

MPS-MOPAC JOINT AUDIT PANEL

Wednesday 18 September 2019

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:

Siobhan Peters – Interim Chief Executive, MOPAC
 Peter Lewis – Chief Finance Officer, MOPAC
 Paul Wylie – Director of Strategy, MOPAC
 Robin Wilkinson – Chief of Corporate Services, MPS
 Roisha Hughes – Director of Strategy and Governance, MPS
 Ian Percival – Director of Finance, MPS
 Peter Fox – Director of Transformation, MPS
 Simon Wilson – Director of Commercial, MPS
 Commander Catherine Roper – Professionalism, MPS
 Commander Mark McEwan – Crime Prevention, Inclusion and Engagement
 Mahdri, Shah – CPIE Lead for Strategy and Business Delivery, MPS
 Nick Kettle – Head of Safety, Health and Wellbeing
 Julie Norgrove – Head of Internal Audit for MPS and MOPAC
 David Esling – Head of Audit and Assurance, Internal Audit
 Lindsay Heaphy – Head of Audit and Assurance, Internal Audit
 Iain Murray – External Audit, Grant Thornton
 Parris Williams – External Audit, Grant Thornton

1. APOLOGIES FOR ABSENCE, INTRODUCTIONS AND DECLARATIONS OF INTERESTS

1.1 No declarations of interest were received. An apology was received from Paul Grady, Grant Thornton.

2. RECORD OF THE MEETING HELD ON 19 JUNE 2019

2.1 The record of the meeting on 19 June 2019 was agreed. The completed actions were noted.

- 2.2 The Panel noted the Met Business Plan Quarter 1 Monitoring Report and the MOPAC Quarter 1 Performance Report.

3. MPS INCLUSION, DIVERSITY AND EQUALITIES REPORT

- 3.1 Commander Mark McEwan introduced the paper that provided an update on the Met's progress in building the framework supporting the implementation of its Inclusion and Diversity Strategy. An initial performance framework had been developed to align the delivery activities and complement the corporate performance framework. The revised structure would allow the MPS to demonstrate more effectively the continual improvement across the organisation.
- 3.2 The Panel was advised that the Delivery Plan was a living document which would have items added to ensure it captured all areas of relevant activity. There was a discussion of the development of key performance indicators and how ambitious the Met had been when setting the targets and timeframes.
- 3.3 The Panel noted the work that had been done and discussed the next steps, such as the development of a dashboard; and articulation of how the Met would assess when the strategy was fully embedded throughout the organisation. The Met would include in its next report to the Panel the areas where there was concern about progress.
- 3.4 It was noted that there was an internal audit of this area currently being undertaken by the Directorate of Audit, Risk and Assurance (DARA) which would be completed in early 2020.

Action: The Met to provide an update report to the March 2020 Audit Panel meeting; to include the development of the dashboard, how to assess embedding of the Strategy throughout the Met and actions to address the outcome of the DARA review.

Resolved: The Audit Panel:

- a. Noted the submission of the Met's revised Diversity and Inclusion Plan and the Performance Framework that supported the delivery of the strategy.
- b. Noted that work had commenced to ensure a lasting legacy and continual improvement of the systems, functions and processes implemented through the strategy via a performance framework.

4. EXTERNAL AUDIT UPDATE

- 4.1 Iain Murray introduced the Grant Thornton report on the 2018/19 External Audit, advising that there were no significant issues to report and that unqualified opinions had been issued for the MPS, MOPAC and MOPAC Group financial statements and value for money for both MPS and MOPAC.
- 4.2 There was a discussion on the development of the fixed asset register and governance arrangements following the Met's executive re-design. The Panel advised that the Joint Audit and Value for Money Findings Report was very helpful, drawing out the important points and highlighting the importance of scenario planning.

Resolved: The Audit Panel noted the Grant Thornton Audit Update Report and Annual Findings Report.

5. GOVERNANCE IMPROVEMENT PLANS

MOPAC Report

- 5.1 Paul Wylie introduced MOPAC's quarterly governance improvement plan report. The Panel noted the comprehensive plan and level of progress made since the last report.

Resolved: The Audit Panel:

- a. Noted the Governance Improvement Plan and the progress made to the end of quarter 2.
- b. Noted the areas which were highlighted where delivery timescales had been pushed back.

MPS Report

- 5.2 Roisha Hughes introduced the Met's update report, reporting on progress against the 2018-21 governance improvement plans. Four priority areas for 2019-20 were being focussed on, namely capability; decision-making; engagement and confidence; and commercial contracts.

- 5.3 There was a discussion of how assurance was gained of the rating given by the leads regarding progress towards improving governance. The Panel was advised that it was based on evidence and that there was a detailed plan underpinning high-level summaries.

Action: Met to provide for the Audit Panel's June 2020 meeting information on progress made during the year. Interim reports on progress to be reported to the Panel in January and March based on a summary of the defined action plans.

