

Witness Name: **Julie Norgrove**

Statement no: **First**

Exhibit: **JN14**

Date: 29 February 2012

**THE LEVESON INQUIRY**

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Exhibit JN14 to the  
Witness Statement of **Julie Norgrove**

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## Metropolitan Police Authority: Website archive

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### Minutes

Minutes of the meeting of the **Corporate Governance Committee** of the Metropolitan Police Authority held on 14 September 2009 at 10 Dean Farrar Street, Westminster, London SW1H 0NY.

### Present

#### Members

- Toby Harris (Chair)
- John Biggs (item 1-16)
- Joanne McCartney
- Caroline Pidgeon

Co-opted members: Linda Duncan (Head of Governance Services, Hyman Capital Services Limited).

#### MPA officers

- Annabel Adams (Deputy Treasurer)
- Catherine Crawford (Chief Executive)
- Julie Norgrove (Deputy Director, Internal Audit)
- Peter Tickner (Deputy Director, Internal Audit)
- Ruth Hastings Iqball (Committee Officer).

#### MPS officers

- Peter Brown (Assistant Director, Compliance/Inspection Property Services)
- Tony Evans (MPS)
- Alan Hughes (Director of Business Performance)
- Debbie Gilbert (Head of Occupational Health)
- Peter Greig (Director of Core Finance and Special Projects)
- Nick Kettle (Head of Safety and Health, Risk Management Team)
- Anne McMeel (Director of Resources)
- Michael Orchard (DCI, DPS)
- George McAnuff (Assistant Director HR Services)
- David Willis (Divisional Director Estates Management, Property Services)

Also in attendance: Tom Edgell (Audit Manager, Audit Commission), Les Kidner (District Auditor, Audit Commission) and Martin Searle (Audit Manager, Audit Commission).

## 1. Apologies for absence

(Agenda item 1)

1.1. Apologies were received from Valerie Brasse and Neil Johnson (members) and Richard Stephenson (Director, Group Health, Safety and Environment, Transport for London).

## 2. Declarations of interests

(Agenda item 2)

2.1 No declarations of interests were received.

## 3. Minutes of the Corporate Governance Committee (Part 1) – 15 June 2009

(Agenda item 3)

**Resolved** – That the minutes of the Corporate Governance Committee (CGC) held on 15 June 2009 (Part 1) be signed and agreed as a correct record.

## 4. Audit Commission's annual governance report – MPA audit 2008/09

(Agenda item 4)

4.1 The District Auditor and Audit Manager were present to introduce the Audit Commission's annual governance report on the MPA covering the audit of the Authority for the year ended March 2009. Members were informed that it was proposed to give an unqualified opinion on the accounts.

4.2 Whilst not material to the financial statements, the auditors noted that contract extensions had not been managed well by the MPA/MPS in the past. Steps had been taken to make improvements in this area and it was noted that reports would now be made to the Resources Sub Committee. The Chief Executive noted that contracts often came to the MPA late and she hoped matters would improve when the data base was fully operational. Members were also informed that lessons coming out of the investigation into Impact Plus would need to be monitored. A report would be going to the Professional Standards Sub Committee proposing that recommendations on contract management be referred to CGC.

**Resolved** – That

1. the Audit Commission's annual report be received, and
2. the adjusted amendment to accounts (Appendix 2) of the Audit Commission's report, the draft letter of representation (appendix 4) and action plan (appendix 6) to be noted.

## 5. Audit Commission review of MPA internal audit

(Agenda item 5)

5.1. A report was received that had as its appendix the Audit Commission's report detailing its recent review of MPA Internal Audit. The Audit Commission had concluded that MPA Internal Audit was an effective audit service that met the required professional standards. The Audit Manager noted that Internal Audit had to be reviewed by the Audit Commission every three years and that Internal Audit had responded positively to its recommendations.

5.2. Members asked how the MPA's Internal Audit service compared to that of other organisations. The Audit Manager said it compared well but added that most audit services were much smaller, so it was more difficult for them to have the skill sets demanded.

5.3. The Chair said he was pleased by the report. He added that Linda Duncan, co-opted member, was doing work on how the CGC functioned and would report back in due course.

