

The Joint Annual Audit Letter for the Mayor's Office for Policing and Crime and the Commissioner of Police of the Metropolis

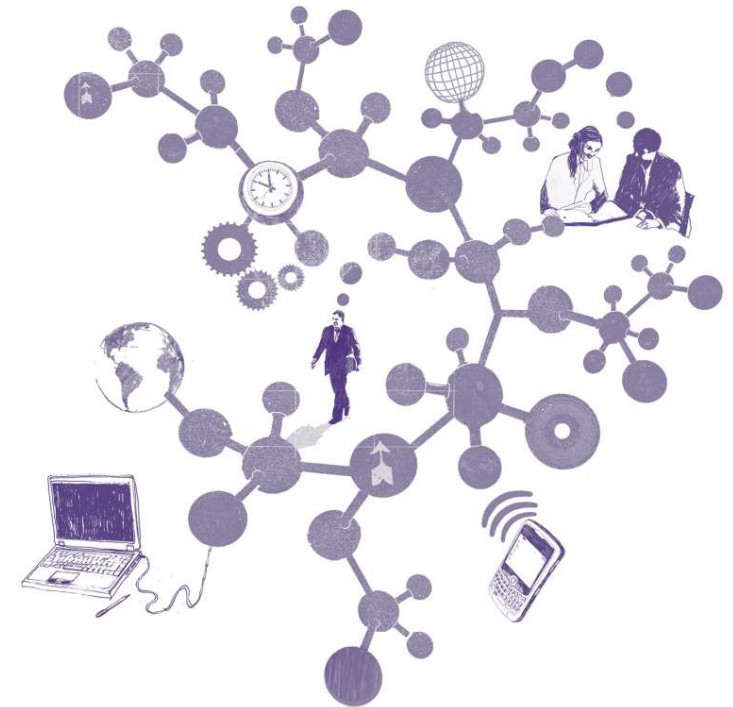
Year ended 31 March 2016

October 2016

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Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out for the Mayor's Office for Policing and Crime (MOPAC) and the Commissioner of Police of the Metropolis (MPS) for the year ended 31 March 2016.

This Letter is intended to provide a commentary on the results of our work to MOPAC, the MPS and their external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work in our Joint Audit Findings Report to the Deputy Mayor for Policing and Crime and the Deputy Commissioner, as Those Charged With Governance for MOPAC and the Metropolitan Police, respectively, on 20 July 2016.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give opinions on the MOPAC and MPS' financial statements (section two); and
- assess MOPAC and the MPS' arrangements for securing economy, efficiency and effectiveness in their use of resources (the value for money conclusion) (section three).

In our audits of the financial statements of MOPAC and the MPS, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinions

We gave unqualified opinions on MOPAC and the MPS' financial statements on 21 July 2016.

Value for money conclusions

We were satisfied that MOPAC and the MPS both put in place proper arrangements to ensure economy, efficiency and effectiveness in their use of resources during the year ended 31 March 2016. We reflected this in our audit opinions on 29 September 2016.

Whole of government accounts

We completed work on the Group consolidation return following guidance issued by the NAO and issued an unqualified report on 29 September 2016.

Certificate

We certified that we had completed the audit of the accounts of MOPAC and the MPS in accordance with the requirements of the Code on 29 September 2016.

Working with MOPAC and the MPS

We would like to record our appreciation for the assistance and co-operation provided to us during our audits by MOPAC, the MPS and their staff.

Grant Thornton UK LLP
October 2016

Audit of the accounts

Our audit approach

Materiality

In our audit of the MOPAC and MPS accounts, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audits of MOPAC and the MPS accounts as a proportion of the smaller of gross revenue expenditure of MOPAC and gross revenue expenditure of the MPS. For 2015/16, this was determined to be £68m, being 1.85% of budgeted gross revenue expenditure of the MPS. We also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulated effect of such amounts would have a material impact on the financial statements. We defined the clearly trivial amount to be £3,400k.

The scope of our audit

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error.

This includes assessing whether:

- MOPAC and MPS accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the narrative report and annual governance statement to check they are consistent with our understanding of MOPAC and the MPS and with the accounts on which we give our opinion.

