

MPS-MOPAC JOINT AUDIT PANEL

4 July 2022

MPS-MOPAC Joint Audit Panel Work Plan 2022/23 and Terms of Reference

Report by: Chair of the MPS-MOPAC Joint Audit Panel

Report Summary

Overall Summary of the Purpose of the Report

The 2022/23 Work Plan for the joint Audit Panel is presented for consideration and approval.

Key Considerations for the Panel

The Panel will want to be satisfied that the work plan will enable it to discharge its responsibilities, as set out in its terms of reference.

Interdependencies/Cross Cutting Issues

The work plan will set the agenda and reporting requirements for MOPAC and the MPS for each of the meetings of the Panel for 2022/23.

Recommendations

The Audit Panel is recommended to consider and agree the proposed 2022/23 Work Plan for the MPS-MOPAC Joint Audit Panel and consider it in the context of its Terms of Reference.

1. Supporting Information

- 1.1 The proposed work plan for the joint Audit Panel for 2022/23 is at Appendix 1 and is designed to ensure that the Panel is able to effectively discharge its function in line with its Terms of Reference (Appendix 2). The Work Plan can be amended and added to during the year as agreed by the Audit Panel. The Panel intends to use the material presented to it in various reports to enable it to take a thematic approach to issues such as public confidence and trust in the Met and effective oversight of the Met by MOPAC.
- 1.2 The intention is for the Panel to continue to meet on a quarterly basis with the option to arrange additional ad hoc meetings should it be determined necessary. Briefing sessions for members of the Panel will supplement the formal meetings.
- 1.3 An annual review of the Audit Panel’s effectiveness will be conducted in the period between July and September 2022 and reported to the October 2022 Panel meeting.
- 1.4 The Panel will also review its Terms of Reference as part of the effectiveness review. The work plan will be amended, as necessary, to reflect any significant changes to the Panel’s Terms of Reference.

3. Equality and Diversity Impact

There are no immediate equality and diversity implications arising from this report. However, the Audit Panel has a remit to satisfy itself on behalf of the Deputy Mayor for Policing and Crime and the Metropolitan Police Commissioner (currently Interim) that an efficient and effectively performing framework is in place to discharge statutory requirements for equalities and diversity and to ensure continual improvement.

4. Financial Implications

There are no immediate financial implications arising from this report.

5. Legal Implications

There are no direct legal implications arising from this report.

6. Risk Implications

There are no immediate risk implications arising from the report. However, the Audit Panel has a remit to advise the Deputy Mayor for Policing and Crime and the Metropolitan Police Commissioner (currently Interim) on the effectiveness of their respective risk management frameworks.

7. Contact Details

Report author: Sarah Egan, MPS Oversight and Governance Officer, MOPAC

8. Appendices and Background Papers

Appendix 1: Proposed Audit Panel Work Plan 2022/23

Appendix 2: Audit Panel Terms of Reference

Appendix 1 - Draft Joint Audit Panel Work Plan 2022/23

4 July 2022

QUARTERLY REPORTS	
1	Risk Management MOPAC Risk Management Quarterly Report MPS Risk Management Quarterly Report
2	Governance MOPAC Annual Governance Statement and Governance Improvement Plan MPS Annual Governance Statement and Governance Improvement Plan
3	External Audit Report – detailed audit plan and initial findings
4	MPS Audit and Inspection Quarterly Report
6-MONTHLY AND ANNUAL REPORTS	
5	MPS Diversity and Inclusion Strategy Six-monthly Update
6	Anti-fraud, Bribery and Corruption and Counter Corruption; and the Daniel Morgan Independent Panel Report
7	MPS Transformation Portfolio Six-monthly Update
8	Draft Internal Audit Annual Report 2021/22
9	Internal Audit Plan for MOPAC and MPS 2022/23
10	MPS Write-off of Irrecoverable Debts – Annual Report – to note
11	Treasury Management Strategy 2022-23 – to note
12	Audit Panel Work Plan for 2022-23 – to note

3 October 2022

QUARTERLY REPORTS	
1	Risk Management MOPAC Risk Management Quarterly Report MPS Risk Management Quarterly Report
2	Governance MOPAC Governance Improvement Plan Quarterly Update MPS Governance Improvement Plan Quarterly Update
3	Internal Audit Quarterly Activity Report
4	External Audit Update – Audit Findings Report, Financial Statement Opinions and draft Annual Audit Report
5	MPS Audit and Inspection Quarterly Report
6-MONTHLY AND ANNUAL REPORTS	
6	Rebuilding Trust and Confidence Six-monthly Update
7	MOPAC Commissioning Six-monthly Update
8	MPS Health, Safety and Well-being Six-monthly Update
9	MPS Commercial Services Six-monthly Update – implementation of improvement plan and update on implementation of actions from DARA review.

10	Treasury Management 2021-22 Outturn
11	Capital Strategy Annual Update
12	Audit Panel Annual Review of Effectiveness

16 January 2023

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1	Risk Management MOPAC Risk Management Quarterly Report MPS Risk Management Quarterly Report
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3	Internal Audit Quarterly Activity Report
4	External Audit Update
5	MPS Audit and Inspection Quarterly Report
6-MONTHLY AND ANNUAL REPORTS	
6	MPS Diversity and Inclusion Strategy Six-monthly Update
7	MPS Transformation Portfolio Six-monthly Update
8	MPS Counter Fraud Strategy and Framework Six-monthly Update
9	Treasury Management Mid-Year Review for 2022-23
10	Accounting Policies and Key Judgements in Preparing the 2022/23 Statement of Accounts

March 2023

QUARTERLY REPORTS	
1	Risk Management MOPAC Risk Management Quarterly Report MPS Risk Management Quarterly Report
2	Governance MOPAC Governance Improvement Plan Quarterly Report MPS Governance Improvement Plan Quarterly Report
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8	MOPAC Commissioning Six-monthly Update
9	MPS Commercial Services Six-monthly Update
10	Audit Panel Work Plan 2023/24

MOPAC and MPS Audit Panel TERMS OF REFERENCE

Composition of the Panel

The Audit Panel comprises four members, who are independent of the Mayor's Office of Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS). Where it is considered that specialist skills are required, the Panel is able to seek approval from the Deputy Mayor Policing and Crime (DMPC) and Commissioner to add to the membership accordingly.

