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**MINUTES  
AUDIT AND ASSURANCE BOARD (AAB)  
SEPTEMBER 19, 2023**

**PRESENT:**

Barbara Scott (BS)	AAB Chair
Janice Shardlow (JS)	Independent Member
David Bowles (DB)	Independent Member
Trevor Birchell (TB)	Home Office
Gavin Stephens (GSt)	NPCC Chair

**IN ATTENDANCE:**

Phillip Golding (PG)	APCC, CEO
Louise Bailey (LB)	DARA Internal Audit
Sanjay Thakkar	DARA Internal Audit
Gemma Stannard (GS)	NPCC Head of NPCC Strategic Hub
Tracy Holyer (TH)	NPCC Head of Organisational Development & Change
Hannah Hart (HH)	NPCC Strategy, Planning & Performance Lead
Angela Connolly (AC)	NPCC Business Support Lead
Padraig Twomey (PT)	NPCC Financial Analyst
Andy Begent (AB)	NPCC Data Protection Officer
Lorna Humphrey (LH)	NPCC Business Planning & Risk
Clare Gardner (CG)	NPCC AAB Secretariat (minutes)

**APOLOGIES:**

John Campion (JC)	PCC West Mercia
Katy Bourne (KB)	PCC Sussex
Seonaid Taylor (ST))	Home Office

**1.) WELCOME, INTRODUCTIONS, APOLOGIES, AND CONFLICTS OF INTEREST**

The Chair welcomed all to the meeting and for the benefit of first-time attendee, Home Office (HO) representative Trevor Birchell delegate for Seonaid Taylor), introductions were made. Apologies were noted. With regard to item agenda item 2.2, the AAB Chair declared a conflict of interest and she would withdraw from this discussion.

**2.) MINUTES AND MATTERS ARISING**

**2.1 Minutes:**

Minutes of the previous AAB meeting held May 23rd, 2023, and the June 21st, 2023, Workshop were agreed as a true record and can now be published on the NPCC website.

**2.2 NPCC AAB Chair's Contract Extension:**

GW updated members as a matter for noting to the record that, following the competitive and

transparent recruitment process for a new AAB chair where no successful candidate was appointed, legal advice had been sought and provided confirming that the current AAB Chair's contract could be extended until 31/12/23. Board members had each independently confirmed their support for the Chair's contract to be extended and the Chair had accepted the extension until 31/12/23.

### 3.) FINANCE

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

GS updated AAB on the ongoing FIP Recommendations and the requested closures:

- FIP-08 financial publications (reserves policy, reserves strategy, financial delegation, expenditure and quarterly expenses over £500 etc.) are now easier to find with a BAU process established. Information will be maintained and updated with open and transparency considerations at the fore. Recommend to close – agreed.
- FIP-23 - Mid Term Financial Plan (MTFP) has further evolved (post AAB May meeting) including a range of scenarios which are tested with a variety of stakeholders including finance committee and forces. The MTFP remains a living document.  
Recommend to close - agreed.
- FIP-22 - ongoing. Training roll-out has started, with PT being pivotal to its delivery.
- FIP-24 – ongoing. Automated reporting work continues with the MPS.

JS asked for further detail around FIP-22 where a move to self-service for purchase orders was referenced. GS explained this was to ensure budget managers and holders were financially aware and responsible whilst ensuring finance's process-to-payment was kept separate as per DARA's income and expenditure recommendations.

<b>Action:</b> FIP-08 & FIP-23 Closed. IP-22 & 24 to remain ongoing.
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#### 3.2 NPCC Quarterly Financial Statement and Reserves position:

PT updated the AAB on the Quarter 1 - NPCC Quarterly Financial Statement, reserves position. Full summary information had been provided and reported on.