We carry out our audits in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach was based on a thorough understanding of MOPAC's and the MPS' business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	Applicable to MOPAC / MPS / both?	How we responded to the risk
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	Both	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams, we have determined that the risk of fraud arising from revenue recognition can be rebutted for both MOPAC and the MPS because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • for MOPAC, opportunities to manipulate revenue recognition are very limited as revenue is principally grant allocations from central and local government; • for the MPS, opportunities to manipulate revenue recognition are very limited as revenue is principally an inter-group transfer from MOPAC, with no cash transactions; and • the culture and ethical frameworks of local authorities, including MOPAC and the MPS, mean that all forms of fraud are seen as unacceptable.
<p>Management over-ride of controls</p> <p>Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	Both	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> • Identified accounting entries, judgements and decisions made by management; • Performed a walkthrough of journals to gain assurance that the in-year controls were operating in accordance with our documented understanding; • Carried out detailed testing of high risk journal entries; • Reviewed accounting treatment for significant, unusual transactions; and • Reviewed and challenged significant accounting estimates, judgements and decisions made by management, including those concerning abortive costs. <p>Our audit work did not identify any evidence of management over-ride of controls. We explored a number of potential accounting treatments with management for the abortive costs of the Command and Control Futures programme, and were satisfied that none of the potential accounting treatments had a materially different impact on the opinion.</p>

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	Applicable to MOPAC / MPS / both?	How we responded to the risk
<p>Valuation of property, plant and equipment</p> <p>MOPAC revalues its assets on a rolling basis over a five year period.</p> <p>The Code requires that MOPAC ensures that the carrying value at the balance sheet date is not materially different from current value. This represents a significant estimate by management in the financial statements.</p>	<p>MOPAC</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> • Reviewed management's processes and assumptions for the calculation of the estimate; • Reviewed the competence, expertise and objectivity of any management experts used; • Reviewed the instructions issued to valuation experts and the scope of their work; • Held discussions with MOPAC's valuer about the basis on which the valuation was carried out. challenging the key assumptions; • Reviewed and challenged information used by the valuer to ensure it was robust and consistent with our understanding; • Tested data provided to the actuary for completeness and accuracy; • Tested revaluations made during the year to ensure they were input correctly into MOPAC's asset register; and • Evaluated the assumptions made by management for those assets not revalued during the year and how management satisfied themselves that these were not materially different to current value. <p>We did not identify any significant issues to report.</p>

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	Applicable to MOPAC / MPS / both?	How we responded to the risk
<p>Valuation of pension fund net liability</p> <p>The MPS' pension fund asset and liability as reflected in its balance sheet represent significant estimates in the financial statements.</p>	MPS	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> • Documented the key controls that were put in place by management to ensure that the pension fund liability was not materially misstated; • Performed a walkthrough of the key controls to assess whether they were implemented as expected and sufficient to mitigate the risk of material misstatement in the financial statements; • Reviewed the competence, expertise and objectivity of the actuary who carried out the MPS' pension fund valuation; • Gained an understanding of the basis on which the IAS 19 valuation was carried out, undertaking procedures to confirm the reasonableness of the actuarial assumptions made; • Reviewed the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary; and • Tested data provided to the actuary for completeness and accuracy. <p>The work of the MPS' actuary relies on having complete and accurate source data in respect of scheme members. We identified that approximately 1,500 new scheme members were not included in the information sent to the actuary. Management confirmed that the information sent to the actuary did not include new recruits. We have raised this as an internal control issue, with a recommendation for management to strengthen member data control to ensure that information produced by the administrator of pension payments for the actuary is complete and accurate.</p>
<p>Employee remuneration</p> <p>Employee remuneration accruals understated (remuneration expenses not correct).</p>	Both	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> • Documented our understanding of processes and key controls over the transaction cycle; • Undertook walkthrough of the key controls to assess whether those controls were in line with our documented understanding; • Tested the reconciliation of payroll expenditure recorded in the general ledger to the subsidiary systems and interfaces; • Analysed trends and relationships to identify any anomalous areas for further investigation; • Substantive testing of staff and officer payroll payments including overtime, ensuring payments are made in accordance with the contract of employment; and • Tested to confirm the completeness of payroll transactions and appropriate cut-off. <p>We did not identify any significant issues to report.</p>

