

## JOINT AUDIT PANEL

**Date:** 21<sup>st</sup> October 2020

**Time:** 10:45 – 12:45

**Venue:** Online Meeting

**Attendees** Peter Morris (Chair)  
Hilary Pogson (Panel)  
Ian Cayton (Panel)  
John Starkey (Panel)

Chief Constable Ian Hopkins (GMP)  
Assistant Chief Officer Lynne Potts (GMP)  
Janet Moores (GMP - Head of Finance)  
Sara Ashworth (GMP - Planning and Policy Development Manager)  
Colin Carey (GMP – Head of Information Services Branch)  
Stephanie Beirne (GMP - Head of Information Management)  
Candice Simms (GMP - Minutes)

Steve Wilson (GMCA – Treasurer)  
Sarah Horseman (GMCA - Head of Audit and Assurance)  
Cath Folan (GMCA - Audit Manager (Police and Crime))

Mark Dalton (Mazars - Partner (Public Services))  
Amelia Payton (Mazars – Engagement Manager)

**Apologies** Foluke Fajumi (Panel)

### **M105/JAP Welcome & Apologies for Absence**

Apologies were noted from Foluke Fajumi.

### **M106/JAP Urgent Business (if any) at the discretion of the Chair**

None raised.

### **M107/JAP Declarations of Interest**

None raised.

### **M108/JAP Approval of September 2020 minutes and actions**

The Panel approved the previous minutes as a true and accurate record.

Mazars to update on action A029/JAP during agenda item M110/JAP.

## **M109/JAP      Feedback from CIPFA training and matters arising**

On 1st October 2020, three Panel members attended the Chartered Institute of Public Finance and Accountancy (CIPFA) webinar for audit committee members in the police sector. Following the webinar, the Chair drafted a summary for Joint Audit Panel members which comprised of topics such as;

- The Police Uplift Programme.
- Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) State of Policing 2019 Report.
- HMICFRS' The Hard Yards Thematic Inspection Report.
- Review of the role of Police and Crime Commissioners (PCC).
- Update on local audit – target 30/11.
- Financial Sustainability in Policing.
- Spending Review.
- Financial Resilience.
- Implications of Redmond Review for Policing.

The Panel sought an update on how GMP is progressing with recruitment under the Police Uplift Programme. Members were advised the Police Uplift Programme is being led by a superintendent in GMP with its own project board structure around it. GMP's Police Uplift Programme has a strong positive action focus on improving the Force's attraction into diverse communities. The project is running well and the Force is on track to meet all targets. The number of officers leaving GMP has slowed slightly, which is a possible consequence of COVID-19 where there may be fewer jobs for people to go to. GMP is currently in discussions with the Government to inaugurate fair counting rules around the Police Uplift Programme.

The Chair recommended the HMICFRS State of Policing 2019 Report should feature as a Joint Audit Panel training item in 2021.

GMP noted it might be beneficial for Internal Audit to incorporate a Grants' Audit into the workplan for next year to give members reassurance re the use of such grants.

Members agreed it would be valuable for Internal Audit to engage with other audit panels on collaborations to determine how value for money is measured in these areas.

Mazars advised there is a useful National Audit Office (NAO) publication which provides guidance on audit and risk committee questions that should be asked around financial reporting and management during COVID-19. The NAO has recently consulted on auditor guidance in relation to the revised Code of Audit Practice 2020/21; the auditor guidance is to be published within the next few weeks. It was recommended that updates on both items should feature on the agenda next year.

**ACTION:** Internal Audit to work with the Chair and GMP to incorporate a Grants Audit into the workplan if appropriate.

**ACTION:** Chair to share the CIPFA webinar slides with other Panel members who were not available to attend.

**ACTION:** Panel members who attended the CIPFA webinar to collate notes and share with other Panel members.

**ACTION:** Mazars to share the NAO publication: Guide for audit and risk committees on financial reporting and management during COVID-19.

## **M110/JAP Summary Financial Statements Update**

Mazars noted there was no record of any blue light summary financial statements, but had been able to identify summary financial statements from a local council which have been shared with GMP. GMP found the statements useful; however, summary financial statements could add complexity for external audit, and the timing of publication (six months after the financial year) may not add value for the reader.

