

## JOINT AUDIT PANEL

**Date:** Wednesday 23<sup>rd</sup> June 2021

**Time:** 14:00 – 16:00

**Venue:** Online Meeting

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

Chief Constable Stephen Watson (GMP)  
Assistant Chief Officer Christopher Kinsella (GMP)  
Janet Moores (GMP - Head of Finance)  
Matt Innes (GMP - Deputy Head of Finance)  
Detective Chief Inspector Karen Ryan (GMP - Anti-Corruption Unit, Professional Standards Branch)  
Candice Simms (GMP - Minutes)

Steve Wilson (GMCA – Treasurer)  
Sarah Horseman (GMCA & GMP - 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** Rt. Hon Baroness Beverley Hughes (Deputy Mayor of Greater Manchester)

### **M150/JAP Welcome and Apologies for Absence**

The Chair opened the meeting by welcoming those attending the Joint Audit Panel for the first time; Chief Constable (CC) Stephen Watson, Assistant Chief Officer (ACO) Christopher Kinsella and Detective Chief Inspector (DCI) Karen Ryan. The Panel, Internal Audit, Mazars and the Treasurer of the GMCA introduced themselves to GMP's new members.

### **M151/JAP Urgent Business (if any) at the discretion of the Chair**

It was noted three Panel members, including the Chair, are coming up to the end of their three year term (December 2021). Discussions on this will take place in coming months to determine a way forward.

The Chair noted his aspirations on getting back to a near normal format and meeting in person.

### **M152/JAP Declarations of Interest**

None raised.

## **M153/JAP Approval of April 2021 minutes and actions**

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

## **M154/JAP Chief Constable's Update**

CC Stephen Watson introduced himself to members and noted the significant value in the role of independent audit to test the workings of GMP.

It was noted CC Watson intends to publish the PricewaterhouseCoopers LLP (PwC) Report in the upcoming weeks. Members were informed of the Force's deficiencies identified by PwC, which coincide with those that have been reported by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in the preceding year. The PwC report will be published together with GMP's 16 initiatives, which are intended to provide solutions to the deficiencies identified by PwC, HMICFRS and other sources.

CC Watson provided members with a summary of GMP's 16 initiatives which include, but are not limited to:

- Providing a clear and sustainable Force Strategic Delivery Plan in place of GMP's Target Operating Model (TOM) that will give clarity of strategic direction. This will culminate by the end of July and make way for a comprehensive Performance Management Framework.
- Strengthening the Force executive by; recruiting an additional Assistant Chief Constable (ACC) to facilitate a reform of portfolios; recruiting a new Deputy Chief Constable (DCC); reappointing at the level of chief superintendent district commanders in each of the districts of Greater Manchester; and appointing a Chief of Corporate Services to achieve greater balance between corporate and operational activity.
- Conducting a review of Force Headquarters based posts to identify senior officers who are currently undertaking roles where suitably qualified staff would be a better fit. This review will enable senior officers to be moved back into forward facing operational leadership positions. These posts will be undertaken by suitably qualified staff or the function will be subsumed into broader organisational reform.
- Beneath the newly constructed Local Policing portfolio there will be a new strategic demand management function to shape demand.
- Appointing a new Head of Strategic Communications to develop the neighbourhood interface with the public and improve the quality of internal communications.
- Pausing the Force Strategic Change Programme. This has enabled a review to take place to recalibrate the essence of the programme against the new Force Strategic Delivery Plan.
- The Citizens Contract will not be progressed and will be replaced by a public consultation as to what it is the public want from their local neighbourhood policing teams.
- Undertaking a review on the Force's corporate governance arrangements, whereby GMP's committee meetings will be replaced by a much simpler and effective performance and governance set of arrangements that are better understood and better reflected by way of future success.
- Recording and investigating more crime by investing in middle office posts in areas such as Prisoner Processing Units, Desk Based Investigation, Volume Crime Teams and Crime File Build Capacity. This will reduce pressure on the frontline and create posts for restricted officers.
- Implementing a new Leadership Programme, led by CC Watson, which will incorporate the development, communication and delivery of leadership objectives for all leaders in the organisation.
- Introducing an Organisational Justice Model into the wider organisation, this will underpin issues of organisational justice and procedural fairness.
- Addressing issues of welfare and wellbeing to retain staff.
- Conducting an independently evaluated options appraisal of GMP's Integrated Operational Policing System (iOPS).

The Chair noted Internal Audit, together with senior officers; need to give thought to the Internal Audit Work Plan which may be affected by CC Watson's changes.

CC Watson advised tangible improvements regarding the changes in Force will be measured using Durham's cultural staff survey. This specific survey links public service motivation to outcomes in terms of extra mile behaviours, which can help identify a change in attitude and happiness. GMP will be committed to running the survey in the coming weeks and again at a later stage. It was noted this survey is too anonymised to identify staff and officers.

The Panel queried if GMP have a process in place for training and assessing restricted officers that are deployed to middle office posts. CC Watson advised there is a training requirement for such posts. Acculturation will be required; however, the restricted officers will be in roles that are more meaningful to them. GMP noted the Force needs to be robust regarding reasonable adjustments to ensure a job can be made readily performed by each individual, dependent on their own circumstances.

