

Minutes of the Audit and Assurance Board (AAB)

25 May 2021
via Microsoft Teams

Security classification: Official
Author: Simon Talbot
Force/Organisation: APCC
Date created: 25 May 2021

Attendance:

Barbara Scott (BS)	AAB Chair
Lizzie Peers (LP)	Independent
Janice Shardlow (JS)	Independent
David Kuenssberg (DK)	Home Office
Martin Hewitt (MH)	NPCC Chair
John Campion (JC)	PCC West Mercia
Susannah Hancock (SH)	APCC CEO
Louise Bailey (LB)	Internal Audit
Lindsey Heaphy (LH)	Internal Audit
Charmaine Laurencin (CL)	NPCC Chief of Staff
Gabriella Chamberlain (GC)	Home Office NPCC Secondment
Tracy Holyer (TH)	NPCC Staff
Gemma Stannard (GS)	NPCC Staff
Peter Deverell (PD)	NPCC Staff
Richard Guy (RG)	NPCC Staff
Lee Milton (LM)	NPCC Staff
Padraig Twomey (PT)	NPCC Staff
Simon Talbot (ST)	APCC Support

Apologies:

John Robins (JR)	CPOSA
------------------	-------

1. Welcome, introductions, apologies and conflicts of interest

- The Chair welcomed everyone to the meeting and introduced David Kuenssberg, the new Home Office AAB representative, to AAB members. Apologies were noted from Chief Constable John Robins. Although arrangements were currently being agreed regarding future PCC representation on the AAB, in accordance with the AAB ToRs the AAB Board was still quorate to conduct its business. No conflicts of interest were noted.

2. Minutes, actions and matters arising

- Following an amendment regarding the publication of future minutes on the new NPCC website, the minutes of the last meeting were agreed as a true and accurate record and can now be published. LP requested that these minutes reference her request that DARA include value for money from staff costs and the robustness of financial forecasting in future internal audit plans. She requested this was added to the action log so that it was captured.

2.2 CL updated members on progress on actions within the NPCC action log and proposed that completed actions were closed. GC updated members on the progress being made with open actions relating to the planning for the Workshop, and the holding of the first AAB Operating Model Gateway meeting in March and the diarising of a second Gateway meeting in June. LP asked for an update before recommended closure in respect of the previously named strategic Oversight Board. SH reported that the idea of a wider policing sector partnership board was being developed between the APCC and the NPCC and this had moved away from the AAB space. LP pointed out some actions had ASAP and requested that dates be assigned to allow for oversight of delivery.

2.3 Members confirmed they were content that the actions recommended for closure could now be closed off.

Action: To ensure that the actions recommended for closure in NPCC action log were closed.

Action: To ensure that all actions have clear due dates i.e., avoid using 'ASAP'.

Action: To add all Operating Model Gateway meeting actions to the main AAB action log.

3. Review and Monitor

3.1 NPCC Priority Action Plan:

- CL updated members on progress relating to the NPCC Priority Action Plan. Six sub sections were recommended for closure as shown in the presented paper including around financial reporting, accruals accounting, and the NPCC budget. In response to a query from JC, MH confirmed he now felt much more confident and assured about progress going forward.

Action: To ensure that the actions recommended for closure in the NPCC Priority Action Plan were closed.

- CL reported on internal governance meeting arrangements and potential streamlining of meetings. LP supported by BS and DK requested that the NPCC produce a graphic of these arrangements at an appropriate time and perhaps after DARA had undertaken their work on this to provide assurance at the Workshop. The issue of GPA costs was also raised and DK offered to help look into this which was welcomed by LP as it was important to ensure that any GPA requests for payment relating to prior years were properly supported by clear documentation.

3.2 Review of NPCC Financial Processes:

- As Paul Oliffe was unable to present his review of financial processes to members at the agreed time, GC/ST agreed to find a new time for this session.