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	Applicable to MOPAC / MPS / both?	How we responded to the risk
<p>Operating expenses Creditors understated or not recorded in the correct period (operating expenses understated)</p>	Both	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> • Documented our understanding of processes and key controls over the transaction cycle; • Undertook walkthrough of the key controls to assess the whether those controls were in line with our documented understanding; • Tested the reconciliation of operating expenditure recorded in the general ledger to subsidiary systems and interfaces; • Tested payments made and invoices received after the year end to identify potential unrecorded liabilities and gain assurance over the completeness of the payables balance in the accounts; and • Substantively tested in-year operating expenses. <p>We did not identify any significant issues to report.</p>
<p>Police pension benefits payable Benefits improperly computed / claims liability understated</p>	MPS	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> • Documented our understanding of processes and key controls over the transaction cycle; • Undertook walkthrough testing of the key controls to assess whether those controls were in line with our documented understanding; • Substantively tested lump sum pension benefit payments; • Substantively tested monthly benefit payments; and • Tested the reconciliation of pension benefit payments recorded in the general ledger to the subsidiary systems and interfaces. <p>We did not identify any significant issues to report.</p>

Audit of the accounts

Audit opinion

We gave unqualified opinions on the MOPAC and MPS' accounts on 21 July 2016, in advance of the 30 September 2016 national deadline.

MOPAC and the MPS made the accounts available, along with full sets of working papers, for audit on 31 May 2016, the planned start date for our year-end field work, and a week earlier than the prior year. This is the second year that the MPS' finance team has achieved early close. When taking into account that there was a substantial mid-year transfer of finance and other support services to SSCL, this is a significant achievement for which the finance team and management should be congratulated.

Issues arising from the audit of the accounts

We reported the key issues from our audit of the accounts of MOPAC and the MPS to the Deputy Mayor for Policing and Crime and the Deputy Commissioner on 19 and 20 July 2016.

We made the following recommendations in our Joint Audit Findings Report:

- Actively review the 'goods received, invoice not received' balance to identify aged items where the accrued expenditure could potentially be reversed.
- Strengthen member data controls to ensure information produced by Equiniti for the actuary is complete and accurate.

Annual Governance Statement and Narrative Report

We are also required to review MOPAC's and the MPS' Annual Governance Statements and Narrative Reports. They were published on their websites with the draft accounts in line with the national deadlines.

The documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by MOPAC and the MPS and with our knowledge of MOPAC and the MPS.

Whole of Government Accounts (WGA)

We carried out work on the Group consolidation schedule in line with instructions provided by the NAO . We issued a group assurance certificate which did not identify any issues for the group auditor to consider.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2015 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed is set out overleaf, and applied to both MOPAC and the MPS.

Overall VfM conclusion

We are satisfied that in all significant respects MOPAC and the MPS both put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ending 31 March 2016.

Value for Money key messages

Value for Money findings

The MPS has continued to make good progress in developing its high level vision – to make London the safest global city – and blueprint for its 2020 operating model. London is a city that is constantly changing, and the nature of crime is becoming increasingly complex and costly to investigate. When we reported to you last year, this was combined with a substantial financial challenge - savings of over £800m p/a (over 25% of your spend) were required by 2019/20.

Following the spending review in November 2015, the outlook changed. Police spending was protected in real terms, meaning that your savings target halved to around £390m p/a up to 2019/20. This still represents a substantial financial challenge. The announcement also risked presenting a scenario where the 'difficult decisions' were no longer required and the 'transformation' could be seen as no longer needed, if the perception was allowed to grow that the 'financial pressure was off'.

Both MOPAC and the MPS were aware of this risk and have sought to ensure the message makes clear that the transformation agenda is as necessary now as it was before the announcement. The MPS has continued to improve the top down approach to delivering its vision. There is now a maturing blueprint, service delivery model, functional model and roadmap. This, for the first time, allows the MPS sufficient understanding to model 'what if' scenarios and will therefore be a powerful tool in putting the case for change as well as informing and defending decisions with staff and wider stakeholders alike.

