

Minutes of the Audit and Assurance Board (AAB)

Minutes of the meeting held on 6 April 2016 at New Scotland Yard, London

Security classification: Official
Disclosable under FOIA 2000: Yes
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Force/organisation: NPCC
Date created: 25 April 2016

ATTENDANCE

Present

Mr Deep Sagar	Non-Executive (Chair)
Chief Constable Sara Thornton	NPCC Chair
Chief Constable Mark Polin	Chief Police Officers' Staff Association
PCC Matthew Ellis	APCC (dialled-in part-time)
PCC Martyn Underhill	APCC
Commissioner Alun Michael	APCC
Mr Adrian Wight	Home Office
Ms Simone Pennie	Non-Executive Member
Ms Nora Nanayakkara	Non-Executive Member (dialled-in)

IN ATTENDANCE

Ms Sherry Traquiar	NPCC FOI Decision Maker
Supt. Tim Metcalfe	NPCC Chief of Staff
Ms Nicole Higgins	NPCC Strategic Planning & Risk Manager
Ms Rose de la Cuesta	NPCC Business Manager



OPEN SESSION

1 WELCOME, INTRODUCTIONS AND CONFLICTS OF INTERESTS

- 1.1 The Chair welcomed attendees to the meeting and noted Mr MacDonald's apologies. The Chair also announced that Ms Pennie had resigned from the Board and thanked her for her contribution to the AAB. The Chair would be discussing a process for replacement with CC Thornton after the meeting and then consulting the AAB.

Action 16/4/1: Chair/CC Thornton

- 1.2 It was noted that members reported no conflicts of interest and that Mr Wight was representing Mr MacDonald in his absence.

2 MINUTES AND TERMS OF REFERENCE

2.1 Minutes of December 2015 meeting

- 2.1.1 The minutes were agreed subject to replacing item 3 with the version put forward by Ms Pennie; it was agreed that it be reworded to state that the Board considered papers submitted by the Chair of Roads Policing and that the stray 's' be removed from paragraph 3.5. No changes were suggested to the interim terms of reference.

3. ACTION LOG UPDATES

- 3.1 Actions 29/15 and 33/15 are ongoing. The rest were on the agenda or completed. On Action 21/15 CC Thornton advised that she had agreed with the chair of the APCC that a legal officer of a PCC's chief executive would provide independent legal advice to AAB when necessary.

4 MATTERS ARISING

4a. National Driver Offender Retraining Scheme (NDORS) Update

- 4a (i) A meeting to discuss the position with regard to NDORS was held on 8 January with CC Davenport and was attended by CC Thornton, PCC Ellis, PCC Underhill and Commissioner Michael. CC Davenport agreed to send monthly updates to CC Thornton to assure NPCC that plans were on track.

- 4a (ii) The transition of NDORS to Road Safety Trust (RSS) had been successful and NDORS Ltd will be wound up later this year. Once liquidated there would be a transfer of residual funds to the new organisation. NDORS Ltd has provided details of its statutory accounts up to September 2015, but there was currently no progress on retrieving the RSS management accounts. It was noted that there was no legal obligation to release the RSS accounts.

- 4a (iii) Mr Ellis undertook to draft a letter, on behalf of the Board, to Mr Hughes, requesting disclosure of the RSS management accounts on the premise that a confidentiality agreement would be proposed. The letter would be copied to the APCC. AAB agreed this approach.

Action 16/4/4a: PCC Ellis

4b. Home Office and College of Policing Memorandums of Understanding (MOUs)

4b (i) Memorandums of Understanding between the NPCC and both the College of Policing and the Home Office needed to be finalised and inserted as an annex to the NPCC s22A Collaboration Agreement. The MOU with the College of Policing has been finalised but the Home Office is seeking further legal advice on its MOU with the NPCC. AAB supported both MOUs. Only if there are significant changes this would be brought back to AAB.

4c. S22a Review

4c (i) The various inconsistencies, inaccuracies and proposed amendments in the agreement were highlighted following an initial review of the Agreement. It was suggested that instead of “non-executive members” the term “independent non-executive members” be used. AAB agreed the changes proposed and that lawyers draft a revised agreement. CC Thornton undertook to speak with the Metropolitan Police Service (MPS) legal directorate in this regard.

Action 16/4/4c: CC Thornton

4d Association of Chief Police Officers (ACPO) Status Update

4d (i) Transition of ACPO Crime Prevention Initiative (ACPO CPI) to Mayor’s Office for Policing and Crime (MOPAC) is now complete and the directors of ACPO have instructed insolvency practitioners to file for solvent liquidation. This would take approximately 12 weeks to complete. At that point the name ACPO would be removed from Companies House. AAB noted this as positive progress.

