

# Minutes of the Audit and Assurance Board (AAB)

Meeting held on 22 November 2022 via Microsoft Teams

**Security classification:** Official  
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**Force/organisation:** APCC  
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**Attendance:**

Barbara Scott (BS)	AAB Chair
John Campion (JC)	PCC West Mercia
Katy Bourne (KB)	PCC Sussex
Janice Shardlow (JS)	Independent Member
Emma Thomas (ET)	Home Office
Martin Hewitt (MH)	NPCC Chair
Gareth Wilson (GW)	CPOSA Representative
Lindsey Heaphy (LH)	DARA Internal Audit
Louise Bailey (LB)	DARA Internal Audit
Sanjay Thakker (ST)	DARA Internal Audit
Gemma Stannard (GS)	NPCC Staff
Hannah Hart(HH)	NPCC Staff
Angela Connolly (AC)	NPCC Staff
Paul Oliffe (PO)	NPCC Staff
Andy Begent (AB)	NPCC Staff
Lee Milton (LM)	NPCC Staff
Inderjit Malhi (IM)	NPCC Staff
Padraig Twomey (PT)	NPCC Staff
Clare Gardner (CG)	NPCC Secretariat
Nazmin Lalaounis (NL)	NPCC Support
Simon Talbot (ST)	AAB Secretary

**Apologies:**

Tracy Holyer (TH)	NPCC Staff
Nicola Growcott (NG)	NPCC Staff

**1. Welcome, apologies and conflicts of interest**

11 The Chair welcomed board members and colleagues to the meeting. There were no conflicts of interest.

**2. Minutes and actions**

21 The minutes of the AAB meeting on September 6<sup>th</sup> 2022 were agreed and can now be published.

22 Members reviewed progress on actions within the NPCC action log.

**Action:** The AAB agreed to close Actions 46, 57, 59, 62, 63, 64 and 65 and merge Action 52 with Action 60.

**3. Matters arising**

31 There were no matters arising.

#### 4. Finance:

##### 41 Financial Self-Assessment

- GS updated the AAB that PO had facilitated a financial maturity workshop with NPCC staff using a long standing National Audit Office Self-Assessment Framework for public sector organisations in September. At this workshop staff provided evidence of performance against different areas within this Framework, following which PO analysed this evidence and positioned where he felt the NPCC were against these areas, which led to an overall ranking of 3 on a scale of 1 to 5. This process will also drive future Action Areas.
- BS thanked PO and the NPCC for this work and then raised two points: 1. That this self-assessment should clarify this is the NPCC view not the AAB view of where they sit. 2. Although the overall finding was that the NPCC had achieved an adequate rating in a stable environment, we need to put other measures in place as are going into an unsteady environment, which members agreed with. PO agreed that future areas of improvement should look at scenario planning for when the environment becomes unstable and also the financial management capability of non-finance staff.
- ET was impressed with this work. In response to ET, PO confirmed he was working with NPCC non finance staff too so that the AAB can be assured of where responsibilities sit. MH felt this exercise evidenced that the NPCC had moved forward and are engaged in forward planning which will be maintained.

**Action:** PO will ensure that any references that use the term 'Board' in financial self-assessment related documents mean the NPCC Command Team and not the AAB or any external body.

**Action:** GS to ensure that any new actions generated by the financial self-assessment process will be reflected as new lines in the NPCC FIP.

##### 42 Financial Instructions and Scheme of Devolved Financial Management

- IM presented a paper on NPCC Financial Instructions and the NPCC Scheme of Devolved Financial Management. Members were content with this paper and the revised financial delegation levels within it.

##### 43 Financial Improvement Paper (FIP) Update

- GS presented the NPCC FIP and recommended 3 items for closure in particular as follows:  
FIP-09. Budget holders understanding their role should close but should be replaced by work with non-financial management budget holders arising from the NPCC financial self-assessment workshop.  
FIP-12. The need for stronger leadership around financial leadership should close due to recent improvements and become business as usual.  
FIP-18. Following the Finance self-assessment workshop, financial management responsibilities being discharged by the NPCC SMT should be replaced by self-assessment action areas being added to the FIP.
- JC questioned the management of transfers to reserves as a good use of resources. GS noted the NPCC now have a Reserves Policy and Reserves Strategy in place and that this item will be discussed in the next finance item.

