

# Minutes of the Audit and Assurance Board (AAB)

**Minutes of the meeting held on 15 February 2017 at 10 Victoria Street, London**

**Security classification:** Official  
**Disclosable under FOIA 2000:** Yes  
**Author:** Richard Hampson  
**Force/organisation:** NPCC  
**Date created:** 7 March 2017

## **ATTENDANCE**

### **Present**

Deep Sagar	Independent Chair
Chief Constable Sara Thornton	NPCC Chair
Commissioner Alun Michael	APCC
Barbara Scott	Independent
Ziggy MacDonald	Home Office
Lizzie Peers	Independent
By phone:	
PCC Martyn Underhill	APCC
Chief Constable Mark Polin	Chief Police Officers' Staff Association
PCC Matthew Ellis	APCC ( <i>part-time</i> )
Supt. Tim Metcalfe	NPCC Chief of Staff
Nicole Higgins	NPCC Strategic Planning & Risk Manager
Richard Hampson	NPCC Business Officer

### **In attendance for specific item (17/2/4)**

Nishil Shah	MOPAC Auditor
Rob Brown	MOPAC Auditor

## **1. 17/2/1 WELCOME, INTRODUCTIONS AND CONFLICTS OF INTERESTS**

1.1. The Chair welcomed attendees to the meeting and, in particular, Lizzie Peers and Richard Hampson as it was their first meeting.



1.2. Mr Macdonald suggested he leave the meeting for a short period to allow the group to discuss the Undercover Policing Inquiry (UCPI) as his department is likely to become its sponsor. No other conflicts of interests were declared.

1.3. Mr Hampson would record the meeting to help with writing the minutes and the group confirmed they had no objections to this.

1.4. COMM'R Michael highlighted that the Association of Police and Crime Commissioners (APCC) have agreed their committee structures and that he was now national lead for volunteers. COMM'R Michael stressed the importance of connecting the APCC and NPCC coordination committees.

1.5. CC Thornton confirmed that the APCC committee structures had been published on ChiefsNet.

1.6. The Chair made reference to additional papers for information which were circulated with the agenda for the meeting:

- NPCC coordination committee governance arrangements and basic expectations.
- List of Coordination Committees and Portfolios.
- Legal advice regarding the Performance Sub-Committee.
- Advice on the formation of the NPCC

## **2. 17/2/2 CHAIR'S UPDATE**

2.1. The Chair's written update was noted and members advised it should be used to aid discussions in the meeting.

## **3. 17/2/3 STANDING ITEMS**

### **17/2/3a CHIEF CONSTABLES' COUNCIL UPDATE (CCC)**

3.1. CC Thornton provided the Board with an update on the January Council meeting. CC Thornton highlighted presentations by Susan Acland-Hood (Chief Executive, Her Majesty's Court and Tribunal Service (HMCTS)) on court reform, Lyn Brown (Shadow Minister for Policing) on Labour's priorities for policing and Steve White (Chair, Police Federation) on officer welfare.

3.2. CC Thornton provided an update on the success of the regional feedback process - pre-circulating papers for consideration at regional meetings.

3.3. The following highlights from CCC were discussed:

- Casualty Bureau – CCC supported the recommendation to work towards the establishment of a regional casualty bureau structure.
- UK Protected Persons Service (UKPPS) – A business case for the future operation of UKPPS was presented and it was agreed that further consultation was required with the regions. A fresh paper would be brought back to CCC. CC Thornton will update the Board.
- Undercover Online – The paper noted a substantial bid from the Vulnerability Portfolio to develop an online undercover capability at the regional level, supporting and training officers.

This capability would support the service's effort to disrupt people before they commit offences online. The paper was supported at CCC, the bid would be submitted to the PTRB.

- DBS Enhanced Disclosure Certificates – The paper covered the Disclosure and Barring Service (DBS). The service needs to move beyond the current force level model. Chiefs endorsed the work to review better business models.

(17/2/3a/1 - Action) Ms Higgins to circulate the DBS paper to all members of the group.

