

# Minutes of the Audit and Assurance Board (AAB)

Minutes of the meeting held on 3<sup>rd</sup> May 2017 at 10 Victoria Street, London

**Security classification:** Official  
**Disclosable under FOIA 2000:** Yes  
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**Force/organisation:** APCC  
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## ATTENDANCE

### Present

Deep Sagar	Independent Chair
Chief Constable Sara Thornton	NPCC Chair
Barbara Scott	Independent
Lizzie Peers	Independent
PCC Matthew Ellis	APCC
Simon Bullock	Representing PCC Martyn Underhill
Supt. Tim Metcalfe	NPCC Chief of Staff
Nicole Higgins	NPCC Strategic Planning & Risk Manager
Oliver Shaw	APCC / Minutes

## 1. 03/5/1 WELCOME, INTRODUCTIONS AND CONFLICTS OF INTERESTS

1.1. The Chair welcomed attendees to the meeting and, in particular, Oliver Shaw, APCC who would be taking Minutes and Simon Bullock who was representing PCC Martyn Underhill.

1.2. There was a discussion about Home Office representation on the Audit and Assurance Board 'The Board'. It was noted that the Home Office delegate is there to represent the Secretary of State and should be of sufficient seniority. It was agreed that the Chair would pick this up with Director General.

**(03/5/1/1 - Action)** Chair to raise the matter of appropriate Home Office representation on The Board with the Director General.

1.3. There was no conflict of interest registered.

1.4. Apologies for absence from Martyn Underhill, Alun Michael, Mark Polin and Angela Wilson were recorded.



## **2. 03/5/2 CHAIR'S UPDATE**

2.1. The Chair's written update was acknowledged and it was noted that the various points raised would be addressed at the respective parts of the agenda.

## **3. 03/5/3 S22A Review of Draft Revision**

3.1. CC Thornton introduced the item and provided some background to the S.22a. This included the process that had been followed to draft amendments and consult with stakeholders over the course of 5 weeks early in 2017. Currently there are a few outstanding changes (mainly concerning insurance) however the document is largely ready for signature and should only require some final tidying.

3.2. The Board was invited to comment on the document. Below summarises some of the General points made:

- Parts of the document need to be tightened as there is a potential conflict between the role of PCC and other official bodies.
- The document needed to be mindful that PCCs have varying governance arrangements with their CCs – some hand over financial responsibility to their CC, whereas others prefer to keep more closer control over the finance. Some areas of the document appeared to infringe on the sovereignty of PCCs in this area.
- Concerns were expressed around code of conduct – which was required for insurance purposes and was clarified to concern only independent members. The Non-Executive Directors felt it was not relevant to their roles and that adherence to the Nolan principles should be sufficient. This was in addition to the comments in the Chair's Update.
- With respect to S.22a and the Board ToR it was noted that some of the language was not consistent – for example the words 'ratify', 'receive' and 'approve' were used interchangeably in parts and a further discussion was needed around what exactly the Board's responsibilities are.

3.3. There were several comments made on the role of the Board. Below summarises the key points:

- Members felt there is a general lack of clarity around the role and function of the Board. Namely, is the Board set up to provide assurance over the running of the NPCC? -or- what the NPCC does? Members felt it was the former.
- There needs to be an agreed definition of what all members think 'Assurance' means.
- There needs to be a proper process of planning and monitoring as well as clarity that the Board does not provide 'approval' for certain functions.
- The levers of influence for the Board need to be clarified and agreed i.e. if the Board does have concerns about a particular issue / matter what are their levers / tools of influence?
- The NPCC chair agreed that financial responsibilities should be added back into their role description.

3.4. All agreed that the Board's role was around providing Audit and Assurance and not decision making, however this was not well expressed in the S.22a and some of these issues needed to be discussed further. It was agreed that a Board 'Away-day' needed to be arranged to tease out the issues raised at paragraph 3.3. This would need to happen before the S.22a could be agreed.

3.5. Concern was expressed about not delaying the sign-off of the document (possibly until November time) while the above matters were being resolved. The concern was noted, however Board members felt confident that the workshop could be arranged quickly so that the above

matters could be resolved as soon as possible without significantly slowing down the S.22a being signed.

3.6. There was a discussion around who might facilitate the Away-day. All agreed it would be important to have someone who understands governance and who has had experience in tailor designing Terms of Reference. It was not necessarily a pre-requisite for this person to have policing experience. Mr Bullock agreed to approach the Association of Police and Crime Commissioner Chief Executives for potential facilitator ideas. The Chair would also come up with some ideas.