**Action:** The AAB agreed to close the 3 items recommended for closure in the FIP and replace them with new actions where appropriate.

##### 44 NPCC Financial Statement Q2

- PT presented the NPCC Q2 Financial Statement which included expected increased spending from the Chief Scientific Advisers Office and the Pensions Team. PO confirmed an underspend across the funding streams.
- IM presented the NPCC Finance Dashboard. The Board felt this was very clear and BS looked forward to seeing this adopted going forward.

- BS did however query point 7 in the conclusions section which stated that forces will have to find a substantial amount of funding for the NPCC. IM confirmed that Home Office money has come in and that discussions with Force Finance Officers and the NPCC Finance Committee are ongoing. MH confirmed that the force pension liability is not a liability that will fall on the NPCC and is ultimately not an issue for the APCC. IM added that the pension reevaluation will be considered as part of the Policing Funding Settlement. JC felt this linked to the wider discussion at the last AAB meeting about how the police use resources.
- IM presented a NPCC Reserves Percentages paper which showed the current% level of reserves and where these reserves had come from. KB was disappointed that given the discussion at the previous AAB meeting where some board members felt that a 5% reserves level was unduly high that reserves were still at this level and also asked are any of the NPCC's reserves being considered towards police pensions?
- IM confirmed reserves were not currently being considered towards pensions. GS confirmed the reserves position will be reviewed on an ongoing basis and felt the current level was proportionate given inflationary pressures. KB asked that the minutes show that she felt a 5% reserves level is not correct at the moment and is too high. JS agreed with this and felt we need assurance and review on this and that this risk should be held across all forces.
- ET felt 5% reserves is a standard level but KB noted that the NPCC is a function not an operational force. KB was also concerned at the reference to a 'minimum' 5% reserves level. KB felt the principle of the NPCC which is not a police force asking for reserves at a time when forces are being asked to find savings is the issue not the amount.
- BS was happy to stay at a 5% reserves level but with the reassurance this% is always under review. BS highlighted that in a recent year the NPCC had been drawn into legal lawsuits of forces, resulting in a NPCC liability of circa £200,000 and that 5% of the current budget represented £114K. JS agreed with KB's position that this level of reserves is not appropriate for this kind of body. MH whilst taking KB and JS's points felt this is relatively speaking a small amount that could be needed for unforeseen circumstances. BS emphasised this issue is under constant review and we are looking to reduce this reserves level whenever possible.

**Action:** LM will add the NPCC Reserves% level to the NPCC Risk Radar as an issue that is under constant review.

#### 45 NPCC Budget 23/24

- IM presented the NPCC Budget Paper for 2023/24. IM confirmed there is no uplift required for pensions.
- JC queried the ask from forces and the difference from last year given that the AAB need clarity to get assurance. IM assured the AAB that clarity will be provided at the next meeting. MH and GS emphasised this paper is also looking at other items that are hosted by the NPCC.
- KB felt this budget is a big issue for PCCs given an increase in their NPCC contributions has been proposed at a time when the NPCC have a minimum 5% reserves level and other work areas all have reserves too. GS confirmed that the NPCC Finance Committee is undertaking due diligence on this and the 4 papers the AAB has today are just the ones we have the figures for. Work is ongoing through the NPCC Finance Committee on other areas.
- BS asked that the NPCC circulate final budget figures to Board Members and if they feel there is then a need an Extraordinary Meeting will be arranged in January.

**Action:** GS will circulate the final figures for the NPCC budget to the AAB once the NPCC Finance Committee work is done on reconciliation and we know the finance figures from the Policing Funding Settlement.

#### 5. Audit:

#### 51 DARA Internal Audit/ 5.2 DARA Internal Audit Opinion 2021-22

- LB updated the AAB on DARA internal audit activity of the NPCC and outlined the Internal Audit Opinion for 2021-

22 on the adequacy of the control framework. In addition, DARA are liaising with PO on financial management.

