

2024 REPORT OF THE NATIONAL POLICE CHIEFS' COUNCIL'S AUDIT AND ASSURANCE BOARD (AAB)

INTRODUCTION

The purpose of this report is to report formally on the activity of the Audit and Assurance Board (AAB) during the period 1st January 2024 to 31st December 2024 and to set out how the AAB has met its responsibilities in relation to its terms of reference and key priorities.

The AAB's Terms of Reference (ToR) require it to report annually outlining the work it has undertaken and where necessary, highlighting any areas of concern.

STATEMENT OF ASSURANCE FROM THE NATIONAL POLICE CHIEFS' COUNCIL (NPCC) CHAIR TO THE AUDIT AND ASSURANCE BOARD

The AAB requires the NPCC Chair to provide the board with assurance of the processes and procedures it has in place to ensure the organisation is operating within the framework of good governance and the law. Below is the statement from the NPCC Chair outlining the systems relied upon to achieve this.

NPCC Governance Assurance Statement, December 2024

1. Introduction

1.1. *This document provides an overview of the governance of the National Police Chiefs' Council.*

1.1.1. *The National Police Chiefs' Council (NPCC) brings UK police leaders and partner organisations together to set direction in policing and drive progress for the public. This is achieved through:*

- *Coordination – by joining up the operational response to critical national policing issues to deliver policing today and shape the future.*
- *Collaboration – by working in partnership as part of the whole policing system and beyond to improve public safety.*
- *Communication – by sharing the collective expertise, views, and action of UK police chiefs. Working with partners such as the College of Policing and the Association of Police and Crime Commissioners (APCC), NPCC helps police cut crime and keep the public safe by joining up the operational response to the most serious and strategic threats.*

2. Governance Structure

2.1. *In delivering the aims of the NPCC, senior leaders are responsible for putting in place the required arrangements for the governance of the organisation to facilitate the effective exercise of its functions.*

2.2. *The diagram below and the supporting statements set out the governance structure of the NPCC, and therefore how the Chair (Chief Constable Gavin Stephens) and NPCC membership ensures it has the appropriate assurances around the activity that NPCC is undertaking.*

3. Governance Assurance

3.1. *The governance structure of the NPCC is set out into the following key areas:*

3.1.1. Strategic Decision Making

Strategic Decision Making of NPCC is coordinated through Chief Constables' Council (CCC). CCC is chaired by the Chair of the NPCC. It is the senior operational decision-making body for the NPCC and the mechanism by which all Chief Constables consider national operational and

organisational issues for the police service. Through CCC, financial sign-off, assurance and oversight (in relation to the National Operating Budget) is also undertaken. In addition, CCC provides the forum for Coordination Committee Chairs to provide updates around the activity of Committees and seek agreement on proposed decisions. CCC also enables the Chair and all members to set the NPCC Strategic Plan and monitor the progress of Annual Delivery Plans. The Terms of Reference for CCC is set out in the Section 22(A) Collaboration Agreement. In addition, the Regional Lead Chief Constables' Meeting coordinates the work of each region, to feed into CCC. This allows Coordination Committees to submit papers and decisions to the Regional Process to receive feedback and views from all Chief Constables ahead of CCC.

3.1.2. Strategic Direction

The Strategic Planning and Coordination Board (SPCB) is chaired by the Chair of the NPCC and brings together the 13 Coordination Committee Chairs, Vice Chairs and programme leads. This meeting provides a forum at which Coordination Committee Chairs can ensure alignment of the Committees with NPCC priorities and provides the Chair with oversight of the progress of the Coordination Committees towards Annual Delivery Plans. In addition, the meeting allows coordination and oversight of cross-cutting issues across Committees. The NPCC Change and Improvement Board provides the NPCC Chair with oversight of change programmes and projects, checking the quality of the delivery against agreed timescales and budget. The NPCC Chair's Health and Safety Meeting enables the Chair to exert their statutory responsibility to ensure that the working environment for the NPCC is fit for purpose and complies with legal requirements. The NPCC Chair's Command Meeting brings together the heads of the NPCC functions and programmes in a weekly meeting at which, the attendees identify opportunities to collaborate in support of current threat/risk/issue mitigation and set direction for communications.

3.1.3. Tactical Decision Making

The NPCC Service Level Agreement (SLA) Review Meeting provides due diligence and oversight of services provided by the host force under the s22 collaboration agreement. The objective is to ensure that SLAs remain fit for purpose and meet all parties' needs.

