

## MPS-MOPAC JOINT AUDIT PANEL 4 July 2022

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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  
Kenny Bowie, Director of Strategy and MPS Oversight  
James Bottomley, Head of Oversight and Performance  
Elliott Ball, Head of Corporate Services and Financial Oversight

##### MPS:

Roisha Hughes, Acting Chief of Corporate Services  
Amanda Pearson, Acting Assistant Commissioner, Professionalism  
Commander Jon Savell  
DSC James Harman  
Ian Percival, Director of Finance  
Michelle Thorp, Director of Transformation  
Pierre Coinde, Head of Planning and Risk Management

##### Audit Representatives:

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

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

- 1.1 An apology from Lisa Kitto, Interim Chief Finance Officer, MOPAC, was noted and that Elliott Ball was attending in her place. The Chair welcomed Sara Williams, who was attending as an observer on behalf of the Baroness Casey Review Team.

- 1.2 The Chair noted that it was a significant meeting, with a number of items containing annual reviews of the MPS and MOPAC. She also noted that Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) had recently placed the MPS into the engage phase of monitoring arising from its PEEL inspection. The Chair thanked Roisha Hughes for writing to her to advise the Panel of this development. The Chair gave the MPS and MOPAC an opportunity to discuss the implications of the HMICFRS decision.
- 1.3 Roisha Hughes noted that the MPS had not yet received the draft HMICFRS PEEL Assessment report, but had met with the HMI who had outlined the areas of concern that had prompted this decision. The immediate areas of focus for the MPS were agreeing the leadership structures for responding to the report and assuring the required outcomes were achieved. Roisha Hughes advised that she would write again to the Chair with an update once the full PEEL Assessment report was received and next steps agreed.
- 1.4 Diana Luchford advised that the key issues that HMICFRS had raised had been identified by MOPAC and had previously been raised as part of its oversight role. The MPS was already addressing many of the issues. Diana Luchford noted that the imminent appointment of a new Commissioner would have implications for the timing of when some decisions would be made by the MPS. The key issue for MOPAC was to support the MPS and to work with it to take a strategic approach to the areas of concern identified.

**Action 1:** MPS to write to the Chair of the Panel with an update on the MPS's response to being placed by HMICFRS into the engage phase of monitoring once the full PEEL Assessment report was received and next steps agreed.

**Action 2:** The Panel would then decide future reporting requirements to ensure that they were able to provide assurance that appropriate action had been taken and the associated governance and risk issues addressed.

## **2. RECORD OF THE MEETING HELD ON 28 MARCH 2022**

- 2.1 The record of the meeting held on 28 March 2022 was agreed. The completed actions were noted.
- 2.2 The Chair noted the MPS had completed the action to provide to the Panel its management responses to the recommendations contained in the External Audit Annual Report for 2020/21. However, the Chair requested clarity on some of the management responses the MPS had provided. In particular, the responses should be clear on whether the recommendations were accepted and the steps to be taken to implement. The MPS was unable to clarify at the meeting, but would follow up and respond to the Chair.

**Action 3:** MPS to provide to the Panel by 31 August a more detailed response to the recommendations contained in the External Annual Audit Report for 2020/21, in particular, the responses to recommendations 2 and 3. The response should be clear

on whether the recommendations were accepted and the steps to be taken to implement them.

