

# Minutes of the Audit and Assurance Board (AAB)

## Minutes of the Meeting held on 4 November 2020 via Microsoft Teams

**Security classification:** Official  
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**Force/organisation:** APCC  
**Date created:** 4 November 2020

### Attendance:

|                             |                        |
|-----------------------------|------------------------|
| Barbara Scott (BS)          | AAB Chair              |
| Lizzie Peers (LP)           | Independent            |
| Janice Shardlow (JS)        | Independent            |
| Kenny Bowie (KB)            | Home Office            |
| Martin Hewitt (MH)          | NPCC Chair             |
| Michelle Skeer (MS)         | NPCC Vice Chair        |
| Andy Rhodes (AR)            | CPOSA                  |
| Martyn Underhill (MU)       | PCC Dorset             |
| John Campion (JC)           | PCC West Mercia        |
| Mark Burns-Williamson (MBW) | PCC West Yorkshire     |
| Susannah Hancock (SH)       | APCC CEO               |
| Louise Bailey (LB)          | Internal Audit         |
| Lindsey Heaphy (LH)         | Internal Audit         |
| Charmaine Laurencin (CL)    | NPCC Chief of Staff    |
| Lee Milton (LM)             | NPCC Risk Manager      |
| Padraig Twomey (PT)         | NPCC Financial Manager |
| Simon Talbot (ST)           | APCC Support           |

### Apologies:

|                      |                            |
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| Nicola Growcott (NG) | NPCC Communication Manager |
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## 1. Welcome, introductions and conflicts of interest

- The Chair welcomed everyone to the meeting and introduced Michelle Skeer, Chief Constable of Cumbria Constabulary and Vice Chair at the NPCC, who is attending on behalf of Martin Hewitt who was expected after the National Policing Board meeting ends. There were no conflicts of interest noted.

## 2. Minutes and action log

2.1 The minutes of the last meeting were agreed as a true and accurate record and the former can now be published on the NPCC website.

2.2 The action log was reviewed. In particular progress against the following actions was noted:

- Action 2020-005: The risk relating to GDPR should reduce once the imminent documentation is received.
- Action 2020-11: The DARA Financial Management Audit Report to the NPCC is on the agenda later.
- Action 2020-20: Actions in the previous minutes regarding the NPCC Operating Model were raised. Members noted an assurance gateway opportunity as previously discussed was needed to review progress before an NPCC paper on this went to the Chief Constables' Council meeting in late January 2021. This would be discussed further under Matters Arising.

### 3. Matters arising

#### 3.1 NPCC Workplan:

- LM updated the AAB on progress the NPCC had made on their workplan addressing the 16 previously identified priority financial management and good governance actions the AAB had identified, including on GDPR and Operational Management policies, both of which are on the agenda later. The priorities were now shown with a risk rating from the NPCC risk register although Priorities 14, 15 and 16 have not yet been risk scored or given a risk level.
- Following discussion, it was agreed it would be more helpful and meaningful for these priorities to have their own risk rating as the generic risk register rating did not reflect the impact and likelihood risk of each of the priorities. It was also agreed that:
  - AAB-PA-04 (Staffing VFM) should be changed from 'reassurance' to 'assurance' and could be merged with AAB-PA-12 (Staff capacity/capability) as long as the VFM issue is kept open and activities remained distinct, as PA-12 focuses on staff inputs and outputs, whereas value for money is broader and encompasses outcomes/impacts as well as inputs and outputs.
  - AAB-PA-14: The role of the AAB in the appraisal of the NPCC Chair was seen as a very important priority which needs to be progressed as a basic governance expectation, given it is normal that any senior executive is assessed on the totality of their portfolio of responsibility not just a portion of it, and that this should be informed by 360 degree feedback. MU supported this process for holding the NPCC Chair to account. AR had a differing view of this and felt very strongly that the appraisal of the NPCC Chair by the AAB overreached the remit of the AAB and requested this be stated in the meeting minutes.
- BS felt that the AAB role was about contributing to the wider appraisal and it was a key issue that had been discussed at Day 2 of the AAB annual workshop. JS agreed that the AAB was not responsible for the totality of the appraisal, which is conducted by the Performance Sub Committee chaired by Olivia Pinkney, but that it should contribute to the part of it which relates to our role. MU thought that BS as the AAB Chair should be providing AAB feedback into this appraisal. MH felt there was a need to work out the relationship between the NPCC Oversight Board and the AAB and if this were actioned it would provide the answer to this. BS agreed it is the AAB contribution of our knowledge of the role of the CEO that needs to be sighted and fed into a rounded appraisal.
- The discussion then broadened to reflect on the fact that a robust mechanism was needed to capture and track delivery of any agreed actions arising from Day 2 of the annual workshop as this included the issue of appraisal along with other important issues that were discussed.

