

AUDIT PANEL

Friday 30 June 2017

Record of the Meeting

PRESENT

Panel:

Suzanne McCarthy – Audit Panel Chair
 Mike Adam – Audit Panel Member
 Reshard Auladin – Audit Panel Member
 Graeme Gordon – Audit Panel Member

Attendees:

Rebecca Lawrence – Chief Executive, MOPAC
 Siobhan Peters – Chief Finance Officer, MOPAC
 Paul Wylie – Director of Strategy, MOPAC
 Roisha Hughes – Director of Strategy and Governance, MPS
 Lynda McMullan – Director of Commercial and Finance, MPS
 Simon Wilson – Commercial Director, MPS
 Jo Collins – Head of Insight, MPS
 Ch Supt Victor Olisa – Head of Strategic Inclusive and Diversity Unit (part of the meeting)
 Julie Norgrove – Director of Audit, Risk and Assurance, MOPAC; Head of Internal Audit for MPS and MOPAC
 Paul Grady – External Audit, Grant Thornton
 Parris Williams – External Audit, Grant Thornton
 Stuart Armstrong – External Audit, Grant Thornton

1. APOLOGIES FOR ABSENCE, INTRODUCTIONS AND DECLARATIONS OF INTERESTS

1.1 Apologies were received from Craig Mackey, Deputy Commissioner.

2. RECORD OF THE MEETING HELD ON 31 MARCH 2017

2.1 The record of the meeting on 31 March 2017 was agreed.

2.2 The Panel agreed to a half day briefing session in September, prior to the next meeting of the Panel on 22 September 2017.

3. MOPAC AND MPS RISK MANAGEMENT

3.1 Rebecca Lawrence introduced the Mayor's Office for Policing and Crime's (MOPAC) risk management report, noting that the risk assessment had been refreshed

following the publication of the new Police and Crime Plan. There was a discussion of the work undertaken to identify the risks and implement appropriate mitigations.

- 3.2 It was noted that a number of MOPAC's risks were rated as high. The Panel was assured that MOPAC had confidence in the key mitigations in place.

Resolved: The Panel gained assurance that MOPAC risks were managed and that alignment to MPS' risks was in progress.

- 3.3 Jo Collins introduced the MPS risk report and the process that had been used to refresh the corporate risk register following the publication of the Police and Crime Plan and the Met's Business Plan. The three new risks were noted – risks around leadership, insight and governance.

- 3.4 The Panel was advised that risks marked as closed on the corporate risk register did not indicate they were no longer regarded as a risk, but were either included in other corporate risks or moved to business group level risk registers and remained under full consideration and scrutiny.

- 3.5 Existing risks had action plans, and detailed action plans were being developed for the emerging risks identified.

Resolved: The Panel reviewed the decisions made by the Met's Risk and Assurance Board and the revised risk register, and endorsed the next steps towards creating action plans for the new corporate risks. The Panel also reviewed the progress to align risks and controls for MOPAC and the Met.

4. MOPAC AND MPS ANNUAL GOVERNANCE STATEMENTS

- 4.1 Rebecca Lawrence introduced the MOPAC Annual Governance Statement, reflecting the governance arrangements in place within MOPAC and further work planned to enhance its governance. There was a discussion on including more explicit reference to public engagement and ensuring value for money in the Statement.

Resolved: The MOPAC Annual Governance Statement and governance improvement plan was noted.

- 4.2 Jo Collins introduced the Met's Annual Governance Statement. There was a discussion on the areas of improvement identified and the development of actions plans. There was a suggestion that in the action plans for improvement, commercial should be separated from collaborative and strategic partnerships.

Resolved: The Met's Code of Governance and 2016/17 Annual Governance Statement was reviewed.

5. DIRECTOR OF AUDIT, RISK AND ASSURANCE INTERNAL AUDIT ANNUAL REPORT 2016/17

- 5.1 Julie Norgrove introduced the Internal Audit Annual Report containing the 2016/17 internal audit annual opinion on the effectiveness of the control environments within MOPAC and the MPS; and summarising the activities and performance of the Directorate of Audit, Risk and Assurance (DARA).

5.2 It was confirmed that the Panel would be advised of areas that continue to be rated as limited at the time of a follow up review. The number of outstanding actions was noted, and the Panel was advised that a data cleansing exercise was underway in the MPS and work was being done to address the outstanding actions.

5.3 DARA's recommendations for improving governance in MOPAC and the MPS were noted, and the Panel requested that they receive an update in December on the implementation of those recommendations.

