

# **MPS-MOPAC JOINT AUDIT PANEL**

## **Wednesday 8 January 2020**

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### **Record of the Meeting**

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#### **PRESENT**

##### **Panel:**

Suzanne McCarthy – Audit Panel Chair  
Mike Adam – Audit Panel Member  
Reshard Auladin – Audit Panel Member  
Graeme Gordon – Audit Panel Member

##### **Attendees:**

AC Helen Ball – Professionalism, MPS  
Louise Capel-Cure, Head of Policy and Commissioning, MOPAC  
Lindsey Chiswick – Head of Intelligence and Covert Policing, MPS  
David Esling – Head of Audit and Assurance, Internal Audit  
Lindsay Heaphy – Head of Audit and Assurance, Internal Audit  
Roisha Hughes – Director of Strategy and Governance, MPS  
Nick Kettle – Head of Safety, Health and Wellbeing, MPS  
Peter Lewis – Chief Finance Officer, MOPAC  
Iain Murray – External Audit, Grant Thornton  
Julie Norgrove – Head of Internal Audit for MPS and MOPAC  
Ian Percival – Director of Finance, MPS  
Siobhan Peters – Interim Chief Executive, MOPAC  
DSU Steve Wagstaff – MPS  
Robin Wilkinson – Chief of Corporate Services, MPS  
Paul Wylie – Director of Strategy, MOPAC

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

- 1.1 No declarations of interest were received.
- 1.2 The Chair provided an update on recent meetings she and Julie Norgrove had had with Robin Wilkinson, MPS, and Peter Lewis, MOPAC, respectively which had been held to discuss the role of the Panel. It was agreed that authors of papers should give consideration to the Panel's role and focus when drafting reports. The Panel would also place greater attention to the implementing of audit recommendations asking the responsible senior manager to attend Audit Panel meetings to provide assurance where follow-up DARA reports remained 'limited'. There would also be an increased focus on the outcome of audit activity. The Chair also requested that papers reflect a greater emphasis on MOPAC oversight where there was interdependency with MPS delivery.

- 1.3 The Panel also agreed that it would focus specifically on three key risks at each meeting, together with the development of the risk management framework and increasing risk maturity within the MPS.

**Action:** MPS, in addition to providing the information currently contained in its risk papers, to provide details relating to a particularly high risk as requested by the Panel, giving assurance on the controls and how they were working.

**Action:** Discussions would take place outside of the meeting with MOPAC and the MPS to agree how the changes requested by the Panel would be taken forward.

## **2. RECORD OF THE MEETING HELD ON 18 SEPTEMBER 2019**

- 2.1 The record of the meeting on 18 September 2019 was agreed. The completed actions were noted.

## **3. MOPAC AND MPS RISK MANAGEMENT QUARTERLY REPORTS AND ALIGNMENT OF MOPAC AND MPS RISKS QUARTERLY REPORT**

### *MOPAC Report*

- 3.1 Paul Wylie introduced the MOPAC Risk Management Report which provided an overview of risks for MOPAC, along with MOPAC's processes for ensuring controls were in place to address the risks.

- 3.2 There was a discussion of two risks that had not reduced – efficiency and capacity and capability – and MOPAC's work to address these risks and the reasons why they had not reduced.

**Action:** MOPAC to ensure that its quarterly risk reports to the Panel adequately summarise in the covering paper the work completed to address risks so that the Panel could assure itself that the risks were being appropriately addressed and the level of risk recorded was accurate and current.

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

### *MPS Report*

- 3.3 Robin Wilkinson introduced the MPS Risk Management Report. The quarterly report focussed on six risks that were assessed to be 'amber' in terms of progress, but noted that none were considered to be of significant concern. The Panel was updated on the work that had been completed since the drafting of the report.

- 3.4 The Audit Panel was advised of the work being undertaken to address the violent crime risk, which was the number one priority for the MPS, and how this work was being overseen at a senior level.

- 3.5 There was a discussion of the oversight of this risk that MOPAC exercised, which included discussions with the Mayor at his fortnightly meetings with the Commissioner. There were also monthly three-way discussions between the MPS, the Violence Reduction Unit and the Mayor, ensuring that there was close alignment to address this risk.

