consolidate and develop the MPS corporate governance framework in the light of the Good Governance Standard for the Public Service and the recent publication of guidance for the police service in implementing the CIPFA / SOLACE governance framework.

Reports are submitted to the quarterly MPA Corporate Governance Committee on audit, governance, risk management and health & safety matters – all these areas being standing agenda items. Also quarterly progress reports are submitted to Performance Board on agreed audit and inspection programmes.

The work programme outlined in last year's Statement on Internal Control continues with quarterly monitoring of progress and reporting/escalation to MPA Corporate Governance Committee as appropriate. To date, there has been no exception reporting required to the MPA Corporate Governance Committee.

Each year, the Internal Control Framework is reviewed with templates issued to each area owner for updating. These areas align to the systems and processes set out in Section 3 of this Annual Assurance Statement. The areas covered under the previous Statement on Internal Control, that are not specifically mentioned in the new Annual Assurance Statement, still form part of the Internal Control Framework going forward.

Business risk management activity is co-ordinated via the Business Risk Management Team, with monthly Corporate Risk Review Group meetings with fellow business group colleagues across the MPS.

Standards of behaviour, is one of the 3 pillars of the MPS corporate governance temple model with the Professional Standards Directorate taking a lead here. A number of proposed indicators in this area, are to be reported to Performance and Management Board.

Internal Audit is an MPA function. Processes as discharging high risk audit recommendations flowing from Internal Audit and HMIC/Audit Commission recommendations, are monitored by the MPS Inspectorate. The MPS has adopted an Audit and Inspection Strategy with the aim of positively engaging with audits and inspections so the Service can learn and improve.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and a plan to address weaknesses and ensure continuous improvement of the system is in place.

5. Significant Governance Issues
We propose over the coming year to take the following steps to address the above matters to further enhance the MPS governance arrangements. There is a wider corporate governance programme that includes (but is not limited to) the following:
- In view of the acknowledged need to improve our engagement and

consultation process, a review is being conducted in the MPS which will encompass all forms of public engagement and consultation

- Safer Neighbourhoods is the key driver to delivering local policing and as part of this programme, SN panel training and business /youth engagement will be undertaken and reviewed over the next 12 months
- To assist with the development of the corporate oversight and strategy, there is a plan to consider the introduction of a co-ordination role within Strategy as well as consideration a new commissioning process resulting from the CSA
- In order for the MPS to successfully implement the police misconduct procedures, The Taylor Project Board will continue well in to 2008
- In order to ensure that the corporate risk process remains fit for purpose, the corporate risk register and the process that underpins it, is subject to a review. To keep the MPS and MPA risk strategies aligned, a refresh of the joint MPA/MPS risk management strategy is to be carried out.
- In order to provide improved control and quality of legal issues and for all legal service issues to be routed through DLS, there will be the formation of the MetLaw reception desk.
- In order to maintain market competitiveness around pay and benefit packages, there will be further work to improve detailed information on emerging market hotspots, especially around specialisms and specialist professionals
- To help gauge compliance with the new corporate governance framework, there will be the deployment of a new set of corporate health indicators (via the Corporate Governance Co-ordination Group) to assist Performance Board, Management Board, MPA and other stakeholders
- As part of an effective corporate governance framework and following the major review of the MPS scheme of delegation, the deployment of the said agreed corporate scheme of delegation will take place across the MPS business groups
- P2P is a major programme designed to help ensure compliance with policies and procedures so work will continue to develop this programme untill completion.
- The number, size, complexity and importance of partnership arrangements the MPS is involved with is increasing, so a comprehensive partnership policy and governance framework is being developed by Strategic Finance as well as a Territorial Policing partnership mapping project
- To assist with the embedding of the new governance arrangements, a Developing Resource Management Programme is to be implemented

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Sir Ian Blair
Commissioner of Police of the Metropolis