### **3. MPS DIVERSITY AND INCLUSION STRATEGY SIX-MONTHLY UPDATE**

- 3.1 The Chair noted the draft 2022/23 Action Plan for the MPS's Strategy for Inclusion, Diversity and Engagement (STRIDE), and explained that to enable the Panel to better comment on the key issues, it would have benefited from the covering paper containing a more detailed outline and analysis of those issues. The Chair requested that the MPS bring to the October Panel meeting a paper which details the governance supporting the Strategy and Action Plan and how the MPS would be measuring its impact.
- 3.2 Acting Assistant Commissioner Amanda Pearson advised that the MPS had paused publication of the STRIDE Action Plan until 30 June to ensure it was aligned to the Police Race Action Plan developed by the College of Policing and the National Police Chiefs' Council.
- 3.3 The Panel was advised that the MPS was developing a dashboard to demonstrate progress, and that it would be aligned with the national dashboard. The MPS was asked to provide details of the dashboard to the October meeting.
- 3.4 The Panel asked how the MPS assured itself that, in year two of the Strategy, it was working. It was advised that for year one they collected activity data and now they were tracking the impact at the local level. Acting AC Amanda Pearson noted that implementation and the tracking of impact relied on the work of teams across the MPS and MOPAC's Public Attitude Survey (PAS). The Panel was advised by the MPS that it had the capacity and capability to implement STRIDE.
- 3.5 MOPAC was asked about its oversight of this area. The Director of Strategy and MPS Oversight, Kenny Bowie, advised the Panel that MOPAC had enlarged its Public Attitude Survey but noted that it was difficult to show a correlation between the survey results and STRIDE actions.

**Action 4:** The MPS to present a paper to the October Panel meeting which:

- Details the governance supporting the Strategy and Action Plan
- Sets out how the MPS would be measuring the Strategy's impact
- Demonstrates the supporting dashboard

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

### **4. MPS COUNTER CORRUPTION STRATEGY**

- 4.1 Commander Jon Savell introduced the report detailing the alignment of the MPS's Anti-Fraud, Bribery and Corruption Strategy and the Counter Corruption Strategy, and the plans and frameworks supporting delivery. The paper also set out key issues arising

from the HMICFRS Report on Counter Corruption and the report of the Daniel Morgan Independent Panel.

- 4.2 The Panel noted that it had had a helpful in-depth briefing on the paper and the issues in it with Commander Savell on 20 June 2022. The Commander commented he had also found the session useful and in liaison with DARA was looking to streamline and align the remit of the respective forums in place overseeing counter fraud and corruption strategy and activity, which would be reflected in future reports to the Panel.
- 4.3 Kenny Bowie introduced the paper setting out how MOPAC oversaw counter corruption activity in the MPS and the implementation of the HMICFRS's recommendations. He noted that MOPAC was represented on the MPS Boards that drove delivery of the strategies.
- 4.4 The Panel was advised that to supplement the oversight of all of the HMICFRS's recommendations and other areas of learning, MOPAC was creating additional capacity to provide analysis of the key themes. The Panel had received an in-depth briefing from MOPAC on 22 June 2022 detailing its new oversight processes developed to support implementation of the new Police and Crime Plan.

**Resolved:** The Panel noted:

- The MPS paper outlining the alignment of its anti-fraud and corruptions strategies and providing an update on the HMICFRS's and Daniel Morgan's Independent Panel recommendations.
- The MOPAC paper detailing how it oversaw this area of the MPS's work.

## **5. MOPAC AND MPS INTERNAL AUDIT ANNUAL REPORT 2021/22**

- 5.1 Julie Norgrove introduced the paper containing the internal audit annual opinion on the adequacy and effectiveness of MOPAC's and the MPS's internal control environments and summarised the activities and performance of the Directorate of Audit, Risk and Assurance (DARA).
- 5.2 The Panel was advised that the annual opinion for MOPAC was that it had an adequate internal control environment, which was generally operating effectively. Areas for further improvement included embedding the revised oversight framework, streamlining processes around improvement activity, embedding the output framework for its commissioning activity and the new London Crime Reduction Board governance arrangements.
- 5.3 The Panel was advised that the annual opinion for the MPS was that it had an adequate internal control environment. Increasing risk maturity across the organisation and implementing a more defined and cohesive approach to assurance provision, remained key to securing improved effectiveness. Key areas of further improvement, which analysed the underlying issues evidenced by the outcomes of DARA activity, were highlighted in the report in support of the opinion. The Panel noted the key points

around risk maturity and assurance had been made in previous Annual Reports and were seeking assurance that action would be taken to address these important areas as well as recognition that action would help support the MPS in addressing areas of concern that had been raised at a strategic level. This was further discussed in considering the MPS's AGS and improvement plan.