The focus will now be on delivering transformational change along with the still substantial savings requirement. By developing or adopting a method to measure progress towards the vision, actual real world impact can be gauged. Again, the MPS is making progress with its proposal to develop a City Safety Index (CSI) for London. To be successful this will need close alignment with wider stakeholder plans and effective partnership working. Delivering on the thirteen programmes which contribute to the changes will be an on-going

challenge and there are examples where this needs to improve and where risks associated with skills and capacity are impacting.

It is also important to ensure that there is a strong alignment of the emerging plans for both MOPAC and MPS. The MPS vision of forging London as the safest global city will need to dovetail with the priorities of the emerging police and crime plan. It will also be critical to be able to demonstrate how the police and crime plan priorities will be delivered through the Met's blueprint. Supporting this, a system and framework of oversight arrangements will need to be in place that enable MOPAC to gain assurance over the delivery of plan priorities and other critical areas, and which the MPS is able to service as part of its 'business as usual' operations.

We have made a number of recommendations from our Value for Money work and these are set out in Appendix B.

Value for Money risk areas identified

Risk areas considered	Findings and conclusions
<p>Overall Vision and Transformational Change Following the Autumn spending review, We assessed the impact of the Autumn spending review on the ambitious plans to change the way the Met operates. The Commissioner has stated that the MPS still needs to adapt to meet the needs of Londoners. The emerging vision, in mid-2015, was for London to be ‘...consistently the world’s safest global city.’ This was both clear and ambitious and we assessed how this has translated into strategy and design of the transformation.</p>	<p>We reviewed the overall vision and strategy for the MPS and how the budget settlement impacted on the assumptions, constraints and overall design principles driving the change.</p> <p>A recommendation was made, but the evidence enabled us to conclude that the risk was sufficiently mitigated and the MPS has proper arrangements in place.</p>
<p>One Met Model The Target Operating Model (TOM) for the MPS has been a work in progress both in terms of developing the future blueprint and aligning the portfolio of programmes and projects into a coherent package to deliver it. We saw progress in this area last year and looked to assess overall maturity.</p>	<p>We assessed progress and development from the position in summer 2015, examining the full business case and related benefits for change. We also examined dependencies and links from the TOM to the existing Portfolio of Programmes and Projects and examine any gaps.</p> <p>A number of recommendations were made, but the evidence enabled us to conclude that the risk was sufficiently mitigated and the MPS has proper arrangements in place.</p>
<p>Financial Strategy and position Last year the MPS faced a substantial savings challenge which has been alleviated to some extent with the Autumn statement. However, only a small fraction of the cumulative savings required prior to the budget had been planned so there will remain a challenge to ensure the investment for change can be financed. We examined how investment, new and enhanced threats, and business as usual are reflected.</p>	<p>We reviewed the arrangements in place to support the financial strategy in the medium term. A number of recommendations were made, but the evidence enabled us to conclude that the risk was sufficiently mitigated and the MPS has proper arrangements.</p>
<p>Commercial strategy The MPS is undertaking substantial change in terms of core supporting assets. This is in the shape of estate being rationalised and back office functions being outsourced. One such area is the current finance/ HR/ procurement/ payroll outsourcing to the existing framework provider Shared Services Connected Ltd (SSCL). The contract was awarded in 2015 and the transfer of staff will commence later this year. This transition is being managed as a project and we assessed the progress and risks associated as well as the underlying business rational.</p>	<p>We updated our understanding of the business case and benefits of the SSCL project and reviewed project governance, plans, risk and overall delivery progress.</p> <p>This enabled us to conclude that the risk was sufficiently mitigated and the MPS has proper arrangements.</p>

