

Chair's Introduction

This is our second report of the Greater Manchester Combined Authority and GMP Joint Audit Panel.

There are 5 members of the Panel. All are independent appointments, and they were made following an advert and interview process. Training opportunities have been less than I hoped this year because the practicalities of delivering training have been hampered by COVID rules, but the depth and breadth of our meeting agendas has helped our development during an exceptionally challenging period for GMP.

This report covers our work during the period 1st April 2020 to 31st March 2021. The focus of the Audit Panel is Greater Manchester Police activities and their accounts. The value of an Audit Panel to an organisation is that it aims to provide independent assurance and advice on its governance processes. The Panel oversees the preparation of the Annual Report and Accounts, regular reports are received from the external auditors, Mazars during the year. The recent appointment of a new Chief Constable means that the timetable for the Governance and narrative elements of the Annual Report will be tight, but the expectation is that the external audit will conclude in line with the timetable.

The Panel also provides a forum to receive the reports of both the Internal and External Auditors and GMP officers on risk management, control, value for money and governance issues. It is also keen to see that senior management take appropriate action to implement the agreed actions contained in these reports.

In December, HMICFRS published its Victim Services Assessment (VSA) Inspection Report. This was a critical report of the service provided by GMP in this area. We are monitoring progress at our meetings and receive regular updates on progress in responding to the Inspectorate's recommendations. This provides an example of the breadth of the Audit Panel's activities.

I thank the Panel members for their enthusiasm, commitment and willingness to learn during this difficult year and the support we have received from GMP and GMCA.

Peter Morris
Chair of the Joint Audit Panel
17 June 2021

Introduction

The Joint Audit Panel is a key component of the Deputy Mayor for Policing and Crime (the Deputy Mayor) and the Chief Constable's for Greater Manchester corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Panel is to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes in operation within the Chief Constable's Corporation Sole and the GM Mayor's PCC functions.

Membership

The following individuals were appointed as independent Members of the Panel following an open recruitment exercise and interviews.

The Committee met five times during 2020/21. The April 2020 meeting was cancelled due to the Covid-19 pandemic whilst arrangements for virtual meetings were formalised. Papers for the meeting were issued and any questions/comments provided to the Chair who shared with Officers for action as necessary. Attendance at the meetings has been good demonstrating a commitment to the role and the function of independent challenge and assurance.

Member	Apr 20 Cancelled	June 2020	July 2020	Sept 2020	Oct 2020	Feb 2021	%
Mr Peter Morris (Chair)	-	✓	✓	✓	✓	✓	100%
Mr Ian Cayton	-	✓	✓	✓	✓	✓	100%
Mr John Starkey	-	✓	✓	✓	✓	✓	100%
Ms Foluke Fajumi	-	✓	✓	A	A	✓	60%
Ms Hilary Pogson	-	✓	✓	A	✓	✓	80%

Accountability Arrangements

The minutes of the Joint Audit Panel meetings are provided to the Deputy Mayor and the Chief Constable as well as to the GMCA Audit Committee in relation to Police Fund activity and assurance.

The Panel reviews its performance against its terms of reference, the result of which are included in this annual report.

Effectiveness of the Joint Audit Panel

The Joint Audit Panel effectiveness survey has been completed for the second year using the same questions as the 2019/20 self-assessment which allows the Panel to monitor progress against previous responses. The self assessment considered the following attributes of Audit Panel effectiveness:

- Membership, independence, objectivity and understanding
- Skills
- The role and scope of the Panel
- Communication and reporting

Generally the assessment results in 2020/21 showed an improvement compared to the 2019/20 results. Some areas showed a split where compared to last year there were some more positive and some more negative responses.

The development plan that was created as a result of last year's assessment has been updated and refreshed to incorporate the results of this year's assessment. This is provided in Appendix 1.

There were 11 actions arising from the 2019/20 assessment. Of these, eight have been implemented with the other three in progress which are:

- Incorporating an annual update on the Standing Together Plan into the training agenda for the Panel
- Resuming visits to operational branches to familiarise Members with aspects of police work
- Incorporate risk deep dives into the training sessions for the Panel, inviting risk owners to discuss strategic and/or operational risks and how they are managed

Two new actions were added as a result of this most recent assessment in relation to:

- Stakeholder mapping exercise to be undertaken as part of the Panel's training sessions
- Review of member induction to be undertaken and feedback gathered on the current process to enable improvements to be made where necessary