3.3 NPCC Operating Model Update:

- TH notified members of an offer from the Home Office of a place for AAB representation at their Operating Model Programme Board meeting to avoid duplication of assurance functions. BS and members felt this was a very positive development as long as there is absolute clarity on why the AAB is there (to seek its own assurances for its own purposes) and that this representative is an AAB Board Member. As benefits realisation is considered a key workstream, DK stated if members wished to speak to the new post in the Home Office focussing on benefits realisation to share learning he would be happy to make appropriate introductions.
- TH then updated on progress on the Operating Model within its pathfinder year with recent deliverables including enhancing the Coordinating Committee structure and staff recruitment. Gemma Stannard has now

been appointed as the Strategic Hub Lead. As well as an Analyst and HR posts, Committee Coordinators are now also in post which will assist cross cutting work and efficiency. Partnership role recruitment is almost completed and further roles are coming in on Benefits Realisation and IT. TH will provide a written update on progress on recruitment at the next AAB Operating Model Gateway meeting.

- TH also outlined the now updated Operating Model governance chart which was welcomed by the AAB. TH further reported that new Risk Management Framework monthly meetings will now be held and that current financial management expenditure is on track and will form part of future reporting arrangements.

Action: TH will circulate both the Home Office Grant Agreement and the Terms of Reference for the Home Office Operating Model Programme Board to AAB members.

Action: JC will attend the next meeting of the Home Office Operating Model Programme Board on behalf of the AAB and report back to members.

4. Finance, Audit and Risk

4.1 Quarterly Update on DARA Recommendations:

- LB updated members on quarterly progress in relation to the DARA recommendations on business support, governance, and delivery. DARA fieldwork reviewing the MPS/NPCC SLA arrangement has just begun.

4.2 DARA Internal Audit Plan (2021/22):

- LB updated members on DARA's Internal Audit Plan (2021/22). DARA are currently looking at benefits realisation and, in the future, will look at recruitment learning. DARA will also be reviewing NPCC progress against their Finance Improvement Plan, including on forecasting as previously mentioned by LP. A review of the Risk Management Framework will also occur. Following a query by JC, LB/LH feel the direction of travel by the NPCC is now far better. If they had further resources, LH/LB would like to look at IT assurance and cyber risk.
- BS stated that the overall test would however be whether DARA could give a formal Head of Internal Audit opinion in the future for inclusion in the AAB Annual Report. If further resources were available this could be discussed at the Workshop.

4.3 NPCC Financial Statement Quarter 4:

- PT presented the NPCC Quarter 4 financial statement. At year end the NPCC reported an overspend due to premise costs and legal costs and that the legal overspend was mostly from an Investigatory Powers Tribunal. The Home Office grant has funded recruitment of the Operating Model team plus some consultancy work. Op Talla expenditure has been managed outside the central NPCC office budget and this cost has come down.
- DK asked 1. Does the NPCC regularly incur legal costs of this size and, if so, should it allocate a budget based on this probability? and, 2. Does the NPCC have a process in place to stop spending if they are going towards an overspend?
- PT replied that this provision would be helpful. Members noted that they had previously raised that the NPCC needed to create a budget based on an average legal cost across the last 3 years plus a reserve, to cushion against exceptional legal costs. MH/CL replied the previously mentioned tribunal was a highly unusual case from the ACPO time and that the NPCC have set a £135k budget for legal costs this year and a monthly monitoring meeting to control this spend. In terms of premises costs it was noted there are regular meetings with GPA which should prevent future occurrences of prior year/unexpected additional property costs. LP

asked about future dilapidation costs that might fall to NPCC (depending on the nature of its contract with GPA, as other organisations have been asked to include a provision for the liability in the 20/21 accounts). This could be a substantial sum and would need to be planned for. PT indicated this was under discussion with GPA.

- The Board was informed that two teams were being transferred to the NPCC, the National Pensions Team and the National Pay & Rewards Team. A table showing the associated income streams were included in the presentation. LP was pleased to see the explicit reporting of the totality on income being managed by or through the NPCC as a host body. She asked for clarity over whether the NPCC were managing the income and spend and if so, what the remit of the AAB might be in respect of these additional work programmes? PT indicated that the financial updates would be provided to each AAB as part of routine financial reporting. He confirmed that the administration of the Pensions Team will be reported externally.
- To ease understanding and supported by BS, LP requested that actual expenditure be listed and totalled against budget with the same shown for income separately, with percentage variances shown as well as the actual numbers.

