

Minutes

Audit and Risk Assurance Committee

Thursday 4 December 2014, 10.00am
at The Forum, 74-80 Camden Street, London

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Present:

Brian Phillpott, Chair
Bill Matthews
Stella Thomas

In attendance:

Adrian Hanstock, Deputy Chief Constable
Simon Downey, Director of Capability and Resources
Simon Hart, Head of Finance
Lisa Howson, Head of Audit & Compliance
Helen Edwards, Head of Information Management

Daniel Greenwood, National Audit Office
Tim Le Mare, Internal Audit (DfT)
Rose Enemuwe, Internal Audit (DfT)

Nick Sloan, HMIC
Laura Gibb, HMIC

Andrew Figgures, Chief Executive
Charlotte Vitty, Authority Finance Director & Deputy Chief Executive
Sam Elvy, Strategy & Performance Manager
Vicky Tanner, Income and Compliance Manager & Minutes

Apologies:

Andrew Pollins
Catherine Crawford
Paul Oliffe, National Audit Office

39/2014 Welcome and Apologies

Non-Agenda

1. The Chair welcomed Adrian Hanstock, Deputy Chief Constable to his first Committee meeting.

40/2014 HMIC – Presentation on PEEL Inspections
Agenda Item 6.2

2. HMIC gave a presentation to the Committee setting out the process and assessment criteria for the PEEL – Police Effectiveness Efficiency and Legitimacy inspection. PEEL is made up of three pillars, below each pillar there are a number of high level questions and each is awarded a graded

judgement based on the Ofsted inspection grading. HMIC have adopted graded judgements as they are recognisable and known by the public.

3. HMIC will still be carrying out thematic inspections as directed by the Home Secretary but the majority of inspections will support the PEEL process.
4. The Committee raised concerns about whether the questions and the scope of the PEEL inspection would fit the BTP operating model and take into account the specific environment that the force operates in. HMIC acknowledge the differences but stated that if the inspection criteria was amended it would mean that national comparison with the Home Office forces would not be possible.
5. The Committee asked HMIC how well they interacted with HMIC Scotland. BTP confirmed that HMICS will be undertaking inspections in 2015 with crime integrity planned for January 2015.
6. HMIC updated the Committee that there would be a change to the BTP HMIC team as both Laura Gibbs and Nick Sloan were leaving HMIC and a new liaison officer will be appointed. The Committee and the Chief Executive raised concerns of the lack of consistency with the HMIC liaison team.

(HMIC left the meeting)

41/2014 Minutes
Agenda Item 1

7. The minutes were approved as an accurate record.

42/2014 Matters Arising
Agenda Item 2

8. The Chair reviewed the actions. Action3 – HMIC PEEL and cyber-crime. Mrs Elvy updated the meeting that the decision had been taken that the Authority would wait and see what was included in this before making any commitment to be included.
9. Action 4 – assurance framework. Mrs Vitty updated the meeting that this had not yet taken place but was currently being arranged.
10. The remaining actions were either complete or covered elsewhere on the agenda.

43/2014 Internal Audit – Key Performance Indicator Report
Agenda Item 8.2

11. Internal Audit presented to the Committee the complete report – BTPA 14/02 – Audit of Key Performance Indicators. The overall rating awarded to the audit was moderate. Internal Audit acknowledged that the governance, risk

management and the design of the objectives for the force was working effectively but communication of the KPIs could be improved.

12. The Authority and BTP have reviewed the recommendations, produced an action plan and begun work. It was acknowledged that a number of the areas for improvement already existed but were not formalised and this work was taking place.
13. The Deputy Chief Constable informed the Committee that BTP were in the process of reviewing the information that is currently presented at the Strategic Executive Board to ensure that it was fit for purpose.
14. Agreed
 - 14.1. To circulate the action plan to the members of the Committee for review.

(Mrs Elvy left the meeting)

44/2014 BTP Quarterly Update
Agenda Item 3

15. The Director of Capability and Resources introduced a report which provided an update of developments across Corporate Resources since the previous Committee meeting.

Procurement

16. Work is continuing to discharge the recommendations made following the Internal audit of Procurement and Contract Management. Training is being rolled out to all the contract managers within BTP and this is expected to be complete by 31 January 2015. Once complete, contract familiarisation training will begin for senior managers in the organisation. This should complete the two outstanding actions from this audit.

Business Continuity

17. The fall over rota for all the IT system is now in place. Work to identify who the users are of the 100+ systems is underway and will be completed by the end of January'15. Once this is complete BTP will assess and negotiate with the suppliers and users what level of out of hours support is required.

Procurement

18. BTP have encountered a number of issues with the Crown Commercial Service as a number of the frameworks that are currently available are inadequate for BTPs needs.

HR Core Controls

19. As part of the Transformation programme work is taking place to improve the management and recording of sickness. The emphasis within BTP has changed from sickness management to attendance management. Training will ensure that managers and supervisors are aware of the tools and support available to them to deal with these issues.

