

# Minutes of the Audit and Assurance Board (AAB) 29<sup>th</sup> May 2019

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<b>Author:</b>	Simon Talbot
<b>Force/Organisation/Committee etc:</b>	APCC
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## Attendance

Barbara Scott (BS)	AAB Chair
Louise Bailey (LB)	Internal Audit
Nishil Shah (NS)	Internal Audit
Janice Shardlow (JS)	Independent
Lizzie Peers (LP)	Independent
Richard Hornby (RH)	Home Office
Martin Hewitt (MH)	NPCC Chair
Matthew Ellis (ME)	PFCC Staffordshire
Martyn Underhill (MU)	PCC Dorset
Susannah Hancock (SH)	APCC CEO
Simon Talbot (ST)	APCC Support

## Apologies

Lee Milton (LM)	NPCC
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### 1. Welcome, introductions and conflicts of interests

- The Chair welcomed everyone to the meeting including ST who has just been appointed as the APCC's Corporate and Governance Support Officer and will be doing minutes of AAB meetings moving forward.

- Due to commitments in South Wales, Alun Michael has unfortunately had to stand down from the AAB and has handed the Labour representation role over to Mark Burns-Williamson. Mark is not able to attend this meeting but will be attending the AAB from the next meeting.
- There were no conflicts of interest declared.

## 2. Minutes and actions reviewed from the previous meeting

- The Chair asked if there were any comments on the accuracy of the minutes. There were none.
- The action log was reviewed and the follow actions were noted as completed:
  - Action 2.3.d: There is now a signposting message on the APCC and NPCC websites on declarations of hospitality.
  - Action 2018-034: Financial reporting: LP can rationalise her finance report with the NPCC budget overview work being done (Action 2018-040) but wants to keep the financial workstream separate. MH stated that the NPCC would put a financial oversight process in place to assist this.

**Action 2018-037:** Recruitment practices: MH will produce a paper updating the AAB on current recruitment practices for the next meeting.

**Action 2018-043:** NPCC/Met SLA: MH will complete a review of NPCC's current SLA with the MPS.

## 3. Matters arising

### 3.1 NPCC Reserves Policy 2019/20:

- LP welcomed the process that has helped develop the NPCC reserves policy. She requested that the following further amendments now be made to the policy document:
  - Point 1.1: Change the wording of the last sentence to 'as appropriate'.
  - Point 3.1: Confirmation of the financial reporting process for the NPCC is needed. BS felt we can cover this through the PCC role.
  - Point 4.3: Regarding risk analysis matters MH can confirm details of the NPCC's liability insurance.
  - Point 6.2: RH stated that the £521,578 held by the NPCC on behalf of the Digital Policing Programme should go through the NPCC accounts as income and go out as expenditure.
  - Point 6.4: Regarding the NPCC level of reserves do we need to add that we will hold 6-12 months to protect our operational core? ME said this should also be a PCC decision in that the funding ultimately comes from policing budgets. RH stated that police reserves is a key issue for the Home Secretary and the NPCC need to confirm the reserves level it has. BS emphasised there had been much recent improvement in this area. MU asked what is our business continuity plan? The AAB agreed we need to address this at our business planning workshop.

**Action:** MH will provide further information on NPCC reserves at the business planning workshop where it will form a workshop agenda item alongside business continuity.

## 4. Review and Monitor

### 4.1 NPCC Chair's Introduction and update:

- MH outlined his vision and the main aspects of his role as new Chair of the NPCC which he has begun with a review of the strategic level, added value the NPCC can provide to forces from the centre. MH

wants to make the NPCC more inclusive to senior officers both regionally and geographically and is conscious of the need to include both metropolitan forces and smaller forces more closely.

