

# MPS-MOPAC JOINT AUDIT PANEL

## 29 March 2021

---

### Record of the Meeting

---

#### PRESENT

##### Panel:

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

##### Attendees:

Diana Luchford, Chief Executive, MOPAC  
Amana Humayun, Chief Finance Officer, MOPAC  
Will Balakrishnan, Director of Commissioning and Partnerships, MOPAC  
James Bottomley, Interim Director of Strategy, MOPAC  
Robin Wilkinson, Chief of Corporate Services, MPS  
Mark Roberts, Director of Commercial Services, MPS  
Paul Oliffe, Chief Accountant, MPS  
Roisha Hughes, Director of Strategy and Governance, MPS  
Julie Norgrove, Head of Internal Audit for MPS and MOPAC  
David Esling, Head of Audit and Assurance, Internal Audit  
Iain Murray, External Audit, Grant Thornton  
Rebecca Lister, External Audit, Grant Thornton  
Corinne Braund, External Audit, Grant Thornton

#### 1. APOLOGIES FOR ABSENCE, INTRODUCTIONS AND DECLARATIONS OF INTERESTS

- 1.1 An apology from Ian Percival was noted; Paul Oliffe was attending in his absence.
- 1.2 No declarations of interest were received.

#### 2. RECORD OF THE MEETING HELD ON 18 JANUARY 2021

- 2.1 The record of the meeting on 18 January 2021 was agreed. The completed actions were noted.

#### 3. EXTERNAL AUDIT UPDATE

- 3.1 Iain Murray introduced the Grant Thornton report updating the Panel on the draft 2019/20 Annual Audit Letter, and the work and progress of the 2020/21 external audit.

- 3.2 The Grant Thornton opinion for the year ended 31 March 2020 was that the MOPAC and MPS statements gave a true and fair view of the financial position. Grant Thornton was satisfied that MOPAC and the MPS had put in place proper arrangements to ensure economy, efficiency and effectiveness in the use of resources.
- 3.3 The Panel noted the recommendations arising from the audit and discussed with Grant Thornton the management response to those recommendations.
- 3.4 There was a discussion of the impact the change in working arrangements due to Covid-19 had on the audit process. This had resulted in an increase in Grant Thornton's fee for undertaking the 2019/20 audits of MOPAC and the MPS.
- 3.5 Iain Murray summarised the implications arising from the revised National Audit Office Code of Practice and offered to provide the Panel with a written brief.

**Action:** Grant Thornton to share with the Panel a briefing on the revised National Audit Office Code of Practice.

**Resolved:** The Audit Panel noted Grant Thornton's draft annual audit letter and external audit update report.

#### **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 risks along with MOPAC's processes for ensuring controls were in place to address those risks. The report summarised the organisation's headline risks.
- 4.2 The risks that had changed from the last report were detailed, with the reasons for the change summarised and the work supporting the mitigation of the risks outlined. The Panel asked about MOPAC's work relating to Risk 2 regarding oversight of the MPS. The Panel was advised of the recent restructure of MOPAC which further developed the strategic approach to oversight. The Panel requested that detail on this be provided for its next meeting.
- 4.3 In response to a question from the Panel, it was advised that the review of the London Criminal Reduction Board governance structure was being completed and that more resource was being targeted at the management of the partnership relationship. This focus would have a positive impact on the score of Risk 6, over time. Information on the review of this risk would be provided to the July meeting.

**Actions:** MOPAC to include in its risk management update for the July meeting:

- Information on the changes being made to assist with the oversight of the MPS and the effectiveness of the strategic approach.
- The result of the review of Risk 6.

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

*MPS Report*

- 4.4 Robin Wilkinson introduced the MPS's Risk Management Report. The quarterly report provided an overview of the corporate risks and the status of their controls.
- 4.5 There was a discussion of the delay to the implementation of CONNECT and the MPS's approach to dealing with this. The legitimacy risk and the development of a trust indicator were also discussed.
- 4.6 The Panel advised it would like more information on the development of the risk management framework and risk maturity, and the MPS assurance framework, in particular levels 1 and 2 of assurance.

**Action:** Secretariat to arrange a separate session for the MPS to brief the Panel on the development of the risk management framework and risk maturity, and the MPS assurance framework.

**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. MOPAC AND MPS GOVERNANCE IMPROVEMENT PLANS**

*MOPAC Report*

- 5.1 James Bottomley introduced MOPAC's quarterly Governance Improvement Plan Report. The Panel was advised of the key achievements since the last update and areas for improvement.
- 5.2 MOPAC was asked about preparation for the next Police and Crime Plan (PCP). The Panel was advised of the development of an evidence base and the plans for progressing the PCP after the Mayoral election.

**Resolved:** The Audit Panel:

- a. Noted the Governance Improvement Plan and the progress made to the end of Quarter 4.
- b. Noted the areas which were highlighted where delivery timescales had been pushed back.

*MPS Report*

- 5.3 Roisha Hughes introduced the MPS's Governance Improvement Plan Report. There had been improvement in the number of work-streams that had showed slippage in their delivery dates, and the Panel were advised that the MPS did not assess there to be a significant risk due to the slippage.
- 5.4 Key progress in the implementation of the governance improvement plan was highlighted for the Panel, including with implementing the Mayor's Action Plan recommendations and joint working with the Violence Reduction Unit. The Panel was also advised of the improvement in data management, although challenges remain in this area.