**Resolved** – That members receive the report and note the agreed action plan.

## 6. Health and safety performance report

### (Agenda item 6)

6.1. A report was received containing a comparison of injuries reported on the Metropolitan Police Accident and Incident Reporting System (MetAIR) between August 2007 - July 2008 and August 2008 - July 2009. It also included details of health and safety initiatives being progressed within Property Services to ensure that the MPA/MPS were compliant with Health and Safety at Work legislation.

6.2. The Head of Safety and Health said the final analysis of the Training Accident study was nearly complete. The draft would go to the MPS Strategic Health and Safety Committee in October and a report would be made to the CGC in December. Details of the independent audit would be circulated to members this month. The Chair noted that nearly one fifth of injuries were caused by accidents during training and that it was important that a substantive report be received. Members wanted it to include what the MPS's Senior Management Board were doing to minimise the risk and reduce the number of accidents.

6.3. At the last meeting, questions had been asked about the go live date of the database that would replace the current MetAIR system. Members were informed that a report was going to the Finance and Resources Committee about potential delay to 'Transforming HR' IT element. The Chair asked for a briefing note on the implication of the delay on the rollout of the MetAIR replacement.

6.4. The Chair noted that the number of PCSOs injuries had risen and asked about the follow up on the assault study report. He was told that a working group was preparing a report for the MPS Strategic Health and Safety Committee in October. The Chair asked for a report on the Committee's recommendations with timescales at December's CGC.

6.5. The Chair also noted that there had been several suicides of police officers and staff and requested a report at the next Committee analysing the numbers involved and welfare issues.

**Resolved** – That

1. members note the contents of the report;
2. reports been received in December on the Training Accident study, outcomes from the working group on assault study report and suicides of officers and staff; and
3. a briefing note be received on the implication of the delay in the rollout of the MetAIR replacement.

## 7. Update on MPA/MPS assurance process

### (Agenda item 7)

7.1 Central Operations (CO) and the Directorate of Resources (DoR) were the first Business Groups to prepare assurance letters to the Commissioner. A report was received stating that the letters had been drafted and were awaiting final approval before submission to the Commissioner's Office. The Head of Safety and Health, informed members that the Commissioner had now read the letters and was satisfied with them. There were some ongoing issues in relation to health and safety in the business groups, but these were being managed via an action plan. It was envisaged that a further selected number of business groups would provide assurance letters at the end of the financial year and all business groups would be part of the ongoing annual assurance process by 2012.

7.2 The Chair stated that he had received copies of the assurance letters five minutes ago but had envisaged receiving them earlier. He added that he felt the letters should be received with a report outlining any issues. He requested that at the next CGC he receive a report indicating areas of concern and the action plan, with a further report in June 2010. Members asked what would be done to ensure the action plan was completed. They were told that it was monitored by relevant MPS committees as part of an annual cycle.

7.3 Members asked why a 'simple' process was taking so long. They were told that the process was being embedded locally and the Safety and Health Risk Management Team was working at all levels to validate the process. The result was a robust and validated process from which the MPS had learnt a lot. The Chair stated that he suspected the discipline required in getting senior officers and staff to sign the letters had helped the assurance process and he recognised the cultural impact on the MPS. Members noted that managers had legal responsibility for health and safety and recognised the process made senior officers and staff more seriously about the subject. They asked the Director of Resources what she had felt about the process. She stated there was a need to avoid bureaucracy and that health and safety had to be part of business as usual. She indicated that her annual leave and the need to repeat the exercise so new directors could take ownership of their responsibilities contributed to some of the delay for her Directorate.

**Resolved** – That

1. members note the report; and
2. a report be received in December indicating areas of concern and the action plan for Central Operations (CO) and the Directorate of Resources (DoR).

## 8. Gifts and hospitality policy – MPS

(Agenda item 8)

8.1 This report documented changes made to the MPS Standard Operating Procedure for Gifts and Hospitality. The changes took into account the comments and observations made by members of the CGC in March 2009.

8.2 Members noted that the issue of public accountability, by putting registers on-line, had not been addressed and that 'family members' had not been widened beyond immediate family members. They were informed the definition of the later was defined in Police Regulations; however the Director of HR Services undertook to consider the matters further. The Chair noted that Internal Audit had issues with computerised records as they could be tampered with, but members felt that hospitality could be reported on-line after having been recorded on paper.

**Resolved** – That

1. the report be noted; and
2. members suggestions considered.