Key Areas of Focus for the the Panel in 2020/21

Governance, Risk and Control

- The Panel reviewed the Annual Governance Statement which is contained within the Chief Constable's Statement of Accounts.
- The Panel has received regular updates on GMP's risk management process. The Panel notes the efforts undertaken to refresh and strengthen risk management arrangements. The Panel was keen to understand the Strategic Risk Register which has been provided and will regularly review the register as part of the normal course of business for the Panel.
- Particular attention has been paid to the progress made in addressing issues with the iOps system. With continued significant media attention, the Panel has sought regular updates from GMP into the progress, status and plans for the project.
- The Panel reviewed the effectiveness of the system of internal control, taking account of the findings from internal and external audit reviews. The Panel sought assurance throughout the year from management that control issues identified are being addressed.
- The Panel received quarterly updates on the implementation of internal audit actions. The Panel have paid particular attention to outstanding audit actions in order to satisfy themselves appropriate action is being taken to implement agreed actions. Refreshed reporting mechanisms allow progress of the implementation of audit actions to be reviewed distinguishing progress made on high, medium and low priority actions.
- In January 2021 the Panel received a briefing from GMP on the findings from HMICFRS Victim Services Assessment (VSA) Inspection Report. The Panel continues to receive regular updates on the mechanisms put in place to address the findings of the inspection.
- The Deputy Mayor and Chief Constable are invited to all Audit Panel meetings. The Chair has also held meetings with the Deputy Mayor in between the formal Audit Panel meeting schedule.

Internal Audit:

- The Panel approved the 2020/21 internal audit plan in July 2020. At each meeting the Panel received progress reports for the delivery of the internal audit plan. These reports have been reviewed and scrutinised by Members.
- Members enquired whether the level of internal audit resource is sufficient to provide an appropriate level of assurance. Internal audit provided a benchmark of GMP Internal Audit resource against other forces which indicates resources are within the range of other forces.

ANNUAL REPORT OF THE JOINT AUDIT PANEL 2020/21

The panel will keep this under review during the annual planning process.

- The Panel reviewed the Internal Audit Charter for 2020/21.
- The Chair of the Audit Panel provided feedback to contribute to the Head of Audit and Assurance's annual performance appraisal.

External Audit

- The Panel oversaw the work of external audit including the scope and approach to their work, their fees, and independence.
- Throughout the year the external auditors outline the significant risks and key judgement areas identified within the planning process and subsequently in the work they do.
- The Panel received the External Audit Annual Letter for the year ended 31st March 2020. The external auditor issued an unqualified opinion on the Chief Constable's financial statements and also a clean, unqualified Value for Money conclusion in respect of the Chief Constable's arrangements.
- The Panel noted that the Annual Audit Letter will be replaced by the Auditor's Annual Report for 2020/21. It also noted the External Auditor's response to the HMICFRS VSA Inspection Report which constitutes significant weaknesses in GMP's arrangements against the criteria in the Code of Audit Practice.

Financial Reporting

- The Panel reviewed the Chief Constable's Statement of Accounts for 2019/20. To assist this review the Panel considered overviews of the key financial statements from management and reports regarding compliance with accounting standards, key judgements made in the preparation of the financial statements and compliance with legal and regulatory requirements.

Conclusion

The Panel has considered a broad range of issues within its agreed terms of reference throughout the year and where appropriate has called for additional information or action to be taken.

As part of its overall responsibility for providing assurance to the Deputy Mayor and the Chief Constable on the internal control environment, it has monitored the work of internal audit and the response to internal audit findings.

Priorities for 2021/22

ANNUAL REPORT OF THE JOINT AUDIT PANEL 2020/21

The Panel will continue to meet regularly throughout 2021/22 in order to review, scrutinise, challenge and provide reassurance over the governance, risk management and internal control arrangements across the Force and Mayoral PCC functions in order to ensure the whole system of governance is effective whilst focus is inevitably placed on addressing the HMICFRS recommendations.

Within this context, the priorities for 2021/22 will be:

- In relation to the HMICFRS VSA Inspection, the Panel will seek regular updates on progress with its response but will request internal audit continue their risk-based plan of work to provide assurance that other activities and programmes continue to operate effectively whilst focus and resource may be diverted to the HMICFRS response
- Continued focus on iOPS to monitor the progress of improvements, upgrades and performance of the system
- Receive internal audit reports on the risk management arrangements in place within the Force
- Recommencing Audit Panel training sessions to improve familiarisation of operational activities, the operating environment and strategic risks and to develop where necessary Members' skills
- To review and scrutinise reports arising from each of the internal Audit reviews undertaken during the year and ensure that appropriate action is taken to address any weaknesses identified
- Review of GMPs anti-fraud arrangements
- Ensure that the Panel supports the External Audit team in its application of the new Audit Code of Practice