- Pre-Charge Bail – Policing & Crime Bill 2016, CC Thornton confirmed that the bill received royal assent on the 31 January and implementation was planned for April 17.
- Fraud – National, Regional & Local Structures – The local role was discussed, focussing on victim care and prevention. COMM'R Michael offered to provide feedback on work previously commissioned with Professor Michael Levy on the potential of local partnership working to reduce online crime, the emphasis being on prevention and local forces having more responsibility for victims.

(17/2/3a/2 - Action) Ms Higgins to circulate the Fraud paper to all members of the group.

(17/2/3a/3 - Action) COMM'R Michael to feed back to CC Thornton on the issue of local forces having more responsibility for victims.

- Delivering the Policing Vision 2025 – CC Thornton highlighted the work of the Police Reform and Transformation Board (PRTB). The vision was signed of in November 2016 and eight outcomes developed to achieve the Vision, along with the building blocks to achieve this. These were broadly agreed by Chiefs and a further extraordinary meeting of CCC has been arranged for the 23 February to discuss it further.
- Protective Strategy Abuse of Powers – CC Thornton noted that this links to the HMIC Legitimacy Report published at the beginning of December 2016 and confirmed the strategy was in development. It will be available to PCCs before being presented at CCC in April.
- Improving Workforce Representation – An update was provided on the commitment of the police service to have a more diverse workforce. All chiefs at Council supported a substantial bid to the PTF to support the work.
- Emergency Services Mobile Communications Programme – CC Thornton discussed the current challenges with the programme.

3.4. CC Thornton informed the group that an extraordinary CCC meeting would take place on the 23 February focusing on specialist capabilities and the police transformation fund (PTF) process.

3.5. COMM'R Michael requested if the debate from the 23 February CCC meeting on Policing Vision 2025 could be shared. CC Thornton confirmed that all the material would be published and available through the forces from ChiefsNet. It was agreed that members could contact Ms Higgins to obtain any papers for CCC that they could not find elsewhere.

3.6. The Chair requested, given the timings of this meeting, that a report on CCC could be prepared in advance and shared with all members to save on time in the meeting. The Chair noted that CCC had approved NPOCC and ACRO budgets, in the context that the AAB was not seeing them. After

discussion, the AAB agreed that there appeared to be too many priorities and CCC would be helped by focusing.

**(17/2/3a/4 - Action)** Ms Higgins to prepare a report on CCC to circulation for future meetings.

### **17/2/3b NPCC DELIVERY PLAN Q3 2016/17**

3.7. CC Thornton provided an overview of the delivery plan for Q3.

3.8. Overall, good progress against the delivery plan objectives was reported. The risk to delivery is low with 33 out of the 49 objectives reporting little or no risk. The 14 objectives reporting amber risks have new structures or processes in place now to mitigate the risk.

3.9. CC Thornton highlighted a number of objectives:

- Coordination of the strategic approach to issues raised by migration including illegal immigration and criminality – CC Thornton updated the Board on a meeting with the 2<sup>nd</sup> permanent secretary and the director of immigration enforcement and the work of the portfolio to develop a strategic approach.
- Demand Programme – The demand programme (working with the College of Policing) will provide an update at the April CCC meeting. The final report is complete and is with key stakeholders for consultation.
- UK Protected Persons Service – CC Thornton informed members that this objective will not be met and cannot be delivered this year. It was agreed at CCC to take six months to re-develop the business case taking on board regional responses received.
- National Policing Requirement – The committee responsible for updating this document decided not to update but to work with NPoCC on developing an alternative approach. Therefore this objective will not be completed by the end of this year.

**(17/2/3b/1 - Action)** Ms Higgins to write up why the committee took the decision not to update the NPR.

- Transforming Forensics – Mark Burn Williamson and CC Simpson are leading this area of work reviewing different models and the potential of sharing platforms.

3.10. CC Thornton noted nine objectives in total had been delivered and were operating as business as usual with a further 15 in the implementation phase and will deliver by the end of the year.

