

Minutes of the Audit and Assurance Board (AAB)

Minutes of the Meeting held on 13 May 2020 via conference call

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Attendance:

Barbara Scott (BS)	AAB Chair
Lizzie Peers (LP)	Independent
Janice Shardlow (JS)	Independent
Kenny Bowie (KB)	Home Office
Martin Hewitt (MH)	NPCC 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
Charmaine Laurencin (CL)	NPCC Chief of Staff
Simon Talbot (ST)	APCC Support

Apologies:

Lee Milton (LM)	NPCC Risk Manager
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1. Welcome and introductions

- The Chair welcomed everyone to the meeting. There were no conflicts of interest.

2. Minutes and action log

- The minutes of the last meeting and the recent extraordinary meeting were agreed as a true and accurate record and could now be published on the NPCC website.
- The action log was reviewed and actions recommended for closure were closed.

Action: CL would add target dates to actions currently showing as pending and also ensure that all future meeting papers were fully referenced on the agenda.

3. Matters arising

3.1 NPCC Operating Model:

- MH updated AAB members on the draft NPCC Operating Model paper which will be taken to Chiefs' Council on June 4th. MH will then arrange for this draft to go to both the APCC and the Home Office for consultation. MH informed the AAB that the new Programme Board for the work around the Operating Model will have its first meeting tomorrow where it will discuss the draft ToR and consider how the work

will develop, including how it will work with the AAB so assurance is clarified. The NPCC had received £500K from the Home Office to cover costs relating to model development and the intention was to make this element part of the future Spending Review process in the future, although this would need to be discussed with the Home Office as there was no funding certainty after March 2021.

- AAB members made the following comments:

JS pointed out that the model does not currently articulate what that VFM will be and suggested this could be explored further with more convincing figures. Given the model represents a radical shift in how NPCC operates, and would presumably therefore require formal changes to its constitution she asked whether it would be an appropriate time to reconsider the legal status of the NPCC. Although she understood the underlying issues which has resulted in the NPCC not being a separate legal entity, the practical and legal issues that arise from this would only be further exacerbated by the revised operating model, for example with more money being put through the organisation and staff numbers increasing.

MU stressed the NPCC must become a legal entity in its own right given the potential for legal challenge on issues around Covid.

MBW agreed with the need to clarify efficiency and funding but was mindful that ACPO was a legal entity too in the past.

KB stated that his current reading of the model is that it is about 60 people with running costs of £6.5M per year. Is a modular approach available if there is not enough funding to deliver it all ?

MH agreed that VFM was a valid point and would explore this further in the full business case. MH also agreed with the legal entity point as there was a need to rationalise what NPCC will do by ensuring a central delivery system is in place. Regarding modular options, MH believed that the Chiefs' Council and APCC discussions will help the NPCC to determine what the priorities for the model are.

JC supported the concept of getting NPCC match fit to support operational policing but asked are the current back-office systems going to be good enough if you are delivering more with more money ? MH was confident that NPCC capacity would be built to deliver work professionally. JC further commented that PCCs and the AAB would need to be assured that mechanisms within the NPCC were delivering effectively before the NPCC can grow.

MBW asked are the sums of money put forward in this model realistic ? Putting a cost quantum of current resources used in force areas to strengthen the case was also raised. MH replied the NPCC have Chief Officer and Staff Officer costs in forces that can be added into the model paper. MH reported that the NPCC will be upfront with an optimum design for the job that needs to be done whilst accepting this may become modular as costs become clearer. In response to a question on adding learning to the model based on dealing with Covid-19, MH replied that a number of lessons are being learnt and the NPCC will feed this experience into the model.

- BS emphasised it is essential that the NPCC avoids the pitfalls of the former ACPO and that the Operating Model paper still needs more reference to the AAB oversight role. BS further reported that following discussion, Independent Members of the AAB do not feel they can sit on the Programme Board as it would represent a conflict of interest with their assurance role.

- MU reported that PCCs agreed with Independent Members that being on the Programme Board would constitute a conflict of interest. However it was recognised as important to have PCC involvement and the APCC therefore proposed that Alun Michael, PCC for South Wales and a former member of the AAB, provides this PCC representation and reporting role on the Programme Board.
- LP asked does the AAB have a role in assurance regarding the previously mentioned £500k from the Home Office ? MH replied this is already being independently monitored and assured through the Home Office. BS commented this was fine if this were the case but the AAB would need a watertight assurance that this is so from the Home Office and the NPCC.
- BS asked for a session on the Operating Model to be included on the agenda for the Awayday, in particular around how the programme board will link in to AAB to enable rigorous assurance.

Action: MH will provide a written update paper on the NPCC review to each AAB meeting as a standing agenda item (including stakeholder involvement and risk analysis to ensure AAB can assure this work).

Action: The APCC would confirm that Alun Michael will be one of the PCCs to represent the APCC on the NPCC Operation Model Programme Board.

