

Minutes of the Audit and Assurance Board (AAB)

Minutes of the Meeting held on 23 February 2021 via Microsoft Teams

Security classification: Official
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Force/organisation: APCC
Date created: 23 February 2021

Attendance:

Barbara Scott (BS)	AAB Chair
Lizzie Peers (LP)	Independent
Janice Shardlow (JS)	Independent
Kenny Bowie (KB)	Home Office
Martin Hewitt (MH)	NPCC Chair
John Robins (JR)	CPOSA
John Champion (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 OM PM
Tracy Rylance (TR)	MPS NPCC Secondment
Phil Ind (PI)	MPS NPCC Secondment
Paul Oliffe (PO)	MPS NPCC Secondment
Hannah Hart (HH)	NPCC SPP Planning Manager
Peter Deverell (PD)	NPCC SPP
Nicola Growcott (NG)	NPCC Head of Communications
Padraig Twomey (PT)	NPCC Financial Manager
Simon Talbot (ST)	APCC Support

Apologies:

Martyn Underhill (MU)	PCC Dorset
Mark Burns-Williamson (MBW)	PCC West Yorkshire
Lee Milton (LM)	NPCC Risk Manager

1. Welcome and introductions

- The Chair welcomed everyone to the meeting and introduced Gabriella Chamberlain, Tracy Rylance, Phil Ind, Paul Oliffe, and Hannah Hart to members. It was noted that with the apologies from two board members, in accordance with the AAB ToRs the board was still quorate to conduct its business.

2. Minutes and actions

- The minutes of the last meeting and the recent Extraordinary Meeting were agreed as a true and accurate record and can now be published on the NPCC website.

- 2.2 CL updated members on progress on actions in the action log and proposed that a number of completed actions were closed. KB acknowledged the clear progress and action on issues that the NPCC had made.
- 2.3 LP pointed out that there were 3 items recommended for close, namely Operational Model Gateway meetings, priority list updates and how the AAB will be kept abreast of the progress of the Ops model developments. Whilst these showed that 1-1 meetings had been set up between the Chair of the AAB and Chair of the NPCC these meetings are not a substitute for AAB clearance on matters.
- 2.4 BS confirmed that 1-1 meetings were in place but agreed with LP that these can not be taken as the AAB as a whole provided agreement/assurance where required.

Action: The NPCC was asked to ensure that all recent Extraordinary Meeting actions are added into the Action Log including the recent branding incident.

Action: Members agreed that the actions recommended were closed on the proviso that the NPCC explained the rationale for closure in the action log update in order to provide a future audit trail, with the exception of the 3 actions highlighted by LP which need to progress further for full AAB involvement.

3. Review and Monitor

3.1 NPCC Priority Action Plan:

- TR updated members on further improvements to the NPCC Priority Action Plan which included incorporating DARA audit actions, providing a better supporting narrative to reflect RAG rating changes, and introducing a tracker so the AAB can see progress against each action at meetings. Members liked these improvements.
- LP highlighted the need to ensure continued focus and non-closure of certain actions which were not fully concluded. The first of these was in relation to business cases which were much improved but still need to include wider options appraisal, stronger audit trails regarding rejected options and timely presentation to AAB for scrutiny before final decisions were made. This would need to link into the Scheme of Delegation, which was still in draft, for example in respect of the value for sign off of spend. AAB scrutiny thresholds should be added into the scheme so cases of higher value would need appropriate scrutiny from the AAB. LP asked if LB was satisfied with the NPCC response to the IA recommendation on understanding host force financial processes and their NPCC interface. LB confirmed this will be reviewed as part of a follow up DARA audit. LP asked about asset management recommendations where a verbal update was required to the AAB and CL reported that a completed, live asset register is now available for DARA.
- BS confirmed that 1-1 meetings with the Chair of the Performance Sub Committee were now in place and the AAB was asked to provide a commentary for inclusion in the upcoming Appraisal of the Chair of the NPCC.

Action: BS requested members email her with their contribution to the AAB response for inclusion in the process of the Appraisal which would then be forwarded to Olivia Pinkey.