- 3.6 The Panel raised the MPS's review of assurance and governance and the implementation of actions to address issues identified, and sought assurance of progress being made.

**Action:** The MPS to provide for the April 2020 Audit Panel meeting a summary of the governance and senior management oversight of the work it undertakes to address violent crime.

**Action:** The MPS to provide for the April 2020 Audit Panel meeting an update of the funding risk.

**Action:** The MPS to provide for the April 2020 Audit Panel meeting an update on the work being undertaken to increase risk maturity across the organisation.

**Action:** The MPS to provide for the June 2020 Audit Panel meeting an update of the actions undertaken following the recent reviews of governance.

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

*Aligned Risks Report*

- 3.7 The Panel discussed the paper 'Alignment of MOPAC and MPS Risks' which set out the governance process for strategic risk management in MOPAC and the MPS, and the process in place for alignment. The MPS's refreshed approach to its risk register provided a clear framework against which alignment of risk could be made and MOPAC would be able to articulate its own role in the controls for each risk.

**Action:** MOPAC and the MPS to report to the April 2020 Audit Panel meeting with the revised articulation of the aligned risks.

**Resolved:** The Audit Panel noted the process for alignment.

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

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

- 4.2 There was discussion of the reviews which received limited assurance, including the review of Vetting and Security Clearance. This was rated limited; while there was improvement on previous reviews, it was not yet fully effective. The Audit Panel was advised of the priority the MPS had given to vetting new recruits over re-vetting officers whose vetting had expired, and the risk assessment it had taken to support this move.

- 4.3 DARA was developing its audit plan for 2020/21 and advised that it would be submitting the draft plan to the April 2020 Audit Panel meeting.

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

## 5. MPS AUDIT AND INSPECTION REPORT

- 5.1 Roisha Hughes introduced the MPS's quarterly audit and inspection report. The report provided an update on HMICFRS's inspection activity, which included an inspection into the MPS's adoption of the recommendations of Sir Richard Henriques and the Independent Office for Police Conduct (IOPC) Operation Kentia report (following Operation Midland).
- 5.2 There was a discussion of the recommendations from inspections and audits which were yet to be implemented. The Panel was advised of how they were being monitored and managed within the MPS.
- 5.3 The Panel was advised of the work the MPS Risk and Assurance Board had undertaken in gaining assurance that the closing of actions was appropriate. The Panel stated it required assurance that the MPS had processes in place and it wanted to understand the framework for taking decisions to close actions.
- 5.4 There was a discussion of the consultation that was undertaken when agreeing the management action arising from audits and the need for open dialogue at that stage.

**Action:** The MPS to include in the April 2020 audit and inspection report an indication of whether the outstanding recommendations were old or from recent inspection and audit activity.

**Action:** The MPS to include in the April 2020 audit and inspection reports an outline of the assurance process the MPS has for closing recommendations and being satisfied with the risk arising from outstanding recommendations.

**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.

## 6. MOPAC COMMISSIONING FRAMEWORK

- 6.1 Louise Capel-Cure introduced MOPAC's report updating the Panel on the work MOPAC had carried out to deliver on the recommendations of the audit by DARA on MOPAC's grants and commissioning framework. This followed an in-depth presentation the Panel had received on this topic from MOPAC in November 2019.

**Resolved:** The Audit Panel noted the report and the progress made since the last report to the Panel in September 2018. It also noted the work which was continuing to further strengthen MOPAC's commissioning framework.

## 7. GOVERNANCE IMPROVEMENT PLANS

### *MOPAC Report*

- 7.1 Paul Wylie introduced MOPAC's quarterly governance improvement plan report. The Panel was advised that the governance improvement plan was a live plan, bringing together the areas identified in the Annual Government Statement 2018/19 and recent DARA reviews.

**Resolved:** The Audit Panel:

- a. Noted the Governance Improvement Plan and the progress made to the end of quarter 3.

- b. Noted the areas which were highlighted where delivery timescales had been pushed back.

*MPS Report*

- 7.2 Roisha Hughes introduced the MPS's interim progress report, reporting on progress against the 2018-21 governance improvement plans which aimed to drive governance improvements over the near to medium term. It also reported on development of the MPS's Annual Governance Statement (AGS) 2019/20.
- 7.3 There was a discussion of how the MPS assessed progress and the role the MPS Risk and Assurance Board had in reviewing those assessments.