3.11. It was noted that objectives 1.6, 1.7, 1.8, 1.9, 1.10 and 1.12 are important and align with PCCs Police and Crime plans and other local public services to improve outcomes for citizens. It was noted that the connection with PCCs was not explicit in all these objectives.

**(17/2/3b/2 - Action)** Ms Higgins to review these objectives in line with comments made on key PCCs partnership working in these areas.

3.12. All members agreed that a review should be undertaken on how risks are managed and reported within these programmes and suggested a “deep dive” into some to gain assurance.

**(17/2/3b/3 - Action)** Ms Higgins to work with Ms Peers on an update to be presented to the next board meeting.

3.13. The Board noted the contents of the summary report and looked forward to reviewing the 2017/18 delivery plan. The Chair suggested a clearer focus on outcomes and financial savings. The AAB agreed that members could contact Ms Higgins if they wanted a better understanding outside the meeting of a particular part of the delivery plan, and that clear language is preferred.

### **17/2/3c Q3 FINANCE UPDATE**

3.14. An update was provided by Ms Higgins on the income and expenditure of the NPCC central office at the end of the third quarter.

3.15. There is a £56k underspent due to staffing vacancies and savings on accommodation costs. The shortfall in income of £312k is due to journaling issues with the MPS. All corrections will be made during P4.

3.16. The full year outturn is expected to be broadly in line with the budget with a forecast underspend of £36K which can be carried forward. Members requested that future reports should include a variance column.

3.17. Clarity was requested on the £70K write off of the contribution from Scotland. Ms Higgins confirmed it had not been written off in 2015/16 but had been written off against funds carried forward in 2016/17 (current year).

3.18. Ms Higgins confirmed that legal representation was contracted through the MPS Directorate of Legal Services in line with MOPAC procurement requirements.

3.19. Ms Higgins confirmed that there is no policy for carrying reserves but underspend can be carried forward in accordance with MOPAC policies and approvals.

3.20. The board noted the contents of the Q3 2016/17 income and expenditure statement and forecast for the year. They noted the continued oversight of the specialist capabilities and digital programmes and the management of CCC expenditure. They also noted the transfers in from CPI and ACRO and that the review of finances excluded grant projects and organisations such as NPOCC and ACRO.

**(17/2/3c/1 - Action)** Ms Higgins to include variance column in the next finance update to the board.

### **17/2/3d NPCC RISK REGISTER**

*NB: Mr Macdonald left the room during the update on the Pitchford Inquiry.*

3.21. CC Sara Thornton highlighted the risk the Pitchford Inquiry poses. The NPCC has complied with five rule 9 requests. The team is reviewing a significant amount of ACPO material held in the repository in Hull University archive. It was confirmed that the workload for NPCC staff had increased and whilst the requests are becoming more focussed, the volume is increasing.

**(17/2/3d/1 - Action)** Ms Higgins to add operational impact to the risk for the Pitchford Inquiry.

3.22. The legal position of Police Scotland with regard to the NPCC was discussed. It is unlikely that funding will be received for 2017/18 and Ms Higgins confirmed that this had not been included for in the Budget. CC Thornton is engaging with CC Phil Gormley to resolve this.

3.23. It was noted the other risks and mitigating actions are set out in the risk register and the board noted the update.

#### **4. 17/2/4 NPCC INTERNAL AUDIT**

4.1. The chair welcomed Mr Shah and Mr Brown from the MOPAC Directorate of Audit, Risk and Assurance (DARA) to the meeting. The chair reminded the Board that the terms of reference for the audit had been previously agreed.

4.2. The auditors informed the board that the NPCC had received an assurance rating of “adequate”. The scope of the audit was agreed in July 2016 and included a review of the NPCC’s governance arrangements, the framework for managing risks and controls over the transfer of assets and liabilities formerly held by ACPO.

4.3. Members discussed the findings of the report and noted that a framework of control was being put in place to meet the requirements.

