

Minutes of the Audit and Assurance Board (AAB)

Minutes of the meeting held on 8 November 2017 at 10 Victoria Street

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ATTENDANCE

Present

Barbara Scott (Chair)	Independent
Chief Constable Sara Thornton	NPCC Chair
PCC Matthew Ellis	APCC
Oliver Shaw (alternate Alun Michael)	APCC
Nicole Higgins	NPCC Strategic Planning & Risk Manager
Susan Paterson	NPCC Business Manager

Present by phone:

PCC Martyn Underhill	APCC
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Apologies:

Lizzie Peers	Independent
Supt. Richard Cooper	NPCC Chief of Staff
CC Mark Polin	CPOSA
Commissioner Alun Michael	APCC
Richard Hornby	Home Office

1. WELCOME, INTRODUCTIONS AND CONFLICTS OF INTERESTS

1.1. The Chair welcomed attendees to the meeting. Oliver Shaw was introduced as an alternate for Commissioner Alun Michael (on behalf of the APCC). Apologies from Lizzie Peers, Mark Polin, and Richard Hornby were noted.

2. MINUTES AND ACTIONS FROM THE SEPTEMBER 2017 MEETING

2.1. The minutes of the previous meeting held on 27 September 2017 were approved as an accurate record of the meeting. The following updates were provided on actions:

- Item: 5.2 the chair confirmed the action relating to the 2017/18 delivery plan will remain open. Lizzie Peers will progress with Nicole Higgins.



Action 5.2 Lizzie Peers and Nicole Higgins to progress Delivery Plan benefit realisation.

- Item: 8.1 ACPO Liability to NPCC - this update will be provided in item 5b.

2.2 The Action log was reviewed with the following updates provided:

- Item: 4.2.4 to circulate the external audit report to the Board - an update will be provided in item 4.2
- Item: 6.3.4 - Barbara Scott and Nicole Higgins will progress after the board.

3. MATTERS ARISING

3.1. ELECTION OF CHAIR

The acting chair withdrew from the meeting during the debate and vote. Nicole Higgins explained that Barbara Scott was the only candidate for the Chair.

There was unanimous support for appointing Barbara Scott as the new Chair from January 1 2018. Barbara Scott was duly elected.

3.2. RECRUITMENT OF NEW INDEPENDENT MEMBER

Nicole Higgins a good level of interest and the closing date was 8 November. Lizzie Peters, Barbara Scott, Alison Phillips and Matthew Ellis will make up the paper sift panel. Shortlisted candidates will be invited to interview on 23 November.

3.3. S22A COLLABORATION AGREEMENT

Sara Thornton explained that, following the review by the board, the revised agreement was complete and has been circulated to all Police and Crime Commissioners (PCCs) and Chief Constables for their signature.

3.4. 2016/17 ACCOUNTS (REVISED) (PAPER)

3.4.1 The year-end accounts were resubmitted and it was noted there were no recorded bad debts.

3.4.2 Matthew Ellis asked for clarification on Police Scotland, PSNI and Ministry of Defence Police contributions and their status at Chiefs Council. Sara Thornton confirmed that Police Scotland have not yet contributed to funding and are full members of Council. Policing is devolved in Scotland and s22A collaboration cannot be applied as with other England or Welsh forces. She explained there had been a number of discussions with Police Scotland and Richard Cooper has been tasked to progress alternative funding arrangements. PSNI are in a similar position to Scotland but have made funding contributions by way of a side letter.

3.4.3 The Board agreed they would ask the APCC to state their position to Police Scotland in the new year if no progress had been made.

4. FINANCE, AUDIT AND RISK

4.2 Internal Audit Update – report from DARA (Paper)

The DARA auditors Rob Davies and Nishil Shah were invited to join the Board. They covered the key points from the audit:

The draft report was a progress update on the 2016/17 Governance Framework audit and required agreement with NPCC before publishing. In total, there were 19 agreed actions - 11 have been fully implemented and 8 partially implemented. The following achievements were highlighted:

- The 2017/18 Delivery Plan objectives have been mapped to the outcomes of the Vision 20235 providing greater clarity.
- There has been improvement on standardised reporting and documentation from the coordination committees.
- There is a revised terms of reference for the Audit and Assurance Board providing clarity on the role of the board.
- There is a good level of engagement with the host force in the transition of business support services to the new model.

Outstanding activity:

- Risk management requires further work (which is included in the current year audit plan). There is a need to standardise the process across the NPCC co-ordination committees and the central office to improve consistency of overall reporting.

The Dara team are engaged in the 2017/18 internal audit and will report further to the Board in February 2018.

The chair confirmed that members support the report. The Dara team confirmed the draft report would be brought back to the Board for sign off once agreed with Sara Thornton.

Action: Sara Thornton to review the draft report for sign off.

The chair asked Nicole Higgins to summarise the planned 2017/18 audit activity. She explained she has met with the MPS Risk and Audit team to review their frameworks and would work with DARA to produce a sample product and present this to the next Board.

Action: Nicole Higgins to work with DARA to produce a sample product for the February Board

The Chair clarified that the revised terms of reference for coordination committees cover the roles and responsibilities of the Chairs and that co-ordination committees now provide more consistent reporting.

Action: Sara Thornton to circulate the organisational chart detailing all coordination committees and portfolios. This should highlight any vacancies.

Since the report formally highlighted improvements in transparency and internal governance, it was suggested that this should be communicated more widely. The chair confirmed that this would be done through the annual report.

