

# Minutes of the Audit and Assurance Board (AAB)

Minutes of the meeting held on 23 July 2018 at 10 Victoria Street

Security classification: Official  
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 Force/organisation: APCC  
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## ATTENDANCE

### Present:

Barbara Scott (BS)	Chair
Chief Constable Sara Thornton (ST)	NPCC Chair
Lizzie Peers (LP)	Independent
Richard Hornby	Home Office
John Robbins (JR)	CPOSA
PCC Martyn Underhill (MU)	APCC
Commissioner Alun Michael (AM)	APCC
Janice Shardlow (JS)	Independent
Oliver Shaw (OS)	APCC

### Apologies:

PCC Matthew Ellis (ME)	APCC
Supt. Richard Cooper (RC)	NPCC Chief of Staff
Richard Hampson (RH)	NPCC Business Officer
Susannah Hancock (SH)	APCC

## 1. WELCOME, INTRODUCTIONS AND CONFLICTS OF INTERESTS

- 1.1. The Chair welcomed attendees to the meeting and apologies were noted.
- 1.2. There were no conflicts of interest recorded. However, two such conflicts were recorded during the course of the meeting – refer below to item 4.3.2.
- 1.3. On calling for any matters arising, AM asked whether the NPCC was aware of any work in train to develop an NPCC Victims strategy. ST commented that she was not aware of any work at the national level.

## 2. MINUTES AND ACTIONS FROM THE 23 MAY 2018 MEETING

- 2.1. The minutes were approved as an accurate record of the meeting. The following comments were made.



- 2.2. Section 2.0 – AM asked about the freedom of information risk noting that it had not been updated in the Minute. After some discussion it was realised that the matter had been discussed at the Board Awayday, hence these minutes pre-dated the most recent discussion. It was agreed that this minute needed to be updated to note that following the meeting it was agreed to pursue a statutory instrument and that this issue was now in hand.
- 2.3. Section 2, bullet 2.2 – The Board discussed the issue of Police Scotland. It was noted that various letters had been sent, however no response had been received. There was a discussion about next steps and it was agreed that the matter needed to be escalated to the APCC Board. There was a brief discussion about what strategies could be pursued if a letter from the APCC has no effect.

**Action:** Police Scotland issue to be formally referred from the Audit and Assurance Board to the APCC Board recommending that the issue be formally raised with Police Scotland by the APCC.

- 2.4. Section 2, bullet 5.2.5 – AM noted that an attempt had been made to be clearer around the use of the term ‘national’ in papers, and in particular, whether it refers to England, Wales or both. An example in section 1.4 in the Delivery Plan was noted as an instance where this had been unclear. AM noted that the APCC had had the same issue.
- 2.5. Section 3.2 – ST noted that ACPO liquidation was moving well and that they were approaching the final stages of the 12-week process.
- 2.6. Section 3.3 – JS requested that the final sentence (relating to considering the procedures of the host force) should form a second part of the action. This was agreed by the Board.

**Action:** The following text from the Minutes to be recorded as an action “Members determined that following the completion of that work the board would consider the procedures of the host force and the NPCC’s adherence to them.”

- 2.7. Section 5.1, bullet 3 (Pre-charge bail) – AM noted that this item had not appeared on Chiefs’ Council agenda in July. ST noted that there had been some ongoing issues around standardisation and further work needed to be done to understand the exact nature of the issues.
- 2.8. Section 7 – AM noted that the word ‘complaint’ should be ‘compliant’.
- 2.9. The Action log was reviewed with the following updates provided:
- (Item 5.2 – NPCC Delivery Plan 2017/18) – It was agreed that this action should be reworded to say that the action with respect to the “17/18 Delivery Plan is closed but will be carried forward to 18/19 Delivery Plan”.
  - (Item 7.2 – Review ToR for recruitment work) – It was agreed that this action should note that work with respect to reviewing the Terms of Reference was closed, however this action remains open and will continue to be monitored.
  - (Item 4.3 – Historic Inquiry & hospitality) – MU suggested that these should be separate actions. The first should relate to audit and the second should relate to the hospitality register. Part of the risk should relate to PCCs being sighted on the outcomes of any audit. There was a wider discussion around the audit of the hospitality issue. ST felt that it might

be difficult to split these into national and local hospitality registers but would be happy to be proven otherwise. It was agreed that the audit should take place in the first instance and following the outcome, consideration given around the issue of separate local / national hospitality registers.

- (Item 6.0 – Secure email) – There was a discussion about this item and the following actions were agreed:
  - Cathy Willis (NPCC) to set up an ‘AAB’ WhatsApp group for the Chair to sign-post urgent items for discussion. All members of the Board would be invited to join although it was noted that not all would necessarily want or be able to join.
  - ST to investigate the costs of hardware to set-up for NEDs on the PNN / secure email system and bring these to the Board for consideration.
- (Item 4.1.1 – Reserves Policy) – It was agreed that this open action needed dates and then the Board can decide if they are realistic or not when reviewing.
- (Item 5.2.5 – Use of the word National) – Agreed that this action should be kept open to ensure that it has been completed.