Resolved: The Panel expressed its thanks to the Director of Audit and Risk Assurance and her team for the year's work and noted the annual opinion on the effectiveness of the MOPAC and MPS control environments.

6. MET BUSINESS PLAN AND FRAMEWORK: PROGRESS ON DEVELOPMENT

6.1 Roisha Hughes introduced the paper on the Met's progress in developing its 2017-18 Business Plan, and the proposed planning process for the coming year. The Panel was advised that the Business Plan had now been published.

Resolved: The Panel noted the 2017-18 Business Plan and congratulated the team that produced it.

7. REVIEW OF MOPAC FINANCIAL OVERSIGHT MODEL: INTERIM FINDINGS

7.1 Siobhan Peters introduced the report detailing the progress of the current review of the model for MOPAC's financial oversight of the MPS. A full report would be presented to the Audit Panel's September meeting.

Resolved: The Panel noted the ongoing review of MOPAC's financial oversight model.

8. OVERVIEW OF MOPAC's COMMISSIONING ARRANGEMENTS

8.1 Rebecca Lawrence introduced the report which provided an overview of MOPAC's commissioning approach and spend for 2017-18, as well as setting out the governance, contract arrangements and risk mitigations in place to ensure the effective and efficient use of funding.

Resolved: The Panel noted the commissioning approach and spend for 2017-18 and the risk assessment and mitigating actions.

9. OUTCOMES OF THE 2015 COMMERCIAL STRATEGY

9.1 Simon Wilson introduced the report, updating the Panel on the MPS' Commercial Programme that arose from the 2015 Commercial Strategy.

9.2 The Panel noted the five Commercial outcomes and requested that the MPS report again in December on how it is delivering against those outcomes and advise on the cash savings being realised from the programmes.

9.3 The limited assurance given by DARA in its risk and assurance reviews of contract/client relationship management was noted, and the Panel was advised that work had been done since the review to address the issues raised.

Resolved: The Panel noted the conclusion of the Commercial Programme and the refocus of the 2015 Commercial Strategy into five outcomes.

10. CAPITAL MONITORING FRAMEWORK

- 10.1 Siobhan Peters introduce the paper setting out the current MPS capital monitoring arrangements. There was a discussion of how the 12 key change programmes from the One Met Model fed into the capital plan and the MPS' Business Plan.

Resolved: The Panel noted the report.

11. EXTERNAL AUDIT UPDATE

- 11.1 Paul Grady from Grant Thornton presented his report setting out an overview of the planned scope and timing of the audit of MOPAC and the MPS for the year ending 31 March 2017.

- 11.2 There was also a discussion of the exercise currently underway to procure the external audit service for 2018.

Resolved: The Panel noted the external audit joint audit plan and the progress being made on the procurement of an external audit service via the PSAA national procurement process.

12. DIRECTOR OF AUDIT, RISK AND ASSURANCE PROGRESS REPORT

- 12.1 Julie Norgrove introduced the report summarising both the work carried out by the DARA in the first quarter of 2017-18 and the activity planned for quarter two.

Resolved: The Panel considered the DARA work undertaken to date and the activity planned for the second quarter and was assured that adequate progress against the plan was being made.

13. MET AUDIT AND INSPECTION REPORT

- 13.1 Roisha Hughes introduced the MPS report which provided information on an exercise currently underway to 'cleanse' MPS internal audit data on agreed actions following the DARA review activity, the HMIC's efficiency and legitimacy inspection and progress on delivering against the findings of the HMIC's Child Protection Report.

Resolved: The Panel noted the report.

14. MPS INCLUSION, DIVERSITY AND EQUALITIES REPORT

- 14.1 Chief Superintendent Victor Olisa introduced the MPS Inclusion, Diversity and Equalities report, updating the Panel on the draft Inclusion and Diversity Strategy. There was discussion of how the strategy inter-relates with the Police and Crime Plan and the Business Plan. There was also a discussion of how the issues will be mainstreamed in the Met.

- 14.2 There was a discussion on how to measure success, and it was suggested that this level of detail could be addressed in the delivery plan. The dashboard, which will be presented to the Panel in September, would contain performance measures and information on monitoring.

Resolved: The Panel noted the work done to revise the strategy and the associated work plan and the activities undertaken to address the recommendations made by the DARA risk and assurance review.

15. AOB – TERMS OF REFERENCE

Action: Secretariat to put the Terms of Reference on the September agenda to enable the Panel to assure itself that it is undertaking the work required to discharge its responsibilities.