The executive of MOPAC and a representative of the Command Team of the MPS are required to attend each meeting of the Panel. Attendees will, therefore, include the Chief of Corporate Services; MPS Director of Commercial and Finance; Chief Executive, MOPAC; and the Chief Financial Officer, MOPAC. The Director of Audit, Risk and Assurance (Head of Internal Audit for MOPAC and the MPS), also attends each meeting, along with a representative of external audit.

Purpose

The Audit Panel is responsible for enhancing public trust and confidence in the governance of MOPAC and the MPS. It also assists MOPAC in discharging statutory responsibilities in holding the MPS to account, and in delivery of the Police and Crime Plan (PCP) and the transformation of the MPS. This is achieved by;

- Advising MOPAC and the Metropolitan Police Commissioner according to good governance principles.
- Providing independent assurance on the adequacy and effectiveness of the MOPAC and MPS internal control environments and risk management frameworks.
- Overseeing the effectiveness of the frameworks in place for ensuring compliance with statutory requirements, and in particular those in respect of health and safety, and inclusion, diversity and equalities.
- Independently scrutinising financial and non-financial performance to the extent that it affects the MOPAC and MPS exposure to risks and weakens internal control.
- Overseeing the financial reporting process.

Objectives

The Audit Panel has a rolling programme of meetings, typically meeting four times a year (March, June, September, January). In effectively discharging its function it is responsible for:

Internal Control Environment and Governance Framework

- Satisfying itself as to the effectiveness of the internal control framework in operation within MOPAC and the MPS and advising the DMPC and Metropolitan Police Commissioner as appropriate.

- Considering the Annual Governance Statements together with associated action plans for addressing areas of improvement and advising MOPAC and the MPS as appropriate.

Police and Crime Plan (PCP) and MPS Transformation

- Regular review of the risks to the delivery of the PCP and MPS transformation and providing assurance of the effectiveness of mitigating actions.

Corporate Risk Management

- Approving the MOPAC and MPS risk management strategies and frameworks; ensuring an appropriate framework is in place for assessing and managing key risks to MOPAC and the MPS.
- Providing assurance to the DMPC and Metropolitan Police Commissioner as appropriate on the effectiveness of the risk management frameworks in operation.

Financial Reporting

- Considering the financial risks to which MOPAC and the MPS are exposed (including those that relate to treasury management) and approving measures to reduce or eliminate them or to insure against them.
- Reviewing the Annual Accounts and in particular any significant accounting provisions, adjustments and judgements made.
- Considering significant accounting strategies (including treasury and commercial management), policies and any changes to them.

Inclusion, Diversity and Equalities

- Satisfying itself on behalf of the DMPC and Metropolitan Police Commissioner that an efficient and effectively performing framework is in place to discharge statutory requirements for inclusion, diversity and equalities and to ensure continual improvement.

Safety and Health

- Satisfying itself on behalf of the DMPC and Metropolitan Police Commissioner that an efficient and effectively performing framework is in place to discharge legal duties in relation to health and safety and to ensure continual improvement. In particular with regard to the safety, health and welfare of police officers and staff, people in the care and custody of the MPS, and members of the public on police premises or property.

Internal Audit

- Advising the DMPC and Metropolitan Police Commissioner on the appropriate arrangements for internal audit and approving the Internal Audit Charter and Strategy.
- Approving (but not directing) the internal audit annual programme.
- Overseeing and giving assurance to the DMPC and Metropolitan Police Commissioner on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.

- Considering the Director of Audit, Risk and Assurance Annual Report and annual opinion on the internal control environment for MOPAC and the MPS; ensuring appropriate action is taken to address any areas for improvement.

External Audit

- Noting the external audit programme and associated fees.
- Reviewing the external auditor's Audit Findings Report and any other reports, reporting on these to the DMPC and Metropolitan Police Commissioner as appropriate and including progress on the implementation of agreed recommendations.
- Reviewing the External Auditor's Annual Audit Letter making recommendations as appropriate to the DMPC and Metropolitan Police Commissioner.
- Considering significant accounting policies and any changes to them.

Integrity, Ethics, Fraud and Corruption

- Reviewing and monitoring the effectiveness of MOPAC and MPS strategies and policies for addressing issues of integrity and ethical behaviour and tackling fraud and corruption.

Assurance Framework

- Considering HMICFRS, external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for MOPAC and/or the MPS.
- Advising the DMPC and Metropolitan Police Commissioner on the effectiveness of the overall assurance framework in place.

Audit Panel Effectiveness

- Annual appraisal of the Audit Panel operations is conducted and an annual report produced and reported to the DMPC and the MPS Commissioner, which is published on the Audit Panel webpage.
- Annual performance appraisals of members are conducted by the Chair of the Panel. An annual performance appraisal of the Chair is conducted by the DMPC and Commissioner, informed by the review of Panel effectiveness.