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| Committee Members | Jeremy Newman (JN) | Non-executive Board Director (C) |
| | Alan Jenkins (AJ) | Non-executive Board Director |
| | Jenny Rowe (JR) | Non-executive Member |
| | Marta Phillips (MP) | Non-executive Member |
| Attendees | Nick Folland (NF) | Chief Executive |
| | Paul Staff (PS) | Director of Corporate Services |
| | Chris Davis (CD) | Internal Audit Manager |
| | Richard Shaw (RS) | Grant Thornton UK LLP |
| | Kevin McGinty (KM) | HMCPSI |
| | Nick Doran (ND) | National Audit Office |
| Guests | Mark Gray | Director of Digital services |
| | Chris Sharp | Director of Finance |
| | Sara Carnegie | Director's Strategic Policy Advisor |
| Apologies | Grace Ononiwu | CCP West Midlands |
| | Marc Rainforth | Internal Audit |
| Secretariat | Hilary Tabita | Secretariat |

Housekeeping:

1. NF notified the Chair that, due to a misunderstanding, West Midlands would not be attending the meeting. It was agreed that NF would speak to CCP for West Midlands and report back to Chair. Subsequent to the meeting it was agreed West Midlands would attend the next meeting. **[ACTION JUN 1]**

Item 1: Declaration of Conflicts of Interest

2. No conflicts of interest were declared.

Item 2: Minutes of Last Meeting & Matters Arising

3. The minutes of the meeting held on 27 April 2017 were agreed. Progress was noted against the outstanding actions.
4. Details of the recruitment work had been shared with the Board and it was agreed that action was now closed.
5. A request was made that work on Area risk registers should not be any further delayed.
6. It was not clear what action had been taken with regard to the weakness identified from the annual assurance report on whistle blowing nor why it had not yet been dealt with and what further guidance needed to be issued. It was agreed PS would follow up on this.

Item 3: Risk Management Update

7. Paul Staff provided highlights on risk management at the end of Q4 2016/17.
8. The Chair raised two areas of concern, namely police file quality (PFQ) and disclosure. The Committee discussed the reasons for the on-going challenges surrounding PFQ. The Chair suggested there was more the CPS could do in terms of PFQ and it could be that Prosecutors needed to be more robust in their dealings with police colleagues on PFQ and that some central guidance in this might be helpful.
9. The Committee briefly discussed disclosure and the upcoming publication of the joint HMIC and HMCPSI *'Fair Disclosure for a Fair Trial' An inspection of disclosure procedures and practices within the Criminal Justice system* report. The Committee agreed the risks in terms of disclosure must be addressed.
10. The Committee noted that these issues, and in particular the relationship with the police, had not been identified in reviews of Area Risk Registers. It was important that CCPs were open with the ARC about this and their relationship with stakeholders generally.
11. KM agreed to present to the next Committee meeting the themes emerging from his inspections (including the CPS' approach to PFQ). NF committed to ensuring the CPS was responding to these themes and agreed to update the committee at a future meeting. **[ACTION JUN 2]**
12. The Committee briefly discussed CPSD and the Charging Review. It was agreed that any changes to the charging model would be brought to the ARC in due course. **[ACTION JUN 3]**

Item 4: Review of Corporate Risk 1 – Failure to have the right number of people in the right roles and with the necessary skills and knowledge

13. Paul Staff gave an overview of how the CPS is addressing this risk. Overall the CPS had been successful in mitigating this risk to an acceptable level. In particular:
 - 2017/18 Senior Leadership Programme was focussing on inclusive leadership and coaching and was having a positive impact across the organisation, encouraging more staff to get involved in their personal development. Other schemes were mentioned including Leading for Success, the Career Pathways and the New Managers' Programme.
 - The Committee discussed anticipated shifts in crime trends and casework and the benefits of the REM resourcing model, which was considered a helpful tool for Areas to identify the resourcing model appropriate for their respective needs.
 - The Committee acknowledged it took time to recruit and train staff and that fact made forward planning and careful horizon scanning essential to ensure the CPS was appropriately resourced with a resilient and suitably qualified and skilled workforce. Committee members noted that the need for staff to be flexible was particularly important.
 - Brief outline given of challenges faced when recruiting and the difficulties sometimes posed by strict recruitment timeframes and security clearance. PS was pleased to report the recruitment process had been streamlined and was beginning to show positive results.

