

# Approved - Minutes of the Audit and Assurance Board (AAB) held on February 14, 2023

## Attendance:

Barbara Scott (BS)	AAB Chair
John Campion (JC)	PCC West Mercia
Katy Bourne (KB)	PCC Sussex
Janice Shardlow (JS)	Independent Member
David Bowles (DB)	Independent Member
Seonaid Taylor (STa)	Home Office
Martin Hewitt (MH)	NPCC Chair
Gareth Wilson (GW)	CPOSA Representative
Gavin Stephens (GSt)	Chief Constable, Surrey Police
Sanjay Thakker (STh)	DARA Internal Audit
Gemma Stannard (GS)	NPCC Staff
Tracy Holyer (TH)	NPCC Staff
Hannah Hart (HH)	NPCC Staff
Angela Connolly (AC)	NPCC Staff
Inderjit Malhi (IM)	NPCC Staff
Andy Begent (AB)	NPCC Staff
Lee Milton (LM)	NPCC Staff
Padraig Twomey (PT)	NPCC Staff
Clare Gardner (CG)	NPCC Secretariat
Simon Talbot (ST)	AAB Secretary

## 1. Welcome, introductions, apologies and conflicts of interest

- The Chair welcomed AAB Members to the meeting and introduced David Bowles, the new NED on the AAB, and Seonaid Taylor, the new Home Office representative on the AAB, to the Board. All Board Members including David and Seonaid then introduced themselves.
- The Chair also welcomed Gavin Stephens, Chief Constable of Surrey, to the meeting who will be succeeding Martin Hewitt as the new Chair of the NPCC and joining the AAB from April 1<sup>st</sup>, 2023, onwards.
- Regarding conflicts of interest, JS stated NEDs had an interest in the NED remuneration item later-on in the agenda.

## 2. Minutes, actions and matters arising

- The minutes of the previous AAB meeting on November 22<sup>nd</sup>, 2022, were agreed as a true record and can now be published on the NPCC website. There were no matters arising.
- The AAB reviewed the Action Log and the actions recommended for closure by the NPCC. Regarding Action 70, LM would ensure the Risk Radar stipulated that 5% would be the maximum level NPCC Reserves would be set at.

**Action:** AAB agreed to close Actions 53, 66, 67, 68, 69, 70 and 74 in the Action Log.

### 3. Finance:

#### 3.1 Financial Improvement Plan (FIP):

- Following updates, GS recommended that the AAB close FIP Actions 15, 16, 19 and 20. FIP-15 related to the need for finance support now being addressed as part of business as usual discussions; FIP-16 related to completing DARA and self-assessment financial management actions; FIP-19 related to progressing actions from the DARA SLA review; and FIP-20 related to all NPCC staff having ready access to the MPS intranet and PSOP system.
- DB asked that the NPCC make their financial documents and Annual Reports more transparent and accessible on the NPCC website. GS confirmed this information will be provided and will liaise with IM to ensure this occurs.
- MH reassured STa that the NPCC has a good financial system in place following the work programme they have undertaken over the last two and a half years. MH agreed that visibility of finances was needed on the website.
- BS highlighted the vigorous challenge the AAB had provided to the NPCC to secure this improvement and thanked the Board and the NPCC Team for their hard work on reaching this position. She did, however, stress the need for ongoing improvements and the expectation that this challenge would continue as the NPCC develops.

**Action:** AAB agreed to close FIP Actions 15, 16, 19 and 20.

**Action:** DB will review the transparency and accessibility of financial documents and Annual Reports on the new NPCC website over the next month.