- LB will be looking at key developments in corporate governance in the NPCC including the Strategic Hub and the Strategy/Business Planning process. DARA also highlighted positive developments in NPCC risk management including the risk radar. Internal Audit reviews coming up will include reviewing the comms strategy.
- BS welcomed the Internal Audit Opinion on the NPCC and agreed with the opinion of the organisation as it is still young but the design of systems are now in a good place and the focus is now about application/embedding. In response to BS, LB confirmed she will want to keep an eye on governance and efficient use of resources in particular and that assurance mechanisms/understanding responsibility will be key going forward.
- GS was also confident that the right systems/frameworks/scoring/delivery owners are in place. In response to BS, GS felt these systems would still work if GS was not there. BS thanked everyone involved for this work.

### 5.3 DARA Recommendations Tracking Update

- AC reported that NPCC work is ongoing in the key areas of Financial and Commercial Support, the NPCC Estates Move, and Service Level performance metrics.
- Work is also continuing on developing TOR for the NPCC Change and Improvement Board and refining reporting for work areas.

## 6. Hub:

### 61 Home Office Grant Governance Reporting

- The Board noted this report and had no further questions on this item.

### 62 NPCC Strategy, Business Plan and Reporting

- HH updated the AAB that the majority of NPCC Committees now have consistent delivery plans in place and the remainder will be done soon. A Hub Plan and a People Plan are also in place.
- LM fed back that the NPCC has now linked its Risk Management Framework with its Delivery Plans and can now collate reports to the AAB on this. LM confirmed the collation target dates for BS.
- LM reported the NPCC dashboard is showing 70 delivery objectives across NPCC Coordination Committees and 114 underpinning delivery actions, which can inform conversations about risks and confidence levels. Action completion is increasing over time.
- In response to KB, MH confirmed Roads Policing sits under the Operational Policing Coordination Committee.
- BS thanked the NPCC for this work and asked the AAB if they would like to undertake a Deep Dive into one of the Coordination Committees at a future meeting which they confirmed they would. DARA felt this would link well to their work too. KB felt the CJS Committee would be very interesting to look at.

**Action:** NPCC to provide a regular reporting update on a Coordination Committee which includes the mechanics of how this works at the next meeting.

**Action:** NPCC to provide a proposal to the AAB on running a deep dive into one of the Coordination Committees following the February AAB meeting.

## 7. Risk:

### 71 NPCC Quarterly Risk Update

- LM presented the quarterly updates on NPCC risks to the AAB and confirmed the 5% Reserves level issue will be added to the NPCC Risk Radar following the discussion earlier in this meeting. In response to JS, GS and LM are confident the data controllership work will be signed off at the next Chiefs' Council meeting.

## 72 Data Protection Officer Update

- AB provided the AAB with an update on his data protection work and the imminent Chiefs' Council meeting item on data controllership. AB is also contributing to data protection section within the NPCC Section 22a Collaboration Agreement.
- AB has monthly meetings with LM on risk management and is continuing to provide support across the NPCC on data protection work. He is also working on the Data Protection Bill.

**Action:** The Board agreed that Risk 19/008 on financial management should be closed and that any outstanding individual financial actions should be transferred into the FIP.

## 8. Updates:

### 81 Review of Section 22a

- GS assured the AAB that work on the Section 22a is ongoing, that the NPCC will continue to engage on this and will bring any updates to the AAB.

### 82 NED Recruitment

- AC confirmed that recruitment for the new NED on the AAB has now been completed and thanked BS and JS for supporting this process and conducting the interviews. The NPCC are currently going through pre employment and vetting checks and the expectation is the new NED could start in February. The AAB Induction Pack once finalised will be utilised as part of this onboarding.

### 83 Chief Constables Council Update and NPCC Chair appointment

- MH updated the AAB that the previous Chief Constables' Council included items on the workforce, CT, the Prevention Coordination Committee, the NCA, and the replacement for the NPCC Chair who will come to the February 14<sup>th</sup> AAB meeting.

## 9. AOB:

- BS informed the AAB that ET is leaving the Home Office and thanked her on behalf of the AAB for her contribution to the AAB. ET will be in touch on the Home Office replacement on the AAB.
- BS will invite the new NED and the new NPCC Chair to the February AAB meeting. BS is also due to meet the new APCC CEO and hopes to continue the arrangement for their attending AAB Meetings on an informal basis and following that initial meeting, would anticipate their attendance at the February AAB meeting. It was noted that AAB meeting dates had also been confirmed and circulated for 2023.