4.1. Accounts and Financial

4.1.1. Quarterly Financial statements (paper)

Sara Thornton provided an overview of the NPCC Quarter 2 expenditure for 2017/18. The NPCC is reporting an underspend at the half year of £126k due to staff vacancies and a lower than anticipated rises in accommodation costs.

The full year forecast outturn is a £104k underspend. This is reliant on £80K income expected following the dissolution of ACPO and transfer of remaining reserves.

4.2. Audit

4.2.1. External Audit (paper)

Nicole Higgins explained that the external auditors could not attend the meeting but are in the process of completing the audit. The auditors required further evidence of the ledger showing revenue received and this is delaying sign off. Once complete it will be circulated to the Board.

Action: Nicole Higgins to circulate External Audit report on completion.

The chair confirmed this item would be deferred to February. The value of the audit was debated and members agreed that this should be done once every three years.

4.3. Risk management and Internal Controls

4.3.1. Sara Thornton provided the following updates from the risk register:

- (High Level Risk) – Undercover Policing Inquiry: This risk has reduced. Whilst the likelihood of not adopting an appropriate role and damaging the NPCC reputation is low if not managed, the impact would be high. Sara Thornton explained that the NPCC continues to work with the inquiry to ensure the role of NPCC is appropriate. She will keep reviewing the capacity requirement and cost associated to this.
- (Medium Risk) – Police Scotland. The risk has not changed. NPCC Chief of Staff has instructed Met Legal to re-enter dialogue with Police Scotland regarding their position on funding contribution to NPCC. A further action has resulted from this meeting and will be updated on at the next board.
- (Medium Risk) – Independent Inquiry into Child Sexual Abuse. Sara Thornton confirmed the risk level remains unchanged. Following a conference call between the Chair, DC Mackey and CC Bailey, a decision was taken to apply for Core Participant Status and that East Midlands Legal Services would recommend suitable Counsel. Counsel has now been appointed.
- (Medium Risk) – Judicial Review of Recruitment Decision by South Wales Police. The risk has not changed. Judgement received ruling the 2012 vetting policy to be in breach of Human Rights Act, and no ruling made in respect of the records deletion policy. The vetting policy has been superseded by College of Policing APP and Counsel's advice is that there is little value in appealing the judgement. A further review is being conducted in relation to other data retention related cases being considered by the Supreme Court, specifically in relation to any potential impact on NPCC policy.

Matthew Ellis informed the committee that he should declare an interest in this issue.

Sara Thornton explained that the rest of the risks identified were closed.

5. REVIEW AND MONITOR

5.1. NPCC Chair Update

5.1.1. CHIEF CONSTABLES' COUNCIL (CCC) AGENDA -18 & 19 OCTOBER 2017

The following items were highlighted:

- The charging and out of court disposal strategy was presented at Council and chiefs supported the proposed simplification of the framework for adult out of court disposals, reducing the current six disposal options to two. However, chiefs were concerned over costs

associated with additional conditional cautions and more diversionary pathways being instigated by policing.

- The virtual hearings and video enabled justice update was welcomed by chiefs but forces raised concerns about funding which remains unclear. A view was provided that it is imperative that policing presents a united position in relation to this change.
- Chiefs discussed what further work would be required on the impact of the changes to pre-charge bail. Darren Martland, the lead for bail, will work with the College of Policing to review changes and update Council.
- There was a long session on serious and organised crime. Lynne Owens and Andy Cook concluded that more joined up and coordinated approach to funding and operations between the NCA, ROCUs and forces is required.
- The HMIC report on NPAS identified issues with charging structures, governance and clarity on the services' requirements. The Operations Coordination Committee will consider this report.
- The Best Use of Stop & Search Scheme has been revised by the Home Office (BUSSS 2.0) and the next steps are around community consultation.
- Chief Constables were broadly supportive of the entry requirements for the PEQF at entry level and supported the broad direction of travel for sergeant level and above. However there are concerns regarding cost, timing and equality impact and whether this should be mandated above entry level.
- The national enabling program work stream, commissioned by the Reform Board will implement office 365 as a cloud based system throughout policing and this will improve connectivity across the service and enable national standards.

5.1.2. ACPO Liabilities

There are two outstanding issues and ACPO cannot be dissolved until they are closed. One relates to a historical claim and the lawyers advise that it can be closed.

5.2. NPCC DELIVERY PLAN – Q2 Nicole Higgins confirmed the current reporting format is too detailed and that in future this would be done by exception. A full return from each Committee will be available as an appendix.

Members noted the update and the risks identified.

5.3. REPORT FROM THE COORDINATION COMMITTEES – information only, noted.

5.4. H&S UPDATE

Nicole Higgins asked members to note the update paper and highlighted the board's responsibility as detailed in revised Terms of Reference:

'Scrutinise and review the health and safety management for the NPCC Staff of the Central Office and the Chair and seek assurance that these arrangements are in accordance with health and safety governance arrangements approved by the Host Force. '

Nicole Higgins confirmed that the NPCC Management Meeting would address Health and Safety on a quarterly basis and the board would review it annually.

6. REVIEW OF DRAFT AGENDA FOR THE NEXT MEETING

The following items will be discussed at the next meeting:

- External audit
- Annual Communications update
- HMIC recommendations

- Annual report

7. ANY OTHER BUSINESS

DATE OF NEXT MEETING

The next meeting will take place on 6 February 2018 in the NPoCC Conference Room, 2nd Floor, 10 Victoria Street, London SW1H 0NN.

END OF MEETING

DRAFT