ANNUAL REPORT OF THE JOINT AUDIT PANEL 2020/21

Appendix 1 – Joint Audit Panel Development Plan – Actions

Description	Rationale	Action	Owner	Status
Standing Together Plan Objectives	In response to the questions around membership, independence, objectivity and understanding only 2/5 respondents stated that they were fully aware of the objectives of the organisation. 2/5 stated they were aware of most of the objectives, and 1/5 stated they were aware of some of the objectives.	Include within the training schedule for the Joint Audit Panel an annual update on the Standing Together Plan / GMP Target Operating Model.	Joint responsibility between PCC and GMP to provide an annual update to the Panel.	In Progress: Included in proposed annual training plan. Originally included for April 21 but given impending new GMP leadership and mayoral election, propose this is undertaken later in the year
Continued training on operational areas of GMP/PCC	The Panel visited OCB in 2019/20 to get an understanding of the operation of OCB. This was felt to be beneficial and further site visits had been planned pre-COVID-19.	When it is feasible to accommodate visits from Panel members, these will resume.	GMP Governance	In Progress: Included within annual training plan.
Internal Audit alignment to GMP	Discussion around the arrangements for internal audit feeling like it is a GMCA internal audit function when in fact it is a shared service and is as much a GMP function as it is GMCA.	Head of Audit and Assurance to work with ACO Potts and Force leadership to raise the profile of Internal Audit and to ensure alignment of internal work to GMP priorities.	Head of Audit and Assurance (HoAA)	Actioned and ongoing: HoAA now attends Victims Services Gold Group meetings, DME, HMICFRS Oversight Board (G-HOB) and quarterly ExecCo meetings.

ANNUAL REPORT OF THE JOINT AUDIT PANEL 2020/21

Description	Rationale	Action	Owner	Status
Joint Audit Panel alignment to GMCA Audit Committee	In order to provide assurance to the GMCA Audit Committee that the Joint Audit Panel is undertaking its responsibilities around the Police Fund there needs to be clearer linkage from the Panel to the Committee	Head of Audit and Assurance to ensure that the annual report of the Joint Audit Panel is provided to the GMCA Audit Committee.	Head of Audit and Assurance (HoAA)	Complete: Proposed as new GMCA Audit Committee Agenda Item for 21/22 and subsequently each June (ie post year end as soon as annual report is produced).
Walkthrough of an Internal Audit engagement	This is in direct response to a comment within the "Skills" section of the effectiveness questionnaire.	Internal Audit team to develop a training session to walk the Panel through an internal audit assignment, explaining how the scope is determined, how fieldwork and testing is undertaken and how the conclusions and assurance opinion are arrived at.	Head of Audit and Assurance (HoAA)	Complete: Included in training session April 21
Ascertain the Chief Constable, Deputy Mayor and GMCA Audit Committee's view on what they would like from the Joint Audit Panel.	In response to the question "To what extent does the Audit Panel's work programme cover the assurance needs of the Chief Constable, Deputy Mayor and GMCA (in relation to the Police Fund) through a balance of agenda items?"	Invite Chief Constable to one or more Audit Panel meetings during the year and request his views.	GMP Governance	Actioned and ongoing: A/CC Pilling attended Feb 2021 Panel Meeting. Open invitation for the CC to attend all Panel meetings. Will seek to ensure new Chief Constable attends as soon as possible in 21/22.

ANNUAL REPORT OF THE JOINT AUDIT PANEL 2020/21

Description	Rationale	Action	Owner	Status
		Meet at least annually with the Deputy Mayor to ascertain her views on what she would like from the Panel.	HoAA / Director of Police, Crime, Criminal Justice and Fire	Actioned and ongoing: Chair met Deputy Mayor Feb 2021 and she attended the Feb 21 Panel meeting. Deputy Mayor now receives invitations to all Audit Panel meetings.
		Meet at least annually with the Chair of the GMCA Audit Committee to ascertain their requirements of the Panel in relation to the Police Fund.	Treasurer / HoAA	Actioned and ongoing: Chair met with Chair of Audit Committee at the same time as Deputy Mayor in Feb 21.
Ensure anti-fraud and corruption arrangements are appropriately considered	In response to the question within the "Role and scope of the Panel" section around regularly reviewing anti-fraud and corruption arrangements.	Ensure anti-fraud and corruption arrangements are included at least annually in the Panel work schedule	HoAA	Complete: included in JAP schedule of business
Understand other sources of assurance	In response to the questions regarding commissioning additional assurance work where a risk or control issue which is not subject to sufficient review.	Training session by the Planning and Policy Development Manager (Sara Ashworth) on the new HMICFRS methodology and inclusion in work programme of HMICFRS results.	Planning and Policy Development Manager (ERP)	Complete: Included bi-annually in the proposed schedule of business for main Audit Panel meetings. An ad-hoc training session also included for changes to HMICFRS methodology.

ANNUAL REPORT OF THE JOINT AUDIT PANEL 2020/21

Description	Rationale	Action	Owner	Status
Risk deep dives	As a mechanism for the Joint Audit Panel to get an in-depth understanding of the risks faced by the Force risk deep dives are a discussion with risk owners to get an understanding of risks, mitigating actions and assurance over key risks.	Include risk deep dives 3-4 times per year within training sessions. Panel chooses which risks to focus on at the next training session at/after their previous meeting.	ERPB / GMP Governance	In Progress: Included in proposed training plan but as yet have not commenced.
Stakeholder mapping	In response to the 2020/21 responses around effective communications	One of the Panel training sessions to include a session on stakeholder mapping	Facilitated by Internal Audit	New
Member induction	Mixed responses received in 2020/21 around the effectiveness of member induction training	Review and gather feedback on current induction processes. Update as needed	GMP Governance	New