

# Minutes of the Audit and Assurance Board (AAB)

**Minutes of the meeting held on 21 February 2018 at 10 Victoria Street**

**Security classification:** Official  
**Author:** Richard Hampson  
**Force/organisation:** NPCC  
**Date created:** 20 March 2018

## ATTENDANCE

### Present

Barbara Scott	Chair
Chief Constable Sara Thornton	NPCC Chair
PCC Matthew Ellis	APCC
Richard Hornby	Home Office
Simon Bray (representing CC Mark Polin) CPOSA	
PCC Martyn Underhill	APCC
Commissioner Alun Michael	APCC
Janice Shardlow	Independent
Oliver Shaw	APCC
Supt. Richard Cooper	NPCC Chief of Staff
Nicole Higgins	NPCC Strategic Planning & Risk Manager
Richard Hampson	NPCC Business Officer

### Apologies:

Lizzie Peers Independent

## 1. WELCOME, INTRODUCTIONS AND CONFLICTS OF INTERESTS

- 1.1 The Chair welcomed attendees to the meeting. Commander Simon Bray, Metropolitan Police Service (MPS) attended the meeting in place of CC Mark Polin to represent CPOSA. Lizzie Peers apologies were noted.
- 1.2 The Chair welcomed Janice Shardlow to the Board as the new non-executive member.
- 1.3 The Chair suggested she leave the meeting to allow discussion of item 3.3 (Remuneration) and that CC Thornton would chair that item. No other conflicts of interests were declared.
- 1.4 The Chair welcomed Richard Hampson to record and take minutes for the meeting.



## **2. MINUTES AND ACTIONS FROM THE 8 NOVEMBER 2017 MEETING**

- 2.1. The minutes were approved as an accurate record of the meeting.
- 2.2. The Board raised the issue of Police Scotland. CC Thornton informed the Board that the Police Scotland legal team are awaiting instruction. The NPCC wrote to T/CC Iain Livingstone on the 6 February to request his legal team is given instructions to resume discussions. The Board expressed concerns over the delay.

**Action:** The AAB Board will write to Susan Deacon, Chair of the Scottish Police Authority expressing concerns.

- 2.3. The Board discussed the Terms of Reference (ToR) for the NPCC coordination committees. Ms Higgins confirmed these had been published internally via ChiefsNet and were accessible to all chief officers and forces. The Board suggested that the ToR should be published externally.

**Action:** The NPCC to consider placing the coordination committees ToRs on the external website.

**Action:** Ms Higgins to share the coordination committee ToR with the APCC.

- 2.4. A further review of the external website was suggested. CC Thornton informed the Board that wider review was possible once the appointment of the digital communications officer had been finalised.

- 2.5. The Action log was reviewed with the following updates provided:

- (Item 5.2 – NPCC Delivery Plan 2017/18) – The NPCC are currently working on this and will share initial findings with the NEDs. Action carried forward to next meeting.
- (Item 4.2.4 – Circulation of External Audit report) – Copy of external report was circulated with the Board papers and action is closed.
- (Item 4.2a – Review of Internal Audit Report for sign off) – The interim report has been signed off and submitted to the February AAB meeting – Action closed.
- (Item 4.2b – DARA Risk Report for Feb 18 Board) – Ms Higgins informed the Board that DARA are still working on the ToR therefore a full update will be given in April. – Action carried forward to next meeting.
- (Item 4.2c – Coordination Committee Structures) – Ms Thornton confirmed a copy of the coordination committee structure charts with an updated portfolio/working group vacancy list had been circulated on the 6 February. Updated copies would be circulated at the next Chief Officers Day on the 14 March. – Action closed.

## **3. MATTERS ARISING**

### **3.1. AAB ANNUAL REPORT**

- 3.1.1. The Chair confirmed to the Board that the Annual Report had been issued to Chief Constables' Council in January and could now be sent to the APCC for sign off. The Chair informed the Board that the next report would be a subject for discussion at the June workshop. The Board agreed that some changes to the tone of the report would be made before publication.

**Action:** Mr Ellis to review the annual report and send to Ms Higgins for redrafting.

### **3.2. ACPO DISSOLUTION UPDATE**

- 3.2.1. CC Thornton provided an update to the Board on discussions with Cleveland Police on shared liability for an outstanding case that is preventing ACPO from being dissolved. CC Thornton wrote to chief constables to gain consensus on spilt liability.
- 3.2.2. Once agreement has been reached, Menzies solicitors will be instructed to close ACPO.