- The end of June forecast predominantly focused on identifying vacancies and recruitment timelines.
- Forecasting on the 7% pay awards announced since the Q1 forecasts undertaken - NPCC will factor the pay award as part of the Q2 reports which will be reported to AAB in November, although work has already been undertaken to ensure affordability through management of vacancies.
- The COVID public inquiry at the start of the year £120K forecasted overspend.
- £100K earmarked reserve for maternity cover is unlikely to be required and will be revisited in closer detail in Q2.
- Ops Model Grant Funding from HO is expected to be fully spent and further funding from the Home Office by way of a grant variation is expected in relation to Operation Soteria.
- The Police Race Action Plan (PRAP) is currently forecasting underspends on recruitment and there is a new programme lead looking aligning resources with deliverables.
- Pensions Team forecasted full spend this year with HO two year remaining reserves expected to be fully dispersed to forces.
- DDaCs will deliver its business case to Chiefs utilising the full budget in February 2024.
- Chief Scientific Advisers Office has had a reduction in grant funding compared to last year. Full spend forecast inclusive of the £2.4 million funding being dispersed to forces via the police Star Programme which forces bid into.
- VAWG is forecasted to fully spend its grant funding.

DB asked about the turnaround time on producing the quarterly forecast and whether regular discussions are held with budget holders about things that might affect budget forecasts. PT informed that on a monthly basis active discussions are held with budget holders and that quarterly reporting is produced 10 days post period closing. PT confirmed to DB that these same reports are fully circulated to management.

DB's enquired if the pay award would be funded for NPCC and if this is done by government as if we were a police force and, if NPCC are disadvantaged in this respect. GS stated that HO is providing forces for the officer pay awarded to fund the 2.5% to 7% difference. Discussions have been held with HO about whether funding will be provided to grant areas to help fund the officer pay award difference.

TB commented on the risk mitigated by underspends and asked how accurate year end projections are at this early stage – with PT confirming that despite early Q1 projections the target result post testing Q2 would assist in determining accuracy.

Future works on income collection and invoicing out to forces; estates move final costing; IT renewal contract is expected at under £500K and not to require MOPAC sign off; commercial finance training will continue to be refined and rolled out.

#### **4.) AUDIT**

##### **4.1 DARA Internal Audit update:**

LB outlined that:

- Proposing four thematic areas of audit delivery with the detail yet to be agreed following discussions with NPCC Chair, Head of Strategic Hub and Hub SLT - Governance & Risk, Operational Delivery, Business Support, Digital, Data & Technology. These will be reviewed quarterly to ensure that alignment of resources to the key areas of risk. Further conversation planned with GS and GST to discuss detail.
- 50 days will cover three to four reviews plus ongoing ad hoc support following up on previous recommendations.
- The review of cyber security had been completed and reported to AAB showing eight management actions.
- On the development of communications strategy eight considerations had been identified and shared and further discussed with the Head of Communications

Members discussed the Three Line Model utilised by DARA, with DB expressing his agreement with the focus on governance would be useful to be looked at. This could be especially when reporting upline to Chiefs. GST informed that work is being undertaken by the team to look at CCC decision making. BS asking if there is a potential role for audit when looking at funding contingency planning and GS stated that will give consideration to this, bearing in mind the work already taking place by the team, reported at 7.3.

LB updated on the current finance culture review, FIP transparency and survey results informing the annual statement of assurance will be reported at November's AAB.

##### **4.2 DARA Recommendations Tracking update:**

TH updated members on the three closure requests:

- I&E-01: the now completed documents and workshops are BAU.
- ICT-05: AB reported that the revised contract was signed 22/5/23.

- ICT-06: the PDS assurance would continue to be developed and improved as BAU through the DDaT delivery group.

The remaining four ongoing recommendations being ICT related – 01) SLA improvement work is ongoing, 02) centralisation and streamlining on contract renewal with NPoCC is now co-joined, 03) PDS faults and incidents are to be included in the new SLA arrangements, and for 04) DDaT identify risk which is Hub / SLT managed.