Members were informed there is a national drive to simplify the local government code on the production of financial statements.

The Chair advised there was support at the CIPFA training seminar for the development of a simplified summary of accounts that would provide an insight into GMPs financial position and how the money is spent. The Panel recognised that whether or not a summary fell within a requirement for external audit to review was an issue that needed to be clarified.

**ACTION:** Mazars to research whether summary financial statements would have any implications on the external audit process.

## **M111/JAP External Audit Completion Follow Up Letter**

The External Audit Completion Follow Up Letter has not yet been finalised due to the following outstanding items:

- The pension fund auditor assurance letter. An issue has arisen whilst completing this work, regarding the material valuation uncertainty in relation to the property holdings of the pension fund. Mazars continues to liaise with GMPs Finance Branch with regards to whether a related disclosure should be incorporated into the police accounts, given that GMP is an admitted body to the pension fund.
- The controls report bridging letter from XPS; expected to be received within the next few days.
- Mazars have identified some potential issues on the GMCA audit within the PPE balances which could in turn impact on the police depreciation and amortisation, and therefore potentially the charge to the Force for asset consumption. This is not a material issue; however, Mazars are hoping to be in a position to know whether there is an impact for GMP before signing off the accounts.
- Discussions continue with Mazars, GMP and the GMCA on the five year asset life of the Integrated Operational Policing System (iOPS), whilst being mindful of the potential extension of the iOPS contract.

Mazars assured members the outstanding issues will be resolved by the beginning of November 2020. The External Audit Completion Follow Up Letter will be made available to members outside of this meeting.

## **M112/JAP Internal Audit Plan Progress Report**

Internal Audit gave an overview of the report which informs members of the progress to date of the delivery of the Internal Audit Plan. Since the last update, Internal Audit have held a planning meeting with ACO Potts (Resources). Two changes to the plan were requested and potential scopes for other areas included in the plan were discussed. It is intended that a further planning meeting will be held with the Deputy Chief Constable to discuss the operational side of the plan.

Internal Audit are currently in the process of recruitment to fill a vacant position following the departure of a member of their audit team. This will have some impact on delivery of the plan; however, Internal Audit will work with GMP to minimise that impact and provide an appropriate programme of assurance.

As noted in the report, four reports have been issued since the last meeting of the Joint Audit Panel held on the 31st July 2020.

Internal Audit acknowledged fraud as a heightened risk during this period of time, where more people are working from home. Risks of this nature have been discussed with the Force, and Internal Audit will be

conducting audits in the near future which look at governance and risk through the gold command structure, and GMPs procurement exemption process.

#### **M113/JAP      Joint Audit Panel Workplan**

Internal Audit presented the proposed workplan for the Joint Audit Panel for 2021/22. A caveat was highlighted, whereby the workplan can be amended and added to during the year, as agreed by the Joint Audit Panel.

Members approved the draft workplan.

#### **M114/JAP      Joint Audit Panel Development Plan**

Members were provided with an overview of the report, which summarises the results of the Self-Assessment of Audit Panel Effectiveness undertaken in January 2020, and proposes a Development Plan for 2021/22.

Members approved the Development Plan as a moving plan, which can be subject to change should any members require further training on areas in line with the terms of reference of the Joint Audit Panel.

There was a mutual agreement and understanding that virtual training and meetings will continue for the foreseeable future to ensure people are kept safe during the pandemic.

**ACTION:** Internal Audit to update the Development Plan with Mazars' training on the NAO publication: Guide for audit and risk committees on financial reporting and management during COVID-19.

#### **M115/JAP      Risk Management**

GMP provided an overview of progress to date regarding the review of strategic risk management arrangements in the Force. To date, 17 risk registers have been submitted, with only 10 now outstanding. The risk registers that have been received have now been considered at GMPs Operations Committee. GMPs External relations and Performance Branch has started to work through the risk registers to identify any common themes. There have been no real surprises with the themes that have arisen; some common themes recognised are COVID-19, capacity, demand and the EU Exit.