- MH believes there are some good opportunities to make the NPCC's key working relationships with the Home Office, the College of Policing, HMICFRS and the APCC more effective and more closely aligned despite wider political uncertainty. His other key current priorities are tackling national operational challenges such as serious violence; local policing; the potential EU Exit and the Spending Review. He is commencing a review of the current NPCC Coordinating Committees and associated portfolios and working groups beneath them, some of which are operational (such as local policing); some of which are enabling (such as finance); and some of which are transformational (such as international). He believes that they need to be better aligned, coordinated and with a clearer understanding of how they link to local and regional business processes. He is also looking at how they are resourced as much of the current resource is not transparent and may not be the most efficient way to deliver business. MH committed to share the terms of reference for the review asap. MH is also looking at the financial management of the NPCC and the NPCC's communication and influencing role. A replacement for NPCC Chief of Staff Richard Cooper has now been found and she will soon be in post. MH also has a Civil Servant seconded into the NPCC from the HO working with him to assist joint working.
- As part of his reorganisation, MH envisages he will operate through 3 main teams:
  1. His 2 vice chairs who will provide an important support / deputising role, as well as a pastoral role for Chief Officers including those new in post who might feel isolated in post.
  2. His current Regional Chiefs' Meetings will be streamlined into a Regional Coordination Committee monthly conference call to improve communicate and understanding of priorities and ensure that business can be transacted more quickly through the year as a continuous process. This Committee will also improve clarity and certainty of decision making and provide quality written feedback on specific issue papers, as well as assisting with aligning NPCC governance processes with key partners such as the APCC.
  3. His Chiefs' Council who following this reorganisation will have fewer agenda items and more time to discuss key strategic issues.
- BS welcomed the future establishment of this Regional Coordination Committee in standardising reporting and assisting the AAB in giving assurance. ME and JS were also encouraged to hear about plans for doing a finite number of things well from the centre. RH liked the finite number of costed projects that MH predicts in terms of being scrutineers but recognised that as we are working in a political environment this process will on occasion be inherently messy. MU was pleased to hear this update but asked if the APCC/PCCs could get a sight of issues before they go to the NPCC for decisions. MH further stated that part of his review is to be transparent about current resourcing levels.

**Action:** MH will bring his thinking on his strategic objectives to the business planning workshop.

#### 4.2 NPCC 2018/19 Quarter 4 Delivery Plan update:

- MH commented on the NPCC Quarter 4 Delivery Plan which in the future he felt needs to reflect the added value of the NPCC rather than being an amalgamation of information from Coordinating Committees which it is currently. MH felt that a new delivery plan should reflect the recent policing headings that have been used for the Spending Review and this overarching nature will then mean the NPCC will be better able to measure their success and the AAB can hold the NPCC to account.
- LP was pleased to hear MH's language on added value measurement of success which would make the AAB role on how to gain assurance clearer. She felt the NPCC should not oversell what we can do

but identify where we can add value. RH found Appendix 2 to this report on proposed objectives enormously helpful in creating a good scrutinising environment. SH was also pleased to hear about the focus on measurable deliverables.

**Action:** MH will provide an outline sketch of the delivery plan for the business planning workshop.

## 5. Finance, Audit and Risk

### 5.1 NPCC Quarter 4 Finance and Budget update:

- Progress was reviewed on the Quarter 4 financial statement. The MPS Finance Director is currently assisting MH on this who made the following key points:  
Point 2.2: The review of the process for recording and reporting the NPCC budget is ongoing  
Point 2.4: Further clarity will be provided on the SLA process in the near future  
Point 3.0: A more sophisticated oversight process is being developed for 2018/19 year end figures  
Point 6.2: The staffing budget within the 2019/20 budget and income forecast table will be reconciled
- LP asked what we have shared externally regarding this financial update. BS stated that the related letter from Police Scotland had been circulated. LP would also rework the presentation of the table in point 3.3. The NPCC was confident that budget setting will be more robust and clear going forward given our added value strategy should ensure we should have a properly resourced plan.

### 5.2 Audit:

- Update on internal audit activity, plans and workshop content:  
LB will be facilitating a session at the business planning workshop so that we can get feedback from the AAB and input from internal audit input themselves on priority internal risks. BS has asked internal audit to look at what we are facing; what we need additional assurance on; what are the priorities; what we can achieve and what resources do we need. The AAB felt the internal audit of risks will be a very valuable management resource and help ensure we are delivering added value. BS has also asked for a 3 year not 1 year plan. SH requested the internal audit be mapped against the risk register in due course. RH stated we also need to look at assurances of the whole range of risk management system risks not just internal risks. NS will progress the internal risk management audit in June after the business planning workshop which has previously been delayed as LM has been away.

**Action:** LB will facilitate a detailed session on internal risks at the business planning workshop.

- Risk Management and Internal Controls:  
MH stated that we need to review risks very closely and be very clear on distinguishing between issues and risks then take management action to ensure issues are resolved. MH also recommended that we use the Joint Police Portfolio Board risk management document approach. JS asked if MH can develop a risk policy of risk parameters so the AAB can have something to assess and test risk against. LP noted there is also a good opportunity to review the risk management register as some of these risks are external rather than for NPCC. The AAB discussed producing a Board Assurance Framework against a more strategic risk register of scoring risks we have control over. MH welcomed this sophistication to identify in smart terms what mitigating actions we will take and our risk appetite.

**Action:** MH will elaborate on risks at the business planning workshop following liaison with LM.

**Action:** MH can draft an NPCC risk policy by tweaking the Joint Police Portfolio Board risk policy.

## 6. Review of Draft Agenda for the AAB workshop

**Action:** BS will circulate a draft agenda to the AAB before the business planning workshop.

## 7. Any other business

- BS will organise a card thanking AM for his contribution to the AAB.
- The APCC will take notes at the business planning workshop.