The NPCC Strategic Hub SLT Meeting is held monthly and provides the opportunity to drive the operational delivery of the Hub, manage risks and issues, identify blockages, understand demand, and increase efficiency and effectiveness. This meeting is chaired by the Head of the NPCC Strategic Hub, who subsequently provides assurance to the Chair of the NPCC on the operation and delivery of the Strategic Hub through the Command Team meetings and 1-2-1s.

3.1.4. NPCC Programmes and Functions

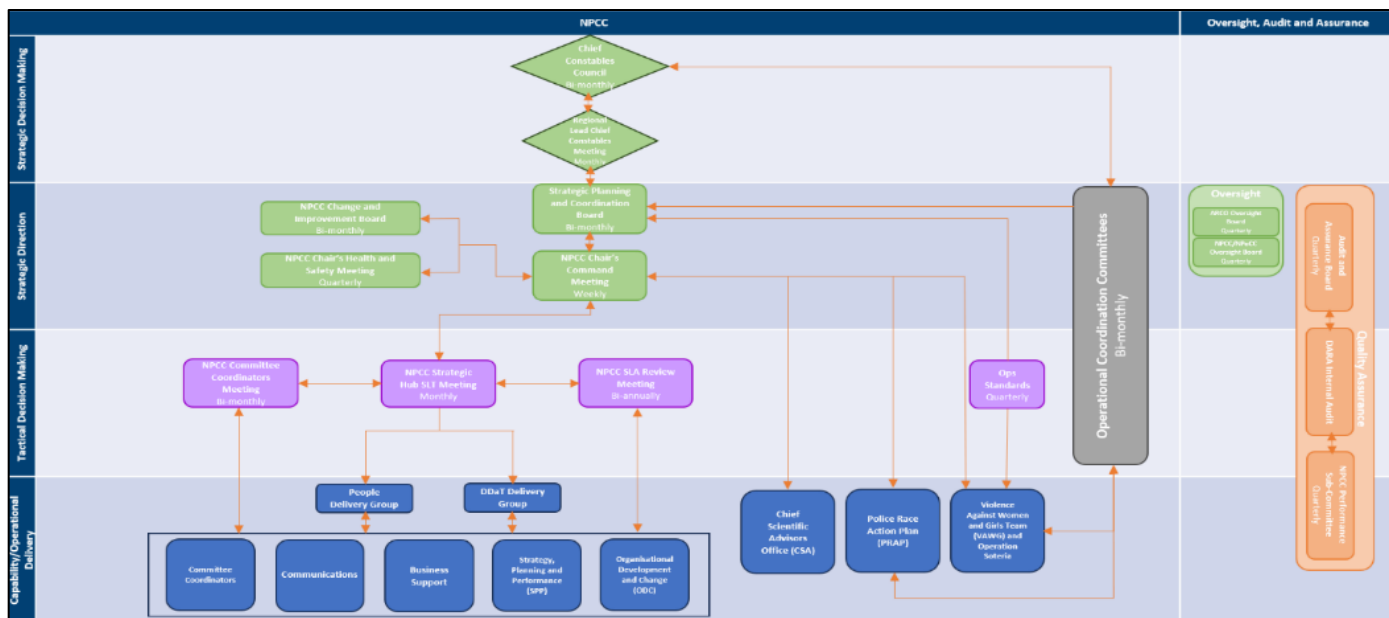
NPCC Programmes and Functions focus on areas of identified threat which require focussed coordination for which the NPCC Chair has oversight responsibility. Currently, these include Violence Against Women and Girls (VAWG) and Operation Soteria, the Police Race Action Plan (PRAP), Serious and Organised Crime (SOC), the Office of the Chief Scientific Advisor (OCSA), and the National Police Coordination Centre (NPoCC). The NPCC Chair is the Senior Responsible Officer for PRAP, chairs the NPoCC Oversight Board, and chairs the Ops Standards Meeting for VAWG and Soteria. In addition, the leads for each of these functions provide oversight and assurance via the Chair's Command Meeting.

3.1.5. Oversight, Audit, and Assurance

These boards exert scrutiny over the entirety of the NPCC to maintain the integrity of the organisation in delivering its functions and missions. As set out in the Section 22(a) Collaboration Agreement, the Audit and Assurance Board (AAB) scrutinises, reviews, and comments on the NPCC Strategic Plan, financial plan, Annual Delivery Plan and monitors the progress and any risk of the NPCC. The Chair of the NPCC reports into AAB to ensure that NPCC business is conducted in accordance with the law and standards. Annually, the NPCC provides assurance statements to AAB from the host force (Metropolitan Police Service) and key partners such as the Police Digital Service (PDS). The Chair of the NPCC reports into the Performance Sub Committee in relation to performance in his role. The Performance Sub Committee also links in with the chair of AAB.