4.4. Board members discussed the importance of the internal audit report and suggested that the risks identified form a part of the central risk register and framework.

**(17/2/4/1 - Action)** Ms Higgins to include NPCC management report on progress against the actions from the audit report as a standing item for each board meeting agenda.

4.5. Members agreed the internal audit for 2017/18 should consider Risk Management and a review the current NPCC / MPS hosting arrangements including the provision of service under the service level agreement.

4.6. Ms Higgins updated the Board on progress on the External Audit. Grant Thornton will conduct an audit of 2015/16 financial statement during March 2017 and a report presented to the Board in May 2017.

#### **5. 17/2/5 NPCC BUDGET 2017/18**

5.1. CC Thornton confirmed that the budget for 2017/18 will be broadly the same as 2016/17 and that this would mean funding is requested from the Parties at the same level as 2016/17. The proposal was agreed by CCC in January 2017.

5.2. The board accepted the funding contributions from parties and the NPCC central budget for 2017/18.

#### **6. 17/2/6 REVIEW OF NPCC SLA WITH MPS**

6.1. Ms Higgins provided an update of the 2016/17 annual review and proposals for improvements in service provision. No immediate changes in charging rates or mechanism was proposed due to the imminent migration to a new outsourced service delivery model for the MPS.

6.2. Value for money and the effectiveness of the service provision and processes will be further reviewed once the new service delivery model is implemented. Ms Higgins assured the Board that NPCC staff will be fully trained in new systems and processes and that the MPS Business Partners are aware of the NPCC requirements.

6.3. The board recognised there has been considerable improvement in the working of the SLA since the last review with a better understanding of NPCC requirements presented and the financial arrangements appear to be offering value and should remain in place.

6.4. The board noted the contents of the update and accepted the proposal to maintain the current service level agreement for a further period of twelve months.

## **7. 17/2/7 ADDITION OF PORT POLICE CHIEF OFFICERS ASSOCIATION**

7.1. Supt. Metcalfe updated the board on the proposal that the Port Police Chief Officers Association join the NPCC in line with the NPCC s22a collaboration agreement. The Board was assured that the NPCC had engaged with the Association and was satisfied that there are benefits for both parties to be in a collaboration arrangement. A review of any potential risks to the NPCC or those party to the agreement were weighed in advance of the meeting and Mr Metcalfe highlighted the importance of port border security.

7.2. It was acknowledged that the paper would go to a future CCC meeting for a formal decision.

7.3. The board agreed that the Port Police Chief Officers Association should become a party to the s22a collaboration agreement subject to the approval of Chief Constables' Council.

## **8. 17/2/8 MINUTES AND ACTIONS – 9 NOVEMBER 2016**

8.1. The Board agreed the minutes as accurate for the last meeting held on the 9 Nov. 2016.

8.2. Outstanding action points were reviewed and updates provided as follows:

(16/7/1) – PCC Ellis has written to the minister on NPCC's constitutional status and a copy of the letter would be shared with all members on the board. Action open.

(16/7/4) – The issue of indemnity and insurance for NEDs has been addressed in their contracts. Action closed.

(16/7/4g) – Ms Higgins confirmed that the External Audit quote of £4K was exclusive of VAT but included expenses. Action closed

(9/11/3) - Advice on delegation of authority to the Performance Sub Committee. A discussion was held in light of the advice received from WLS relating to the ability of the MPS Commissioner to delegate authority to a committee. In summary the advice that was given stated:

*“The question raised is whether the Committee could legally have more authority than simply to “advise and recommend” action to the Commissioner. The legal position is clear. The Commissioner is the AA in relation to the Chair, and is the ultimate decision maker in law in relation to any complaint, conduct or investigation matter relating to that individual.*

*That is not to say that any action below formal decision making could in theory be conferred by the Commissioner on the Committee on a case-by-case basis, depending on, for example, a specific performance issue or complaint raised against the Chair. However, the ultimate decision maker in law remains the Commissioner.*

