

# **MPS-MOPAC JOINT AUDIT PANEL**

## **4 October 2021**

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### **Record of the Meeting**

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#### **PRESENT**

##### **Panel:**

Suzanne McCarthy – Audit Panel Chair  
Reshard Auladin – Audit Panel Member  
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  
Will Balakrishnan, Director of Commissioning and Partnerships (item 9)

##### **MPS:**

Robin Wilkinson, Chief of Corporate Services  
Mark Roberts, Director of Commercial Services  
Ian Percival, Director of Finance  
Helen Ball, Assistant Commissioner (item 3)  
Michelle Thorp, Transformation Director (item 4)  
DAC Barbara Gray (item 5)  
Mark Roberts, Director Commercial Services (item 10)  
Catherine King (item 10)

##### **Audit Representatives:**

Julie Norgrove, Head of Internal Audit for MPS and MOPAC  
David Esling, Head of Audit and Assurance, Internal Audit  
Lindsey Heaphy, Head of Audit and Assurance, Internal Audit  
Iain Murray, External Audit, Grant Thornton  
Rebecca Lister, External Audit, Grant Thornton

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

- 1.1 An apology was received from Roisha Hughes. No declarations of interest were received.

## **2. RECORD OF THE MEETING HELD ON 5 JULY 2021**

2.1 The record of the meeting on 5 July 2021 was agreed. The completed actions were noted.

## **3. MPS STRIDE STRATEGY 2021-2025 AND GOVERNANCE PROCESS**

3.1 AC Helen Ball introduced the paper containing the MPS's updated Strategy for Inclusion, Diversity and Engagement (STRIDE) 2021-2025, and setting out the interdependencies of the STRIDE Action Plan and the governance boards.

3.2 The Panel was advised that the Strategy had been formally launched and published on 27 September 2021. It contained four programmes (Protection, Engagement, Equality and Learning) with sixteen commitments. An action plan had been developed and delivery had commenced with a Management Board lead responsible for each strand.

3.3 The Chair commended the Strategy, noting that it was ambitious and forward looking. Progress in developing the action plan was also noted.

3.4 The Panel asked about the flexibility of the Strategy to address new issues as they arise. AC Ball advised that the Action Plan would be reviewed annually and would contain reflections from the Commissioner looking back on what had been achieved and forward to future actions.

3.5 There was a discussion of the collection of data in order to track progress and the evaluation of what more was required. AC Ball advised that the majority of the information required would come from existing datasets or would be easily developed, and there may be a few actions where measuring progress would be more difficult. The Panel was advised that the actions had been included in Met Direction – the MPS's long-term strategy.

3.6 There was a discussion of forums which would be reviewing progress. The Panel requested that the next update report set out the governance in diagrammatical form with greater explanation of the interdependencies.

3.7 The Panel enquired about mechanisms for whistleblowing for issues relating to the implementation of STRIDE. AC Ball advised that the informal route would be for people to approach her, and the formal route would be to raise it at the STRIDE Delivery Board.

**Action:** The MPS to report to the Panel's July 2022 meeting with:

- An update on the implementation of the Strategy and the outcome of the review of the Action Plan.
- The governance arrangements in diagrammatical form and assurance that they were effective.

- Advice on how outcomes and benefits are identified and confirmed to ensure the level of cultural change was achieved.

**Resolved:** The Audit Panel noted the revised STRIDE 2021-2025 and its supporting commitments and Action Plan; and noted the mutually supportive Governance Board, and Crime Prevention Inclusion and Engagement (CPIE) performance management of STRIDE 2021-2025.

#### **4. MPS TRANSFORMATION UPDATE**

- 4.1 Michelle Thorp introduced the report providing an overview of recent delivery and current and future plans for transformation, along with an overview of the MPS's approach to risk and benefits management. As the new Director of Transformation, she outlined her priorities for delivery and further development.
- 4.2 The Panel was advised that there had been significant progress across the technology programmes. The delivery plan for Command and Control was being reviewed. Responding to a question from the Panel, Michelle Thorp advised that the transformation portfolio contained some components that would assist with delivery of the STRIDE action plan.
- 4.3 Julie Norgrove, Head of Internal Audit, agreed with the view set out in the report, that the approach to risk management in the transformation portfolio was mature.