#### 3.2 NPCC Quarterly Statement & Reserves Position Update:

- PT updated the AAB on the NPCC Quarterly Statement and reserves position. He then reassured KB and STa on questions they posed relating to underspend including on pensions. In response to BS, GS confirmed the £170k overspend on supplies and services represented legal costs relating to the Covid Public Inquiry. In response to KB and DB querying how realistic Quarter 4 expenditure figures were, PT explained that pension disbursement and delayed transactional expenditure by the Chief Scientific Advisor was driving the increase shown.
- PT updated the AAB on the NPCC Operating Budget including an underspend on the Police Race Action Plan and an update on both the National Awards Team and the Chief Scientific Advisor's office. GS reassured KB that the AAB will get a more detailed update on DDaT. PT expected the NPCC to fully utilise VAWG funding.
- KB asked what the process is for informing PCCs of their proposed NPCC contributions and requested whether this process can be improved next time? PT stated this communication currently goes to PCC CFOs and GS confirmed that the NPCC will continue to ensure they are well sighted on this. GS also confirmed there will be no PCC increases in contributions this year. JC requested that the NPCC improve the sharing of this information in the future and asked what does the Section 22 Agreement say about this legally?
- DB commented on the risks in relation to the NPCC reserves and added that he did not like to reserve levels expressed as %s which KB agreed with. DB asked that the NPCC provide a future paper on their reserves position. BS asked that the quality/clarity of the print in the financial information in tables be improved in future papers.

**Action:** NPCC to provide a future paper on their reserves position to the AAB.

**Action:** GS will review and improve the process for consulting PCCs/CFOs on their NPCC contributions.

#### 4. Audit:

##### 41 DARA Internal Audit update:

- STh updated the AAB on activity that DARA were undertaking including scoping the finance audit TOR, the risk management advisory review, and the cyber security audit. JC queried what the 'culture' element of the financial review is? GS agreed to re-word this to show it was around financial management culture not culture in policing.

##### 42 DARA Recommendations Tracking update:

- Following recent progress, AC recommended the AAB close actions relating to the SLA recovery of finance and performance management metrics, and TH recommended the AAB close actions from DARA's Pathfinder Programme governance review relating to roles and responsibilities, management reporting, and best practice.
- PT recommended two further DARA related actions for closure around engagement with suppliers and improved recording of supporting financial documentation within journals.

**Action:** AAB agreed to close the actions from DARA reviews recommended for closure by the NPCC.

#### 5. Hub:

##### 51 Home Office Grant Governance Reporting:

- The AAB noted this paper which had been provided for their information.

##### 52 ODC – Change and Improvement:

- TH outlined the work the NPCC has begun regarding developing a sustainable funding model for 2024/2025 through the NPCC Change and Improvement Board and Home Office Grant Governance meetings. In response to KB, TH confirmed there will be engagement with PCCs during the development of this model. In addition, TH stated that the NPCC are looking to integrate benefits management next year across all NPCC Delivery Plans.
- In response to a wider point raised by JC, MH explained that prospective NPCC Chairs produce a manifesto of what they hope to achieve as part of their application and their appointment is then decided by NPCC Members.

**Action:** The NPCC Sustainable Funding Model is to be a standing item on future AAB meeting agendas.

**Action:** BS will ask the Chair of the NPCC Performance Sub Committee to formalise the sharing of NPCC Chair manifestos with AAB members in the future.

##### 53 NPCC Delivery Overview:

- LM updated the AAB on the ongoing development of the NPCC Delivery Plan and reported that the SPP is now getting updates on progress from all business areas. LM outlined that the NPCC were proposing two Deep Dives

into the Local Policing and the Finance Coordination Committees so that the AAB could review this activity.

- DB felt a document review would be a good start to a Deep Dive and whilst he felt Finance was timely, asked why Local Policing was chosen? STa thought a DDaT Committee Deep Dive would be beneficial and the review nature would vary according to the Committee. KB felt a check of committee attendance should be included.
- BS repeated her request that, where possible Coordinating Committee Chairs would present the results of any Deep Dives. GS felt Deep Dives would be welcomed by these Chairs and asked for clarity on what the AAB would be looking for. BS replied Deep Dives are about providing AAB reassurance and AAB Terms of Reference should be used to plan them. GS added committee dashboard information can also be used in this review.

**Action:** NPCC to provide the AAB with a proposal paper on Coordination Committee Deep Dives.

**Action:** LB will get back to JS and KB on the specific points of progress they raised regarding Delivery Plans including the delay in DDaT plans.