**Resolved:** The Audit Panel noted the updated Governance Improvement Plan and the progress made at year end.

## **6. MOPAC COMMISSIONING UPDATE**

- 6.1 Will Balakrishnan introduced the paper updating the Panel on MOPAC's work to deliver on the recommendations of the Directorate of Audit, Risk and Assurance (DARA) audit of its Grants and Commissioning Framework, and of an external review of its grant-award and procurement process.
- 6.2 Outlined for the Panel were the key areas for the next phase of development, covering improving MOPAC's commissioning practice, improving the communication of the impact of MOPAC's commissioning, and improving the impact of MOPAC's partnerships.
- 6.3 The recommendations from the DARA audit were focussed on procurement, and an update on each of the recommendations would be provided to the Panel's July meeting.

**Action:** MOPAC to provide an update on each of the recommendations arising from DARA's audit of commissioning as part of the next Commissioning update to Panel.

**Resolved:** The Audit Panel:

- a. Noted the report and the progress made since the last report in October 2020.
- b. Noted the work that was continuing to further strengthen MOPAC's commissioning processes and approach.

## **7. INTERNAL AUDIT QUARTERLY ACTIVITY REPORT**

- 7.1 Julie Norgrove introduced the report summarising the work carried out by 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.
- 7.2 Areas of particular note were the follow-up reviews that had resulted in improved ratings, the advisory work undertaken by DARA, key reviews completed and the development of next year's audit plan.
- 7.3 There was a discussion of the impact lockdown had had on DARA's conduct of business – overall DARA will be in a position to complete its work programme in support of the annual opinion in July 2021.
- 7.4 The Panel noted the issue regarding the level of service being provided by a third-party provider. The MPS advised it would provide the Panel with an update on this.

**Action:** MPS to provide the Panel with an update on the issue relating to the level of service supplied by a third-party provider.

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

## **8. MPS AUDIT AND INSPECTION REPORT**

- 8.1 Roisha Hughes introduced the MPS's quarterly audit and inspection report updating the Panel on the implementation of recommendations arising from DARA audits and HMICFRS inspections.
- 8.2 The Panel was advised of the actions implemented and closed over the period and the new actions arising from the latest DARA audits.
- 8.3 The Panel noted the outstanding actions and advised that they would find it useful if future reports could indicate how many are high, medium or low priority.
- 8.4 The Panel asked about the MPS self-referring to the Independent Office for Police Conduct (IOPC) and whether this had increased in frequency. The MPS undertook to come back with that information.
- 8.5 The Panel noted that HMICFRS does not formally close recommendations in the Monitoring Portal until they are satisfied the recommendations had been fully met and that this was usually when it could be tested by way of an inspection. The Panel asked the MPS for its own assessment of how many they would regard as having been implemented.

**Action:** The MPS to provide for future meetings the priority of the outstanding actions.

**Action:** MPS to advise the Panel on the whether there had been an increase in self-referral to the IOPC.

**Action:** MPS to provide for the July report an assessment of how many HMICFRS recommendations they would regard as implemented and how many outstanding, in particular the recommendations from the Police Integrity and Corruption Inspection.

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

## **9. MPS COMMERCIAL SERVICES: UPDATE ON AUDIT RECOMMENDATIONS**

- 9.1 Mark Roberts introduced the paper which described the emerging findings from the review currently being conducted by DARA into the new ways of working introduced into Commercial Services.
- 9.2 There was a discussion of the progress that had been made and the areas where more work was required in implementing the changes. July is a key milestone for completion and the MPS would be reporting back to the Panel's July meeting.
- 9.3 The Panel noted the update on the commercial recommendations arising from the review of fleet procurement and that it had taken some time to implement recommendations and a number remained outstanding. A further update would be provided to the July meeting and the Panel were assured action would have been taken to implement all the actions. The Panel also noted that the report did not provide an update and assurance on the action taken to address the governance and decision-making recommendations, which had previously been requested.

**Action:** MPS to report to the Panel's July 2021 meeting with a further update and to

include an update on the implementation of all the recommendations arising from the review of fleet procurement, including those that related to governance and decision making.

**Resolved:** The Audit Panel noted the progress made to date and the MPS's commitment to address outstanding issues with the aim of providing a further update on progress at the July 2021 Audit Panel.

## **10. CAPITAL STRATEGY, PLANNING AND CONTROL**

- 10.1 Amana Humayun introduced the paper which provided the Panel with the latest annual iteration of the MOPAC and MPS Capital Strategy.
- 10.2 There was a discussion of the low level of general Government capital grant and therefore the requirement for external borrowing for the MPS to meet its capital needs.
- 10.3 The MPS's future accommodation needs were discussed and the impact on its estate planning.

**Resolved:** The Audit Panel noted the Capital Strategy.

## **11. AUDIT PANEL WORK PLAN 2021/22**

- 11.1 The Audit Panel **agreed** its work plan for 2021/22 and agreed that no changes were required to its Terms of Reference at this time.

## **12. AOB**

- 12.1 The date of the next meeting is 5 July 2021
-