**Action:** The MPS to provide its next transformation portfolio update to the Panel's March 2022 meeting.

**Resolved:** The Audit Panel noted the paper and the direction of travel for transformation activity.

#### **5. DANIEL MORGAN INDEPENDENT PANEL REPORT RECOMMENDATIONS**

- 5.1 DAC Barbara Gray introduced the report updating the Panel on progress with the delivery of the recommendations arising from the report of the Daniel Morgan Independent Panel, and setting out the governance structures and internal and external stakeholders involved in the delivery of the work.
- 5.2 The Panel was advised that good progress had been made on all of the recommendations led by the MPS. The MPS was continuing to work with the Independent Panel and engaging with HMICFRS. It was also engaging with the College of Policing and the National Police Chiefs Council on the recommendations relating to national policing. As well as implementing the recommendations, the MPS was also focussed on the themes and other relevant issues raised by the report.
- 5.3 The Panel asked how MOPAC, in fulfilling its oversight role, received assurance regarding the MPS identifying and implementing lessons learnt. Kenny Bowie outlined

the interaction between the MPS and MOPAC at officer, senior management and Board level which enabled MOPAC to keep informed of progress. He advised that oversight of MPS's applying the learning arising from the themes was being further developed.

- 5.4 DAC Gray advised that some of the recommendations for the MPS required resources and a review to its capability to implement them all was being carried out.
- 5.5 The Panel noted the MPS advice that embedding wider learning would take further time to be delivered effectively and asked for a timeframe for that. DAC Gray advised that the MPS would produce an interim report early 2022 and was aiming to imbed the work into business as usual by summer 2022.
- 5.6 The Panel noted that the MPS would be reporting back to the Panel in early 2022 on its Anti-fraud, Bribery and Corruption Strategy and its Counter Corruption Strategy, indicating how those strategies had been affected by the Daniel Morgan Independent Panel Report. The Panel requested that the MPS provide one report to its March 2022 meeting covering those strategies, the HMICFRS inspection of anti-corruption capabilities and its interim report on implementing the recommendations of the Daniel Morgan Independent Panel.

**Action:** The MPS to report to the Panel's March 2022 meeting on:

- its Anti-fraud, Bribery and Corruption Strategy and its Counter Corruption Strategy, indicating how those strategies had been shaped by the Daniel Morgan Independent Panel Report;
- the HMICFRS inspection of anti-corruption capabilities; and
- its interim report on implementing the recommendations of the Daniel Morgan Independent Panel.

**Resolved:** The Audit Panel noted the report.

## **6. EXTERNAL AUDIT PLAN 2020-21**

- 6.1 Iain Murray introduced the Grant Thornton report which set out the Audit Plan for the 2020/21 audit and confirmed that the accounts had been signed. He explained how Grant Thornton would undertake the revised approach for the assessment and reporting for the audit of value for money.
- 6.2 The Panel noted that the Financial Reporting Council (FRC) had previously reported that Grant Thornton needed to improve and sought assurance on the FRC's next report. Iain Murray advised that there would be areas that required further improvement but that improvement was travelling in the right direction.
- 6.3 The Panel noted that the increase in fees proposed by Grant Thornton required Public Sector Audit Appointments (PSSA) approval and that MOPAC and the MPS had the opportunity to provide comment.

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

## **7. MOPAC AND MPS RISK MANAGEMENT QUARTERLY REPORTS**

### *MOPAC Report*

- 7.1 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 and noted that MOPAC was reviewing its corporate risk register and would present the new register to the next Audit Panel meeting in January 2022.
- 7.2 The paper also considered the risk impact of the report of the Daniel Morgan Independent Panel. The Panel was advised that the risk relating to the MPS being a learning organisation is discussed at a number of MOPAC and MPS senior meetings. The risk relating to effective oversight (risk 2) had two additional control actions, including one directly related to the implementation of the recommendations of the Daniel Morgan Independent Panel.
- 7.3 The Panel asked that MOPAC give consideration to using numerical targets rather than just a RAG rating in its summary risk position table, as it would provide more useful information.

**Action:** MOPAC to consider using numerical targets in its summary risk position table to better reflect the direction of travel.

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

### *MPS Report*

- 7.4 Robin Wilkinson introduced the MPS's Risk Management Report providing an overview of the MPS's corporate risks and the status of its controls. He noted that the legitimacy risk was currently being considered and adapted to reflect its scale and complexity.
- 7.5 The Panel asked that the MPS present to its March 2022 meeting a substantial update on the legitimacy risk – the assessment, controls and mitigations. This was of particular importance given current concerns around trust and confidence in policing.
- 7.6 The Panel noted that progress against risks was assessed by risk owners and working leads, and asked how the assessments were quality assured independently. Robin Wilkinson described the mechanisms for this, including testing and challenging at the Risk and Assurance Board.
- 7.7 The Action Plan for increasing risk maturity across the MPS was also submitted and the Audit Panel Chair sought assurance that the issues raised in the DARA report, which was to be finalised, would be addressed. Julie Norgrove confirmed discussions with the MPS team would take place in finalising the DARA report.

