

MPS-MOPAC JOINT AUDIT PANEL

17 January 2022

Record of the Meeting

PRESENT

Panel:

Suzanne McCarthy – Audit Panel Chair
Graeme Gordon – Audit Panel Member
Jon Hayes – Audit Panel Member

MOPAC:

Diana Luchford, Chief Executive
Amana Humayun, Chief Finance Officer
Kenny Bowie, Director of Strategy and MPS Oversight
James Bottomley, Head of Oversight and Performance

MPS:

Robin Wilkinson, Chief of Corporate Services
Ian Percival, Director of Finance
Roisha Hughes, Director of Strategy and Governance
Nick Kettle, Head of Safety, Health and Wellbeing (item 9)

Audit Representatives:

Julie Norgrove, Head of Internal Audit for MPS and MOPAC
Lindsey Heaphy, Head of Audit and Assurance, Internal Audit
Rob Davies, Group Audit Lead, Internal Audit
Iain Murray, External Audit, Grant Thornton
Rebecca Lister, External Audit, Grant Thornton
Parris Williams, External Audit, Grant Thornton

1. APOLOGIES FOR ABSENCE, INTRODUCTIONS AND DECLARATIONS OF INTERESTS

- 1.1 An apology was received from Panel member Reshard Auladin. No declarations of interest were received.
- 1.2 The Chair advised that she had met with the Commissioner in October 2021, and the Commissioner had endorsed the areas of planned focus for the Panel in 2022, with particular reference to diversity and inclusion and professional standards.

2. RECORD OF THE MEETING HELD ON 4 OCTOBER 2021

- 2.1 The record of the meeting on 4 October 2021 was agreed. The completed actions were noted.

3. REBUILDING TRUST AND CONFIDENCE: GOVERNANCE AND OVERSIGHT

- 3.1 The Chair introduced this item as an opportunity for an in-depth discussion of the work the MPS was engaged in to rebuild trust and confidence in the organisation, and MOPAC's role in maintaining oversight of that work on behalf of the Mayor of London.

MPS

- 3.2 Robin Wilkinson advised that the programme of activity was being led by the Commissioner and driven by the MPS's Management Board. The work and activity were embedded into core MPS strategic governance, with dedicated resources in place to drive and co-ordinate delivery. The related reviews and strategies were being embedded in performance frameworks and the MPS's business plan – and were being overseen by the MPS's Performance Board alongside operational performance.
- 3.3 The Panel was advised that the MPS had a mechanism to ensure that learning was acted on as it was identified by the various reviews, including the Baroness Casey review and the Dame Elish Angiolini Inquiry. The MPS's revised business plan would bring together in one place all the work strands.
- 3.4 Robin Wilkinson advised that this work was accorded the highest priority and that resources were being appropriately dedicated to it. Additional expertise to support cultural change and programme and project management would be desirable, and this was being explored.
- 3.5 There was a discussion of how the MPS would measure success. The Panel was advised that more granular and specific measurements sat behind the headline measures of success set out in the paper to the Panel.

MOPAC

- 3.6 Diana Luchford observed that trust and confidence in the MPS were impacted by how the MPS responded operationally, noting that one of the Mayor's top three priorities was to reduce the number of teenage homicides. The MPS's contribution to achieving this goal would have a positive impact on trust and confidence.
- 3.7 MOPAC welcomed the openness and transparency the MPS had adopted to its trust and confidence work. As police effectiveness was also a driver for trust and confidence, MOPAC was providing a focus on this in its oversight of the MPS. MOPAC advised that it was utilising a number of different sources to gain independent assurance of the MPS's progress in addressing the issues.
- 3.8 The Panel discussed the potential for MOPAC to increase visibility of its role in oversight and the impact this may have on increasing public trust and confidence in

the MPS. They were advised work is underway to look at this as part of the review of the oversight framework.

- 3.9 The Audit Panel Chair requested that at a future meeting the MPS governance arrangements, as described, and the revised MOPAC oversight framework be submitted to the Panel.