4e Internal and External Audit Proposal

4e (i) It is proposed that internal audit services be provided by MOPAC under the current Service Level Agreement (SLA). This would be in two parts: assurance that the MPS audit of functions hosted by MPS had been completed and recording any actions required, and a separate internal audit of NPCC on those areas not covered by the SLA. The duration of this audit, which was currently set at 17 days, was under negotiation with MPS. An external audit could potentially be conducted under the umbrella of MOPAC, but the option of an independent external audit of NPCC was being required of the MPS auditors Grant Thornton.

4e (ii) Members agreed that auditors should attend an AAB meeting on an annual basis to present a report. They would receive prior instructions from the Board as to what areas they should focus upon. The Board expressed an appetite to move beyond finance to key areas of control. AAB agreed the internal audit proposal and asked that the external audit proposal be emailed when ready rather than waiting for the next meeting.

Action 16/4/4e: Ms Higgins

4f MPS SLA Update

4f(i) An informal review of the SLA had been conducted and the actions were listed on the third page of the paper.

4f(ii) It was noted that the SLA was being better managed. There had been some improvements in service delivery (especially in Finance and Commercial services) and that NPCC were more

compliant with MPS processes. There would be a full review in September 2016 where service delivery performance measures and value for money would be considered. AAB noted this.

5 PERFORMANCE SUB COMMITTEE

5a *(This paragraph was discussed in the absence of the NPCC Executive Chair and all NPCC staff)*

The Chair provided an oral briefing in relation to the terms of reference and membership of the committee as circulated. After discussion it was agreed that the Chair would write to the chair of the performance sub-committee on three points it would like the committee to take corrective action on: (i) its chair should not be a vice-chair of the NPCC given the perceived conflict of interests, (ii) independent members should be equal members and (iii) it should meet quickly to resolve outstanding issues.

Action 16/4/5a: Chair

5b AAB then discussed structural and governance issues with regard to the Performance Sub-committee. CC Thornton clarified that the Performance Sub-Committee was accountable to Chief Constables' Council, not AAB. The Performance Sub-Committee was established independently of the AAB in order to deal with the performance of the NPCC Chair as dictated in the Section 22a Collaboration Agreement. After discussion AAB agreed that a review of the Performance Sub-committee's terms of reference and its place within the NPCC governance structure was necessary. The Chair would draft a review document covering the following: (i) Should conduct and performance be with separate committees, (ii) its ideal membership given the need for public accountability, and (iii) its reporting relationship with the rest of the NPCC governance structure including the AAB.

Action 16/4/5b: Chair

6 FOI POSITION AND UPDATE

6.1 Ms Traquair was introduced as the NPCC Freedom of Information Officer and Decision Maker. Ms Traquair explained her role in responding to FOI requests on behalf of the NPCC and that her paper provided an overview of the legislation.

6.2 The Chair highlighted the need to be transparent and publicly accountable. Delaying the publication of the AAB minutes until the next meeting had approved them was not ideal and suggested that the minutes be approved by email correspondence and published within one month after the meeting. This was agreed after discussion.

Action 16/4/6: Chair

6.3 The practicalities of having a closed session were noted, but as a rule of thumb, it was agreed that closed minutes should be avoided whenever possible and each agenda item should be treated on its own merits.

6.4 Ms Traquair explained that the FOI Unit relied upon exemptions and legislation to safeguard information. The unit would also generally provide some context and background information in the formulation of their responses and the FOI section on the NPCC website would attest to this.

6.5 Ms Traquair further explained delaying publication of the minutes until ratified at the next meeting provided safe space to conduct consultation, especially with regards to information

relating to security agencies exempt from the FOI Act. All forces have adopted this approach to ensure no breaches were being made; however, the final decision would ultimately rest with the Board.

6.6 The Chair encouraged members to look at the FOI section of the NPCC website.

7 NPCC OPERATING MODEL

7.1 The Board was advised that the operating model was currently in draft form and would be considered by the chairs of Coordination Committees on Friday.

7.2 The following suggestions were raised in the discussion that followed:

- In relation to the 'Role and Functions of Chief Constables' Council' at paragraph 3.1.1, its terms of reference (ToR) should be specific and should not state '(but not exclusively)' since that left unexplained gaps
- Consideration should be given to drawing a link with the six "functions" agreed with the Home Office and all the activities being carried out
- The document should adequately reflect the role and responsibilities of Police and Crime Commissioners and the extent of their local responsibilities should -be emphasised.

7.3 Some members felt that this appeared to be more like an operational map, as opposed to an operating model, given that it was not linked to a delivery plan, change and strategic priorities or organisational arrangements, and neither did it highlight where it was now and where it needed to be. It was suggested that consideration be given to renaming the document. AAB suggested that in the following year links be drawn between vision, strategy, operating model and delivery plan.