**Action:** BS will reach out to Olivia Pinkney, Chair of the Performance Sub Committee.

**Action:** The AAB will consider and revisit the future appraisal issue of the NPCC Chair further.

**Action:** The AAB will put a mechanism in place to ensure key agreed actions from Day 2 of the AAB annual workshop are tracked and delivered, part of which related to the NPCC Chair appraisal issue.

#### 3.2 NPCC Operating Model:

- MH updated members on recent progress made on the NPCC Operating Model and recent meetings of its Programme Advisory Board, both of which were documented in the meeting papers and accompanying minutes from recent Advisory Board meetings. MH raised the impact that current Spending Review discussions

will have on this model. As well as an update on recruitment, MH outlined key areas of work being taken forward which included co-produced work with the APCC, the College of Policing and the Home Office; funding options; and governance and oversight options with key partners.

- BS expressed concerns that the AAB had not been given an opportunity to comment on the Full Business Case for the Ops Model and asked if the AAB could have sight of it before it goes to the Chief Constables' Council meeting in January ? MH's initial view was that the Chief Constables need to take a view first and the AAB can then comment on options and processes.
- BS requested that the AAB have sight of the work of the Governance workstream, as this may have significant impact and overlap with the work of the AAB and given the latest update paper of the operating model was still lacking a clear reference to the role of the AAB in the process.
- JS expressed disappointment at the attendance levels at the Advisory Board meetings and emphasised the need for appointment of Deputies. She was concerned at comments made by one attendee about the AAB role being limited to Finance and HR and "overreaching" itself, which might suggest a lack of understanding of the role of the AAB and the need to build appropriate assurance into the oversight structure. MH agreed about Deputy attendance and was very clear the AAB has a strong contributing role to NPCC oversight, although its role in respect of the operating model was not referenced in the update paper.
- JC highlighted the AAB's role is as a critical friend in this journey and that we want to be reassured that the NPCC will be properly resourced and effective. MU agreed with previous comments and asked what is the NPCC Plan B if you do not get £5m-6m for the model ? Is it model light and will you need help funding it ?
- MH has tasked the programme team to look at the core capability that is needed, identify what this cost is and then build an outward option. At the end of this exercise, if the NPCC needs to deliver more, then the NPCC will need to make the case to PCCs and Chief Constables. MU felt that this could be the landscape we go to and the role of the PCCs on the AAB was therefore vital in terms of being a critical friend and supporting the model.
- LP stressed it is critical that the role of the AAB is embedded into the model governance framework process so that the NPCC can benefit from our knowledge and expertise and so that the AAB can discharge its functions. LP also asked if the AAB could receive information on the role, scope and outputs from the Governance Sub Group which was mentioned ? LP stated that if a Full Business Case is going to Chiefs' Council, the AAB need to be see it. Following further discussion, members agreed an assurance gateway meeting for the AAB to ask questions on the model is therefore essential and MH acknowledged this would be helpful. BS felt this paper was a missed opportunity to put this in and that future papers should make clear the role the AAB has in relation to any new operating model. It was noted that gateway assurance reviews for the AAB had been an agreed action from the annual workshops where it was assigned to Tracy Holyer to set these up at the appropriate time and to build these into the programme plan.
- MBW welcomed board member comments and highlighted that given the Spending Review environment we are now in, it was even more important to look at both the remit of the AAB and have a separate assurance gateway session on the model. JC stated the more opportunities we have for us to look at and input into this model, add value, and be supportive in getting what we all ultimately want to achieve the better. AR felt it was good members are offering support to MH as the AAB role can help the NPCC get to the final model proposal it needs, but it would be problematic if Chief Constables find AAB members have discussed it already. LP asked what the NPCC's funding partners expectations of the AAB are and whether we are meeting these in respect of the model.