**Action:** MPS to provide for the Panel's March 2022 meeting a substantial update on the legitimacy risk – the assessment and controls and mitigations. Regular updates on the risk maturity action plan were also to be provided.

**Resolved:** The Audit Panel:

- a noted the MPS's key risks and the governance arrangements that were in place to ensure they were being effectively managed.
- b noted the risk maturity action plan that had been developed from planned activity, findings from the risk maturity self-assessments and from the DARA audit findings.

## 8. MOPAC AND MPS GOVERNANCE IMPROVEMENT PLANS

### *MPS Report*

- 8.1 Robin Wilkinson introduced the report which provided an update on the MPS's Governance Improvement Plans. He noted that Plan 6 – Competence and Standards of Professionalism – would be receiving the most focus, and would be reviewed by the independent reviewer appointed by the Commissioner to examine the culture and standards in the MPS.
- 8.2 The Panel noted Plan 4 – Assurance Controls, Levels 1 and 2 – and advised that an Assurance Map would assist with understanding the overall strategic approach and intent, how the need for assurance was determined and what the current sources of assurance were and how effective they are. This would be a particular focus for the Panel in the coming year.
- 8.3 The Panel inquired as to whether a fresh look would be taken at vetting in light of the issues that were being examined following the conviction of an MPS officer for the murder of Sarah Everard. Robin Wilkinson noted that it was yet to be determined whether vetting had failed in this instance but that the MPS would support a review of vetting standards.

**Action:** MPS to produce an Assurance Map, highlighting the strategic approach and sources of assurance.

**Resolved:** The Audit Panel noted the new Governance Improvement Plans and the progress made as at September 2021.

### *MOPAC Report*

- 8.4 James Bottomley introduced the report which provided an update on MOPAC's Governance Improvement Plan. The Panel noted that the Plan seemed reasonable.
- 8.5 There was a discussion of the proposal to pilot changes to the MOPAC and MPS governance and assurance processes supporting decision making, including the scheme of delegation. Amana Humayun outlined the work to be completed before approval would be sought from the Deputy Mayor for Policing and Crime to proceed with the pilot.

- 8.6 The Panel noted the planned developments to the MOPAC oversight framework and the interdependencies with the development of the MPS corporate assurance framework.

**Resolved:** The Audit Panel:

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

## **9. MOPAC COMMISSIONING FRAMEWORK**

- 9.1 Will Balakrishnan introduced the paper updating the Panel on the ongoing work being carried out by MOPAC to deliver on the recommendations of DARA's audit on its Grants and Commissioning Framework. All actions had been completed with the exception of the action to publish the MOPAC Contracts and Grants Register, which was expected to be completed shortly.

- 9.2 There was a discussion of how MOPAC evaluated the efficiency of its programmes. Most programmes were subjected to an academic study, either by a third party or by MOPAC's Evidence and Insight Team. These evaluations were published on MOPAC's website

**Resolved:** The Audit Panel noted the report and the progress made since the report to the Panel's March 2021 meeting.

## **10. MPS MATURITY AND PROGRESS**

- 10.1 Robin Wilkinson introduced the item which provided an update on progress and maturity of transforming the MPS's approach to assurance and governance. The update included the MPS Commercial Functional Strategy and Development Plan; details of the Calam Stocktake, the recommendations arising and action taken; and the Independent Governance Review.

- 10.2 Mark Roberts updated the Panel on the ongoing progress on improving commercial capability across the MPS, the improvements made to date and the further planned improvements.

- 10.3 The Panel asked how assurance was gained on the use of the Commercial Services Handbook. Mark Roberts advised that the team responsible for governance, risk and compliance worked closely with teams to ensure it was embedded.

- 10.4 The Panel noted that the improvement plan was being finalised to drive further improvement and requested to be updated on implementation at its January 2022 meeting, along with an update on the implementation of the actions arising from DARA's review.

- 10.5 Robin Wilkinson provided an overview of the paper which updated the Panel on the implementation of the recommendations from the 'Stocktake Review of Delivering Effective Change and Transformation in the MPS' (Calam Stocktake).
- 10.6 The Panel was advised that after the Steering Group had held its final meeting in September, the implementation of the remaining improvements would be overseen by Robin Wilkinson and Bidisha Kondal. All of the actions would be imbedded into the corporate framework and would inform business planning.
- 10.7 The Panel noted the update on the report arising from the review of governance requested by the Chief of Corporate Services. The report contained a number of actions which would be delivered in 2021/22. The Panel requested that an update on the implementation of the recommends be included in the MPS's quarterly governance improvement plan updates to Panel.