Given the successful recruitment over the course of the past year it was not thought resourcing continued to be a risk.

- The Smarter Working Strategy had been launched and good progress was being made in allowing administrative staff to work more flexibly.
- The possible failure to increase engagement with staff was discussed. Whilst the employee engagement index had gone up by 5% overall it was important to maintain momentum. The Committee considered whether the Conversations would continue to have the same traction now they were business as usual and agreed it was essential for staff to see positive action and progress following the third round of Conversations.

Item 5: Risk Appetite

14. Mark Gray gave an overview of the decision to move the CPS from a cautious to open risk appetite. It was agreed this reflected current practice and was appropriate.

15. In addition, the following was noted:

- The change brought the formally agreed appetite in line with current operating norms and should not result in any significant change in approach.
- We would not be updating guidance to staff as there would be no change in so far as risks would still need to be fully evaluated.
- MG confirmed that no on-going projects were being run too cautiously and Office 365 was given as an example of a project being run openly.

Item 6: NAO Audit Completion Report

16. Nick Doran and Richard Shaw gave an overview of NAO Audit Completion Report. A summary of points is as follows –

- Whilst there were some unadjusted misstatements they were not of concern. In particular it was not appropriate to adjust for extrapolated errors. The ARC confirmed it was content with the approach.
- It was noted that the issue raised last year regarding the bad debt provision had not been resolved. The NAO confirmed that CPS had been trying to resolve the matter. It was acknowledged that whilst there was a desire for consistency, it was not easy to achieve. PS agreed there was more work to be done.
- It was confirmed that, subject to a minor amendment, the letter of representation was approved.
- There was a brief discussion about Project Amazon. PS summarised the position and said the costs claim was working its way up to the Supreme Court. The NAO confirmed there had been no progress since last year. If the judgement was upheld there would be a number of serious fraud cases that would not be capable of prosecution.

17. The Committee was content that the report was as expected.

18. Recognition was given to the hard work of CPS staff in York and elsewhere in getting the audit completed in an effective and timely basis.

Item 7: CPS Annual Report and Accounts

19. Chris Sharp updated the Committee on the timetable for finalisation and sign off of the 2016/17 Annual Report and Accounts.
20. The Committee was told that the report had not yet been proof read and that some minor additions needed to be made to the governance statement following the internal audit of corporate governance.
21. The Committee was told that one issue had arisen in relation to the requirement to retain the PFI disclosure note, although it did not impact on the financials. The NAO recommended the inclusion of the note in the current year for transparency.
22. CS said the only other outstanding issue concerned the disclosed value of the future commitment with CGI. The estimated maximum payable under the contract would be an overstatement as it was not fully committed and would therefore be misleading. It was said that disclosing the amount payable for exercising the six months' notice period would be a more accurate reflection of the commitment.
23. The Committee complimented CS on the report, both in terms of content and readability. All felt the infographics were very useful and that generally the annual reports were well drafted, hit the right tone and were very well presented.
24. The Committee discussed the timetabling of the Annual Report and Accounts for consideration by the CPS Board and the DPP, and DPP sign off. Although the timetabling was recognised to be an improvement upon the previous year it was still not satisfactory. It was agreed that Finance would revisit timetabling to ensure a two week space between the ARC and the CPS Board for next year.
25. The Chief Executive made one drafting comment concerning the reference on p.19 that the SLG was a sub-committee of the CPS Board which that was not correct and should be removed.

Item 8: ARC Annual Report

26. Subject to a few minor amends the Committee confirmed they were content with the report as drafted.

Item 9: SIRO's six-monthly report

27. The Committee considered the key figures and themes from the SIRO's six-monthly report. PS took the Committee through the main findings in the report. Notable comments were –
 - PS said the report identified serious unauthorised disclosures for Jan-May only; he said he would ascertain the number for the whole year and would advise the Committee.

- There had been four data breaches involving missing discs. All discs were sent but it was not clear whether they had been lost in transit or arrived at the wrong location in the correct building. The DX tracking system had showed that all four had been delivered and signed for. The probability was that the discs arrived at the correct building but then went to the wrong office. However, it must be possible that the DX tracking had been wrong. There was no evidence to suggest the material had been released into the public domain.
- The Committee was keen to hear what the CPS did in such circumstances and PS outlined the process and relationship with the Information Commissioner's Office (ICO). The CPS' good relationship with the ICO was in part built on the CPS' response to breaches. In summary, when breaches were identified a formal investigation was carried out by the Departmental Security Unit (DSU). DSU were very thorough and identified any necessary management action. DSU were currently undertaking a process of retraining in the areas highlighting security. It was a constant process to ensure local leaders were up to date with security matters.
- Almost all ABE breaches related to ABEs involving children. All discs were encrypted and all breaches treated as the highest priority.
- The Chief Executive said there would be a change in the process of handling discs.