#### **M155/JAP Chief Constables - Draft Statement of Accounts 2020/21**

ACO Kinsella introduced himself to members as GMP's Chief Financial Officer (CFO). This role carries a broad portfolio which includes; finance, strategic and operational human resources, training and organisational development, estates, fleet, procurement and a number of other corporate functions.

Members were advised the narrative for the Chief Constable's Statement of Accounts (SoA) has not yet been made available to members. It is of great importance that the narrative is updated to ensure it's aligned with the proposed changes in Force and how they fit within GMP's Financial Strategy. Going forward, there will be implications regarding GMP's Financial Strategy, and this will need to be amended to coincide with CC Watson's objectives; this will be noted in the narrative of the 2020/21 SoA. It was noted this should not; however, impact on any questions the Panel may have on financial sustainability and going concern.

ACO Kinsella advised GMP's Annual Governance Statement (AGS) requires a significant update before publishing with the SoA. This document does not currently reflect changes made to address HMICFRS's findings and how the Force has improved and streamlined its overall governance.

The narrative, along with GMP's AGS, will feature in the July 2021 Joint Audit Panel. The SoA will then include; responsibilities, expenditure and funding analysis, accounting policies, reference to the Police Pension Fund and the AGS.

GMP's Head of Finance presented the statutory statements to members. It was noted these are still draft statements that have not yet been audited and are subject to change.

The Panel considered the Comprehensive Income and Expenditure Statement. GMP advised the movement of the deficit is due to changes in the retirement benefits, employer's pension contributions and GMP's accumulated balances; this is illustrated further in the adjustments to the accounts section. From last year, the remeasurement of pension assets / liabilities has increased significantly; however, this is determined by the actuarial assessment that happens each year; this is illustrated further in the SoA.

GMP noted the figure for 'Accumulated Absences' reported on the balance sheet (pg. 5) is mainly a result of Covid-19, whereby officers had leave cancelled due to an increase in enforcement measures.

The Treasurer of the GMCA noted close partnership working with GMP will ensure complete transparency throughout delivering CC Watson's ambitious plan and objectives for the Force. It's anticipated there will be some difficult discussions and decisions to make going forward; however, ultimately they will culminate in discussions around the police precept 2022/23.

#### **M156/JAP External Audit Progress Report and Sector Update**

Members were provided with an overview of the report, which details the work that has been carried out since Mazars last reported on audit progress to the Joint Audit Panel. From the audit work completed to date, it was noted there are no issues to report at this time.

Mazars are currently working towards the timeline as presented to the Joint Audit Panel in April 2021, whereby audit completion is planned for September 2021. This proposed date is dependent on obtaining the required pension assurances.

The Panel queried how GMP keeps up to date with all new publications and how they affect the organisation. GMP advised it is part of the role for the Finance Team to keep up to date and is a constant discussion in governance meetings. It is also incumbent on GMP's Chief Finance Officer to ensure the relevant people are sighting on new publications. GMP is also reliant on auditors to bring such documents to attention.

#### **M157/JAP      Head of Internal Audit Annual Opinion and Annual Report**

Internal Audit provided an overview of the report to members, which provides the Joint Audit Panel with the Head of Internal Audit Opinion and explains the basis of that opinion. It was noted a separate opinion has been given for GMP and the Greater Manchester Mayor's Police and Crime Functions, as their risk management arrangements are dissimilar.

The report notes there is limited assurance over the adequacy and effectiveness of the framework of governance, risk management and internal control in GMP. Internal Audit advised this was a challenging opinion to write as the individual internal audits conducted during 2020/21 often gave a reasonable assurance outcome; however, the wider context of what has occurred for GMP over the past year has to be taken into consideration.

The Panel queried whether Internal Audit have considered delays, as a result of Covid-19, in the timing of their future audits and when proposing actions. Internal Audit advised consideration has been made and extra time has been built into audits when taking into account staff working remotely.

Internal Audit noted there are ongoing discussions around key performance indicators (KPI) which are currently input focused, for example; days spent on audit. Members were advised that it may be more beneficial to look at output KPIs for the performance of Internal Audit. Further consideration will be made to determine what can be classed as an output based KPI.

The Panel noted and endorsed the report.

#### **M158/JAP      Anti-Fraud Bi-annual Report**

DCI Ryan gave an overview of the report which includes a summary of the processes in place and an overview of investigations of allegations into fraud and financial impropriety.

It was noted the Anti-Fraud, Bribery and Corruption Policy has not yet been published and is still in consultation phase. GMP is working with the GMCA to get this published as soon as possible with the addition of GMP's Reporting Concerns Policy.

The Panel requested further clarity regarding Internal Audit's reporting of whistleblowing, which needs to be reflective of their responsibility to provide the Joint Audit Panel with periodic reports on the outcome of whistleblowing referrals received through the GMCA whistleblowing arrangements.

The Panel queried whether police officer pensions can be forfeited if officers are convicted of a crime. It was noted that this is possible and the Home Office have recently updated their guidance on this matter, which includes the legislative basis for such a sanction.

#### **M159/JAP      Internal Audit Charter**

The Panel reviewed and approved the internal audit charter which establishes the internal audit activity's position within the organisation, including the nature of the Head of Audit and Assurance's functional

reporting relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

**M160/JAP      Annual Report of the Joint Audit Panel**

The Panel noted and endorsed the report which covers the work conducted during the period 1st April 2020 to 31st March 2021 and sets out the priorities for 2021/22.