3.2 NPCC Operating Model Update:

- TH updated members that the Chiefs' Council had recently supported the majority of the NPCC Operating Model Pathfinder proposal but had requested further clarification on 1. The NPCC Strategic Planning and Coordination Board and 2. Supporting several elements including the National Reward Team, the Inclusion, Race and Equality Programme, and additional recruitment options for the NPCC Communications Team. These clarifications had now been provided at an Extraordinary Meeting yesterday and the NPCC was hoping to finalise the Pathfinder delivery plan shortly.

- JC asked whether in accepting the Home Office grant, there were any unusual HO requirements that need to be complied with and whether the AAB needed to be aware of these. TH replied that this is currently a draft agreement and the NPCC can bring this to the AAB if required. JC also requested that the NPCC keep the AAB informed on progress with the Oversight Board mentioned in the meeting papers and asked how can AAB governance improvements which have been achieved so far be protected?
- MH replied that the NPCC is in the process of looking at the terms and conditions of the Oversight Board with the Home Office and will ensure that there are no overlaps between the Oversight Board, Performance Board and AAB.
- BS noted that AAB Independent members had received the draft terms of reference for the Oversight Board from the APCC rather than the NPCC and had therefore sent comments back to SH, and, in addition, the independents were aware that there had been responses from MH and the AAB PCCs on the Independents comments but these had not been circulated.
- SH thanked BS for these comments and reassured BS there is no desire from the APCC to rewrite the S22 agreement or replicate or undermine the AAB scrutiny role. SH stated that further work was required on the ToRs of the oversight board and that these would be shared with the AAB in a timely way.
- LP felt that a clear NPCC governance framework map was needed, including the AAB, which would then highlight gaps and duplication as proposals developed, help avoid risky overlaps and ensure absolute clarity on respective roles. She also highlighted that there was useful learning from the way Independents were engaged in this process. Opportunities for early engagement with the AAB by the NPCC directly would help ensure the AAB are best able to effectively support and provide constructive scrutiny in a timely manner.
- TH proposed future Operating Model Gateway assurance meetings before Chiefs Council and after Programme Advisory Boards, the first of which would therefore be in the week beginning March 15th. MH felt the NPCC would benefit from AAB advice and challenge on proposed governance structures, business support elements, and links to coordinating committees as the NPCC organisation grows significantly.
- MH asked the minutes record that the call for an Oversight Board came from the PCCs on the Advisory Board not the NPCC or the Home Office.
- BS expressed surprise at this and suggested that if the AAB had been advised of this at an early stage the process could have moved forward in a smoother manner. BS stated that it was clear that whatever role this “new board” was to adapt, it was clearly not an oversight role and suggested that the term oversight board be dropped and replaced with partnership board or something similar.
- KB thought there are 2 stages to this work: 1. The AAB role to support MH, seeking assurances from him and so in turn to be able to be able to provide reassurance to stakeholders. 2. Ensuring the Home Office does not duplicate the NPCC assurance the AAB provides.

Action: SH to share future work on the ToRs for the new board with the AAB and agreed that the term Oversight Board would be dropped and Partnership Board to be considered.

Action: Dates for the first meeting of the NPCC Operating Model Gateway assurance meeting will be sought for the week beginning March 15th. The NPCC will provide some options where they feel the AAB could best support them for members to consider at this meeting.

3.3 NPCC Website Redesign Business Case Update:

- NG updated members on the legal advice and tender options for the NPCC website redesign business case. The legal advice has been it would be very difficult not to progress this work, despite the NPCC not being a legal entity.
- MH added there is a reputational issue here too which needs to be acknowledged.
- LP confirmed her support for ensuring the application of good practice in website accessibility but noted that there was still some further work required to progress on some of the options to ensure VFM is confirmed. This linked to her earlier comment in ensuring full options appraisal and audit trails in future business cases.