GMP assured members that all branches are fully supported in producing their risk registers, and there is shared learning through risk workshops when defining risks. The Force also relies on Horizon Scanning to mitigate risk, which allows GMP to look forward to the future and identify key issues, themes and topics; and learn how other organisations manage their risks. All districts and branches are in receipt of the Horizon Scanning Bulletins to ensure knowledge is shared throughout the Force. GMP also conducts benchmarking exercises to research risk processes in similar sized police forces.

#### **M116/JAP      HMICFRS Inspection Activity and Recommendations**

An overview of the report was presented to members, which provides an update on the progress to date regarding audit and inspection activity (external audit and inspection agencies) within GMP; including national and local inspections, and inspections that are currently underway and planned for 2021.

GMP advised how the relevance of a HMICFRS recommendation can change overtime due to changes within the Force, this will account for why some of the older recommendations have not yet been closed. GMP has been sourcing retrospective and current evidence this year to close any longstanding recommendations, whilst working closely with Force leads and HMICFRS to ensure the recommendation is complied with.

Members were advised how GMPs demand has been increasingly challenging this year, and demand is now at a higher level than it was at the start of 2020. On top of policing everyday crime and commencement of the Manchester Arena Inquiry, Greater Manchester's higher risk COVID-19 areas have led to increased

policing activity across all 10 districts. When inspection activity recommenced several months ago, GMP was the first Force to have a virtual inspection, this incurred additional pressures for the workforce.

The Force noted how HMICFRS recommendations are un-costed, and the ongoing requirement for savings make the recommendations difficult to close in a timely manner. This challenge is met by ensuring recommendations are prioritised and the higher risk recommendations are looked at as higher priority. The Panel noted it would be useful to see how the HMICFRS reports are broken down into national and force specific recommendations.

COVID-19 has brought with it many changes for GMP, and the Force has seen significant improvement in many areas whilst adapting to a new way of working. Internal communication across the Force has increased compared to what it was prior to the pandemic. The speed of which GMP has delivered its IT changes to facilitate approximately 3500 people working from home has been exceptional. Throughout the pandemic, the Force has worked well in supporting vulnerable colleagues and has encouraged the public to make use of GMPs online services to make the reporting of crime easier. GMP will be capturing all of the learning and innovation from COVID-19 and building it into a future change programme.

GMP recently attended the Black Police Association Annual Conference, where the Force is recognised as a leading light in diversity and inclusion. The Force acknowledges there is still work to do to improve in this area through listening to the experiences of police staff; improving community engagement, particularly with diverse communities; and improving data quality for use of powers, which can support and challenge any disproportionality. GMP has been conducting research on disproportionality and following approval from the Deputy Mayor this will be published. In comparison with other forces in the UK, GMP has made excellent progress with Black, Asian and Minority Ethnic (BAME) representation. A good example of the progress in GMP is the higher level of BAME colleagues passing the sergeant to inspector process.

**ACTION:** GMP to provide a breakdown of the HMICFRS recommendations for the Panel.

#### **M117/JAP Internal Audit Action Tracker Report**

Internal Audit gave an overview of the report, which comprises of an update on the implementation of previous audit actions.

Internal Audit are encouraged by the Force's response and implementation rate of audit actions, which demonstrates good culture towards implementing audit actions. Members were assured timescales for action completion are realistic and adequate. Extended timescales are always agreed by both parties, and are closely monitored with subsequent updates from the Force.

The new format of the report breaks down the implementation rates by the significance of finding (high, medium and low), which ensures that focus is on the higher risk rated actions. The background to the one outstanding high rated action was explained. The report format now allows members to have clear visibility of the implementation rates each quarter on a rolling 12 months basis and sight of any historic actions that have not yet been implemented.

#### **M118/JAP CARE Disclosure Internal Audit Report**

GMP gave a presentation to members which detailed the progress made since the CARE Disclosure Internal Audit Report was published in July 2020. The audit was requested as GMP recognised some concerns. There was a backlog of work and sought an independent view of the process to try and improve the level of service to the court. The audit concluded with five recommendations, four of which have now been implemented. Members were updated on how GMP has addressed the backlog by recruiting additional staff and reallocating resources to maintain position and implementing a new training plan. There is further work to be done to reduce any associated risk. The Force plans to review the protocol/relaunch agreed with the Judge at the Family Court Interface Group (FCIG), whilst also reviewing and prioritising cases with the courts to identify which are still required.