Resolved: The Audit Panel:

- a. Noted the Met's final 2018-19 Annual Governance Statement (audited) and four priority areas.
- b. Noted progress against governance improvement areas in 2019-20 year to date, weighted to those four priority areas.

Update on Implementing Governance and Control Plan – Procurement Review

- 5.4 Simon Wilson introduced the paper which provided an update on the status of the actions included in the Governance and Control Improvement Plan for Commercial Services.

- 5.5 The Panel was advised that the Commercial Lifecycle Management system was being implemented and this would provide greater control, flexibility and efficiency throughout the commercial lifecycle process.

- 5.6 There was a discussion of when the Met expected to have implemented all the recommendations – including the non-commercial recommendations, which related to governance, assurance and whistleblowing. The Audit Panel would want to receive advice that all recommendations had been implemented and were embedded

throughout the organisation. It was noted that Internal Audit (DARA) would be conducting a further follow up in this area in early 2020, and it was agreed that the Met would report to the Audit Panel in June 2020 confirming the implementation of all recommendations.

Action: Met to report to the Audit Panel's June 2020 meeting on the implementation of all of the recommendations arising from procurement reviews and to address any areas highlighted in the DARA review.

Resolved: The Audit Panel noted the progress made to date.

MPS Information Compliance

5.7 Roisha Hughes introduced the report providing an update on information compliance within the MPS. The Panel was advised that the MPS had addressed significant challenges in its information compliance. The Met had increased capacity and was making progress in addressing the backlog of Data Protection Act requests. An overview was provided of the steps the MPS had taken towards establishing broader data and information governance to cover its strategic approach to data and analytics.

5.8 Internal Audit (DARA) had completed its review of this area, and the Met's Information and Security Assurance Board would be overseeing the implementation of the recommendations arising from it.

Resolved: The Audit Panel noted the challenges faced and progress made in the area of information compliance and the progress towards implementing new capabilities to the MPS.

6. MPS WHISTLEBLOWING POLICY

6.1 Commander Catherine Roper introduced the paper updating the Panel on the review of the MPS's Whistleblowing and Reporting Wrong-Doing Policy.

6.2 There was a discussion of the difference between making a protected disclosure as defined by the Public Interest Disclosure Act 1998 and raising a concern or reporting a wrong doing that did not fall within the definitions in the Act. The Panel was advised that it was intended that the policy be broader than the legal definition.

6.3 The revision of the policy would include greater clarity of what the policy position is as well as reviewing the processes to support it. This is to include processes to address the issues raised in the previous procurement review, which the Panel considered were not yet addressed in the policy and process presented.

Action: The Met to provide for the Audit Panel briefing scheduled for 20 November, the revised policy, which will address the issues previously raised around the role of DARA and reporting of potential wrongdoing, and advice on the number of whistleblowing or reporting of wrong-doing incidents.

Resolved: The Audit Panel noted the policy review and satisfaction survey proposal.

7. ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY – IMPLEMENTATION UPDATE

7.1 The Panel noted MOPAC's paper providing an update on the implementation of the

Anti-Fraud, Bribery and Corruption Strategy. The Met advised that it was working on an action plan to implement the joint MOPAC/MPS Strategy.

- 7.2 The Chair enquired who owned the Strategy in the Met and how was it driven forward. Commander Roper advised that the Fraud Forum was to be re-established and would take on this responsibility.
- 7.3 The Panel also noted Internal Audit (DARA) would be undertaking a follow-up review of the Met's counter fraud arrangements in February/March with the outcome being reported to Panel.

Action: MPS to report to the Audit Panel in March 2020 advising on implementation of its Anti-Fraud, Bribery and Corruption Strategy and on the action plan arising from the DARA review.

Resolved: The Audit Panel noted the progress in MOPAC's action plan.

8. MOPAC AND MET RISK MANAGEMENT QUARTERLY REPORTS AND ALIGNMENT OF MOPAC AND MET RISKS QUARTERLY REPORT

MOPAC Report

- 8.1 Siobhan Peters introduced the MOPAC Risk Management Report which provided an overview of risk for MOPAC, along with MOPAC's processes for ensuring controls were in place to address the risks. An update was provided of a review recently undertaken of MOPAC's ways of working and capacity. An action plan was being developed in light of the findings of the review.
- 8.2 There was a discussion of the Government's recent announcement to fund additional police officers and potential implications on the risk landscape. The Panel was also updated on the work of the Violence Reduction Unit and how it contributed to the controls for the violence risk.

Action: MOPAC to provide an update for the January 2020 Audit Panel meeting on the action plan following the review over the summer.