**Action:** I&E-01, ICT-05 and 06, closure agreed.

## 5) Hub

### 5.1 NPCC Delivery Progress Update:

LH presented an overview on the delivery plan tracker, detailing that delivery actions were being monitored and progressed through HH's team who ensure alignment with coordinators on a regular basis. BS enquired about the moving on of delayed delivery with LH and GS informing that committee coordinators' focus is on remedy to any delayed and critical action lapses with governance and accountability through the committee meetings, the bi-monthly strategic planning and coordination board meetings chaired by the NPCC Chair and for the Hub objectives and actions through the monthly SLT meetings.

### 5.2 Home Office Grant Governance Reporting:

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

### 5.3 Sustainable Funding:

TH referred members to the Hub future funding proposal paper that had been sent to the HO and NPCC Chair's letter to the policing minister, explaining that funding work is overseen by the NPCC Change and Improvement Board and steering group. Currently, NPCC operates with a split funding model £2.2m in line with the Section 22a) Collaboration Agreement and £3m Home Office grant. A great deal of research and consultation had taken place; and the resultant outcome was the preferred option of a continued blended funding model. Formal HO response is awaited and its requested clarifications had been addressed.

TH detailed that work is being undertaken to look at contingency plans based on varying levels of funding reduction. The Chair suggested that the board should have sight of the contingency plans. GS reported that parameters on contingency planning had been set with the SLT. GS informed that information is being provided to the HO around what services wouldn't be delivered should there be a reduction in funding and also working up contingency details should HO grant funding be fully withdrawn to understand costs involved, impact on staff and work, etc. This information would be shared and can determine whether a closed session to discuss is needed or not.

**Action:** Information on contingency plans to be reported to November's AAB, potentially at a closed session. GS and BS to discuss sensitivity issues and whether a closed session would be required

### 5.4 ICT Contract - Renewal and Extension

TH referred to two pieces of working taking place:

- extend the value of the current contract with PDS - necessitated by expansion of the IT demand.
- Renewal of contract for an 18 to 24 month period to be completed by end December.

Whilst renewing the contract ODC are looking to refresh and improve on the SLA incorporating points and recommendations from DARA audit around ICT. When finalised the board will have sight.

## 5.5 Offers and Recommendations Register

HH informed members that the Offers Register had been incepted when command team determined the necessary development of an essential information database to capture the amount of offers submitted to the Hub and NPCC teams from consultancies offering their services, academic institutes, etc.

- Launched at the beginning of August with a planned broader review within six months.
- Planned reporting into the extended command team meeting that takes place monthly, chaired by the NPCC Chair.
- Full visibility of offers that have been recorded to facilitate and develop a full and transparent corporate memory from 2020 onward in a central repository being the end goal.

The Recommendations Register has been developed to allow for a central mechanism to record and monitor activity taking place against recommendations for NPCC raised through a variety of reports i.e. HMICFRS reports. Refinement continues based on feedback from users, which are in the main committee coordinators, who are now better informed for their strategic planning on activity within their respective committees. Members should note that there is a significant amount of information.

BS commented on the excellent progress made and enquired if either would suit web publication to assist and inform a better understanding of what the NPCC does. HH informing that content would have to be carefully considered but feasible. GSt concurred and would examine this further.

## 6.) RISK

### 6.1 NPCC Quarterly Risk update:

LH updated members that the risk work alongside the delivery plan trackers to key governance continues.

- Two risks recommended to close will be agreed by SLT later in the week - data protection and translations.
- Five new additions to the register (governance, data breach, cyber gaps defined security refinements, strategic training, financial landscape) having been discussed at various parts of this meeting.
- NPCC continues to host the National Strategic Risk Forum which has engagement with 40 participants.
- The Strategic Risk Approach has been shared with Chiefs through the regional chiefs' papers and was well received.

DB commented on the positive work around the establishment of an appetite for risk and its important delivery to Chiefs. DB commented that the explicit authority to actually set the risk and its ranking should be clear. Regarding the risk radar around elections this should be broader and the wording would benefit review.