*As a side note, as part of this review we have reconsidered the statement within the draft revised Agreement that the AA role cannot be delegated. As set out in this note above, it can – provided that the chief officer (the Commissioner in the case of the Chair) is the ultimate decision maker in law”*

Recommendation 3 of the Review by DCC Mackey states:

*“The Commissioner cannot, in law, delegate his role as Appropriate Authority to a subcommittee of the NPCC therefore the terms “advise” or “recommend” to the Commissioner should be used.”*

The Chair considered the legal advice and noted that the recommendation in the review of the Performance sub-committee did not accurately represent the advice which says *“it can (delegate) – provided that the chief officer (the Commissioner in the case of the Chair) is the ultimate decision maker in law”*.

The Board were advised that the s38 removal does not apply to the MPS and that s49 applies and is adequately dealt with within the agreement. In light of this, the action was closed. CC Polin suggested that a fuller examination of all scenarios including suspension was necessary.

**Action 17/2/8**–CC Polin to share notes on the outstanding points related to conduct with Ms Higgins.

(9/11/4) – Future dates have been shared and Ms Higgins is coordinating with APCC. Action Closed

Workshop action: The AAB terms of reference are now finalised and published on the NPCC website. Action closed

(9/11/7i) – Discussed as part of matters arising under point 17/2/9.

Workshop action: A review of NPCC Constitutional Design has been placed in the Annual Audit Cycle, which is available to all board members. Action closed

(9/11/9ii) The internal auditors were in attendance – Action closed

(9/11/9iii) APCC are collating quotes and preparing to communicate the AAB annual report on their website. Action closed

(9/11/10ii) –NPCC coordination committees’ governance documents were circulated to all members of the board. Action closed

(9/11/10iii) Risk frameworks and RAG ratings to be reviewed with Ms Peers. Ongoing

## **9. 17/2/9 MATTERS ARISING**

### **17/2/9a S22A REVIEW UPDATE**

9.1. Ms Higgins provided an overview of the work being undertaken with Warwickshire Legal Services on the S22A Agreement. The first draft was sent out for pre-consultation with key

stakeholders - MPS, Home Office and APACE. MPS has raised issues around indemnity and liability, which are under review.

9.2. The agreement will be sent to all Chief Constables and PCCs for consultation by the end of February with a view to receiving the feedback and creating a final draft for approval by the board in the May meeting. It will then be circulated for signature.

#### **17/2/9b INCLUSION OF ALL CHIEF OFFICERS**

9.3. CC Thornton confirmed that regional meetings had been set up to allow all chief officers to participate in CCC and considerable effort has been made to encourage all chief officers to apply for national portfolio and working group roles within the NPCC coordination committees.

9.4. A one day all chief officers meeting was being arranged for May which was agreed at the January Council meeting.

#### **17/2/9c ACPO DISSOLUTION AND RESERVES**

9.5. CC Thornton informed the board that the insolvency practitioners are clear that ACPO cannot be dissolved while the organisation still has outstanding pending litigation. A meeting regarding the outstanding 3 legal cases took place on February 13. A further update will be brought back to the board in May.

**(17/2/9c/1 - Action)** A further update on the ACPO dissolution will be brought back to the next board meeting in May.

#### **10. 17/2/10 ANY OTHER BUSINESS**

10.1. COMM'R Michael brought to the attention the continued issue of spit guards and discussed the letter circulated by PCC Underhill which was shared with all board members. PCC Underhill confirmed that a letter has been written to the Home Affairs Select Committee (HASC) to request an inquiry into spit guards and the safeguarding of officers and detainees. CCC agreed Cmdr Matt Twist would lead on this issue nationally and liaise with all forces and the College of Policing on the review of current policy of individual forces.

10.2. The Chair thanked members for their attendance and participation in the meeting.

#### **DATE OF NEXT MEETING**

The next meeting will take place on 3 May 2017 in the NPoCC Conference Room, 2<sup>nd</sup> Floor, 10 Victoria Street, London SW1H 0NN.

#### **END OF MEETING**