Action: To ensure that we separate out income and expenditure lines in Financial Statement papers and add % variances of budget expenditure.

4.4 NPCC Mid Term Financial Plan:

- PT outlined the developing NPCC Mid Term Financial Plan which showed £14.5 million income this financial year, plus £3.2 million from the Home Office on the Operating Model and £7 million from pensions work, which was quite a significant increase from last year. The difference between forecast overspend and actual outturn, pressures on the legal budget of £135k, and the ICT budget for transition were highlighted.

4.5 NPCC Strategic Hub Risk Register:

- LM updated members on the NPCC Strategic Hub Risk Register. 2 risks have now been closed on Comms funding and NPAS governance policies. Data management and GDPR compliance progress are ongoing. JS asked about data controllership risk and impact on NPCC reputation. CL stated that legal advice is ongoing as is work through the existing and the new Data Protection Officers. Following concern from JS, CL confirmed internally this work will be completed in the next few months and national arrangements which need a working group will be later.
- DK queried the resources available on recruitment, resilience and outcomes. BS agreed that this has been an ongoing issue for over 2 years and shares JS frustration. The NPCC confirmed they are moving recruitment as fast as possible.
- LM reported the NPCC is looking at the risk around Coordination Committee best practice, activity and progress against objectives. BS stated this is fundamental to the AAB work and it is encouraging to see it addressed. The NPCC are also looking at financial management and are awaiting closure in the Priority Action Plan. The website accessibility risk has improved and work on the Risk Management Framework is ongoing. New risks are looking at the impact of public confidence in policing on NPCC delivery; NPCC workflow and communication; and delays in completion of the NPCC Strategy. MH confirmed the Risk Management Framework is being used alongside SLT meetings to focus on priority issues. BS noted a risk refresh will be on the Workshop agenda. LP raised that many clients were still holding quite high risks for cyber and queried whether this should be reviewed and included.

Action: To consider the addition of a cyber risk to the Strategic Hub Risk Register.

4.6 NPCC Risk Management Framework:

- LM updated members on the NPCC Risk Management Framework which now contains better controls and will be reviewed further at the 3-month and 6-month points. Every future NPCC business area will have a risk manager who can feed back to the corporate risk manager. The NPCC are developing a risk radar, holding risk identification workshops and populating business area risk registers which will help form a consolidated, prioritised, responsive corporate risk register.

5. Governance

5.1 NPCC Strategy, Vision and Business Plan:

- HH updated members on the NPCC Strategy, Vision and Business Plan. This strategy development is ongoing based on document reviews, stakeholder consultation, and liaison with Chief Constables.
- PD outlined the development of the Business Plan which has gone through the Committee consultation and document review stages. The intention at the end of Quarter 2 is to have individual committee business plans and following that an overall published Business Plan following consultation with Chief Constables.

5.2 AAB Annual Report:

- BS updated members on the AAB Annual Report and informed them that meetings had taken place in respect of contribution and content. GC is now coordinating the contributions/content and will be sending the first draft to BS for review. Once BS has a draft, she will send it to Board Members to enable them to contribute/comment prior to publication.

5.3 H & S arrangements for NPCC Staff:

- CL updated members on H & S arrangements for NPCC Staff.

5.4 Annual Compliance Letters:

- CL updated members on Annual H & S, Equality and Diversity, and Environmental Compliance letters.

5.5 Chiefs' Council Update:

- MH updated members on the recent meeting of the Chief Constables Council which had focused on COVID recovery; PCC and Chief Constable changes; an EU Exit session; CJ recovery; forensics; local policing delivery through NPCC Leads; and a workforce session.

6. AOB:

- The Workshop was discussed and members preferred the idea of a physical meeting. It was agreed to delay the workshop from the provisional June dates and to survey members availability for dates between the end of June to before July 11th. BS informed that the first planning meeting had taken place and the content scoped for the presentations. GC is coordinating with presenters on what is required of them and a further planning meeting is scheduled to take place in the next couple of weeks to finalise.