**Actions:**

- Cathy Willis to create a WhatsApp group for the Audit and Assurance Board Members;
- ST to bring back hardware costs for NEDs to have access to secure email for the November meeting.

### 3. MATTERS ARISING

#### 3.1. *Update on recruitment audit*

3.1.1 JS noted that her paper would be ready shortly and thanked Cathy Willis for her assistance in gathering information. JS noted that there was one query outstanding and these were currently with the MPS human resources department. There was a discussion about timelines to get the report ready. ST noted that she and RC needed to have sight of the report before they could speak to Internal Audit. BS suggested that the report be tidied up to incorporate her comments and for JS to circulate it as soon as that has been completed – regardless of whether the MPS information had been received.

3.1.2 There was a discussion about what the next steps might entail and it was agreed that this might be something for internal audit to consider. AM explained some of the background to why this work had been prompted and why it was important the issue is addressed for the future. MU explained that this issue dated back to 2015, however it had not necessarily been minuted at the various meetings where it had been discussed. This meant it was difficult to get a sense of how important the issue was, its longevity, and the need to get it right in the future. There was a discussion on how useful internal audit is for work like this and LP’s past experience as an auditor was acknowledged.

**Action:** JS to make BS’s edits to the report and circulate to Board members as soon as possible.

#### 3.2. *Update on Risk Assurance Manager*

3.2.1 ST commented that a number of applicants had been interviewed and that she would shortly be doing second round interviews. ST hoped that someone would be offered the role for early August.

### 3.3. *Summary of HMIC recommendation paper*

3.3.1 RC's paper was noted as being very helpful. AM queried the use of how 'where appropriate' in paragraph 4 might be applied. Members of Board agreed that this was set out in the final paragraph – relating when there is a '*reputational or operational risk*'.

## 4. FINANCE, AUDIT AND RISK

### 4.1. *Accounts/financial*

#### QUARTERLEY FINANCIAL STATEMENT (Q3)

4.1.1 ST introduced the paper and noted from the outset the difficulty that RC had had in drafting. One of the reasons had been the short time period between when figures were available for Q1 and the deadline for getting the paper out. ST noted the following:

- Still waiting Q4 invoice for accommodation.
- Training costs were artificially high due to mis-recording in payment.
- 'Other costs' were set out in the Annex.

4.1.2 The Board noted the update and recognised the difficult circumstances RC had had in producing it. AM asked where the Police Scotland issue was reflected in the accounts. ST commented that they did not appear as funders in the 2018/19 budget as there was no agreement in place with them.

4.1.3 LP had come comments on the format of the finance report. She indicated she would like to work with RC for future papers as there was some odd mixes of accrual and cash items. Similarly, she had some questions and suggestions to make around the presentation of the budget and it was agreed to do these offline. LP offered some suggestions around the format of the 'other costs' appendix asking they relate to the main budget in order to allow reconciliation. LP also suggested that the 'YTD variance' line is removed as it does not add anything to the report.

<b>Action:</b> LP to work with RC to enhance the presentation of future finance reports.
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### 4.2. *Audit*

4.2.1 NS from Internal Audit explained that he had been asked to undertake an audit of Risk Management and had been set 10 days to complete these tasks. There were two areas he had been asked to look into - Risk Management and Overview of the coordination committees.

4.2.2 ST explained that this work was about looking at compliance, risk and audit functions for the NPCC. AM asked whether 10 days was enough for these functions to be looked at and asked whether any more resource needed to be budgeted for. All agreed that there were a number of issues that had arisen during the course of the meeting and it would be important for the Board to take a decision about what the priorities should be for internal audit.

4.2.3 NS was asked to set out what the priorities were from his perspective:

- (1) Risk Management
- (2) Coordination Committees
- (3) Management of information

(4) Systems and controls in place

(5) Cyber Assurance / IT risks.

4.2.4 There was a discussion about the priority level for risk management. It was agreed that this would be about taking the Risk Register to the next level.

4.2.5 With respect to the various new risks that had been raised, ST commented that it was important for NS to know what his programme work would be, as he was due to commence in August. The discussion returned to the timing of JS's report and it was once again suggested that this report needed to be circulated shortly to ST and RC so that they had time to have their discussions with Internal Audit. This would allow any risks identified to be prioritised before their August start dates. When asked whether the timelines were achievable, NS felt that they were.

4.2.6 With respect to the coordination committee work, AM express concerned that some of the smaller coordination committees may have less resources, but nevertheless still have risks associated. NS agreed to note this point when formulating his audit plans.