### **3.3. REMUNERATION**

- 3.3.1. The Chair withdrew from the meeting to allow the Board members to discuss this item.
- 3.3.2. The options were discussed and the Board agreed there should be provision to claim additional days on top of the 15 days provided for the Chair that are covered by the annual salary.
- 3.3.3. The Board agreed to a daily rate of £350 which would be capped at 10 extra days and CC Thornton would amend the letter to this effect and send to the Chair.

**Action:** CC Thornton to amend letter and send to the Chair.

### **3.4. S22A REVISION UPDATE**

- 3.4.1. Ms Higgins reported that the majority of Home Office Forces and Police and Crime Commissioners (PCCs) have signed the s22a agreement for the NPCC and was waiting on seven Parties to return the signed agreement.

**Action:** Nicole to publish the new agreement as a revision in draft form (subject to formal signature by all Parties).

- 3.4.2. The Board noted the update.

## **4. FINANCE, AUDIT AND RISK**

### **4.1. ACCOUNTS/FINANCIAL**

#### **4.1.1. QUARTERLEY FINANCIAL STATEMENT (Q3)**

CC Thornton provided an overview of the NPCC forecast outturn for 2017/18 and confirmed the first three quarters of 2017/18 are within the budget. There is a reported underspend of £114k to date. The NPCC office is forecasting an underspend of £89k which relates predominantly to accommodation costs.

Confirmation of an increase in rent of 3% in 2016/17 rising to 3.3% over the term of the new MOTO has been received and the forecast adjusted accordingly.

£80k is expected to be transferred from ACPO reserves once voluntary insolvency is complete and the Board were alerted to the risk associated with receiving this amount before the year end.

Further income is expected from Crime Prevention Initiative (CPI) service charge (£67K) and the 2016/17 underspend (£40K). Both will be received in Q4.

The NPCC full year forecast outturn is expected to be an underspend of £103K due to rent and accommodation cost being increased as mentioned above. The income is expected to be 1.4% above budget due to an £8.5k higher than anticipated underspend to be transferred from reserves from 2016/17. The NPCC continues to recover funds to cover the cost of Chief Constables' Council and other events.

The Board noted the update.

#### **4.1.2. 2018/19 BUDGET PLAN**

CC Thornton presented the budget plan for the NPCC central office 2018/19 including the contributions that will be requested from funding parties. The plan was agreed at the January Chief Constables' Council (CCC) meeting. The Board were requested to review it against the three year financial plan.

Ms Higgins confirmed the NPCC would be requesting contributions from funding parties at the same level as 2017/18. There would be an additional contribution from the Ports Police Chief Officers' Association.

The Board noted that the funding contribution from Police Scotland had not been included in the planning for 2018/19.

It was noted that expenditure will increase by £30k (2%) due mainly to increased staffing costs.

The Board noted the update.

### **4.2. AUDIT**

#### **4.2.1. 2015/16 EXTERNAL AUDIT**

The Chair welcomed Mr Iain Murray to the meeting and the Board received a presentation of the findings of the external auditors. They had been engaged to review the 2015/16 Income and Expenditure Statement, the purpose of which was to verify the accuracy by reconciling specific sample of transactions. This could not be considered as assurance since they had not conducted a full audit. He reported that the arithmetic checks were accurate and the income and expenditure matched that in the General Ledger as at March 31 2016. Four inconsistencies in the 80 transactions checked reflected errors in the scoping of the review, not errors in recording or reporting.

The Board expressed concern that the report was solely for the use of MOPAC. They appreciated that the Statement had been verified and debated the value in repeating this annually. A decision was taken that external verification of the statement of accounts should be repeated on a three yearly basis to provide assurance and transparency.

The Board noted the update.

#### **4.2.2. INTERNAL AUDIT UPDATE – FINAL REPORT FROM DARA**

The report provided an update on the implementation of the agreed actions arising from the original DARA audit of the NPCC framework in December 2016.