Internal audit activity is managed through the Directorate of Audit, Risk, and Assurance (DARA). DARA establishes an annual programme of internal audit activity, which is developed in agreement with the Chair of the NPCC, AAB, and the NPCC Command Team. Activity takes into consideration areas of risk and emerging issues to assess and provide assurance.

The Diagram below shows the governance structure of the NPCC.



AAB SUMMARY OF ACTIVITY

The AAB has had a new year of change with new membership joining throughout the year including a new Independent Chair a new Independent NED, a new Police and Crime Commissioner representative and a new Home Office representative. The way the AAB conducts its business has evolved alongside the changing National Policing agenda which the NPCC has been at the forefront of. The focus of the Board has been to modernise and develop its approach to assurance with particular emphasis in the later part of the year on police reform.

The NPCC has had a major involvement in shaping the national policing agenda as the new Government has developed its ideas for what they want to achieve in this area. As national police reform will impact on every aspect of how the NPCC operates the HUB has focused considerable organisational energy in this area. The AAB has started to review the consequences and risk of the substantial number of activities which the NPCC carries responsibility for but has no or little financial or management control of. These areas of activity have been previously overlooked by the Board as they are not direct NPCC activity however in the main they are seen by others as NPCC activity. The Board rightly has identified this as an area of significant financial and reputational risk to the NPCC which the Board will require to give further priority to in 2025.

During the year, the AAB continued to monitor the operations of the NPCC and can report that financial reporting and the evaluation of the effectiveness of NPCC processes has continued to improve. The AAB has had the opportunity to scrutinise NPCC activity evaluate process, challenge thinking and offer guidance.

FINANCIAL ACCOUNTABILITY

During the year, the AAB signed off the last of the recommendations from the financial improvement plan

The AAB receives the annual budget, along with the annual operating plan and continues to receive and scrutinise quarterly financial statement reports, detailing year to date spend against the NPCC's budget, including explanations for key variances.

Whilst recognising that funding for national police activity and the NPCC Hub will always be dependent on Government funding decisions, budget statements and spending reviews the AAB recognises that the lack of clarity on future funding impacts on NPCC staff and activity.

RISK MANAGEMENT FRAMEWORK (RMF) DEVELOPMENT

The organisation has significantly improved its approach to Risk Management, risk continues to be an area that the AAB spends considerable time analysing and this is expected continue into the next year. The risk position is reported at every AAB meeting, providing members with the opportunity to challenge and scrutinise. During the year, the Board has focused more on the key strategic risks.

The RMF has a 'Risk Appetite' assessment for each risk and guidance and definitions are provided within the risk documentation. This is supported by the 'Risk Radar' approach to monitor areas of interest not yet posing specific risk or owned and mitigated outside of the Strategic Hub's direct control. Whilst this is a significant improvement on how risk was managed previously and this always needs to be done proportionately to the size of organisation, there are still improvements to be made. It is good that greater focus is now being given to risks that impact on NPCC but which NPCC has no control however more needs to be done than just to recognise these risks.

The full impact of the risks of police reform in terms of the organisation and the work it does are still being worked through, this is expected to be a key focus of the AAB during the next year.

STRATEGIC PLANNING AND DELIVERY

In previous years, the AAB have been concerned with the lack of robust business strategy and planning processes, particularly as the AAB are tasked with holding the NPCC accountable, through its effective Risk Management processes, for delivery against its vision/objectives.

We recognise considerable progress has been made to enhance the Strategy, Planning and Performance (SPP) function, with a set of deliverables which include.

- Developing a clear prioritised strategic plan to drive NPCC activity.
- Establishing a improve clarity of roles between NPCC and external bodies
- Providing a forum for committee chairs to discuss and agree priorities and coordinate cross cutting activities.
- Building more collaborative working relationships with Law Enforcement Agencies to innovate and coordinate strategies and delivery plans.

The NPCC Strategy, and the Delivery Plan are subject to robust consultation and engagement through

Chiefs' Council, College of Policing, the APCC, Home Office, and others, as well as rigorous scrutiny from the AAB.

The focus for AAB in year ahead will be to seek assurance that the agreed strategy is being followed and that the police reform agenda does not sideline ensuring the normal business of NPCC delivery.