**(03/5/1/2 - Action)** All to pass availability to Ms Higgins. Ms Higgins to arrange a date for the Board Away-day.

**(03/5/1/3 - Action)** Mr Bullock to pass facilitator ideas to the Chair and Ms Higgins.

3.7. The Chair noted that a number of written comments had been submitted concerning the S.22a. Rather than go through these in the detail in the meeting, it would be more practical for these to be considered 'in the round' and reflected in a spreadsheet. In the meeting there were some issues discussed and agreed and these will be reflected in the spreadsheet being prepared by Ms Higgins.

**(03/5/1/4 - Action)** Members to feed comments on the S.22a to Ms Higgins who will collate and circulate with a written explanation detailing what changes have been made.

**(03/5/1/5 - Action)** The Board's annual cycle of business would be attached to each meeting's agenda.

#### **4. 03/5/4 STANDING ITEMS**

##### **03/5/4a CHIEF CONSTABLES' COUNCIL UPDATE (CCC)**

4.1. The Board noted CC Thornton's paper.

##### **03/5/4b NPCC Delivery Plan Q4 2016/17**

4.2. CC Thornton noted that the Delivery Plan went to CCC in April and was approved.

4.3. The following comments were made against the Delivery Plan:

- Some of the actions are listed as 'closed', but the description next to the action suggests that the matter has not been finalised.
- What is the role of the Board in reviewing the Delivery Plan and what value is added if the Board is only able to 'note' the Delivery Plan? It was agreed that this was a matter that would be considered as part of the Away-Day discussions.
- The detail on the Delivery Plan is developing well and the summaries against actions are an improvement. Tying these up to measures would also be helpful as a next step.
- Local Policing - Very general objectives which are broad and will take a long time to achieve. Would expect these to be carried forward as part of a long-term plan.
- It is important that the Board is able to identify whether what is being done is effective and having an impact. The Service is good at providing information, but not so good at measuring impact.

4.4. CC Thornton explained that the Delivery Plan is about identifying what are the key things the NPCC can do which can then be delivered through local products. The intention is that the Delivery Plan will describe specific products moving forward.

4.5. The Chair summarised key comments on the Delivery Plan:

- Greater consistency between content and conclusions in terms of status and the RAG status
- There should be a move to have greater detail in the report and risk summaries.
- Over time, the Delivery Plan should move towards providing measures.

### **03/5/4c Q4 Finance Update**

4.6. The Finance Update was presented by Ms Higgins. She noted that the expenditure of the NPCC is provisionally within budget and that the MPS has not closed end of year accounts yet. Ms Higgins noted that the NPCC has a separate cost centre to manage events and that Specialist Capabilities and Digital reports are expected in July.

4.7. The following was queried:

- Table 2.3 – Mobile Phones increase of 267.9%. - CC Thornton explained that the decision was taken to get the NPCC Staff fully mobile to ensure connectivity, especially when home working.
- Section 2.3.6 – 50% increase on service charge - Ms Higgins explained that she didn't have the figures to hand, but would share them with the Board.
- Section 3.3 – It was noted that the figure '£3.5k' should be '£30.5'
- Income relating to Service Charge for Police CPI was queried and Ms Higgins explained that this would be accrued for as invoicing had been delayed.

**(03/5/4c/5 - Action)** Ms Higgins to share with the Board breakdown of MPS charges and July accounts.

### **03/5/4d NPCC Risk Register and NPCC Internal Audit Action Update**

4.8. CC Thornton explained that the Risk Register was reviewed at the previous management meeting and had also been reviewed by the MPS Auditors. The biggest concern is the Pitchford Inquiry (16/12). The NPCC has been able to keep up with the requirements for information, however this has been a lot of work. From now on, the Inquiry will deal directly with the MPS.

The following comments were made:

- 15/012 (ACPO) – Should this risk (ACPO Reputation) really be green, given the wider issue is policing's reputation? CC Thornton noted that she would re-consider this grading, but noted that the risk relates to the NPCC not being dragged into historical ACPO related issues.

**(03/5/4d/6 - Action)** – Reconsider the grading of item 12/012.

- Does there needs to be a risk relating to CT (counter-terrorism) considering the March event? CC Thornton felt that this was unnecessary as the CT Coordination Committee was the biggest and best resourced. The Board agreed.
- 17/IA1.1 (Measurement against Delivery Plan) – Whether the Low rating is too optimistic at this stage. There was a discussion around this risk and it was agreed to increase the risk to Medium.