The governance framework has continued to develop and improve since the 2016/17 review, with eleven of the agreed actions having been fully implemented and eight partly implemented. The Board were informed there had been improved alignment of NPCC objectives to the strategic vision for policing with significant improvement in the transparency of activities of the NPCC coordination committees and the NPCC monitoring capabilities of the committees to oversee this activity.

The approach to monitoring and oversight of the NPCC 2017/18 delivery plan has been significantly improved through a reduction in the number of objective and improved reporting templates. This has encouraged better progress monitoring against outcomes and milestones. The next 2018/19 delivery plan will be presented to the April CCC meeting for agreement.

It was concluded that key issues remained on improving and standardising risk management processes across the portfolio of NPCC activities. Ms Higgins informed the Board that assistance has been sought from the host force (MPS) risk management team and the NPCC would continue to draw upon the expertise of the Board and its NED members to progress this. Internal audit will review progress in this area towards the end of the financial year as part of the 2017/18 internal audit plan.

The Board agreed the report and noted the update.

#### **4.3. RISK MANAGEMENT AND INTERNAL CONTROLS**

4.3.1. CC Thornton provided the following updates from the risk register:

- (Risk Number 15/004: Police Scotland) – (High Impact) - Police Scotland legal team are awaiting instructions. The NPCC has written to T/CC Iain Livingstone on the 6 February to request his legal team is given instructions to resume discussions. The Board will write and speak to the Scottish Police Authority.
- (Risk Number 15/005: Host force SLA) – (Very Low Impact) – PSOP has gone live. NPCC staff have been given registration and operating instructions. Finance reporting and procurement training has taken place on the 15 February. It was proposed that the risk is closed once all staff have registered on the new system.
- (Risk Number 15/010: FoI) – (Very Low Impact) - The NPCC central office continues to liaise with the Home Office and the Metropolitan Police Service (MPS) legal team regarding the drafting of an Order and are currently in discussion about the precise wording. In parallel, Home Office lawyers have suggested that national units could take their FOI obligations from their host force's obligations, which would require no change in law. MPS legal and MPS information Management are exploring the impact of this proposal in relation to the NPCC and will respond in due course.
- (Risk Number 15/013: UCPI) (Medium Impact) – Oversight continues through the Gold Group chaired by CC Thornton and the day-to-day management of the coordination team by the

NPCC Serious and Organised crime lead, CC Cooke. All Home Office force have paid contributions to fund the team up to March 2019 – further budget provision will be required beyond this date. Overall Inquiry progress remains very slow – final report not expected before the end of 2023.

- (Risk Number 15/014: IICSA) – (Low Impact) - Risk reduced to low in the previous NPCC management meeting due to the granting of Core Participant status for the online inquiry.
  - (Risk Number 17/002 - Resource demand created by UCPI) – (Low Impact) –The NPCC have received no direct requests for material/information from UCPI since the last update however, UCPI have indicated that they may wish to re-examine and re-search areas of 10 Victoria Street which may well include the NPCC central office and so likely that further requests will be forthcoming. It was recommended the risk remains low-low.
  - (Risk Number 17/007 – Potential Judicial Review of NPCC decision not to issue guidance on deployment of spit guards) – (Impact Very Low) - Further advice received from MPS legal that, whilst the risk remains low, the NPCC should be prepared for the possibility of a legal challenge in the future.
  - (Risk Number 17/008 – Ineffective Implementation of a risk Management Framework) – Progress of risk reporting has been noted by the Audit and Assurance Board (AAB) – (Impact Low) - Further work with the internal audit team subject to the Terms of Reference (ToR) sign off at the end of February. A further update was provided above in point 4.2.2 of the minutes.
  - (Risk Number 17/010: NPCC Delivery Plan) – (Impact Low) – Ms Higgins confirmed reporting against the objectives is now by exception as requested by the AAB. 2018/19 Delivery plan objective setting meeting with the new AAB Non-Executive Director (NED) scheduled for March 2018.
  - (Risk Number 17/011: Coordination Committee Governance) – (Impact Low) - A plan has been set for each of the NEDs to meet with selected staff officers of the coordination committee. Once complete the NEDs will assess their experiences and report to the Board in May and plan to attend a further three committees over the summer months. The findings from these initial deep dives will form the basis of the requirements from the coordination committees in order to provide assurance going forward.
  - (Risk Number 17/012: Working with College of Policing on process for production of guidance) – (Impact Medium) - College of Policing working on definitions of policy and guidance in order to progress clarity. The NPCC has identified legacy ACPO policy/MoU/Strategy that needs to be reviewed when resources allow. Richard Hampson has been tasked to project manage and identify all legal ACPO policy/MoUs/ ISAs and Strategy and coordinate with the coordination committees and College of Policing to decommission or revise into Authorised Professional Practice (APP)/NPCC Material.
- 4.3.2. CC Thornton confirmed Risks numbered in the register – 17/003, 17/004 and 17/006 have all been closed and shown as complete.
- 4.3.3. The next risk register for the May AAB meeting would reflect the inclusion of a new risk for the register on Pay and Workforce Reform.