## 9. MPA – interests, gifts and hospitality declarations

(Agenda item 9)

9.1 This report set out the position with regard to the reporting by MPA members and officers of gifts and hospitality and any personal or financial interests that might be relevant to the conduct of MPA business. Members were informed that the MPA was a far smaller organisation than the MPS, but one problem the MPA encountered was in which capacity members who represented both the GLA and MPA recorded their declarations.

**Resolved** – That the current position be noted and the future action proposed in the report to increase the effectiveness and transparency of the reporting processes be endorsed.

## 10. MPS Corporate governance framework update

### (Agenda item 10)

This report provided a progress update on the MPS's corporate governance framework and included updates on the areas identified by the MPS Annual Assurance Statement. The Director of Resources said that, following discussion with the Deputy Treasurer, the format of the report would be refreshed for the next meeting.

Members asked about Barclaycard expenditure and requested more information on this in future reports. The Director of Resources reiterated that monthly meetings were held with business groups to monitor this expenditure, adding that if there appeared to be problems, cards could be stopped or limits reduced. Action had already been taken in one case of misuse and the monies recovered. In answer to questions, the Director of Internal Audit said he felt credit card misuse was a cultural issue but he recognised systems and controls were now tighter. The Chair asked about abuses in the authorisation of expenditure and was assured that systems were in place to counter any such abuse.

**Resolved** – That

1. the report be noted; and
2. future reports contain more detail about credit card reconciliation.

## 11. Implementing international financial reporting standards

### (Agenda item 11)

11.1 In March 2007, the Government announced in the Budget Report the intention that all government and other public bodies should publish their annual financial statements in line with International Financial Reporting Standards. Early planning was seen as key in successfully making the transition to the new arrangements and this report updated members on progress made since the last update in June 2009.

11.2 The Deputy Treasurer reported that training sessions would be run for members in the next few months with the Audit Commission.

11.3 Questions were asked about para 7 'A review is also being undertaken of all arrangements that may involve the use of an asset such as a licence, a partnership agreement or long term agreement to consider whether they are a finance contract.' Members were told this would be picked up in the accounts.

11.4 In relation to para 9 'The Authority will in future be expected to accrue for staff benefits including the financial value for any paid leave not taken before the end of the financial year.' Members were told that this related to police officers, not police staff, and would be addressed.

11.5 It was noted that guidance from CIPFA on the Financial Reporting Standards was coming out very slowly.

**Resolved** – That the report be noted.

## 12. MPS corporate risk assessment and management'

### (Agenda item 12)

12.1 A report was received providing an update on the implementation of the MPS risk management strategy. The report had been circulated to members with less than five clear working days' notice, however Chair agreed to receive it as an urgent item under the provisions of section 100B (4b) of the Local Government Act 1972 as it was three months until the next meeting. The Director of Resources said the report was late due to leave and 'a misunderstanding', adding that the report did respond to the commissioning brief. She said a process was being developed but not as quickly as hoped due to capacity issues, however more resources had been bought into producing and embedding the risk register. She added that there was an issue as to how the MPA would consider the register as the Commissioner did not want it produced before the

CGC. She said she had been told that it had been agreed that a sub committee of the CGC would look at it and there was a need to talk to MPA officers on how a working document could be adapted for the sub committee.

12.2 The Chair stated that at the last meeting he had stated explicitly that the Committee wanted to see the risk register; likewise this had been clearly stated in the commissioning brief. The intentions of the Committee were clear and he did not know of any other public body where risk was not considered by non executive members, likewise by private companies. He therefore felt it was appropriate that the risk register was considered by this Committee as it was responsible for good governance. If necessary (and if the contents could be regarded as exempt under Schedule 12a to the Local Government Act 1972 (as amended)) the report could be considered in Part 2 of the meeting. He added that it would be impractical to form a sub committee just to consider the risk register.

12.3 Members endorsed the Chair's stance, as they felt the MPS response implied that members could not be trusted. They also added that it was a presumption by the committee and MPA that most of the agenda should be considered in part 1 of the meeting. Linda Duncan, co-opted member, quoted CIPFA best practice in relation to this matter, adding that not every risk needed to be seen, but that the committee should be able to monitor risk in some form. The Director of Resources concluded that discussion was needed outside the meeting on the level of detail required by the Committee. .

