

Draft Minutes of the Audit and Assurance Board (AAB)

Draft Minutes of the meeting held on 11 February 2020 at 10 Victoria Street

Security classification: Official
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Force/organisation: APCC
Date created: 11 February 2020

Attendance

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| Barbara Scott (BS) | AAB Chair |
| Lizzie Peers (LP) | Independent |
| Janice Shardlow (JS) | Independent |
| Kenny Bowie (KB) | Home Office |
| Martin Hewitt (MH) | NPCC Chair |
| Martyn Underhill (MU) | PCC Dorset |
| John Campion (JC) | PCC West Mercia |
| Paddy Tipping (PT) | PCC Nottinghamshire |
| Charmaine Laurencin (CL) | NPCC Chief of Staff |
| Lee Milton (LM) | NPCC Risk Manager |
| Louise Bailey (LB) | Internal Audit |
| Marcus Roberts (MR) | APCC Policy Director |
| Simon Talbot (ST) | APCC Support |

Apologies

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| Mark Burns-Williamson (MBW) | PCC West Yorkshire |
| Susannah Hancock (SH) | APCC CEO |
| Andy Rhodes (AR) | CPOSA |

1. Welcome and introductions

- The Chair welcomed everyone to the meeting. For the APCC Paddy Tipping was attending in place of Mark Burns-Williamson and Marcus Roberts was attending in place of Susannah Hancock.

2. Minutes and actions

- 2.1 BS asked if anyone had any comments on the minutes. LP requested that the minutes be amended to state that she could provide scrutiny of proposed risk management arrangements if required.
- 2.2 The following actions within the action log were agreed: The AAB TOR review and business cycle alignment will be progressed later this year and LB will be removed as the owner of Action 2019.005.

Action: LM will group linked actions into single trackable workstreams within the action log.

3. Matters arising

3.1 NPCC/NPOCC IT service provision:

- A paper was provided which set out the approach taken to assessing future IT provision for NPCC/NPOCC. This recommended the service be provided by the Police ICT company.
- LP indicated it was not clear from the paper exactly what the NPCC position was in terms of current IT costs and service provision vs other options. She also questioned whether there was sufficient evidence that other private providers including providers to other security sensitive organisations (fire, ambulance, MoJ, prisons, NCA etc) had been adequately costed/considered to properly demonstrate the Police ICT option did represent the best value for money. It was therefore agreed that further details of the costs, IT provision and added value that Police ICT would provide would be circulated to assure the AAB that this was the best option.
- MH set out the positive aspects of using Police ICT and sharing the contract with NPOCC. He indicated that other providers to security sensitive organisations would be unlikely to identify any more appropriate IT providers.

Action: CL was asked to circulate details of the potential NPCC/NPOCC IT service contract so that AAB members could verify that the Police ICT Company represented the best option to deliver this work.

4. Finance, Audit and Risk

4.1 NPCC Financial Statement Paper:

- LM reported NPCC expenditure of 395k and a 112k overspend in Quarter 3. Part of this overspend was due to misallocation of salary costs and part was due to overtime costs which were queried by the AAB. Members were concerned about overtime approval assurances and MH stated controls will be tighter in the future. The NPCC is also looking at the high expenditure by the Communications Team.
- MH had recently presented this finance update to the Chief Constables' Council. In response to a question from LP, MH confirmed that the proposed budget figure is now correct and NPCC reserves have been used to cover previous overspends. JC stressed that the NPCC Finance Action Plan must produce trusted figures going forward. In response to a question from KB, LM stated that the NPCC will be appointing a Finance Manager to undertake future accruals. PT observed that it was clear there has been problems but that the NPCC Finance Action Plan should now be addressing this.

Action: It was agreed the Finance Action Plan will be a standing agenda item at future AAB meetings.

4.2 NPCC Internal Audit Paper:

- LB stated that DARA's NPCC Internal Audit is beginning this month and is prioritising the review of financial management as agreed at the previous AAB board meeting. A final report will be produced in March which will be circulated to the APCC and a full update will be provided at the next AAB meeting.