**Action:** Nicole to update the risk with a new risk on pay and workforce reform.

**Action:** Nicole to change risk register to show change as positive, negative, new and closed movement for risks to the NPCC and not create cover paper report as well going forward to future AAB meetings.

4.3.4. The Board noted the update.

#### **4.4. HMICFRS RECOMMENDATIONS UPDATE**

4.4.1. An update was provided against National HMICFRS recommendations as follows:

- (Neighbourhood Policing) – The consultation on the College of Policing guidelines is out to all forces with the deadline for responses being mid-February. It was noted feedback is positive on the proposed definition of Neighbourhood Policing and 40 responses have been received in with 13 forces who have offered to take part in the pilot. The March 2018 target to complete the guidance has been agreed with the HMICFRS.
- (Shortage of Qualified Detectives) – CC Matt Jukes updated CCC in January and a further update is expected at the April meeting. The toolkit and report was circulated to all chiefs for consideration.
- (Organised Crime Group Mapping) – The regionalisation of OCGM remains on track for the end of March 2018.
- (Disclosure) – CC Thornton informed the Board that a joint national disclosure improvement plan (NDIP) was published on the 26 January with the Police, CPS and College of Policing. As part of this public commitment, the CPS are establishing a new governance structure to oversee and implement this work.
- (Stalking and Harassment) – DCC Paul Mills from Wiltshire Police has taken over as the NPCC lead for this national working group and the draft protocol with the CPS is on track to be submitted for approval to the April CCC meeting.

4.4.2. The Board noted the update.

#### **4.5. KEY FORENSICS – ISSUES ARISING**

4.5.1. CC Thornton informed the Board on current issues relating to Key Forensics Ltd.

4.5.2. CC Thornton confirmed a further update would be published on ChiefsNet from the NPCC lead and a further update will be given at the next CCC meeting in April.

4.5.3. The Board noted the update.

### **5. REVIEW AND MONITOR**

#### **5.1. CHIEF CONSTABLES' COUNCIL (CCC) AGENDA – JANUARY 2018**

5.1.1. The following highlights from CCC were discussed:

- CCC received presentations from Sir Philip Rutnam, Permanent Secretary for the Home Office. Sir Philip explained that the Home Office has a critical role to play in the effective work of policing and the criminal justice system. He emphasised the need to work collaboratively.
- A good discussion on making disclosure work with Alison Saunders, Director of Public Prosecutions for the CPS who also discussed reducing numbers of domestic abuse (DA) case referrals. The discussion focused on the better understanding of the reasons behind low reporting of DA incidents across the UK. As a result, there have been a number of changes and this has led to improvements in forces investigating and prosecutions of DA.
- The majority of regional papers submitted were supported with the exception of the following papers which required further work:
  - ESMCP
  - Transforming Forensics Programme – Business Case Update.
- CC Thornton confirmed to the Board there were 28 regional papers in total submitted to the January CCC meeting.
- CCC welcomed members of the Crime Reporters' Association for a session on media relation.
- An awareness session on national projects was held for all Chiefs covering:
  - Digital Public Contact (DPP)
  - Child Abuse Images Database (CAID)
  - Home Office Biometrics (HOB)
  - National ANPR Service (NAS)

The session focused on some of the Service's key relationships and the technology and infrastructure that support policing.

- 5.1.2. CC Thornton thanked Nicole Higgins and Richard Hampson for the continued work improving the reporting process and structure for all regional papers submitted to CCC.
- 5.1.3. The Board noted the update in the paper.