**Resolved** – That

1. members note the update provided on the implementation of the MPS risk management strategy;
2. the Committee did not agree with the approach proposed for providing reassurance to the Committee on the Service's work in respect of risk management; and
3. would expect to see the risk register at the next meeting.

### 13. Annual governance statement – quarterly update

(Agenda item 13)

The Authority was required to include an Annual Governance Statement in its financial statements. The Annual Governance Statement included details of governance arrangements, highlighting how effectively they were being deployed and identifying significant governance issues and actions being taken to address them. In producing the Annual Governance Statement reliance was placed on the Annual Assurance Statement produced by the MPS. This report provided the CGC with an update on progress in addressing the significant governance issues included in the statement of accounts for 2008/09.

**Resolved** – That members note the progress in addressing the significant governance issues included in the 2008/09 Annual Governance Statement for the MPA.

### 14. Treasury management action plan - update

(Agenda item 14)

Members received a regular update report on the progress in implementing the treasury management action plan agreed by Finance and Resources Committee on 5 March 2009.

**Resolved** – That members note the report.

### 15. Adjustment to the statement of accounts

(Agenda item 15)

This report informed the Committee of an adjustment in respect of the level of recovery of Icelandic bank debt, following approval of the Statement of Accounts 2008/09 by the MPA in June 2009. The report had been circulated to members with less than five clear working days' notice, however Chair agreed to receive it as an urgent item under the

provisions of section 100B (4b) of the Local Government Act 1972 as the Deputy Treasurer reported that the guidance had only just been received.

**Resolved** – That the Committee note the proposed impairment adjustment to the Statement of Accounts 2008/09 and consequent reduction in reserves.

## 16. Internal audit progress report

(Agenda item 16)

The report summarised the work of Internal Audit for the period April 2009 to September 2009. The report also highlighted the results of significant Internal Audit work to date and the adequacy and effectiveness of control in MPS systems where Internal Audit had issued final reports since April 2009. The report had been circulated to members with less than five clear working days' notice because comments had been received from the MPS in relation to the report. However Chair agreed to receive it as an urgent item under the provisions of section 100B (4b) of the Local Government Act 1972.

Members noted that direction of travel was positive. The Chair asked that the Committee's thanks to the retiring Director of Internal Audit, Peter Tickner, for his service to both the MPS and MPA be recorded, noting that Internal Audit, which had moved from the MPS to the MPA on the formation of the MPA also served the people of London.

**Resolved** – That

1. members note the progress made in achieving the 2009/10 Internal Audit Plan; and
2. note the current Internal Audit evaluation of the adequacy and effectiveness of internal control in the MPS.

## 17. Exclusion of press and public

(Agenda item 17)

**Resolved** – That the press and public be asked to leave the meeting during discussion of the remaining item of business because exempt information as defined in of Part 1, Schedule 12A to the Local Government Act 1972 (as amended) was likely to be made known.

## Summary of items considered in part 2

### 18. Sports club update (oral update)

(Agenda item 18)

18.1 The Divisional Director, Estates Management, stated that negotiations with Imber Court Sports Club were still continuing. If the issue wasn't satisfactorily resolved the MPA/MPS would explore alternative solutions including legal action.

### 19. High-risk audit recommendations

(Agenda item 19)

19.1 This report updated members in relation to the outstanding high-risk MPA Internal Audit recommendations as at September 2009. It was noted that it had been agreed that future reports would no longer be exempt. Any risks that could be considered exempt under Schedule 12a to the Local Government Act 1972 (as amended) would be supplied as an exempt appendix.

### 20. Business charge card update

(Agenda item 20)

20.1 A report was received updating members on progress made in reviewing and investigating the potential misuse of MPS Amex charge cards. This report was discussed in part 1 of the meeting.



20.2 The Chair noted that it was public knowledge that currently 1,183 officers would receive guidance in relation to their card use. It was noted that the majority of these cases were ones whereby the card was used outside of policy but for an operational purpose and this approach had been agreed with the DPS, MPA, CPS and IPCC as a proportionate sanction. The guidance was in the form of a letter, stating that the card was previously used outside of policy and warning against further misuse.

21. Minutes of the Corporate Governance Committee (Part 2) – 15 March 2009

(Agenda item 21)

The minutes of the Corporate Governance Committee held on 15 June 2009 (Part 2) were signed and agreed as a correct record.

The meeting ended at 12.05 pm