Core Security & IT Controls

20. The Committee requested an update on the outstanding recommendations from this audit as only 50% of them were marked as complete. BTP explained that the three incomplete recommendations were covered by the work that is being done to ensure PSN-P compliance and work being undertaken as part of business continuity. BTP must complete an IT health check as part of the national accreditation process for PSN-P.
21. The Committee noted that the new Head of Health & Safety is due to start on the 5 January 2015. A date for mediation concerning the Northgate contract had been set for mid-January'15.
22. The report was noted.
23. Agreed
 - 23.1. Director of Capability and Resources to submit an update to the Chair on the three outstanding recommendations of the Core Security & IT Controls audit so they can be completed.

45/2014 BTPA Quarterly Update
Agenda Item 4

24. The Finance Director of the Authority introduced a report which updated the Committee on significant developments since the previous Committee meeting.
25. The Authority has been informally notified of the DfT timetable for the end of year process and it does not pose any issues for BTP or the NAO for their end of year planning.
26. Since the last Committee meeting the Authority have only received 11 PSA amendment responses back out of 28. This has meant that the calculation of the provisional charges for 2015/16 has been done in accordance with the original wording in the 2013 core PSA. The increase of the overall PSA charge will be presented to the Authority for approval next week.
27. The Committee were updated on the new pension strategy for police officers. Since the helpline was opened, they have only received 9 enquires to date and consultation is due to close on the 6 December. The Pension sub-group is due to meet on the 16 December to review the results of the consultation and to assess the next steps.
28. The Finance Director has been elected as chair and deputy chair of the Police Staff and Police Officer pension management committee respectively. The Committee were informed of concerns that had been raised to her about incorrect pension contributions being taken from employees who had only come to light when individuals had started drawing their pensions. It is unclear as to how many individuals were affected by this. Work is being undertaken to clarify this issue.

29. The Finance Director met with the BTP insurance lead concerning the renewal of SEERPIC that is due to be signed in mid-January. The renewal will need to be approved out of committee due the time scales of approval.
30. The Chair requested that a full review was carried out of the BTP and Authority insurance cover and requirement to ensure that appropriate cover is being provided.
31. An updated version of the gifts and hospitality registers for the Force and the Authority were reviewed. A concern has been raised with the Force on the acceptance of high value items. The items in question have been returned but queries were raised as to the appropriate protocol for the returning of such gifts. Following a discussion it was agreed that the Authority would write to the Foreign Office requesting guidance on their policy to ensure that BTP acted consistently with other government agencies and bodies.
32. The Deputy Chief Constable has also commissioned an internal independent review of the recording, receiving and returning of any gifts made.
33. The report was noted.
34. Agreed
 - 34.1. A review of the current insurance arrangements to take place and report back to the next Committee meeting.
 - 34.2. The Authority to write to the Foreign Office requesting guidance on the acceptance and return of high value items with a view to update both the Force's and Authority's policy.
 - 34.3. The Head of Finance to provide assurance to the Committee that correct pension contributions are being taken from employees.

46/2014 Quarterly Strategic Risk Reports (SRRs)
Agenda Item 5

BTPA Risks

35. The Committee was presented with the latest strategic risk register for the Authority. The Finance Director provided an update on the Emergency Services Mobile Communication Programme (ESMCP). The Authority and BTP are engaged with the Home Office on this piece of work, but it is currently at very early stages of the tendering process and there is no clear direction or understanding of the potential costs. Once the tendering process has been complete the potential funding requirement should become clearer.
36. The Chief Executive updated the Committee on the progress concerning the Legislative anomalies risk. Amendments to the proposed Infrastructure Bill have been made and they have cross-party support. These amendments will reduce the discrepancy in powers between Home Office forces and BTP. The

Authority's strategic risk register will be updated to reflect the work that has been done prior to submission to the Authority.

BTP Risks

37. The Force's Strategic risk register was presented to the Committee for review. The Force highlighted the below updates to the Committee.
 - 37.1. SR70 – PNN Replacement and Ability to connect with PSN – the delivery plan on how this will be completed is due to be presented to the Director of Capability and Resources at the end of the week. Once this has been received the Force can review and finalise the key milestones required to gain accreditation.
 - 37.2. SR74 – ICCS – the move of the ICCS is on schedule and is expected to be completed by mid-Spring 2015.
38. The Committee discussed potential new strategic risks to be considered for inclusion on the registers. It was agreed that following the publication of the Smith Commission report on Scottish devolution a new risk will be added once the quantum of devolution is known and assessed.
39. Agreed
 - 39.1. The Authority's strategic risk registers to be updated to reflect the work that has taken place in respect of Legislative Anomalies for the next Authority meeting.
 - 39.2. A new risk will be added to the Authority's risk register concerning Scotland once the quantum of devolution is known.