Action 16/4/7: Ms Higgins

8 NPCC Quarter 3 DELIVERY PLAN UPDATE

8.1 The volume and complexity of the programmes encapsulated in the delivery plan were highlighted and significant effort was being placed in ensuring proper cohesion and focus. Members were advised of the level of change management work in policing, enduring issues around data standards, and the work being done with National Police Co-ordination Centre (NPOCC) regarding mobilisation.

8.2 In terms of the Strategic Policing Requirement objective at 1.1 relating to Counter Terrorism (CT) and Organised Crime, it was highlighted that its Red Amber Green (RAG) status was red in the quarter three report, but this has since been reviewed and changed to amber.

8.4 The following points were raised in discussion:

- Commissioners had a role in the National Policing Requirement, especially in ensuring that local forces were meeting those requirements.
- The 'Crisis Care Concordat' referenced in the Equality Diversity and Human Rights (EDHR) Standards and Policy report did not apply in Wales and should be highlighted
- In terms of 'National Change', the collective role of Commissioners should be emphasised.

- As for work on demand, the importance of the relationship between Chief Constables and Commissioners and the need for issues to be resolved locally should also be highlighted.

8.5 The comments raised would be incorporated in the development of the new delivery plan.

Action 16/4/8: Ms Higgins

9 FINANCE AND BUDGET UPDATE

9.1 The 2015/16 forecast outturn is expected to be an under-spend of £80,000 in the main due to unfilled staff vacancies. It was proposed that this be moved to reserves to cover any potential delay in receiving funds from Scotland.

Expenditure was more or less in line with expectation in total, the main area of concern being £100K over-spend on Information Technology (IT) to accommodate the transition from PNN to PSN. Underspend on staffing costs mitigated this.

The 2016/17 budget has been approved by Chief Constables' Council at the same level as 2015/16 with some slight adjustments to non- Home Office forces. There was an anticipated rise in the cost of accommodation. The MPS have confirmed there was no alternative cheaper accommodation in the immediate area, but there was a potential to move to another floor in the current location in September, which could potentially be cheaper; albeit there would be some minimal costs to moving. A cross-charging mechanism would also be developed for CPI. Increases in staffing costs reflect full staffing numbers, not operating with vacancies.

9.2 Members were further advised that there is a contingency in the plans and were assured that the legal costs for Inquiries were to be covered by forces and not borne by NPCC through the central budget. Some assumptions including those used to forecast the budget line for AAB were discussed. AAB were assured that contingencies would cover pay and travel, meeting costs and others such as recruitment and unplanned items.

9.3 A further report relating to other cost centres, such as the Specialist Capabilities and Digital Policing would be submitted to AAB in future.

9.4 The Board ratified the 2016/17 funding share arrangement and budgeted income and expenditure plan as agreed at Chief Constables' Council in January 2016. It further accepted that £80,000 be carried forward in reserves to cover potential issues in receiving funding from Scotland.

10 CHIEF CONSTABLES' COUNCIL UPDATE

10.1 An outline of the agenda items being raised at the next meeting of Council was provided.

10.2 Members pointed out that clarity was required on defining Child Sexual Exploitation and Wales should be engaged in the consultation. The items being raised at Council should be shared with the APCC as some of the issues particularly around fire service would be a significant point of interest. The Chair noted positive progress in NPCC publishing a blog on proceedings and minutes on the web site promptly.

- 10.3 It was agreed that an update on Chief Constables' Council would be provided at APCC Board meetings and at the joint APCC/NPCC summit on 1 July.

Action 16/4/10a: CC Thornton

- 10.4 An APCC/NPCC Conference was being arranged for early November and confirmation would be circulated in due course.

Action 16/4/10b: Supt. Metcalfe

11 NPCC RISKS AND ISSUES

- 11.1 After discussion it was agreed that a half-day workshop would be arranged in June to discuss the risk register, the legal duties of the Board and amendments to the S22a Collaboration Agreement. Dates would be canvassed.

Action 16/4/11a: Chair

- 11.2 CC Thornton reported that the risk register was discussed at the NPCC management meeting.

- 11.3 AAB agreed that an annual report would be developed for the Board and submitted to the July AAB meeting.

Action 16/4/11b: Ms Higgins

12 ANY OTHER BUSINESS

12.1 Future Updates

- 12.1.1 A briefing on the Pitchford and Goddard Inquiries and the Police Reform and Transformation Board would be provided at the next meeting of AAB.

Action 16/4/12: CC Thornton

12.2 Payment of Independent Non-Executive Board Members

- 12.2.1 The tax codes for the independent non-executive board members and access to the pay-roll site were being resolved.

DATE OF NEXT MEETING

The next meeting would be held at Room 381 New Scotland Yard, London from 11:00 – 14:30 on 20 July 2016.

FUTURE MEETING DATES IN 2016

19 October at 10 Victoria Street, London SW1V 0NN from 11:00 – 14:30.