Item 10: Independent Inquiry into Child Sexual Abuse update

28. Sara Carnegie (SC) provided an update on the work of the Independent Inquiry into Child Sexual Abuse. The main points made were as follows –

- Internally, resourcing presented the greatest risk, particularly in light of the recent departure of the Grade 6 legal lead. However, that risk was mitigated by SC's own background in Inquiry work.

Inquiry resourcing update –

EO paralegal officer – recruited and due to start in July

Grade 7 – recruited and start date awaited

Grade 6 – advert out

- Costs were anticipated not to exceed £200,000-£250,000.
- Storage costs had the potential to grow. It was not yet possible to determine what was or was not relevant to the Inquiry.
- It was possible the breadth of the Inquiry could grow if additional strands emerged (e.g. historic football related cases).
- SC confirmed she was content with the support she received.
- It was clarified that whilst the CPS could not compel staff/former staff to assist, the Inquiry could. CPS offered support through the GLD Team. Some staff may not be called and may only be required to provide a statement. Nearer the time it would be necessary to put a process and a senior member of staff in place to offer support (in previous Inquiries that had been a CCP).

- It was agreed a paper update be submitted to each ARC meeting and for SC to attend once a year to provide an oral update unless there was something she wished to discuss at an earlier point.

Item 11: Internal Audit Plan Status Report and Annual Report

29. Chris Davis (CD) confirmed they had issued 14 final reports for work relating to the 2016/17 audit plan and two final reports for work relating to the 2015/16 audit plan. On the basis of the work completed to date and knowledge of governance, internal control and risk management frameworks, a moderate level of assurance had been provided by IA.
30. CD confirmed there had been no whistleblowing reports since the beginning of 2017.
31. The Committee was informed Q1 work was in place, apart from the complaints handling audit which had not yet commenced. CD explained there had been some difficulty arranging the necessary meetings and as a result that particular audit had been delayed and was certain to overrun. It was hoped the audit would be completed by the end of Q2 and an update would be provided at the October meeting.
32. The Committee was told that progress had been made on planning the Q2 audits.
33. The Committee discussed the tracker; It was apparent the use of the tracker had evolved into monitoring the BAU business enhancements derived from recommendations. That was not the intended purpose of the tracker. The Committee agreed the tracker should not be getting longer (20 pages), nor should there be a large number of completed actions sitting on it.
34. CD and PS agreed to review the tracker to ensure it only reflected outstanding actions to be monitored by ARC and to remove duplicated items **[ACTION JUN 4]**. This should be a separate agenda item in October **[ACTION JUN 5]**.
35. It was agreed that where an individual had more than two outstanding items on the tracker they should be invited to meet ARC to explain how and when these would be resolved.
36. The completed Estate Management report was discussed. Whilst the Chair agreed with the overall findings, the actual setting up of the shared services with MoJ had been poor and the first piece, on-boarding, had not worked well. CPS Area staff were accustomed to a high level of service and it was not anticipated MoJ would be able to replicate the current standard. CD noted the major projects part of the shared estates management worked best. The Committee agreed the lack of an agreed MOU at the outset of the project had been a mistake. An MOU would have prevented issues that had arisen. There may be lessons to be learned for the move to Petty France.

Item 12: Any Other Business

i) HMCPSI update

37. HMCPSI Chief Inspector (KM) gave an overview of the Inspectorate's work.
38. As at paragraph 11 KM agreed to give an update on the Inspectorate's AAP programme in October.

ii) Retirement of Alan Jenkins

39. The Chair notified the Committee that it was Alan Jenkins' final ARC meeting. The Chair went on to say that Alan had been the longest serving Committee member and expressed his gratitude to Alan for his work and contribution over the years. Finally, the Chair thanked Alan for his support of the Chair personally.
40. Alan remarked that he had enjoyed six full and informative years as a member of the ARC and said the CPS was making good progress.

Committee Secretary
June 2017