- 5.4 Julie Norgrove advised that the report was drafted before the HMICFRS had advised that it was entering the MPS into the engage phase of monitoring. There were a lot of synergies between the internal audit report and the issues the HMICFRS raised. Consideration of the most effective governance structure to successfully address the significant amount of improvement activity taking place and planned was key going forward. Roisha Hughes advised the Panel of existing structures and plans in this area.

**Resolved:** The Audit Panel noted the annual opinion of internal audit on the adequacy and effectiveness of MOPAC's and the MPS's internal control environments.

## **6. MOPAC AND MPS ANNUAL GOVERNANCE STATEMENTS AND GOVERNANCE IMPROVEMENT PLANS**

*MOPAC Annual Governance Statement and Governance Improvement Plans Report*

- 6.1 Kenny Bowie introduced the report which provided MOPAC's 2021/22 draft Annual Governance Statement (AGS), an overview of MOPAC's approach to governance going forward, an outline of the key areas of improvement and the actions in place to address them.
- 6.2 Diana Luchford drew the Panel's attention to the improved alignment between MOPAC and the Violence Reduction Unit (VRU), which had been noted in Internal Audit's annual report. It was noted that the VRU was governed by MOPAC's decision-making processes and that the Panel would want assurance on that and the VRU's commissioning. It was agreed a briefing to the Panel would be useful.
- 6.3 The Panel was advised that the Internal Audit's annual report had informed the AGS and the Governance Improvement Plan. MOPAC would review both in light of the HMICFRS engage process to ensure that all the issues raised by HMICFRS were being addressed.
- 6.4 James Bottomley advised that the new actions in the Governance Improvement Plan had not yet been assigned target dates as the planning was still underway. Target dates would be included in the report to the Panel's October meeting.

**Action 5:** MOPAC to include in its October Governance Improvement Plan report to the Panel, completion target dates for the new actions.

**Resolved:** The Audit Panel:

- a. Noted the draft AGS for 2021/22.
- b. Noted the improvements being made in MOPAC governance through the Governance Improvement Plan.

*MPS Annual Governance Statement and Governance Improvement Plans Report*

- 6.5 Roisha Hughes introduced the report which provided the MPS's draft AGS and an update on last year's Governance Improvement Plans. It identified actions that needed to be carried forward into the new plans. The Panel was advised that the MPS would review the AGS and Governance Improvement Plans in light of the HMICFRS engage process. The MPS would be looking at the issues raised from a strategic viewpoint.
- 6.6 The Panel was advised that the AGS update was based on the assessment of senior leaders alongside various reports such as those from DARA and HMICFRS. Command assessments were currently underway. The Panel recognised these as a useful tool to assist with assurance.
- 6.7 The Panel noted DARA's comments in its annual report that there was an increasing need to define and review the MPS's strategic approach to assurance and increase its risk maturity. The Panel commented that identifying all sources of assurance and assessing their effectiveness are key going forward, stating these are of particular importance to senior leaders in assessing the level of risk and gaining assurance that mitigations, including established policy, were effective and being applied in practice. It was agreed that, by 31 August, the MPS would provide the Panel with a timetable for developing its strategic approach to corporate assurance and associated assurance map.
- 6.8 There was a discussion of prioritisation, given the number of areas requiring improvement focus, and whether the MPS required additional and specialist resource in order to get the assurance it required. It was the Panel's view that this was necessary. In response to a question from the Panel, MOPAC advised that decisions on prioritisation were for the MPS, but it supported the focus on critical areas – in particular, capacity and capability and supervision of the increasingly large inexperienced workforce.
- 6.9 The Panel noted there was further work for the MPS in finalising its AGS in order to take account of DARA's review comments and ensure all improvement areas were properly addressed, as well as reflecting the HMICFRS PEEL Assessment and the 'Engage Process'. The Panel would want to view the final version of the AGS alongside the MPS's Governance Improvement plan update in October.