- MH stated he was very comfortable in having a session with the AAB and getting feedback in a Teams session. This would also enable him to identify issues he can present to the Chief Constables. KB felt there were 2 issues here: 1. What is the core role of the AAB ? 2. This session could be very helpful for MH.

**Action:** MH will share the work in progress output of the Governance Sub Group so members can see where it sits in the NPCC governance landscape.

**Action:** LM/ST will liaise with members and organise a Teams AAB assurance gateway session on the Operating Model before the Chief Constables' Council meeting in January, to provide the AAB with the opportunity to review and comment on the Full Business Case prior to it going to the Chiefs' Council.

### 3.3 NPCC Comms Uplift and Plan:

- This item was not covered at the meeting as the lead due to present the paper was not present. It was noted however that this was only a progress update confirming progress was being made as expected.

### 3.4 NPCC Data Management & GDPR Plan:

- LM updated the AAB on the NPCC Data Management and GDPR Plan and documents circulated from TLT. Further draft documents for various processes are now available since the meeting pack went out.
- Members were reassured on progress. JS congratulated the team on the extensive work undertaken to date as shown on the project timeline. LP asked how long will it take to embed the key changes and therefore to really be able to reduce the risk score ? LM stated once documents are signed off it is anticipated the risk score will reduce by Mid December and from January further processes will embed fully. LP also asked about the approach being taken to reducing the GDPR risk in the legacy systems/data holdings. LM replied some data is being held at the office and on the main servers and it will require a return to physical on site presence in order to review and address this issue.

### 3.5 NPCC Estates:

- CL updated the AAB on current NPCC Estates provision. The NPCC have been in 10 Victoria Street since their inception and have made decision to stay in the building for 3 more years until March 2023. LP reflected that the paper was being presented for information only, as the decision had already been made and whilst she had some comments on the approach and assumptions made, she therefore set these aside. The extension would, however, allow the NPCC time to clarify what it needs in terms of physical accommodation during this time including location, scale and partners, drawing in IT and new operating model opportunities. MH agreed this was about creating a sensible estates plan for the future. MU was surprised to see a 3 year commitment given Covid-19 uncertainty and the NPCC Operational Model rather than opting for a 2 year option.

## 4. Finance, Audit and Risk

### 4.1 NPCC Financial Statement/Action Plan:

- PT updated members on the NPCC financial position and Quarter 2 forecast which was coming in on budget. This forecast will be revisited for Quarter 3 but should remain on track. PT is now looking at the budget build ahead of the Chief Constables' Council in January which will include both the Operational Model cost and business as usual costs. A draft Scheme of Delegation has been circulated which ties into model governance.
- KB stated the NPCC Op Talla comms cost should be confirmed at the end of next week following Ministerial sign off and PT will add this in the Quarter 3 forecast. LP asked that income and expenditure should be profiled

across the year. Members raised an issue over point 6.2.6 on rectifying provider facility management costs which PT will examine and point 6.2.3 around the wording in relation to the audit review.

- LP highlighted that under the previous NPCC Chair it was agreed that in order for the AAB to fulfil its role it needed to have meetings timed to allow it to scrutinise and raise any concerns to the funding parties on the annual budget and three year plan. Given there is no December meeting of the AAB there would be no opportunity for the AAB to scrutinise the budget as set out in its terms of reference.
- BS expressed concerns that, despite the work that LM did last year to align the AAB meeting dates more closely with the NPCC business cycle to ensure timely scrutiny, we still appear to be misaligned and that this needs to be rectified for our meeting dates next year, in particular around our key scrutiny responsibilities as laid out in the TORs, for example our clear role in relation to scrutiny around the annual budget and three-year plan.

**Action:** LM will liaise with ST to ensure that all key strategic timelines of the NPCC business cycle are considered and aligned with next year's AAB board dates to ensure the AAB has the opportunity to fulfil its scrutiny role in accordance with its TORs.