4.3 NPCC Quarterly Risk Update including issues log:

- LM updated the AAB on the risks within the new NPCC Risk Register with GDPR compliance representing the NPCC's highest risk. The AAB highlighted that GDPR had been on the Risk Register for a long time. LP and BS stated that this has been a high-level risk with little improvement over a number of years which is not acceptable. KB was also concerned that policing could be seen as being unable to get something as basic as this done. CL reported that an interim data officer has been tasked with completing this. CL hoped this would lead to a significant reduction in 3 months but the risk would still be high and the risk reduction was unknown.
- The NPCC had identified a resource resilience and succession planning risk which has been added to the Risk Register as a result of trying to address GDPR. Members emphasised the need to be confident the NPCC have got the biggest effort going into reducing their highest risk. MU asked what is NPCC Business Continuity Plan? MH replied that mobile working and using other premises were possible options.

Action: The NPCC would provide the AAB with a road map of the actions the NPCC were taking to reduce the GDPR risk by the end of the week beginning February 17th in terms of what they were doing; who was doing it; when this was being done; and a target of how much this risk would reduce.

Action: CL was asked to send an NPCC staff organisational and line reporting chart to AAB members.

5. Governance

5.1 Health & Safety, Equality & Diversity and Environmental Compliance Reports:

- CL reported that NPCC Health & Safety, Equality & Diversity and Environmental annual compliance reports had been completed as part of the s22 agreement. CL would check ED data for the next meeting. ICT/data protection governance, fraud and bribery regulations were raised as future areas to consider.

5.2 Host Force SLA Review Update Paper:

- CL is currently liaising with the MPS on the Host Force SLA Review including legal, HR and finance aspects.

Action: CL will provide a completed Host Force SLA review paper for the next meeting which will include KPI measurement and monitoring arrangements.

6. Review and Monitor

6.1 January 2020 Chief Constables Council Update:

- MH provided an update on the recent Chief Constables' Council meeting which discussed the National Policing Board and its Performance and Strategic Investment sub boards; the Spending Review; the Serious and Organised Crime Review; the outcomes framework; Operation Uplift; and officer safety.

6.2 NPCC Operations Model Paper:

- MH updated the AAB on the development of the NPCC Operating Model. MH noted that policing governance infrastructure had changed significantly with the creation of the National Policing Board, as had the political environment with the election of a new government, and any model needed to take account of this, and to engage with the government's crime reduction priorities. It was also necessary to

look at the respective roles of the NPCC, APCC, College of Policing and other partners and to consider how these might co-ordinate their work in a way that engaged with the government's priorities.

- PT said that there was a need for ongoing discussion forward. He noted that the current NPCC Operating Model proposal presented a single option with costs estimated at between £5 and £8 million, and it was unclear where this funding would be found. If this involved a s.22 agreement this would need sign off from PCCs. The business plan should provide more than one option, at different costs. This could then be fed into the wider discussions with the Home Office about future funding as part of the Spending Review.
- BS asked why this paper had been issued to the board so late as it was such an important issue. BS also asked where the assurance process fitted into the new model, as there didn't appear to be any reference to assurance and governance in the paper in terms of how this will be provided or managed.
- LP said that options need to set out the costs, risks and benefits of each option presented.
- JC and LP reiterated that the AAB needs to see a clear plan of how they will be involved and gain assurance as the model develops, including options for engagement outside of the routine AAB cycle of business, as the 3 month gap between meetings is too long to ensure adequate oversight of such an important and rapidly developing change programme.
- MU said the Business Case should present 2/3 scalable options that can go to the Home Office and Treasury. KB stated the Home Office wants a joint portfolio team hub with a stronger centre providing greater focus on crime and an operating model should take account of this and dock into it appropriately.

Action: MH will email regular Operating Model business plan updates to AAB members for comment and provide a programme setting out when and how AAB members will be provided with opportunities to review and scrutinise options and developing arrangements.

7. Any other business

- It was agreed agenda items at the next meeting must include the NPCC Operating Model; the NPCC Finance Action Plan; the DARA internal audit; the GDRP risk update; and the Host Force SLA Review Paper.