**Action 6:** MPS to provide, by 31 August, the Panel with a timetable for developing an assurance map.

**Action 7:** MPS to ensure the areas of improvement identified in DARA's Annual Report are addressed in the Governance Improvement Plan.

**Action 8:** MPS to submit the updated AGS and Governance Improvement Plan to the Audit Panel for the October Audit Panel meeting.

**Resolved:** The Audit Panel:

- a. Noted the progress made on the 2021/22 Governance Improvement Plan and the areas where further progress was required.

- b. Noted the proposed governance improvement areas for 2022/23 including those carried forward from the previous year and the new areas.
- c. Agreed the draft AGS, noting that before finalisation it would be amended to address the feedback received from DARA and to pick up outstanding actions from the Governance Improvement Plan 2021/22.

## 7. MOPAC AND MPS RISK MANAGEMENT QUARTERLY REPORTS

### *MOPAC Report*

- 7.1 James Bottomley introduced the MOPAC Risk Management Report, which provided an update on the corporate risk review and the agreed set of corporate risks and control actions. He advised that the focus of the revised risk register was on key organisational risks which were summarised as resources, partnerships, culture, impact and finance. The register set out the inherent risk and the residual risk.
- 7.2 The Panel noted the revised approach and streamlining of the process and noted there was no timetable for the control measures which were planned. It was agreed that dates would be included for those items in the report that would be presented to the October meeting, as MOPAC finalised its plans to support the mitigations outlined in the report.

**Action 9:** MOPAC to include in its risk report to the Panel's October meeting a timetable for the planned controls.

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

### *MPS Report*

- 7.3 Pierre Coinde introduced the MPS's Risk Management Report, which provided a synopsis of the annual corporate risk register refresh process, outlined the new register for 2022/23 and the process to ensure progress was made to manage the risks.
- 7.4 The Panel was advised that the MPS's Risk and Assurance Board (RAB) had agreed to include four significant new areas – people (meeting the growth target); people (competency and capability gap); cyber; and the impacts of changes to the criminal justice system. RAB had also agreed to the closure of three risks – violent crime, money and estates.
- 7.5 The Panel asked:
  - Whether the people (competency /capability gap) risk was a long-term risk or short-term.
  - Why the progress status of some risks noted that the target had not been met but the control status was recorded as green – complete.
  - Whether the reported engagement with LGBT+ was overly positive.

- RAB's approach when risk owners reported to it that their progress against controls had slipped, was limited or there had been no progress in the quarter.
- The control actions associated with the Standards risk. The Panel was advised that the actions had been completed to timetable but that in the current environment RAB was not minded to reduce the risk's score at this stage.
- The removal of violent crime as a corporate risk. The Panel was advised that RAB considered there were sufficient controls in place and that the risk therefore was now a performance risk. This position was not supported by MOPAC, but it was a decision for RAB to take.

7.6 The Panel noted that the paper provided assurance that RAB was giving consideration to the risks and their definition, but the paper did not explicitly provide assurance that RAB was sufficiently focused on the assurance of the management of the risks and how it assured itself on the effectiveness of key controls. The Panel was looking for further assurance on the measures in place and how the MPS assured itself, which was linked to the corporate assurance work.

**Action 10:** The MPS's risk report to the October Audit Panel meeting to include more focus on how the MPS assured itself on the effectiveness of controls in place and how this was assessed.

**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.

## 8. EXTERNAL AUDIT UPDATE

- 8.1 Parris Williams introduced the Grant Thornton report which provided an update on the MPS-MOPAC Joint Audit Plan for 2021/22 and provided the regular Audit Progress Report and Sector Update.
- 8.2 The Panel was advised that, as part of its risk assessment regarding arrangements to secure value for money, it had identified the following risks of significant weakness:
- The risk that arrangements were not working effectively to ensure trust and confidence was maintained within the MPS, as well as ensuring appropriate arrangements were in place to rebuild trust and confidence with the MPS.
  - The risk that arrangements were not operating effectively to mitigate against the risk to operational delivery, financial loss and failure to deliver the planned benefits, arising from the implementation of the CONNECT and Command and Control IT programmes.
- 8.3 Grant Thornton would be considering how the HMICFRS engage process would be reflected in the 2021/22 audit report.
- 8.4 Parris Williams advised that the MPS had produced its set of accounts in accordance with the timetable. It was unable to close the 2020/21 audit as it had not yet received the Whole of Government Accounts (WGA) guidance.