#### 54 NPCC SPP update:

- HH provided an update on current work undertaken by the SPP for AAB members and for new AAB members. This update included planning for 2023/24, the 2022/23 Annual Report, business as usual and work requests for NPCC business areas, and securing funding for a senior policy analyst within the SPP team focussing on performance management and data insight.

**Action:** CG will produce a definition list of acronyms used in NPCC meeting papers for the next meeting.

## 6. Risk:

#### 6.1 NPCC Quarterly Risk update:

- LM updated the AAB on NPCC Quarterly Risks and recommended two items for closure on the strategic hub and data controllership. LM also outlined work on peer support and good practice sharing across police forces.
- LM outlined the process for identifying top level NPCC risks and reporting back to the AAB. LM then updated the AAB on work following the DARA risk management advisory review. BS thanked the NPCC for all of this work.
- JS asked if new risks or risks we might have missed should be considered formally at AAB meetings. BS replied that AAB meetings or the regular Horizon Scanning item at the Annual Workshop provide these opportunities.
- JS felt a lack of historical knowledge the AAB was a risk. BS agreed board continuity should be on the risk register.
- JS was also concerned that the NPCC not being set up as a legal entity and relying on the MPS as a host organisation was a risk. JC was not supportive of setting up a separate legal entity or using a new host force and felt the AAB provide sufficient challenge to address this issue which MH agreed with.

**Action:** The AAB agreed to close the strategic hub and data controllership risks.

#### 6.2 Data Protection Officer update:

- AB updated the AAB on NPCC data protection work including on data controllership which has received good feedback from forces. AB is also reviewing the Data Protection business plan, undertaking work on the Section

22 in relation to data protection and record keeping, and has monthly risk management meetings with LM.

- AB noted the historic data wash for policing is the biggest piece of based on the AAB Terms of Reference work the NPCC is currently involved in. NPCC work is also ongoing on the Data Protection and Digital Information Bill.
- JS thanked AB for this excellent work including getting the Data Controllershship completed. JS is also supportive of the ICO being involved in an audit in this area.

## 7. Updates:

### 7.1 Review of Section 22a:

- GS fed back that work is ongoing with the APCC and the APACE on the review of the Section 22a and confirmed that the NPCC will bring this review to the AAB when it has been progressed further.

### 7.2 Estates update:

- AC updated the AAB that the NPCC are expecting the final decision sheet from MOPAC on the NPCC estates move this week. The estimated move time is September. AC advised the AAB that papers on this move still maintain their commercially sensitive status.

### 7.3 NED Renumeration:

- JC requested that the minutes of the meeting record that following recent work a decision on renumeration of the NED Chair and NED Members has been made and that NEDs will be written to on this following the meeting. JS expressed her disappointment in this process and asked where/how she may express these concerns – JC confirmed that she will be able to put forward any concerns in response to the letter.

### 7.4 NED Chair Recruitment:

- GS asked if a Board Member would be willing to lead and engage with the NPCC on the process of recruiting a new NED AAB Chair. Both JC and KB offered their support to the NPCC on this matter.

**Action:** NPCC to write to JC and KB on the timeline for the recruitment process of the new NED Chair.

### 7.5 Chief Constables' Council Update and NPCC Chair appointment:

- MH reported that the Chiefs' Council meeting in February 2023 included items on finance, the neighbourhood policing framework and the NPCC Performance Management Committee, an update from the College of Policing, the policing productivity review, fraud, and cyber-crime, the DDaT Committee, ASB, public order and vetting.
- MH announced that Gavin Stephens will be taking over from him as the NPCC Chair and as an AAB member on April 1<sup>st</sup>, 2023. BS and JC thanked MH for his work with the AAB and in developing the NPCC in the last 4 years.

### 7.6 AAB Actions Update:

**Action:** Members agreed to close Actions 71, 72 and 73 in the Action Log.

## 8. AOB:

8.1 BS reported that she will be undertaking the annual review of the AAB secretariat arrangements in April.

8.2 BS will be meeting both DB and GSt as part of their induction to the AAB.