Actions:

- The Audit Panel Chair to write to Robin Wilkinson and Diana Luchford outlining the reports the Panel would like to see which will aid the continued focus on governance and oversight arrangements supporting the rebuilding of trust and confidence in the MPS.
- MOPAC and the MPS to provide appropriate reports to the March meeting, as advised by the Chair.

4. MOPAC AND MPS RISK MANAGEMENT QUARTERLY REPORTS

MOPAC Report

- 4.1 James Bottomley introduced the MOPAC Risk Management Report, which provided an overview of MOPAC's headline risks along with detail on risk score, direction and key controls. The paper focussed on the impact of rebuilding trust and confidence in the MPS. An update on the review of the corporate risk register was provided, with advice that the revised version will be presented to the Panel's March meeting.
- 4.2 There was a discussion of the new Police and Crime Plan and the Panel was advised that the corporate risks would be aligned to that.

Action: MOPAC to provide for the Panel's March 2022 meeting its revised corporate risk register.

Resolved: The Audit Panel noted MOPAC's risk management approach.

MPS Report

- 4.3 Robin Wilkinson introduced the MPS's Risk Management Report, providing an overview of the MPS's corporate risks and the status of its controls.
- 4.4 The Panel was advised that the latest MPS Risk and Assurance Board meeting had focussed on the legitimacy risk, the controls in place and the activity occurring across the MPS to increase trust and confidence. The Panel requested that future papers to the Panel on risk should include the legitimacy risk in the detail provided in Appendix B.
- 4.5 There was a discussion of the Standards risk, with the MPS explaining that, having assessed it against the controls, it was rated as amber (control was not yet working efficiently, and some challenges remained). This reflected the commitment and work the MPS were investing in addressing this risk.

- 4.6 The Chair raised the issue of teenage homicides, noting that while there had been reductions in some of the violence indicators, this had not occurred for teenage homicides in 2021. The MPS was asked for its March risk report to focus on this issue.

Action: MPS to:

- provide a focus on the violence risk for the Panel's March 2022 meeting, including actions being taken to address the reduction of teenage homicides;
- include in future risk reports detail in Appendix B on the legitimacy risk.

Resolved: The Audit Panel noted the MPS's key risks and the governance arrangements that were in place to ensure they were being effectively managed.

5. EXTERNAL AUDIT UPDATE

- 5.1 Iain Murray introduced the Grant Thornton report which set out the Audit Findings Report for 2020/21 and progress with the 2021/22 audit. Grant Thornton had not issued the Annual Audit Report, which would include the value for money conclusion, by the expected date of 1 January 2022. The Panel were informed this was due to capacity issues, and Grant Thornton was awaiting the inclusion of final comments from the MPS and MOPAC. This would have no implication for statutory deadlines. Iain Murray advised he would present the report to the Panel's March meeting.
- 5.2 The Panel was advised that the Grant Thornton opinion was that the financial statements of the MPS and MOPAC gave a true and fair view of the organisations' financial position, that they had been properly prepared in accordance with the relevant code of practice and in accordance with the Local Audit and Accountability Action 2014.
- 5.3 The Panel asked how Grant Thornton sought assurance regarding covert bank accounts which required a higher level of security clearance to review than the audit team possessed. Iain Murray noted that there was not a material difference, and that if required they would use the internal auditors to seek the assurance. Ian Percival and Iain Murray were asked to discuss a solution to enable Grant Thornton to review these accounts in future.

Action: MPS and Grant Thornton to discuss a solution to enable Grant Thornton to audit accounts that required a higher level of security clearance.

Resolved: The Audit Panel noted Grant Thornton's report.

6. INTERNAL AUDIT QUARTERLY ACTIVITY REPORT

- 6.1 Julie Norgrove introduced the report summarising the work carried out by the Directorate of Audit, Risk and Assurance (DARA) since the Panel last met, including internal audit risk and assurance reviews, advisory and systems development work and counter fraud activity. There was also a forward look to planned activity for the coming quarter.