Action: KB would check that the £500k provided by the Home Office is already being assured and monitored through the Home Office and that the AAB has no role in checking this assurance.

Action: MH will arrange the preparation of a session for the Awayday on the Operating Model and how the Programme Board will engage with the AAB for assurance purposes.

3.2 Covid-19 (Op Talla):

- MH reported that he had taken a lead on the UK policing response to Covid-19 with the Home Office and has produced policing guidance on recent lockdown restrictions with the College of Policing. Nationally crime levels have been down but there is now a challenging phase including increase in 101 calls, and also the Recovery Phase until the end of the year and potentially longer, and we need to consider what are the big changes in how we operate in the New Year.
- JC asked does the AAB have a governance role to assist in supporting you with this ? MH felt the NPCC and himself have both received very good support but does not think there is necessarily an AAB governance role, although as the SRO it would be very helpful to have this item as a standing agenda item on the AAB meeting agenda. MBW also raised two points on policing Covid-19 that were clarified regarding English and Welsh travel messaging and recognising the demarcation of policing as the solution to problems that were the responsibility of other regulatory bodies.

4. Finance, Audit and Risk

4.1 NPCC Financial Statement (Paper) including Action Plan:

- CL reported that a new NPCC budget was now in place. The new Financial Analyst has started and has been tasked with progressing actions in the NPCC Finance Action Plan and looking at the current SLA to ensure support and costs are sufficient. The NPCC will consider if they need other financial support too.

- LP highlighted there were a large number of actions in the finance plan that had pending rather than a date set for delivery, and she requested that dates were included in the action plan so that delivery could be tracked and to provide assurance that key matters would be addressed in a timely way. LP also questioned the adequacy of the assurance/visibility the AAB currently has over the efficiency and effectiveness of the workforce resource as this represented the largest area of NPCC expenditure. She cited the example of the high communications spend/overtime and flagged this as an area for consideration and development to ensure AAB can discharge its assurance role around value for money in the use of resources. It was agreed this will be added to the Awayday agenda.

Action: CL will add target dates to financial action log items currently showing as pending.

4.2 2019/20-2020/21 Audit Plan:

- LB reported that DARA now had 3 NPCC Audits in place: 1. The Financial Management Audit that is progressing. LB will be meeting the new Financial Analyst on this shortly and will provide a full report to the AAB in July: 2. A Risk Management Audit 3. The Data Protection Strategy Audit. LB offered to audit the Operating Model in the future which AAB members supported.
- BS suggested that a session on audit status and priorities should be included in the awaydaysession.

Action: DARA will provide a full Financial Management Audit report to the NPCC in July.

Action: CL to add this topic to the Awayday agenda and prepare a session on how to best gain assurances/oversight of VFM in the use of resources, particularly relating to workforce.

4.3 NPCC Quarterly Risk update:

- CL reported back on reduced risks and new risks that have arisen to the AAB. LP queried the reduction in risk scores for both GPDR and Budget shortfall/FinancialManagement.
- LP noted that the GDPR plan paper currently provided little assurance as to when key actions would be delivered to reduce the GDPR risk as requested at the last AAB meeting, as many dates were logged as pending or on hold. She also asked which of all the actions were the most pressing/which would have most impact in reducing risks. She suggested that ensuring GDPR compliance in the management of current, live data was possibly more pressing, whilst acknowledging the risks inherent in archived data.
- LP noted that the title in the paper of risk 19/008 needed to also include Financial Management not just Budget shortfall as the risk was much wider than just ensuring any budget shortfall was met.

Action: The NPCC will provide a full GDPR risk update at the next meeting and include target dates for delivery of actions to reduce risk.

Action: CL will rename the budget related risk 'Budget shortfall and financial management'.

5. Governance

5.1 Review of Host Force SLA update:

- CL reported that there had been good progress on the SLAs regarding HR and estates provision and the next areas to review will be IT and Finance. BS congratulated CL on this progress and it was agreed that further work on the Finance SLA assurance was a priority.

Action: The NPCC will provide a full update of the Host Force SLA at the next AAB meeting.

6. Review and Monitor

6.1 April 2020 Chiefs' Council meeting update:

- MH reported that the April CC had been cancelled but that there will be a virtual Chiefs' Council meetings in May and on June 4th, the latter of which will look at the draft Operating Model. The NPCC was also holding weekly regionals meetings with Chief Constables.

7. Any other business

- BS confirmed that AAB meetings will be virtual until further notice.
- BS raised the issue of the Awayday Annual Business Planning Workshop which members agreed will be held as planned as half day sessions on June 30th and July 1st but virtually. BS asked if we could investigate the use of TEAMS as the platform as there will need to be presentations at the workshop.
- AAB members voted unanimously that MU should continue in his role on the AAB.

Action: SH/CL/ST will organise the Away Day virtual meeting on the Microsoft TEAMS platform and AAB Members were asked to forward proposed agenda items to BS.

Action: BS to liaise with SH/CL/ST/LB on the formulation of the workshop agenda and presentations.