**Actions:**

- MPS to report to the March 2022 meeting with an update on the implementation of its improvement plan for commercial services, along with an update on the implementation of the actions arising from DARA's review.
- MPS to include in its quarterly governance improvement plan updates to Panel the progress with the implementation of the recommends arising from the Chief of Corporate Services' review of governance and the Calam Review.

**Resolved:** The Audit Panel:

- a Noted the progress made to date in improving commercial capability across the MPS and the plans for the remainder of the financial year.
- b Noted the progress made in implementing the recommendations arising from the Calam Stocktake, and the approach to implementation and longer-term assurance.
- c Noted the findings of the Governance Review.

**11. MPS DIGITAL ASSET MANAGEMENT PROCUREMENT REVIEW UPDATE**

- 11.1 The Panel noted the MPS's report that 80% of actions that had arose from DARA's audit of Digital Asset Management Procurement had been completed. It noted that DARA was undertaking a follow up report that would be completed by March 2022.
- 11.2 The Panel requested that the MPS report to its March meeting on the completion of the remaining actions.

**Action:** MPS to report to the March 2022 meeting on the completion of the remaining actions from DARA's audit of Digital Asset Management Procurement.

**Resolved:** The Audit Panel noted the report.



## 12. INTERNAL AUDIT QUARTERLY ACTIVITY REPORT

- 12.1 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.
- 12.2 The Panel was advised that twelve reviews had been concluded, eight rated adequate and two limited, with two advisory reports issued. Significant pieces of advisory work had continued which provided risk and control advice to senior management. This included organisational learning, the framework supporting proceeds of crime and MOPAC's oversight framework.

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

## 13. MPS AUDIT AND INSPECTION REPORT

- 13.1 The Panel discussed the MPS's quarterly Audit and Inspection Report. It noted:
- That there had been an improvement in closing the recommendations, but that of the high risk recommendations, only 62% were closed within the deadline. It would like the next report to comment on how the MPS focused on closing high risk recommendations and progress in achieving their target of 90%.
  - That the leads for limited audits provided the Risk and Assurance Board with a one page brief on the activity planned. The Panel would like to understand how this is followed up and progress tracked.
  - That the HMICFRS had moved the MPS to routine monitoring in respect of child protection.
- 13.2 The Panel would like to know if the MPS had considered using a third party to receive whistleblowing reports.

**Action:** That the MPS include in its January 2022 Audit and Inspection Report:

- How it focuses on closing high risk recommendations and progress in achieving its target of 90%.
- How the Risk and Assurance Board followed up and tracked progress for the audits that receive a limited finding.
- Advice on whether it had considered using a third party to receive whistleblowing reports.

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

#### **14. TREASURY MANAGEMENT 2020/21 OUTTURN**

- 14.1 Amana Humayun introduced the report setting out the performance of the 2020/21 MOPAC Treasury Management function. The Panel was advised that the average return compared favourably to the benchmark and interest payable was lower than expected.
- 14.2 It was noted that the forecast for inflation and Bank Rates had risen since the report had been drafted and this would have impact.
- 14.3 Amana Humayun advised that the issue of risk appetite had been raised with the Group Investment Strategy, the syndicate which managed the GLA Group treasury management function.

**Resolved:** The Audit Panel noted the Treasury Management 2020/21 outturn.

#### **15. AUDIT PANEL ANNUAL REPORT AND REVIEW OF EFFECTIVENESS**

- 15.1 The Chair introduced the Panel's draft annual report which summarised the work of the Panel for the period July 2020 to July 2021 and identified key areas of focus for the coming year.

**Action:** MOPAC and MPS meeting attendees to provide to the Secretariat, by 15 October, comments on reporting to the Panel and the scope of the Panel's activities.

[Note: Comments were subsequently received, and the Panel's Annual Report finalised.]

**Resolved:** The Audit Panel:

- Noted and formally agreed the contents of the draft report, including the key areas of focus for the coming year.
- Invited comments from MOPAC and the MPS on reporting to the Panel and the scope of the Panel activity.

#### **16. AOB**

- 16.1 The Chair noted that the Panel would be reviewing reporting to the Panel and requested that background papers be circulated separately from agenda items. The Chair also requested that at future meetings individuals be available to present papers and take questions should the author of the paper be unable to attend.
- 16.2 The date of the next meeting is 17 January 2022.