

JOINT AUDIT PANEL

Date: Wednesday 28th July 2021

Time: 13:30 - 12:00

Venue: Online Meeting

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

Assistant Chief Officer Christopher Kinsella (GMP)
Janet Moores (GMP - Head of Finance)
Matt Innes (GMP - Deputy Head of Finance)
William Naylor (GMP - Head of IT)
Detective Superintendent Neil Jones (GMP - North West Cyber Resilience Centre)
Candice Simms (GMP - Minutes)

Sarah Horseman (GMCA & GMP - Head of Audit and Assurance)
Cath Folan (GMCA - Audit Manager (Police and Crime))
Karen Macrae (GMCA - Head of Finance)

Amelia Payton (Mazars – Engagement Manager)

Apologies Chief Constable Stephen Watson (GMP)
Rt. Hon Baroness Beverley Hughes (Deputy Mayor of Greater Manchester)
Steve Wilson (GMCA – Treasurer)
Mark Dalton (Mazars - Partner (Public Services))

M161/JAP Welcome and Apologies for Absence

The Chair welcomed all attendees and noted apologies.

M162/JAP Urgent Business (if any) at the discretion of the Chair

None raised.

M163/JAP Declarations of Interest

None raised.

M164/JAP Approval of June 2021 minutes and actions

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

Action A038/JAP to be marked as complete in line with the update to the Internal Audit Progress Report.

The Chair noted GMP's Draft Statement of Accounts (SoA) illustrates that the Force's financial position has improved. It was; however, highlighted that the Chief Constable's material changes for the Force will have significant financial implications, and critical to that will be GMP's relationship with the Mayor and Deputy Mayor of Greater Manchester (GM). The Chair assured members that the Joint Audit Panel will provide oversight of governance during this period, and will keep track of matters arising from significant material change in a relatively short timeframe.

Members were informed of a recent meeting with GMP's Chief Constable (CC), Assistant Chief Officer, Mayor and Deputy Mayor of GM. The meeting delivered the opportunity to articulate the Force's process towards a new strategy - 'Plan on a Page'; which feeds into GMP's Financial Strategy. All parties were sighted on the Force's revenue pressures anticipated for this year; however, the likelihood is that GMP can operate within its revenue budget if carefully managed. GMP's long term capital resources; such as remedial issues around the Force's estate, fleet, information technology (IT) and training; were also discussed at the meeting. It was noted the Deputy Mayor is supportive of GMP's 'Plan on a Page'.

The Chair noted delivering the capital programme this year will be critical to the measures GMP is hoping to progress. GMP advised a root cause analysis will be undertaken to identify and examine shortfalls in the capital programme in recent years.

The Panel advised that due to the lateness of receiving the revised Narrative Report, there hasn't been sufficient time to scrutinise the changes. GMP agreed that all future changes will be clearly highlighted to the Panel to support their review.

Members were advised the audited accounts will be published before 30th September 2021.

GMP provided an overview of the Narrative Report, which explains the work that is underway and envisages the Force's plans going forward. In discussing GMP's 'Covid-19 Response' (pg. 7), members were advised GMP still has Gold and Silver Groups in place to grip issues comprehensively and with pace. GMP's Covid-19 Silver Group has recently been extended to address the return to the workplace. This programme of work seeks to resolve issues such as reduced estates capacity and IT resources/suppliers. The return to the workplace issues are risks that need to be carefully managed and should be noted by members of the Joint Audit Panel.

In relation to 'Growth in Police Officer Numbers' (pg. 8), GMP is currently addressing a number of gaps and deficiencies across the Force. A project is underway which will look to moving restricted officers into middle office desk-based roles and subsequently releasing officers in desk-based roles back out onto the front-line.

With regard to 'Prisoner Processing' (pg. 9), GMP gave emphasis to an initiative that has been put in place to ensure police officers are making arrests, where it is appropriate to do so. This initiative has led to a review of the Force's custody estate which has been deemed inadequate in terms of quantity and location. The Panel were made aware that this review could impact GMP's long term capital and revenue programme as a significant investment due to the cost of building a custody suite.

Members were advised GMP has now appointed a new Head of Strategic Communications.

GMP's Head of Finance provided further insight into GMP's 'Performance Against Revenue Budget' (pg. 11 - 13). It was noted the Force received a better than average settlement last year, whereby the core police grant from the Government increased by £30.7m and the Mayor increased the Police and Crime Commissioners (PCC) precept by £10. GMP also received a pensions grant of £6.6m. Last year, the Government proceeded to allocate £64m of the core police grant funding to other national initiatives. GMP

was still able to set a balance budget; however, additional costs due to Covid-19 (£11.6m gross) meant the Force had to source £2.3m through efficiency and capital savings within the budget.