- 6.2 The Panel was advised that eight reviews had been concluded, six rated adequate and one limited, with one advisory report issued. Seven reviews were at draft report stage, and seven in progress. Significant advisory work that had been carried out, providing timely risk and control advice to senior management in high priority/risk areas, were on rebuilding trust and confidence, property services, MOPAC oversight framework, financial assurance framework and MOPAC's Freedom of Information Act processes.
- 6.3 The Panel noted that DARA's follow up review on the capability and capacity of Met Detention received a limited assurance rating. Robin Wilkinson agreed that this was disappointing. While he could not give assurance that the revised target date for completion of the management actions would be met, he outlined the changes that had been made and confirmed that the issues were being focussed on and further updates would be submitted to the Met's Risk and Assurance Board. DARA would also conduct a further follow up with the outcome reported to the Panel.

Resolved: The Audit Panel noted the outcome of DARA's work undertaken to date and the status of current and planned activity.

7. MPS AUDIT AND INSPECTION REPORT

- 7.1 Roisha Hughes introduced the MPS's quarterly Audit and Inspection Report, advising that at its last meeting, the MPS Risk and Assurance Board considered progress against outstanding audit actions and discussed the most recent limited audits.
- 7.2 The Panel noted that implementation by the due date of high-risk actions was still not meeting the targets, and the reasons given for the delay. The Panel asked what steps were being taken to address the issues. It was agreed that the MPS would provide details on this in its March report, in particular, where there were interdependencies with other reviews/activity.
- 7.3 The Chair noted that there was a joint thematic inspection on serious youth violence due for completion in early 2022 and asked the MPS to advise when they expect to receive the findings.

Actions: The MPS to:

- Include in its March 2022 Audit and Inspection Report the steps being taken to assist the business areas with completing their actions on time.
- Advise the Panel of when it expected to receive the findings from the joint thematic inspection on serious youth violence.

Resolved: The Audit Panel noted the progress that had been made to track and monitor audit actions centrally that met an agreed threshold.

8. MOPAC AND MPS GOVERNANCE IMPROVEMENT PLANS

MOPAC Report

- 8.1 James Bottomley introduced the report which provided an update on MOPAC's Governance Improvement Plan (GIP). Work to re-baseline projects within the MOPAC Change Programme was taking place during Quarter 4 and any impacts on the GIP actions would be reported to the March Panel meeting.
- 8.2 The Chair noted that MOPAC had given the Panel an in-depth briefing in November 2021 on the development of its oversight framework and asked if the issue of access to MPS data had been resolved. Kenny Bowie advised that a Memorandum of Understanding on data sharing was now in place and discussions were continuing between MOPAC and the MPS on access to data.
- 8.3 The Panel asked about the closed action to introduce tighter controls around staff expenses. MOPAC advised that it was not a significant risk and that there were processes in place for approval of expenses. MOPAC would advise the Panel on why this action had been closed.
- 8.4 The change in the strategic approach to community engagement to support rebuilding trust and confidence in the MPS was noted and MOPAC was asked to provide more detail on this for the March meeting, along with the revised oversight framework.

Actions:

- MOPAC to include in its March Governance Improvement Plan report:
 - Impacts arising from re-baselining projects within the MOPAC Change Programme
 - detail on its community engagement strategic approach
 - its revised oversight framework.
- MOPAC to advise the Panel the reason the action regarding staff expenses controls was closed.

Resolved: The Audit Panel:

- a. Noted the Governance Improvement Plan and the progress made to the end of Quarter 3.
- b. Noted the areas highlighted where delivery timescales had been pushed back.
- c. Noted the next steps and timescales for the Oversight Framework work.

MPS Report

- 8.5 Roisha Hughes introduced the report which provided an update on the MPS's Governance Improvement Plans (GIP).
- 8.6 There was a discussion of the Assurance Map included in the report at the request of the Panel. The Panel was grateful for the information provided but wished to see an

Assurance Map covering all sources of assurance across the MPS, and not just in relation to the GIP. It was agreed that Jon Hayes and Julie Norgrove would provide advice to the MPS on what the Panel would wish to be included.

- 8.7 The Panel noted that the MPS would be providing for its March meeting a comprehensive update on the implementation of the recommendations arising from the Calam Stocktake review.
- 8.8 The Panel noted that the action of building data ethics capability had been rated red. The Panel was advised that this was due to the challenges in recruiting a Data Ethics lead and the MPS was actively working on this.