## **5.2. NPCC DELIVERY PLAN – Q3**

- 5.2.1. The Board discussed the development of the NPCC 2017/18 Delivery Plan and scrutinise the level of detail on the objectives agreed at the January CCC meeting.
- 5.2.2. CC Thornton highlighted that almost three quarters of the objectives have a high level of confidence of delivering against the plan. Three objectives were reported as risks as:
  - (2.2 – Armed Uplift Programme) – The programme has had to revise the uplift to existing CTSFO hubs. Although a contingency plan is in place with the programme there have been a number of challenges in training capacity, number of firearms officers able to meet the criteria have contributed.

- (5.1 – ESMCP) – CC Thornton reported an increasing risk of delays in the delivery of ESMCP. The size and significance of ESMCP means that delays may affect the progress of other national initiatives as well as incurring sizeable costs to maintain alternative services in the interim. Transition is not expected to begin until the beginning of 2018 and a schedule of transition will not be available for some months.
- (5.2 – Technical/Data Security and related Business Standards) – The objective to develop a prioritised plan and process of these standards and principles for policing related to a delayed funding bid through the Police Transformation Fund (PTF). The Board were informed that the PTB have now agreed three technology standards for policing and these would be worked into the next 2018/19 NPCC delivery plan.

5.2.3. The 2018/19 delivery plan is currently being worked on by Nicole Higgins and is supported by Richard Hampson who is liaising with all NPCC coordination committees. This will be submitted for approval to the April CCC meeting.

5.2.4. Ms Higgins reported the majority of objectives have been expanded to demonstrate clearly defined outcomes with indicators/measure of successful delivery.

5.2.5. Members noted the clear relationship between the Delivery Plan and the outcomes of the Policing Vision 2025. The update highlighted areas where there is a high level of risk in delivering the objective and which presented an early view of the overall outcome for 2017/18.

**Action:** Nicole to ensure any reference to ‘National’ in the delivery plan relates equally to England and Wales and check accordingly.

5.2.6. The Board noted the update.

### **5.3. UPDATE ON COORDINATION COMMITTEE COMPLIANCE**

5.3.1. Ms Higgins summarised the paper, which provided an update of the NPCC Coordination Committees’ compliance with the agreed basic requirements and detailed scrutiny in the form of ‘deep dives’ of the three selected committees (Crime Operations (NCOCC), Local Policing (LPCC) and Equality, Diversity and Human Rights (EDHR)).

5.3.2. The Chair informed the Board that she attended the NCOCC meeting and held a 1:1 meeting with the Chair of the committee (CC Mike Barton), and his Staff Officer (Tracy Holyer).

5.3.3. Plans are in place for Lizzie Peers (NED) to attend the next available LPCC meeting and Janice Shardlow to take on EDHR. The Chair confirmed a non-operational committee would go through the same process

5.3.4. The Board felt that compliance to the Basic Requirements provided assurance that the committees were complying with their responsibilities and were satisfied with the level of content collated in the table on page 2 of the update paper. The differing level of maturity in terms of transformation was noted.

5.3.5. The Chair informed the Board that a full report would be presented in the May 2018 meeting. The Board noted the report.

## **6. REVIEW OF DRAFT AGENDA FOR THE NEXT MEETING**

6.1. The draft agenda was agreed for the next meeting in May.

## **7. ANY OTHER BUSINESS**

7.1. Mr Ellis tabled a scoping document for the terms of reference (ToR) of a review of NPCC appointments to Specialist and National Capabilities Programme leadership roles.

7.2. The purpose of this was to seek assurance that the appointment process for NPCC specialist and national roles was fit for purpose and to identify and address areas for improvement in the appointments process as identified.

**Action:** It was agreed that CC Thornton would review the ToR and current scope of the review and feed this back to Mr Ellis. An updated copy would then be provided to the Chair for review and to the rest of the Board for information.

7.3. Mr Underhill raised the question over the allocation of funding between certain forces under the s22a collaboration agreement into the NPCC.

**Action:** Ms Higgins to report to the Board how funding is allocated between forces.

7.4. Ms Higgins informed the Board she would start looking for venues for the June Workshop.

## **DATE OF NEXT MEETING**

The next meeting will take place on 23 May 2018 in the NPoCC Conference Room, 2<sup>nd</sup> Floor, 10 Victoria Street, London SW1H 0NN.

## **END OF MEETING**