3.4 NPCC Communications Team Review Findings:

- NG updated members on the recent findings of the Communications Team Capability Review which recommended a £200k additional investment in 3 key posts covering capability gaps and 3 key changes to working arrangements around organisational strategic alignment; SLA development; and trialing different ways of working with police force communications teams. A second review on working hours/on call arrangements for media/parliamentary activity capability recommended changes to shift patterns and the outsourcing of some media/social media provision to reduce overtime.
- NG will provide further detail for members on how the NPCC will secure suppliers for this work. LP commented that the report was a thorough review of communications area. She noted that as well as flagging the need for more resource, there were some really important recommendations to improve the value for money of current and future resource. She therefore requested a clear action plan with a clear timeline for implementation of the recommendations made to ensure good VFM. Members thanked NG for a thorough piece of work.
- BS asked if the new design of the website would be easier to navigate, sighting the difficulty of accessing the AAB public documents. BS also asked if the AAB minutes were up to date on the current website?
- CL stated that AAB minutes were up to date with the exception of the two sets of minutes which have been ratified today and that these will be now be uploaded. BS asked that AAB minutes be published in a timely manner and displayed by the NPCC on the new website when ready.

3.5 NPCC IT Business Provision Case:

- CL introduced PI, the NPCC business partner from the MPS, who provided detail on the business case and procurement provision the NPCC will be using which follows Treasury guidance.
- BS was encouraged by this. Conflicts of Interest declarations were made in relation to the IT provision and these were included in the papers for MH (Conflicted) and CL (Not Conflicted). PI noted that by way of mitigation MH would be excluded from the contract award decisions. BS questioned whether SH was also a board member of Policing ICT. SH confirmed that she was. KB confirmed his link (and potential conflict) via Home Office funding of Policing ICT. BS therefore asked these conflicts as declared are noted for the record.
- CL presented the IT business case overview including the aspiration that IT capability goes across to PICTO including finance and HR processes, which are currently being reexplored. NPCC have factored in a 3 month transition period for this. JC and LP checked that the AAB could be assured on compliant procurement and the VFM secured from the preferred option, especially given that only two options have been considered.

- CL reassured that this is shown in the meeting papers, plus through advice and scrutiny from PI. CL feels PICTO supply what is required for a national policing IT environment rather than individual suppliers. PI commented the MPS legal team have also assured PICTO provision.

4. Finance, Audit and Risk

4.1 NPCC External Audit Consideration:

- BS highlighted that in accordance with the AAB terms of reference the AAB should consider the validity of an external audit. BS briefly recounted that the previous external audit which was conducted resulted in a large invoice with no beneficial outcome. BS initiated a discussion on whether an external audit should be conducted in the next financial year. Members felt that here is not a gap that external audit would fill and that continued focus on internal audit represented a better use of NPCC resource in terms of supporting and strengthening the governance arrangements this time. It was therefore agreed that an external audit would not be commissioned.

4.2 DARA Internal Audit Update:

- LB updated members on DARA's Audit Plan and Charter which sets out DARA standards, timelines for action and expectations of NPCC management. The plan covers the 3 areas of governance, business support and operational delivery. Following discussions with BS and CL, LB felt it would be helpful to map NPCC governance arrangements and a slot at the AAB Planning Workshop would be used to explore this.
- LP noted the increase from 10 days to 50 days. She provided some comparative data on days per spend by way of context and confirmed that although there is a marked increase in the days proposed, this was required at this time, given the level of governance maturity of the NPCC. LP requested DARA add strengthening forecasting and VFM from the staffing as the highest spend area into the plan.

4.3 NPCC Risk Register:

- TR updated the AAB on actions arising from her review of the NPCC risk register/risk management framework. Two fundamental changes that needed to be made were refocusing on risk controls and understanding how these controls make a difference, and adding dates that are feasible for risks to be met. TR has also suggested that a risk radar be introduced to enable early preventative discussions and measures to be put in place, and has put more of a structure in around both risk escalation and decision making.
- LP noted that the focus on assurance would help identify where there were any assurance gaps under the three lines of defence that needed to be addressed.
- BS was pleased to see this approach and felt that the Annual Planning Workshop would be a good time for the board to engage with the annual risk refresh. The issue of how this work will be sustained was raised and TR referred to an internal training slide pack she has produced for the NPCC to use on risk management work going forward. Members thanked TR for her work.
- LP requested that the next stage of work involve the NPCC separating strategic and operational risks through creating a corporate risk register and business area registers during this refresh with escalation triggers.