Action: MPS to provide for the March Panel meeting:

- Following further discussion with Jon Hayes and Julie Norgrove, definition of the MPS strategic approach to assurance supported by a comprehensive Assurance Map or a timeline for completing one.
- A comprehensive update on the implementation of the recommendations arising from the Calam Stocktake.

Resolved: The Audit Panel:

- a. Noted the progress made on the Governance Improvement Plans as at Quarter 3.
- b. Noted the update regarding the Chief of Corporate Services' review of governance and the Calam review.

9. MPS HEALTH, SAFETY AND WELLBEING UPDATE

9.1 Nick Kettle introduced the six-monthly report providing assurance that the MPS had suitable governance arrangements in place to manage health, safety and wellbeing. The Panel was advised that at the time of reporting there were no significant health, safety and wellbeing implications.

9.2 Key issues brought to the attention of the Panel included:

- decreased injury rates; but that this was being monitored to see if the decrease was influenced by Covid related lockdown periods;
- the MPS Health, Safety and Wellbeing Board maintained a robust safety governance framework, monitored corporate and business group related risks, safety maturity assurance and wellbeing;
- a Gold Group had been convened to address shortfalls regarding the non-police firearms risk;
- MPS continued to demonstrate it is in the region of level 3 maturity (compliant culture) with evidence reinforcing that the majority was now self-sustaining. The

intention remained to reach level 4. All of the MPS would be audited by the end of the financial year;

- Work was underway on a new Health and Wellbeing Strategy. The Panel accepted Nick Kettle's offer to brief the Panel on the strategy.

9.3 The Panel thanked Nick Kettle and his team for the work it had done in this area, particularly in respect to mental health, and for the clear report which provided the Panel with assurance of the work being undertaken and planned.

Action: Secretariat to arrange a date for the Panel to be briefed on the Health and Wellbeing Strategy.

Resolved: In accordance with the Corporate Health and Safety Policy, the Audit Panel noted the contents of the report.

10. TREASURY MANAGEMENT MID-YEAR REVIEW FOR 2021-22

10.1 Amana Humayun introduced the report setting out the 2021/22 Treasury mid-year performance against the 2021/22 Treasury Management Strategy Statement and forecasts. The Panel was advised that investments had outperformed the benchmark and that interest costs had reduced.

10.2 The Panel asked, with inflation rising, what performance was expected for 2022/23. Amana Humayun advised that the risk appetite of the Group Investment Strategy, the syndicate which managed the GLA Group treasury management function, remained low and that she expected performance would be similar.

Resolved: The Audit Panel noted the Treasury Management mid-year review for 2021/22.

11. ACCOUNTING POLICIES AND KEY JUDGEMENTS IN PREPARING THE 2021-22 STATEMENT OF ACCOUNTS

11.1 Amana Humayun introduced the paper updating the Panel on the proposed changes to the accounting policies and key judgments of MOPAC and the MPS for the 2021/22 statement of accounts. The Panel was advised that there were no key changes to accounting policies required to comply with the 2021/22 Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice.

11.2 There were significant future changes resulting from the adoption of *IFRS 16 Leases* which would come into effect from 1 April 2022. The Panel was advised that there was in the region of 250 existing property operating leases which may potentially be captured by the standards. The MPS and MOPAC were working together on this issue. While there was a lot of work involved, assurance was given to the Panel that there were no resource implications at this stage.

- 11.3 The Panel was advised that there were further developments in respect of the legal cases relating to pensions schemes (McCloud and Sargeant). The MPS were leading the work with the National Police Chiefs Council (NPCC) to ensure that the accounting for the impact was appropriate and agreed with stakeholders.

Resolved: The Audit Panel:

- Noted the changes outlined in the report for current and future years.
- Approved the accounting policies for the Group for the 2021/22 production of the statement of accounts outlined in Annex 1 and Annex 2 of the report.

12. AOB

- 12.1 The date of the next meeting is 28 March 2022.