**Resolved:** The Audit Panel:

- a. Noted the MPS's good progress against the four priority improvement areas.
- b. Noted ongoing work to assess the MPS's internal control environment for 2019-20 and to develop the AGS against evidence.

**8. GANGS VIOLENCE MATRIX REVIEW**

- 8.1 Lindsey Chiswick introduced the paper briefing the Panel on the MPS's implementation of the recommendations arising from MOPAC's review of its Gangs Violence Matrix and the recommendations from the Information Commissioner's Office. An update was provided on the governance issues, and the Panel was advised that the learning arising from MOPAC's review was also being applied to other areas of intelligence work.
- 8.2 MOPAC advised the Panel of the continuing oversight of this work that it had established.

**Resolved:** The Audit Panel noted the progress made against the MOPAC recommendations and the governance arrangements for the Gangs Violence Matrix.

**9. MPS WHISTLEBLOWING POLICY**

- 9.1 Steve Wagstaff introduced the paper updating the Panel on MPS's revised Whistleblowing and Reporting Wrong-Doing Policy. There was a discussion of the other avenues officers and staff have for reporting concerns in addition to formal whistleblowing.

**Resolved:** The Audit Panel noted the revised draft policy, the reference to DARA in the policy and the outstanding consultation that would be completed before the policy was finalised.

**10. EXTERNAL AUDIT UPDATE**

- 10.1 Iain Murray introduced the Grant Thornton report which advised the Panel on the completion of the 2018/19 external audit, which included the draft Annual Audit Letter 2018/19 and summarised the preparations for the 2019/20 audit.
- 10.2 The Panel was advised of the National Audit Office's changes to the code of audit practice and the implications this would have for future reporting.

**Resolved:** The Audit Panel noted the Grant Thornton Audit Update Report and the draft Annual Audit Letter.

**11. CAPITAL UPDATE**

- 11.1 Peter Lewis and Ian Percival introduced the papers setting out the draft 2019/20-2038/39 Capital Strategy. There was a discussion of the uncertainty arising from the awaited advice on the Government's policing grant for 2020/21.

**Resolved:** The Audit Panel noted the draft 2019/20-2038/39 Capital Strategy, the summary of controls by main area of expenditure and recent improvements to capital controls and processes.

**12. TREASURY MANAGEMENT ANNUAL UPDATE**

- 12.1 Peter Lewis introduced the paper updating the Panel on the Treasury Management function, including the 2018/19 outturn performance, the MOPAC Treasury Management 2019/20 strategy and the year to date 2019/20 performance.

- 12.2 The Panel was advised of the DARA review of the Treasury Management Framework that it had carried out as part of the Greater London Authority audit plan. The recommendations arising from that review had a completion date of March 2020 and DARA would be providing an update to the Panel in due course.

**Resolved:** The Audit Panel noted the current position regarding Treasury Management.

**13. 2019/2020 STATEMENT OF ACCOUNTS**

- 13.1 Ian Percival introduced the paper updating the Panel on the proposed changes to the accounting policies and key judgements of MOPAC and the MPS Commissioner for the 2019/20 statements of accounts. While there were no significant changes to accounting policies, there were significant future changes resulting from the adoption of IFRS 16 Leases.

**Resolved:** The Audit Panel noted the changes outlined in the report for current and future years and approved the accounting policies for the Group for the 2019/20 production of the statement of accounts as outlined in the paper.

**14. MPS HEALTH AND SAFETY UPDATE**

- 14.1 Nick Kettle introduced the MPS's report, providing assurance that the MPS had suitable health and safety governance arrangements in place to manage health and safety.

- 14.2 There was a discussion of compliance with the Working Time Directive, assaults on officers and the training and support the MPS gives relating to mental health.

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

**15. AOB**

- 15.1 The Chair noted that it was Mike Adam's last Audit Panel meeting, having been a member of the Panel since 2012. She expressed her thanks for the work and dedication he had given to the Panel.
  - 15.2 The Chair advised that deep dive sessions would be organised once the new Panel member was appointed, and that they would cover transformation and longer-term finances.
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