Value for Money risk areas identified

Risk areas considered	Findings and conclusions
<p>ICT outsourcing The Department of Information (DoI) formed part of the outsourcing strategy with relatively large numbers of staff transferring to different suppliers under a SIAM model. Of the remaining staff it was anticipated that 50% would change to align with skills required for a much leaner intelligent customer function. The bulk of this change was completed through utilising an interim change specialist and the project was governed outside of the transformation Portfolio management team.</p> <p>We assessed high level progress and examined whether governance has been brought into line with the other transformational programmes as per our recommendations last year.</p>	<p>We updated our understand of the new operating model for IT and examined whether this is now being managed as a key enabler for the other change programmes within the portfolio. A recommendation was made, but the evidence enabled us to conclude that the risk was sufficiently mitigated and the MPS has proper arrangements in place.</p>
<p>MOPAC Governance and Oversight PWC undertook a review and made a number of recommendations on how governance should work with MOPAC and MPS. MOPAC and the MPS need to work collaboratively to arrive at a system of governance and oversight that is intelligent, robust, risk focused and effective.</p>	<p>We examined the recommendations made by PWC and assessed progress made in developing the themes and recommendations from the PWC report into embedded, workable arrangements.</p> <p>This enabled us to conclude that the risk was sufficiently mitigated and that both MOPAC and the MPS have proper arrangements.</p>
<p>Collaboration & Aspirational goals – 20:20:20 MOPAC set out in their overall Police and Crime Plan six aspirational goals. These effectively translate into 20% improvements on six criteria covering crime, justice, confidence and cost. Given the new cost environment, the HMIC report on crime recording as well as the prospect of a new Mayor for London this juncture provides a good opportunity to assess progress and update our understanding of future goals.</p>	<p>We reviewed the annual report on progress against the six 20s, and gained understanding of the reasons for any shortfalls. We identified where meaningful collaboration is being undertaken or planned with partners outside of the Police. Specifically where there is benefit to the overall efficiency or effectiveness. We also assessed plans as to how the new Police and Crime plan will tie-in and support the overall Vision for the MPS.</p> <p>This enabled us to conclude that the risk was sufficiently mitigated and that MOPAC has proper arrangements.</p>
<p>Termination of the Command and Control Futures programme During the planning stages of this audit we learned that the Deputy Mayor for Policing and Crime (DMPC) for MOPAC, on the recommendation of the MPS, took the decision to terminate the contract with Northrop Grumman for a £90m command & control system responsible for handling 999 calls.</p>	<p>We have undertaken work to assess the arrangements in place for the procurement, management and delivery of the command and control futures programme and the information used to support the decision to terminate in March 2016. Our review has not identified any matters that impact our overall value for money conclusion.</p>

Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and provision of non-audit services.

Fees

	Planned £	Actual fees £	2014/15 fees £
MOPAC scale fee	131,828	148,377	175,770
MPS scale fee	120,000	136,549	160,000
Total fees (excluding VAT)	251,828	284,926	335,770

Fees for other services

Service	Fees £
Audit related services	Nil
Non-audit services	68,000

Reports issued

Report	Date issued
Joint Audit Plan	March 2016
Joint Audit Findings Report	July 2016
Joint Annual Audit Letter	October 2016

Actual fees reflect the additional work undertaken in response to the risks identified following the termination of the Command and Control Futures programme.

Appendix B: Joint value for money action plan 2015/16

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
1.	The MPS and MOPAC should ensure that measures for the delivery of the overall vision are closely aligned at an early stage to the forthcoming Police and Crime Plan.	High	We are working closely with MOPAC on the development of the Police & Crime Plan, with a view to ensuring that this overall strategic document (a draft of which is due in November 2016) aligns with the internal business plans for delivery of the priorities. The Police & Crime Plan and the MPS Business Plan will both launch at the start of the 2017/18 financial year. Once the priorities become clear within the PCP, we will work with MOPAC to identify the relevant measures that will demonstrate success against the vision and the strategy.	Director of Strategy & Governance March 2017
2.	<p>It is vital that when developing a measurement (planned to be based on the Rotterdam City Safety Index) for the tracking of performance against the overall desired outcomes embodied in the MPS vision:</p> <ul style="list-style-type: none"> • Meets the requirements of both the MPS and MOPAC as well as wider partners to inform the work they are contributing to the vision • Once developed, the measurement should be managed independently of the governance and delivery for OMM 2020 to ensure it remains a robust tool to deliver the vision and drive change beyond that. 	High	We are working closely with University College London and MOPAC to deliver a London Safety Index. An initial report has reviewed a number of indices that are relevant to the problem of measuring safety in London (including the Rotterdam safety index). We will continue with this development work and discuss the options for independent management of the index with MOPAC and UCL.	Director of Strategy & Governance Sept 2017