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

MPS Report

- 8.3 Robin Wilkinson introduced the Met Risk Management Report. The quarterly report focussed on the three risks that had been assessed as 'amber' and the work being done to address them. There was also a discussion on the approach to setting a 'risk appetite' within the Met which was in the early stages of development.
- 8.4 The Audit Panel commended the Met on its work on refreshing its risk register and reporting to the Panel on the controls and assessing the progress that had been made.

Action: The Met to share with the Audit Panel the definitions of the terminology used for defining the 'risk appetite'.

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

Aligned Risks Report

- 8.5 The Panel discussed the paper 'Alignment of MOPAC and Met Risks' which included a detailed report on community engagement and the finance risk. It was noted that there remained uncertainty regarding the funding to be received from the Government, and because of this that particular risk was currently being assessed and would be reflected in the register once completed.
- 8.6 The Panel was advised that with the conclusion of the Met's risk refresh, it was taking a different approach to risk going forward. In light of this MOPAC and the MPS would be refreshing its approach to alignment.

Action: MOPAC and the Met to report to the January 2020 Audit Panel meeting on providing an overview of aligned risks.

Resolved: The Audit Panel noted the governance and risk controls in place for community engagement and the current risks and opportunities around finance.

9. MPS TRANSFORMATION PORTFOLIO SIX-MONTHLY UPDATE

- 9.1 Peter Fox introduced the paper providing the Panel with an update on the transformation which was being delivered across the Met. Highlighted was the launching of the website with the ability for crimes to be reported online; the launching of the new Telephone and Digital Investigation Unit; the merging of borough command units; restructuring of the Specialist Crime teams; transformation of intelligence; roll-out of new technology; launch of the external entry detective constable pathway; and the roll-out of Leading for London Development Programme.
- 9.2 There was a discussion of the benefits arising from the transformation, and the Panel advised that it would like future updates to include quantitative data of the benefits arising, such as savings and improvements delivered, evidence of how the risks were being mitigated and any aggregation of risks.

Action: The Met to provide its next transformation portfolio update to the Audit Panel's March 2020 meeting to cover the issues mentioned in paragraph 9.2 above.

Resolved: The Audit Panel noted the content of the report and the direction of travel with transformation activity.

10. MPS HEALTH AND SAFETY UPDATE

- 10.1 Nick Kettle introduced the Met's report, providing assurance that the MPS had suitable governance arrangements in place to manage health and safety.
- 10.2 There was a discussion of the Health and Safety Culture Maturity Model, and the Panel was advised that the MPS was in the region of level 3 maturity (compliant culture), albeit not yet a self-sustaining compliant culture. This should be close to be embedded in late 2020. The Panel recognised the effectiveness of reporting.

Action: The Met would provide its next Health and Safety Update to the January 2020 Audit Panel meeting. This would also refer to the DARA review on Well-being, which had recently concluded.

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

11. DIRECTOR OF AUDIT, RISK AND ASSURANCE INTERNAL AUDIT QUARTERLY ACTIVITY REPORT

- 11.1 Julie Norgrove introduced the report summarising the work carried out by the Directorate of Audit, Risk and Assurance (DARA) in the second quarter of 2019/20, including internal audit risk and assurance reviews, systems development and advisory work and counter fraud activity. A forward look to quarter three planned activity was also included.

Resolved: The Audit Panel considered the DARA work undertaken to date and activity planned for the third quarter.

12. MET AUDIT AND INSPECTION REPORT

- 12.1 Peter Fox introduced the Met's quarterly audit and inspection report. The report provided an update on HMICFRS inspection activity, which included the findings of the draft Integrated PEEL Assessment (IPA), preparing for the 2020 IPA and the next Force Management Statement and a number of thematic inspections.

- 12.2 An overview of the current position of outstanding DARA audit actions was also provided. The Audit Panel discussed the number of outstanding actions and asked for further information to be included in future reports. It was noted that the number of outstanding actions would fluctuate as new actions were added following the completion of DARA's audits, but there was need for greater clarity on the reasons for delay in implementation.

- 12.3 The Panel noted the Met's plan to track key themes coming out of DARA audits and themes emerging from reasons for not meeting the action completion dates. The Panel requested that it be kept informed of the progress in developing the tracker and on the themes that arise from the DARA audits and reasons for not meeting completion dates.

Action: Future MPS quarterly update reports to include advice on the number of DARA actions outstanding and the tracking of key themes arising from DARA audits and the reasons for not meeting action completion dates.

Resolved: The Audit Panel noted the HMICFRS's current and forthcoming activity and the progress that was being made to track and monitor audit actions centrally.

13. MPS-MOPAC JOINT ANNUAL AUDIT PANEL ANNUAL REPORT 2018-2019

- 13.1 The Audit Panel's second annual report for the period March 2018 to March 2019 was considered. The Chair advised that it would be submitted to the Deputy Mayor for Policing and Crime and the Commissioner of the Met Police.

Resolved: The Audit Panel noted and agreed the contents of the report and agreed the key areas of focus for 2019/20.