**(03/5/4d/7 - Action)** – Regrade item 17/IA1.1 as Medium.

- 15/004 (Scotland) - There was a discussion if Scotland should be removed the register. CC Thornton requested that it remain as a risk as there was a still an outstanding matter that the lawyers were looking at. The Board agreed:
  - The wording 'But ongoing budgetary pressure remains' would be added to the risk.
  - Wording the pre-amble of the S.22a would need to be amended (re Scottish references).
  - There should be a separate tracker for internal audit recommendations relating to Scotland.

**(03/5/4d/8 - Action)** – Make the following amendments concerning item 15/004:

- The wording 'But ongoing budgetary pressure remains' would be added to the risk.

- Wording the pre-amble of the S.22a would need to be amended (re Scottish references).
- Create a separate tracker for internal audit recommendations relating to Scotland.

4.9. It was noted a plan around internal audit would be discussed at the next meeting.

## **5. 03/5/5 NPCC Delivery Plan 2017/18**

5.1. CC Thornton introduced the Delivery Plan. Key points included:

- It had been drafted in light of the Policing Vision 2025.
- The document had fewer objectives, but more specifics around deliverables.
- HMIC recommendations had been incorporated.

5.2. A comment was made that it was difficult to ratify the document without seeing the outcomes. Normally one would expect to see the risk framework and work around milestones. There was a discussion about how the Board could measure added value for the public with respect to its oversight. The Board discussed how the NPCC measures benefit, particularly where there are 43 different outcomes. The challenge was acknowledged as a good one, with the difficulty being how to balance delivery against practical resourcing matters. It was agreed that further work would be needed in this area. Ms Peers offered to assist Ms Higgins by looking back at the original delivery plan (looking at how benefits have added value) and sharing a template.

**(03/5/5/9 - Action)** – Ms Higgins & Ms Peers to undertake further work around measuring benefit.

## **6. 03/5/6 Annual Report from the Coordination Committees**

6.1. There was a discussion about the best way for the Coordination Committees to report back to the Board in a way which would be proportionate and not too onerous for the volunteers who undertake this work. It was noted that the NPCC cannot control all of the activities of the Coordination Committees but that the NPCC would monitor activity and delivery through a series of established basic requirements and quarterly updates. Minimum rules had been established, but they all had a degree of autonomy and their own ways of working due to the diverse nature of the roles they perform. It was also noted that the number of portfolios and working groups within the coordination committees had been slimmed down significantly and that the committees were reforming themselves with a view to aligning their activity to the policing Vision 2025.

6.2. It was agreed that annual reports from Local Policing, Equality Diversity Human Rights, & Crime would be presented at the next meeting and the Board would consider how well the reporting system works towards determining what form of annual report would be required from each committee.

**(03/5/6/10 - Action)** - Reports from Local Policing, EDHR and Crime Coordination Committees to be presented to the next Board meeting.

## **7. 03/5/7 Minutes and Actions from the February Meeting**

7.1. The Minutes were approved. The only comment was at section 4.4 (page 6) – There needs to be a separate tracker for Internal audit. It was also agreed that Minutes would be considered at the start of the meeting in the future. Progress on previous action points was noted.

**(03/5/7/11 - Action)** – Minutes from the previous meeting and action points/matters arising to be considered at the start of the meeting for future Board Meetings.

## **8. 03/5/8 Matters arising:**

### **a. Dissolution of ACPO Update**

8.1. There has been no movement since the last meeting. There remain three outstanding legal cases in which ACPO is named which prevents the body from being liquidated. There was a discussion around whether this liability could be passed to the NPCC. CC Thornton said she would explore that angle with the lawyers.

**(03/5/8a/12 - Action)** – CC Thornton to explore with lawyers passing ACPO’s liability to NPCC.

**b. External Audit Update**

8.2. Ms Higgins apologised that the Auditors were not in attendance and noted that work had not yet started. NPCC has agreed that the audit would take place as a part of the MPS Audit. It will commence in the last week of May and look at 2 years (15/16 & 16/17). A report will be made back to the Board in the July Meeting where the Auditor would be invited to attend.

**9. 03/5/9 AOB**

9.1. Annual Audit Plan –It was suggested that the Annual Audit Plan should be reviewed as a standing item at each Board meeting.

**(03/5/9/13 - Action)** – Annual Audit Plan to be a standing item on the Board Agenda.

**DATE OF NEXT MEETING**

The next meeting will take place on 25 July 2017 in the NPoCC Conference Room, 2<sup>nd</sup> Floor, 10 Victoria Street, London SW1H 0NN.

**END OF MEETING**