4.4 NPCC Data Management and GDPR Plan Update:

- CL provided an update on the Data Management and GDPR Plan. A starting date for an NPCC Data Protection Officer has now been agreed in April and a second post would be added in due course. 100 members of staff had received a presentation on this area. Internally the NPCC would be moving to shared drive provision.

4.5 NPCC Finance Review:

- Regarding the financial review, PO introduced himself and reassured members that he has agreed with MH to do 2 things: 1. A root cause analysis to see why we are where we are and 2. Supporting governance documents that leave NPCC with a sustainable model.

4.6 NPCC Financial Statement:

- PT presented the NPCC financial statement which included budgeted costs for website development and the Data Protection Officer role. A further overspend was noted from the draft figures reported previously to AAB which is partially due to increased legal costs.
- LP flagged that given the large overspend (on an already uplifted budget) a full breakdown of causes of the overspend should be provided. She noted good practice would suggest that any exceptional resource used in year, such as COVID Op Talla, even if provided by a separate and new funding source, be reported as an exceptional item for completeness.

Action: Members requested the next NPCC financial update includes a line by line breakdown of the £264k overspend and that COVID-19 costs be recorded as an exceptional resource.

4.7 NPCC 3 Year Medium Term Financial Plan:

- PT updated members that the NPCC is developing a draft 3 year medium term financial plan which includes showing new teams whose budgets were approved. The need to address the reserves policy was recognised as this still needed to be finalised and that having no reserves was not prudent.
- BS confirmed that in future years the 3-year financial plan would come to the AAB, with the Annual Budget and Annual Delivery plan at the first AAB meeting of each year and prior to it going to Chiefs' Council.
- LP noted the paper helpfully referenced a number of other funds received by NPCC for specific workstreams such as pensions and inclusions. Over the period the values were significant, she therefore questioned whether, following the principles of complete and transparent financial reporting, the totality of resource received by the NPCC to deliver its work should come to the AAB and be reported on, recognising the oversight and scrutiny of the application of these funds and delivery of the associated work might sit elsewhere.

Action: The NPCC to consider whether and how the various funding streams received by the NPCC are captured and reported on for completeness and report back to the AAB.

Action: BS asked PT to email members for their comments on 3 year medium term financial plan.

AT THIS POINT IN THE MEETING BS ANNOUNCED THAT AS THREE BOARD MEMBERS (LP, JR AND LP) HAD TO LEAVE THE MEETING THE BOARD WOULD NO LONGER BE QUORATE AND THEREFORE NO FURTHER DECISIONS WOULD BE MADE. ALL PRESENTATIONS FROM THIS POINT WOULD BE FOR INFORMATION WITH FOLLOW UP TO MEMBERS BY EMAIL AS REQUIRED.

5. Governance

5.1 AAB Annual Report and governance statement of financial accountability:

- BS reported the schedule of producing the AAB Annual Report will be moved to April/May and meetings will be arranged with the secretariat and potential contributors to draft out the Annual Report for consideration.

5.2 NPCC/MPS Governance arrangements:

- CL pointed members to her paper around NPCC/MPS governance arrangements.

Action: ST/CL/GC to arrange an initial meeting with BS to discuss the process/content for the Annual Report.

Action: BS asked CL to email members for their comments on NPCC/MPS governance arrangements.

5.3 NPCC Delivery Plan 2020 closure report and 2021/22 approach:

- HH updated members that the NPCC Strategy, Planning and Performance Team is now in place and working at pace. The team is looking at getting their draft strategic objectives to Chiefs' Council for agreement, building their staff team further, and docking in with the Home Office and the APCC on joint issues. PD was introduced and he was thanked by BS for the meeting paper he had produced.

5.4 Review of Host Force SLA:

- CL presented a refreshed Host Force SLA for consideration. In response to a question from JC, the NPCC reported they were confident through the efforts of CL and support from the MPS Director of Corporate Services that this work was in order.

5.5 Chiefs' Council updates:

- MH updated members on recent discussions at the Chief's Council which included the Operating Model, counter terrorism, SOC, the appointment of a Chief Scientific Adviser for Policing, and race equality.
- MH asked that the excellent work done undertaken by TR, PI and PO be recorded in the minutes which was supported by BS and members.

6. AOB:

- BS asked if CL, GC and ST could remain after the meeting to discuss the secretariat.