#### 4.2 DARA Internal Audit:

- LB updated members on DARA's current internal audit plan for the NPCC which covers 3 key areas of governance; business support; and operational delivery. The next step will involve bringing a scheduled plan back to the AAB aligned to priorities and activities. Members confirmed that governance and financial assurance are still the biggest priorities. MBW asked about progress made by the NPCC on Internal Audit recommendations. LM said this will form part of the NPCC response that will be sent at the end of November for the Financial Management report and as part of normal annual Audit follow up of all recommendations.
- BS felt this was moving in the right direction and thanked LB for her work. DARA will also provide information to the AAB on a range of issues including NPCC approval limits; a Reserves Policy; an expenses policy; asset management; and website assurance as part of its future Financial Assurance/Governance planned work.
- LB set out the main findings from the Financial Management review. LP agreed this was an excellent and really helpful report. She asked that in future, reports come with the management response included so that AAB can assure itself that the proposed management actions and timeframes appear appropriate. The NPCC management response to the financial management report is due at the end of November and LP asked that this is therefore virtually circulated to AAB members.

**Action:** The NPCC will circulate the Internal Audit Management response to the AAB when it becomes available in late November.

#### 4.3 NPCC Quarterly Risk update:

- LM updated the AAB on the Risk Register. As previously stated, the GDPR risk should reduce once final paperwork is completed. 2 new risks have been added to the register on good governance policies and the risk management framework. Standard reporting templates are being developed. BS thanked LM for this work.

### 5. Governance

#### 5.1 Review of the Host Force SLA update:

- CL updated the AAB on the Host Force SLA which will be presented to the AAB in the New Year. CL has recently met Shared Support Services who have been useful in identifying additional information on SLAs relating to recruitment and Health & Safety. BS thanked CL for this work.

## 5.2 NPCC Governance Policy List:

- CL updated members on the previously circulated NPCC Master governance policy list which has now been refined further into high and low risk policy areas. CL is now working on a higher level flow chart representation of these policies. LP thought this could be the start of defining and describing a clear governance framework for the NPCC and to provide assurance that there are appropriate policies covering all key areas. LP questioned why some important areas such as gifts and hospitality were noted as “NPCC policies - none” and “low” risk. CL confirmed low risk areas as those where the NPCC does not need a more bespoke policy from the MPS reviewed one and the MPS policies apply.

## 6. Review and Monitor

### 6.1 Chiefs' Council meeting update:

- MH reported back on the last Chiefs' Council meeting which included a focus on inclusion and race equality; the CJS; the Policing Vision; the PCC Review; specific crime issues; selection and recruitment; and wellbeing.
- JC was pleased to hear about the CJS session and also asked how did MH ensure all views of the Chiefs were sighted on the PCC Review ? MH replied this was done through thematic workshops and a CPOSA submission. MBW asked what was MH's initial view of the impacts of Covid-19 on the court services and on the policing of the restrictions ? MH felt the NPCC is working well with Home Office officials and through media work but noted it is challenging and that the 4 Es approach to policing continues to be the way forward. KB will also be talking to APCC Leads David Lloyd and Sue Mountstevens on the CJS issue.

### 6.2 AAB Annual Report (2019/20):

- BS thanked members for their contributions to the AAB Annual Report, although noting again this was not as timely as it should be and that the timescales for production will need to be addressed next year. BS will be sending the Annual Report to Olivia Pinkey, Chair of the Performance Sub Committee.

**Action:** BS to send the AAB Annual Report to Chair of the Performance Sub Committee.

## 7. Any other business

- MU raised the issue of the posting of a private company video on the NPCC website promoting the PND and his request to see the NPCC branding/endorsement policy. MU has met with LM/CL who are going through documentation to identify how this came about. BS and LP noted we need a policy that safeguards the NPCC reputation and gives the AAB assurance in this area. Lessons need to be learnt from this incident so that it does not recur.
- BS updated members that 1 to 1 meetings are being arranged with MH before each AAB meeting.
- BS requested members email her any requests for agenda items for the next meeting.
- ST will be emailing confirmed 2021 AAB dates to members shortly.

**Action:** The NPCC to provide an update on the causes and lessons learnt from the “branding” incident and ensure that policies are in place to prevent future actual or apparent endorsement by the NPCC, and that management actions will ensure compliance with these policies.