GMP advised the Target Operating Model (TOM) has now been replaced by the Transformation Programme; whereby some projects have been paused whilst a review is undertaken to address revised priorities. Chief officer portfolio arrangements are being considered simultaneously.

In discussing the '2021/22 Outlook' (pg. 14), GMP advised of the increased settlement that assisted the Force in attributing funds into the budget for growth items this year. Once the settlement and precept was agreed, the Force produced a balance budget which took into consideration some of the potential changes anticipated for when a new CC is appointed. The Force aims to deliver the major deliverables of the 2021/22 budget included in the PCC precept. However, following the appointment of CC Watson in May 2021, the Force is now constructing a revised Financial Strategy which will align with CC Watson's new strategy and priorities. It's anticipated the new Financial Strategy and its delivery plan will add pressure to the 2021/22 budget; however, the Force is hopeful that revenue implications can be covered within the current budget.

The Panel queried whether the Force has carried out Horizon Scanning for the release of Windows 11, given that GMP will be upgrading to Windows 10 later on this year. GMP noted the Force is aware that Windows 10 support will expire in 2025 and this will become part of a much wider review of GMP's software within the Transformation Programme.

With regard to 'Workforce Diversity' (pg. 17), members agreed it would be useful to include a reference to GMP's *Achieving Race Equality Report - 2021*.

When considering 'Exit Costs and Termination Benefits' (pg. 38) and the expansion of GMP in the coming months, members were advised GMP is conducting a review of the Force's People Strategy. GMP's estimated exit costs and anticipated changes to the People Strategy have been captured in the earmarked reserves for this year.

GMP noted the Annual Governance Statement (AGS) 2020/21, contained within the SoA, was written when the TOM was still in place and the governance processes referred to are currently under review. The governance structure at chief officer level is being revised under the Transformation Programme; however, the Force will not be altering any statutory governance processes. GMP also noted the monthly Executive Committee (Exec Co) has been replaced by a weekly Chief Officer Group. GMP went on to provide members with an overview of the AGS.

When discussing Principle B (pg. 63 - 64) of the AGS, the Panel noted it would be beneficial to include details of staff feedback in relation to the different initiatives GMP has put in place over the course of the year, for example; the Citizens in Policing Programme and Think Victim Strategy.

In line with other forces, Internal Audit recommended that the Internal Audit Annual Opinion is included within the AGS under Principle G.

ACTION: GMP Finance to revise the wording in the 'Top Slicing' section (pg. 16) of the SoA to ensure it reads: *the Home Office top sliced £1,033.5 million from the overall national police grant.*

ACTION: GMP Finance to check that the Chief Constable Assurance Statement (pg. 73) conforms to the latest model of Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

M167/JAP Internal Audit Progress Report

Internal Audit provided an overview of the report which details the work concluded to deliver the 2020/21 Internal Audit Plan and the progress to date.

It was highlighted that assurance was split into two areas for the Juvenile Detention Report; decision to remand and the joint working protocol for the transfer to Local Authority accommodation. Internal Audit

advised there were no concerns with the first aspect of the audit as the decision to remand was necessary on all cases evaluated. However, when auditing the joint working protocol, Internal Audit were only able to provide a limited level of assurance over the transfer arrangements to Local Authority accommodation. It was noted the questions/queries raised by members in respect of the Juvenile Detention Report can be found within Appendix B of the report. Following discussions on this report earlier in the week, the Deputy Mayor of GM is keen to leverage any existing relationships to bring the matter of local authority accommodation for juveniles to attention.

In relation to the upcoming Information Services (IS) audits, Internal Audit have conducted an audit needs assessment and have prioritised a number of IS audits to be undertaken within the next three years. The three IS audits listed in the report will take place during the next year.

M168/JAP Internal Audit Action Tracking Report

Members were provided with an overview of the report which illustrates monitoring of the implementation of GMP's internal audit actions.

Internal Audit highlighted the graph on page two of the report, which demonstrates an increase of the overall on-time implementation rate for audit actions agreed in the last 12 months from 59% reported in April 2021 to 82%. This graph will continue to be included within the report to assist members with following the trend of implementation rate of internal audit actions. Internal Audit will be keeping track of all historic open actions to ensure the focus on completing the actions is not lost.

The Panel noted another graph would be useful to include within the report, which illustrates the different level of assurances given for the audits carried out throughout the year.

M169/JAP Risk Deep Dive - Security

Detective Superintendent Neil Jones, Managing Director at the North West Cyber Resilience Centre, and William Naylor, GMP's Head of IT, were invited to the meeting to answer member's questions on GMP's information management and technology risks.