ANNUAL GOVERNANCE STATEMENT ACTION PLAN – QUARTER THREE

	Governance Issue 2009/10	Agreed Action	Progress to date - Q3	Deadline
1.	Although the MPS have made improvements in ensuring risks are appropriately analysed and dealt with at command unit level a number of concerns remain as detailed below:-	Further develop the Authority's oversight of risk management in the MPS	A risk monitoring process and reporting cycle has been established which allows for the escalation of major risks from business groups, via the Governance Board, which is attended by the MPA CEO.	Ongoing
	• There remains a disconnection between operational level risk management and risk management by the top of the MPS.		Governance Board has a Risk Sub Group where cross cutting and emerging risks are discussed.	Ongoing
			The MPS Business Group Risk Co-ordinators' Forum has been re-established with initial discussions taking place on minimum standards for a risk management framework.	Ongoing
	• Highest-level risks are inadequately identified and not linked to the key strategic drivers.		A formal process has been established for quarterly corporate risk register updates.	Ongoing
	• High-level Risk Register is incomplete and still 'work-in-progress		The format of the risk management implementation plan has been amended to align with the risk maturity model. This will enable progress to be monitored more easily.	Ongoing

| | | To embed further risk management in OCUs and the MPA | Strategy and Improvement Department (S&ID) are working with the Business Group Risk coordinators to continue to develop and adapt the risk management framework. The first initiative was the development of a maturity model for risk management which will be used to assess how well risk management is embedded in each Business Group. This maturity model has been piloted in SCD and a roll out plan for the remaining business groups is now in place. | Throughout 2010 |

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			To develop further risk registers within the MPS	The risk maturity assessments will facilitate a consistent approach to recording risk within Business Groups and enable escalation as required to the corporate risk register.	Ongoing
			Roll out throughout the MPS the programme of risk management currently being developed	A roadmap and action plan for the roll out of the strategy was developed in August 2009 and the maturity model and revamped corporate risk register are key building blocks for that roadmap. S&ID and Finance Services are working jointly on this.	Ongoing
			Development of an effective risk management escalation process	There is now a risk reporting cycle established which allows for the escalation of major risks from business groups, via the MPS Governance Board, which has a Risk Sub Group where cross cutting and emerging risks are assessed.	Ongoing

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2.	Whilst there have been improvements in control around procurement, through for example the implementation of a contracts database, and the revised procurement strategy there remains areas of significant concern. Such as:- • Use of contracts either not let competitively or extended on a single tender basis • Continued difficulties in recruiting sufficient procurement professionals which has had an adverse impact on the ability of the MPS to keep on top of the tendering and contract management processes	Develop a detailed implementation plan to ensure effective delivery of the new procurement strategy	Close working continues between Procurement Services and the Treasurer and DARA on the detailed action plan, which has been devised following the presentation of the Contract Compliance report to the Authority. Monthly update reports are presented by the Chief Executive to the Authority on progress. A report by the Director of Resources will be presented to the Authority in April. The new Property Procurement category team will reach full strength by March and only 2 vacancies in the ICT category now exist across the total 50 strong Category Management function. Within the SCM team a new Procurement Change Manager joined the team in February 2010. Good progress is underway with the recruitment process for a Relationship Manager and interviews are currently being conducted. Recruitment is no longer seen as a major issue.	Ongoing April 2010 March 2010 Feb 2010 Ongoing

| | | Increase member oversight of procurement issues including delivery of the procurement strategy and compliance issues | The MPA Resource and Productivity Sub Committee continues to play a proactive role in scrutinising progress against the approved Procurement Strategy. It has approved the implementation plan supporting the strategy and receives quarterly updates on progress against key targets. The Sub Committee also now receives regular reports analysing the level of single tender action and non-compliance with MPA Standing Orders and/or public procurement legislation. | Ongoing |

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3.	The control environment is not at an acceptable level as highlighted by (a) the Director of Internal Audit's independent opinion on the adequacy and effectiveness of the system of internal control (b) the external audit annual letter that highlighted amongst other things the need to improve the system of internal control and compliance with financial regulations.	Increase oversight on issues raised in audit and inspection reports both at Corporate Governance Committee and the MPS performance board	The MPS Performance Board and Governance Board receive regular reports on the implementation of recommendations made by External Auditors (e.g. HMIC and Audit Commission) and MPA Internal Audit. Work is also continuing on developing the agreed framework for dealing with non-compliance and the implementation of the Service's Scheme of Delegation and corporate decision making.	Ongoing
		Continue the roll out of risk control and fraud awareness training	The Audit Commission report was received in February 2010 and work is underway in Finance Services to complete the action plan MPS Director of Resources and Director of MPA DARA have agreed to jointly fund further fraud awareness training A meeting was held with the MPA Fraud Prevention Officer and MPS Finance Services to review a draft Special Notice and proposed Fraud Return to be completed by Business Groups. It has been proposed that the draft Special Notice should be replaced by the publication of Standard Operating Procedures and a supporting Intranet article. These are seen to be more suitable communication channels.	Ongoing in 2010

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4.	A standardised approach to engaging with communities needs to be developed to enhance opportunities for London's communities to express their views and to work in partnership with others to ensure policing is delivered appropriately.	Undertake a review of the MPA/MPS community engagement strategy	The MPS have established a small cross business project team in conjunction with the MPA. The project aims to deliver the new MPA/MPS Community Engagement Strategy by summer 2010. The key issue for the strategy will be how to improve effectiveness of our approach to community engagement at a time when resources are under pressure.	Summer 2010