47/2014 HMIC Inspection Update Agenda Item 6

40. The Deputy Chief Constable introduced a report which provided an update of recent HMIC inspections.
41. The Committee noted the progress made against the HMIC action plans to date. BTP has carried out the factual accuracy check on the Crime Data integrity audit but overall BTP were happy with the results of the inspection.
42. The Committee were disappointed about the lack of consistency in relation to the HMIC BTP Liaison Officer role as it is the sixth HMIC BTP Liaison Officer there had been since the current Chief Executive was appointed in 2010.
43. It was suggested to the Committee that a representative from BTPA should attend the HMIC reform group as currently PCCs are represented. The Deputy Chief Constable currently attends for BTP. The Committee supported this suggestion and will agree on the level of representation required.
44. The report was noted.

48/2014 External Audit

Agenda Item 7

45. The NAO presented to the Committee their program of work for the completion of the end of year accounts. The NAO highlighted one significant risk which was the transfer of the fixed asset register to E-Fins. This is on-going piece of work and BTP and NAO are confident this will be completed and signed off before the end of year work starts. The Committee was informed that there were three stages to this piece of work and that the reconciliation work will be complete within the next three weeks.
46. The NAO highlighted four other issues that they will be monitoring and reviewing during the audit. Firstly the HMRC provision for the unauthorised pension payments. The number of individuals affected has fallen and is reducing due to their pension becoming authorised when they reach 55 years old. The Authority is still waiting for HMRC to make a determination concerning the pension's liability, but as each case is being reviewed individually it is not expected anytime soon. The NAO raised concerns on the issue highlighted earlier to the Committee concerns incorrect pension deductions being taken and this will be included in their end of year work.
47. Historically NAO have identified small errors in relation to payroll concerning allowances and timesheets. These are not considered significant but will be included.
48. The NAO also identified two other areas that will be included within the end of year audit, the new pension strategy for police officers and the current contract dispute that BTP are involved with. The NAO were informed that as the Authority is not mentioned in the Public Pension Act 2013 we are not required to seek departmental approval for the change to the scheme, but the Chief Executive is keeping DfT updated on progress.
49. The NAO informed the Committee of a change in their invoicing process and that the charge for this year's audit has fallen from £116k to £106k.
50. The report was noted.

49/2014 Internal Audit Progress Report
Agenda Item 7

51. Since the last Committee meeting only one report had been completed. The report for the expenses audit was in draft with the cyber security audit currently underway. The terms of reference for the accelerated information system plan are in the process of being agreed and finalised.
52. The Committee were informed that Internal Audit were currently slightly ahead of the agreed 14/15 plan and were confident that all of the work will be completed before the end of the year.
53. The Finance Director requested that the cycles for Q1 and Q3 are brought forward to help reduce the pressure on the Finance Team during the end of year process.

54. Internal Audit presented the draft plan for 15/16 to the Committee for review and comment. The fees for 15/16 were not included and the Committee is yet to be informed as to what they will be. The Committee approved the draft plan.
55. The report was noted.

50/2014 Information Management Agenda Item 9

56. The Head of Information Management gave the Committee a presentation on the current position in relation to Information Management compliance. A large amount of work has already been completed by the team, but there is still a substantial amount that needs to be complete compliance to the code of connection for PSN-P and legislation.
57. The recent inspection carried out by the Information Commissioners Office was positive and they acknowledged the issues BTP were dealing with.
58. The Committee were informed of the key projects that the Information Management team were involved with plus physical security assessments of the BTP estate.
59. The Information Management team are playing key roles in assisting the IT department in ensuring BTP is compliant with the code of connection require for PSN-P by October'15. This is a mandatory requirement and BTP have engaged early with the National Accreditors to ensure that progress is being made.
60. The IM team are involved with the training of new starters so that they are aware of their responsibilities in relation to information management and document storage along with providing support and information to existing staff on data and record management requirements. The Committee were informed that a business case was expected to be submitted for internal approval for an electronic document management system mid-2015.
61. The Committee were provided with an update of the current issue of the unstructured, uncatalogued archived data held at Iron Mountain and the approach BTP are taking to assess this issue. The ICO is aware of the current situation and to date has not suggested that BTP will be subject to any enforcement order due to this.
62. The Information Management team are currently considering recalling a sample of approximately 200-300 boxes for review and then depending on what is found a decision by COG could then be taken on how to deal with the remaining boxes.
63. The Committee raised concerns that this was subject to high risk, and questioned whether consideration been given to review all of the boxes and

dealing with each box's contents accordingly. This had been considered and will be included in the options presented to COG. It has been estimated that this would take approximately 24 months to complete with a dedicated team and the costs have already been included in the MTFP. It was confirmed to the Committee that no more boxes were being sent to Iron Mountain and that the number of boxes is not increasing.

64. The Chair requested that an update be provided to the Committee in July 2015 on the progress of this work.

65. Agreed

65.1. A progress report on the work concerning Iron Mountain to be submitted to the Committee for the July 2015 meeting.

51/2014 Any Other Business
Agenda Item 8

BTPA Expenses and Allowance Policy

66. The Chief Executive updated the Committee that the DfT had issued updated guidance in relation to Expenses and Allowances and that the BTPA policy will be amended to reflect the changes and shared with the Committee in due course.

Next Meeting
05 March 2015 at 10.00 am.