### 6.2 Data Protection Officer update:

AB updated on areas within the executive summary namely the data protection elements of Strategic Hub Delivery Plan, including:

- Legacy Data & Records Management Project progress - SPOCs have now been appointed to assist with cleansing work to increase traction.
- Asset ownership parameters is under review to align with national work around 'future public interest'.

- Work around Cyber Security threats continues under the DDaT group.
- Data Protection Assurance Letter issued and NPCC is in a strong position.
- Data Governance Framework for National Datasets approved and being embedded with a lot of HO support which is very reassuring.
- Data Protection & Digital Information (No. 2) Bill post Brexit moving forward with support and positive influence continuing with enactment planned for 2024.
- Data Protection support to NPCC continues on a daily basis on alerts and develop a consistent approach utilising templates and improved processes.

### **6.3) Letters of Assurance:**

BS reminded members that under AAB Terms of Reference (ToR) the board was obliged to receive assurance in relation to compliance around environmental, H&S, equality and diversity. The additional four letters of assurance have been added at the request of the board in previous years as an additional requirement and it had been agreed that these would be presented together once a year.

AC enquired of members if there were any questions. LB commented on the first time submission PDS Letter and flagged that GS and the SLT are now actively working toward better information and detail being included in future letters. GS in reference to the financial assurance letter due apologised for post meeting circulation as this was awaited due to unforeseen circumstances.

## **7. UPDATES**

### **7.1 Estates:**

AC updated that the building work had now completed, on time, at the new estate. NPCC, NPoCC, SIB, UKFPU and PCPI will be moving into the new offices from Monday October 16. The upcoming weeks will see the furniture and IT installations. Decommissioning of 10 Victoria Street, Jubilee House and Lunar House continues. H&S and fire risk assessments will be completed and presented to NPCC Chair. A decision has been made to adopt break clause to vacate 10VS on 31/10/23. Finance is being closely monitored weekly. IT is well progressed and being driven by Richard Hampson. A detailed closed end position paper for AAB is planned for November. GS extended her thanks for the work undertaken by AC and many of the team to get to this point and positive recognition was also made by BS.

### **7.2 AAB Chair Recruitment:**

AC informed that the advertisement for the AAB Chair role is still live with a closing date of 24/9/23. In addition to usual channels the external services of Dynamics Boards and Women on Boards have been utilised. First paper sift date has been set and applications will be sent to panel with interviews to take place in October.

### **7.3 Chiefs' Constables Council Update and NPCC Chair's Objectives:**

GSt updated members on progress with the Chair's Objectives (June Workshop) in key areas and the emphasis especially on headline public confidence.

- National Police Race Action Plan has a new programme director in place and continued updates on the programme of work will be provided to Chiefs' Council.
- Work on male violence towards women and girls is being broadened out with diversity and inclusion.
- Work looking at local trust and confidence measures across the forces is being undertaken.
- Workforce planning – broader capability dialogue continues.

- Resilience for policing system and agenda for reform – opportunities presented by local and general elections.
- Positive and regular dialogue continues with partners including College of Policing, HMICFRS and National Crime Agency.
- Decision making and implementation through Chiefs' Council is being strengthened.
- Sustainable funding – the hard work continues.
- Police Performance Oversight Group (PPOG) chaired by HMICFRS is now receiving extra support and progresses well.
- Capacity of policing at national level consistently has room for improvement and advances are being made.

GSt rounded up by stating NPCC is for all member organisations, four nations, overseas and crown territories.

The Chair thanked GSt with JS commenting on media's role with public perception and NPCC's potentially unique position to perhaps influence and asking to what extent NPCC comms team will be focusing on this. GSt explained that 'we' all have to look for the excellence in policing and that material and data is being gathered and commissioned as part of the confidence work. The NPCC – APCC summit will be a forum for this development.

## 8. AAB ACTIONS UPDATE

**Action:** Members agreed all the recommendations to close.

BS concluded with a reminder to members that the Local Policing Desk Review had been pushed to November's meeting to enable full board engagement and that the material had already been provided to them. Should it then be decided to further explore this committee, plans will be made for a further deep dive and invite to the Chair to address AAB.