STRENGTHENED PARTNERSHIP CONTRACT ARRANGEMENTS

Whilst improvements have been made in the clarity of the governance of partnership arrangements with the NPCC's host force, the Metropolitan Police Service, this remains an area for the AAB to monitor. The AAB is conscious that the NPCC Hub is and always will be MET centric it does expect the Hub to demonstrate it has a wider national scope.

The AAB will aim to better understand the connections with current MPS policies and practices, and how service level agreements meet NPCC requirements.

This will continue to include:

- Clarity on the business service areas provided by the MPS to the NPCC.
- Clarity on the business service areas required by the NPCC from the MPS.
- Clarity of each respective party's responsibilities.
- Greater transparency for both the NPCC and the MPS on how business service areas are provided, and the associated costs involved.
- The provision and mechanism for changes to be made to the business service area.
- A provision to address issues relating to the delivery of the business service area and disputes.
- The opportunity to achieve value for money.

INTERNAL AUDIT

The Directorate of Audit Risk and Assurance (DARA) of the Mayor's Office for Policing and Crime (MOPAC) provides internal audit services to the NPCC. DARA provides an independent and objective opinion on the degree to which risk management, control and governance support the achievement of the NPCC objectives.

DARA reports to the AAB on its audit of the NPCC Hib and the issues and risks faced.

EXTERNAL AUDIT

The NPCC is not required to produce full formal accounts nor to have its financial statements audited by an external auditor. Annual assurances are provided by internal audit work on the financial systems at MOPAC and NPCC and this has been supplemented by DARA's focused work on NPCC financial arrangements.

KEY RISKS IDENTIFIED BY AAB

The AAB have been pleased with the overall effort the NPCC has made over the reporting period to address key areas of risk and concern however there are several key risks facing the NPCC which the AAB must highlight.

- Police Reform
- Consequences on not being constituted as a statutory body
- Significant area of work and budget that is seen as NPCC activity for which the NPCC has no control
- Retention of key specialist staff.
- Demonstrating value to stakeholders including the Home Office and Policing in general.
- Funding uncertainty
- Continued focus on good governance process and practices.
- Robust and sustainable ICT solutions.
- Effective succession planning (including for AAB)*

SUMMARY FROM AUDIT AND ASSURANCE BOARD CHAIR – Robert Light

Overall, I am pleased with the progress the AAB has made over the year both in terms of its development as a Board and the work it does. As a Board the introduction of new members has developed our experience and organisational expertise, bringing new external views and expectations.

My first reflections on the work of the AAB were that it was very functional and process driven which given the history of NPCC was to be expected. It was clear that this approach had been necessary and appropriate at the time given the stage of development the NPCC was at. However, I saw little space for ‘so what’ reflection which to me is a vital component of assurance and risk review.

A year on the board is still a little too functional and static but it is much more focused towards the issues and consequences of those issues facing the NPCC. I expect the Board will continue to evolve and manage the appropriate level of focus on process with the challenges of assurance during times of notable change and uncertainty.

Police reform will dominate the police agenda at every level in coming year and probably longer. The impact on NPCC will be significant with risk and uncertainty increased in many areas. This will impact heavily on the workloads and pressures of NPCC staff and the normal work of the NPCC. AAB will need to be proportionate in its expectations but conscious of the need for a clear transition plan for all areas of NPCC work as police reform plans are developed. AAB will expect clear plans to ensure that key NPCC work is delivered as normal prior to any changes being implemented.

I would like to thank the Board members and all the officers of NPCC for all their support and guidance in my first year as Chair of NPCC AAB

Robert Light

Chair of the Audit and Assurance AAB – 31st December 2024

AAB MEMBERSHIP AND MEETINGS

In line with the S22A agreement the AAB comprises of:

- Independent Chair
- Two independent Non-Executive Members (NEMs)
- NPCC Chair
- Three Police and Crime Commissioners (nominated by the APCC).
 - Police and Crime Commissioner for West Mercia
 - Police and Crime commissioner for Sussex
 - Police and Crime Commissioner for North Yorkshire
- One nominee of the Chief Police Officers' Staff Association
- One nominee of the Home Office

The AAB has invited the following to be “in-attendance” at meetings of the AAB. These are non-voting members and are present to assist AAB Members in their work:

- DARA Internal Auditors
- CEO of the APCC
- NPCC Chief of Staff
- NPCC Head of Strategic Hub
- NPCC Secretariat

During the year, the AAB met a total of five times on the following dates:

13 February 2024

21st May 2024

17th September 2024

25th October 2024 (workshop)

26th November 2024