**Resolved:** The Audit Panel noted the MPS-MOPAC Joint Audit Plan for 2021/22 and Grant Thornton's update report.

## **9. INTERNAL AUDIT PLAN FOR MOPAC AND MPS 2022/23**

9.1 Julie Norgrove introduced the report setting out the proposed MOPAC and MPS Internal Audit Plan for 2022/23. The Internal Audit Charter, defining the purpose, authority, responsibility and scope of internal audit in line with professional internal audit standards, was also provided.

9.2 The Panel was advised that the Plan was aligned to MOPAC's and MPS's strategic objectives and risks. The Plan was developed in consultation with MPS Management Board members and the MOPAC Board and Deputy Mayor. The draft Plan was indicative and dynamic and would be reviewed to respond to any key emerging risks within each organisation. DARA would also be undertaking its advisory work to support the MPS and MOPAC.

**Resolved:** The Audit Panel approved the proposed 2022/23 Internal Audit Plan for MOPAC and the MPS.

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

10.1 Roisha Hughes introduced the MPS's quarterly Audit and Inspection Report, providing a summary position for DARA and HMICFRS activity and engagement over the last quarter. The report noted the considerable reduction in outstanding actions, from 102 reported in the last quarter to 34 (22 high priority).

10.2 The Panel was advised of the current HMICFRS inspections – Serious Organised Crime and the MOPAC commissioned inspection relating to death investigations arising from the investigations into the murders committed by Stephen Port.

10.3 The Panel was advised that to help to address actions not being completed by the agreed deadlines, the MPS was producing a guide to assist the business areas being audited by DARA. The Panel noted that the MPS's report referred to the 'DARA timetable' for when actions were to be completed. However, the timeframe for when actions were to be completed was a decision for the MPS to take and they needed to be realistic when setting them. The Panel also agreed that in explaining the audit process, it was important that senior managers understood their responsibilities in terms of risk management and controls, which exist outside the audit process.

10.4 The Panel noted that the action from the March meeting regarding issues to be reported to the June meeting, was not fully completed. It therefore asked that the MPS's report to the Panel's October meeting set out:

- Action at a corporate level to address the underlying themes arising from review activity highlighted in the report; and
- Information on the respective governance boards, what they oversee and how they work together and are co-ordinated.

**Action 11:** The MPS to include in its October audit and inspection report to the Panel:

- Action at a corporate level to address the underlying themes arising from review activity highlighted in the report; and
- Information on the governance boards, what they oversee and how they work together and are co-ordinated.

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

## **11. MPS TRANSFORMATION PORTFOLIO SIX MONTHLY UPDATE**

11.1 Michelle Thorp introduced the report updating the Panel on MPS's transformation work, including the role of Transformation in taking forward the Calam recommendations to provide an Enterprise Wide View of Change. She noted that the Portfolio Delivery Confidence Assessment remained at Amber/Red, reflecting the complexity and the current delivery stage of the portfolio overall.

11.2 The Panel Chair asked about the significant risks posed by the two major IT systems to be introduced and the points made by the HMICRS in respect of this. Michelle Thorp noted the potential impact on officer and staff morale when CONNECT was implemented, and the importance of getting this right so that the change was embraced. She recognised that the risks with CONNECT and Command and Control affected the entire organisation and were significant, but was assured by an independent/external assurance exercise they had recently received around CONNECT in particular. There was also considerable oversight of both transformation programmes.

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

## **12. AOB**

12.1 The date of the next meeting is 3 October 2022.

**The Panel noted the following papers:**

- 13.** MPS Write-off of Irrecoverable Debts – Annual Report
  - 14.** Treasury Management Strategy 2022/23
  - 15.** Audit Panel Work Plan 2022-23
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