Appendix B: Joint value for money action plan (continued)

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
3.	To deliver the OMM 2020, appropriate individuals should be identified as 'Business Change Managers' at an early stage. They should be experienced in the specific business area and have sufficient support and training in benefits management.	High	A comprehensive behavioural capability framework and technical capability framework for all business change roles will be in place by the close of 2017. The frameworks identify the skills and capabilities required of all change roles. All existing business change managers in the PTO will be externally assessed against these frameworks, with development plans agreed to address any capability gaps. All new recruits will be assessed against these frameworks and recruited on the basis of demonstrating the skills required of the role. All business change managers as identified, will be supported by portfolio change specialists who will set corporate standards and provide quality assurance and insight.	Director of Business Change Dec 2017
4.	Alongside the usual delivery metrics, the Portfolio should develop a set of key performance indicators to assess the progress towards the overall vision, informed by work on the CSI style measurement.	High	As with response 1, the One Met Model is a key delivery mechanism for the priorities outlined in the Police & Crime Plan and the MPS Business Plan. The monitoring of the delivery of the change programme and inherent activities will form a key part of the organisation's performance framework and we will report to MOPAC through Oversight Board on the progress towards the overall vision and priorities.	Director of Transformation March 2017

Appendix B: Joint value for money action plan (continued)

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
5.	<p>Continue with the identification of cost-saving initiatives to identify the remaining £100m of savings required by 2019/20. Ensure there is sufficient 'headroom' within the plans to support non-delivery of schemes.</p> <p>Review the revised revenue savings from the ICT outsourcing programme and ensure it is reconciled with the medium term financial plans.</p>	High	The medium-term budget (17/18 to 20/21) is being developed and an interim budget submission has been shared with the Mayor. A full budget submission will be made in November. A reassessment of the deliverability of savings has been undertaken and the output will be reflected in the final budget submission to ensure that sufficient headroom is created within the overall budget. Additional savings proposals will also be outlined in the budget submission and will include revised ICT estimates.	<p>Director of Commercial and Finance</p> <p>November 2016</p>
6.	<p>Ensure the costs and benefits of the change programmes are dis-aggregated from the base budgets and reported in sufficient granularity to enable effective monitoring, scrutiny and identification of non-delivery of anticipated benefits. Note that this is a continuation of a recommendation from our 2014/15 and 2013/14 audit findings reports.</p>	High	Current financial planning for the medium term now includes significant benefits from the OMM transformation programme. These benefits have been agreed as the baseline and will be managed in future on a change control basis. SROs will be held to account for the delivery of these benefits and will be responsible for identifying alternative benefits should planned benefits slip. Delivery will be reported through the new Portfolio Management Group. Once the change programme is resourced then change costs will be reported and monitored separately within the corporate financial report.	<p>Director of Commercial and Finance</p> <p>Director of Transformation and Change</p> <p>On-going from now</p>

Appendix B: Joint value for money action plan (continued)

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
7.	Given the scale of the planned capital programme, ensure there is sufficient resilience and capacity to effectively plan and monitor the programme overall.	High	A revised medium term capital programme will be shared with the Mayor as part of the November submission. It will take, into consideration, affordability and capacity to deliver.	Director of Commercial and Finance November 2016
8.	The MPS and MOPAC should work together to co-create a performance management framework that is not burdensome on either organisation, but that facilitates effective oversight of the MPS.	High	As at rec 1 once the priorities become clear within the PCP, we will work with MOPAC to identify the relevant measures that will demonstrate success against the vision and the strategy. This will form the basis of our performance management framework.	Director of Strategy & Governance March 2017



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