

National Police Chiefs' Council: Audit and Assurance Board: Annual Report 2015-16

Background

The Association of Police and Crime Commissioners (APCC) commissioned a review of the Association of Chief Police Officers (ACPO) in 2014. That review acknowledged there should be a national body for policing. As a result, in negotiation with Police and Crime Commissioners, the National Police Chiefs' Council (NPCC) was established. NPCC started operating on April 1st 2015 on the basis of a Section 22A agreement between all 43 Police and Crime Commissioners (PCCs) and Chief Constables and six other policing national organisations, with the following six functions authorised by the Home Secretary:

1. The co-ordination of national operations including defining, monitoring and testing force contributions to the Strategic Policing Requirement working with the National Crime Agency where appropriate;
2. The command of counter terrorism operations and delivery of counter terrorist policing through the national network as set out in the Counter Terrorism Collaboration Agreement;
3. The co-ordination of the national police response to national emergencies and the co-ordination of the mobilisation of resources across force borders and internationally;
4. The national operational implementation of standards and policy as set by the College of Policing and Government;
5. To work with the College of Policing, to develop joint national approaches on criminal justice, value for money, service transformation, information management, performance management and technology; and
6. Where appropriate, to work with the College of Policing in order to develop joint national approaches to staff and human resource issues, including misconduct and discipline, in line with the Chief Officers' responsibilities as employers.

A major element of the Section 22A agreement was a new governance structure designed to ensure accountability to the public as well as effective operation and value for money. Providing oversight to this governance structure is the Audit and Assurance Board (AAB).

AAB

The AAB started operating with a workshop in September 2015. It has since met in October 2015, December 2015, April 2016 and July 2016 in formal meetings as well as in another workshop. The AAB in part ensures accountability by having its membership from many perspectives. The APCC nominates three PCCs as members, the Home Office and Chief Police Staff Officers' Association nominate one member each, the chair of the NPCC is a member and three independent members are appointed from the public. One of the latter is the non-executive chair of AAB.

Activities and outputs of the AAB in 2015-16

- (i) Terms of reference: The AAB agreed terms of reference to include all the duties placed on it by the Section 22A agreement. The AAB has reviewed these at each meeting.



- (ii) ACPO: The AAB had oversight of the liquidation of ACPO and disposal of all its assets and reserves back to police resources for use by forces. It considered the hosting of all activities and organisations associated with ACPO by police forces. It specifically assessed progress made with regard to Crime Prevention Initiatives and National Driver Offender Retraining Scheme, and on completing of the review passed the matter to the APCC.
- (iii) Internal and external audit: It has agreed an internal audit plan by the Metropolitan Police internal auditors of significant control subjects. It commissioned a private-sector firm to carry out external audit of the financial accountability statements.
- (iv) Risk management arrangements: The AAB considered at each meeting a risk analysis by the chair of NPCC and arrangements for their management. In July 2016 it met in a workshop to assess a few risks in detail. It found the risk arrangements adequate in general but offered the organisation advice on specific issues.
- (v) Financial accountability statement: Given the size of NPCC's operations and the costs and effort involved, it agreed that instead of detailed accounts and balance sheet it would consider a financial accountability statement. It regularly reviewed controls against budget and found these adequate.
- (vi) Annual budget: It accepted the budgets for 2015-16 and 2016-17 approved by the Chief Constables Council and appreciated the spending constraints applied against inflation.
- (vii) Financial policies: It received assurances on the Metropolitan Police Service's (MPS) policies applying to all financial systems. It pointed out the need to clarify coverage of AAB's and its members' liabilities.
- (viii) Host force contract: The s22A agreement was in place when the Board was established. The arrangements are assessed regularly including the quality and quantity of services received and advised the organisation on improvements necessary.
- (ix) Section 22A agreement: The AAB reviewed the workings of this agreement in detail. As a result it authorised both drafting changes so that the agreement is clearer and without duplications and a detailed review so that governance systems are working appropriately. It is tracking progress off and will approve Memoranda of Understanding as per the agreement. The AAB also advised on the articulation of terms of reference for each part of the governance structure including the Chief Constables Council and co-ordination committees.
- (x) Performance sub-committee: It raised concerns with the sub-committee on governance issues and commissioned a review of its terms of reference in co-ordination with the Chief Constables Council.
- (xi) Delivery model and delivery plan: It regularly reviewed the progress of the delivery model and delivery plan and advised the organisation on the delivery model co-ordinating better with PCCs and pointed out that the Chief Constables Council should take the lead on approving the delivery plan.
- (xii) Co-ordination committees and hosted services: It requested the organisation to consider reporting arrangements.

- (xiii) Operational progress: It regularly received reports from the chair of NPCC on progress made by the Chief Constables Council and contribution to strategic issues such as the Police Reform and Transformation Board and public inquiries like the Goddard inquiry.

- (xiv) Self-assessment: The AAB agreed an annual cycle of business to fulfil its terms of reference and are considering a light-touch method of assessing its own effectiveness.

Summary

The AAB has wrestled with its unusual remit, made necessary by the unique arrangements on which the NPCC was established. It has sought to fulfil its functions transparently in the year and will be reporting its progress after each meeting.