4.2.7 There was a discussion about how NS's Internal Audit programme of work is prioritised and it was agreed that the Board would need to consider this in short succession once the JS's recruitment work was complete. All agreed it would be advantageous if more than 10 days for internal audit could be identified. ST noted that there may be some money left over the in budget and would approach the MPS in an effort to get more internal audit resource.

**Action:** Subject to finalisation of the budget, ST to speak with the MPS with a view to negotiating additional internal audit capacity / days.

### 4.3. *Risk Management and Internal Controls*

4.3.1 ST provided the following updates from the risk register:

- (Risk Number 17/011: Coordination Committee Governance) – (Impact Low) – This risk would need to be re-opened subject to further work being done by Internal Audit.
- (Risk Number 15/013: UCPI) (Medium Impact) – The final report is not expected before the end of 2023.
- (Risk Number 15/014: IICSA) – (Low Impact) – It was noted that the NPCC had not requested to be a Core Participant on the latest stage.
- (Risk Number 17/010: NPCC Delivery Plan) – (Impact Low) – This risk needed to be re-opened. While the changes had been made to the templates, stakeholders had found the reporting to be too confusing. Further work needed done to review the template once the Risk Assurance Manager was in post.

4.3.2 New risks:

- (Risk Number 18/003: GDPR) – (Impact Medium) – Work is underway with ACRO to address this risk.
- (Risk Number 18/004: Departure of staff) – (Impact Medium) – ST outlined that this relates to her departure in March 2019 as well as her staff officer and chief of staff. The risk relates to a lack of capacity and organisational resilience in early 2018. Plans are underway for a Chair's election in October and succession planning is underway for the other roles.

- (Risk Number 18/005: Cyber-attack) – (Impact Low) – ST updated that the NPCC now has quarterly penetration testing and its effectiveness is being reviewed with the MPS.
- (Risk Number 18/006: ACPO Investigatory powers tribunal) – (Impact Medium) – This relates to planning for the outcome of Wilson Vs MPS.

4.3.3 ST provided a verbal update on preparations surrounding the Wilson Investigatory Powers Tribunal. During the update MU and AM registered conflicts of interest in so far as having a direct and indirect associations with one or more parties noted in the update. In both cases neither were aware that the conflict existed until the verbal update had begun. When explained the nature of the associations (for both), the Board were satisfied that no sensitive information had been shared and that the conflicts would not have a bearing in anyway on the issue being discussed.

4.3.4 The Board noted the update.

## 5. REVIEW AND MONITOR

### 5.1. NPCC Chair's Update and Chief Constables' Council (CCC) Agenda – July 2018

5.1.1 The following highlights from CCC were discussed:

- At item 4.3 there was a discussion in the regional papers on the recording of gender based hate crime. ST updated that there had been a robust discussion, but ultimately it was not in CC's gift to make changes to crime recording categorisations – this was the role of parliamentarians.
- Unison – noted that some good work is ongoing with Unison and that a joint plan is being developed.
- Data Protection Reform – there was an interesting presentation from the Information Commissioner in light of GDPR.
- Chief Constable Service Analysis – ST updated that a report had been discussed at chiefs' council. There was a discussion about the appropriateness of placing the item on the agenda. The Board agreed that further work needed to be done to consider the process of how Chiefs' Council agendas are developed – a point which had been discussed at the recent awayday. There was a discussion about whether the Chair and NEDS needed to see the report. ST felt that it wasn't necessarily, but others felt it would provide additional context for the NEDs in considering the process issues.
- Forensics review – James Vaughan and Christophe Prince gave a presentation and ST noted that has been a lot of work in this area.

**Action:** Audit and Assurance Board to consider the process of how items are added to the Chiefs' Council agenda. A copy of the report to be shared with NEDs to provide context to the process issues.

### 5.2. NPCC Delivery Plan – Q1

5.2.1 The Board noted the update. ST reminded the Board that further work was being done to make the template and format more usable. There was a discussion around whether one of the NEDs could assist with looking at the usability / format of the template. It was noted that LP already had a significant workload. AM noted that he had someone in his office who might be able to assist and it was agreed they would be shared a copy.

**Action:** NPCC to share a copy of the templates with AM for forwarding.

6. ANY OTHER BUSINESS

6.1.1 MU asked whether the NPCC had put a statement out with respect to Covert Human Intelligence Sources (CHIS) / Child spies. ST explained that one had gone out, however could not recall the exact wording but would send to it MU.

6.1.2 BP noted that she was finalising the Annual Report and would send it around shortly.

7. DATE OF NEXT MEETING

7.1. The next meeting will take place on 14 November 2018 in the NPoCC Conference Room, 2<sup>nd</sup> Floor, 10 Victoria Street, London SW1H 0NN.

END OF MEETING