

NORTHERN IRELAND POLICING BOARD

AUDIT AND RISK MANAGEMENT COMMITTEE

**MINUTES OF A MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE
HELD ON FRIDAY, 30 SEPTEMBER 2011 AT 2:00PM IN WATERSIDE TOWER,
BELFAST**

PRESENT:

MEMBERS:

Mr Ross Hussey (Chairperson)
Mr Brian Rowntree (Vice Chairperson)
Mr Stuart MacDonnell
Mr Pat Sheehan
Mr Michael Wardlow

**NORTHERN IRELAND AUDIT
OFFICE IN ATTENDANCE:**

Ms Karen Beattie
(1) Mr Neil Gray

**PRICEWATERHOUSE
COOPERS IN ATTENDANCE:**

Mr Martin Pitt, Head of Internal Audit

**DEPARTMENT OF JUSTICE IN
ATTENDANCE:**

Mr David Hughes

PSNI IN ATTENDANCE

(2) Mrs Judith Gillespie (Deputy Chief Constable)
(3) Mr Denis Licence (Non-Executive Chair of
PSNI Audit and Risk Committee)
(3) Mr Niall McLaughlin (PSNI Audit and Risk
Committee Manager)
(2) One PSNI Official

OFFICIALS IN ATTENDANCE:

Mr Edgar Jardine (Interim Chief Executive)
Mr David Wilson (Director of Support
Services)
Two Board Officials

- (1) Item numbers 1 – 9 and 11
- (2) Item number 8
- (3) Item numbers 8 and 10

1. APOLOGIES, ETC

Apologies were received on behalf of Mrs Louise Mason, Northern Ireland Audit Office (NIAO). NOTED.

The Chairperson asked Members to declare any conflicts of interest arising from the agenda. No conflicts of interest arising from the agenda were declared. NOTED.

2. MINUTES OF AUDIT AND RISK MANAGEMENT COMMITTEE MEETING HELD ON 10 JUNE 2011

The Committee considered the draft minutes of the meeting held on 10 June 2011.

It was:-

RESOLVED:

That the draft minutes of the Audit and Risk Management Committee meeting held on 10 June 2011 be agreed.

3. MATTERS ARISING FROM MEETING HELD ON 10 JUNE 2011

3.1 Review Of The Format, Timing And Content Of Information Supplied To the Board By The PSNI (Item 3.1 Of Minutes Refers)

Officials advised Members that a copy of the draft report on the format, timing and content of information supplied to the Board by the PSNI would be presented by the PSNI at item number 8. NOTED.

3.2 Good Practice Guide (Item 3.2 Of Minutes Refers)

The Committee noted that Members had been provided with a copy of the NIAO Good Practice Guide. NOTED.

3.3 Organisational Review Report (Item 3.3 Of Minutes Refers)

The Committee noted that Members, NIAO and the Board's Internal Auditors had been provided with a copy of the KPMG report on the Organisational Review of the Board. NOTED.

3.4 Corporate Risk Register (Item 3.4 Of Minutes Refers)

The Committee noted that Members had been provided with a copy of the Board's Directorate Risk Registers and the 2010 – 2011 Corporate Risk Register. NOTED.

3.5 Invite To Chair Of PSNI Audit And Risk Committee (Item 3.5 Of Minutes Refers)

The Committee noted that a discussion with the Non-Executive Chair of the PSNI Audit and Risk Committee would take place at item number 10. NOTED.

3.6 Department of Justice Audit Committee (Item 3.5 Of Minutes Refers)

Officials advised Members that the Chair of the Department of Justice (DOJ) Audit Committee was not available to attend the meeting that day but would be happy to attend a future meeting. NOTED.

The Deputy Director of DOJ of Policing, Policy and Strategy Division updated Members regarding the DOJ Departmental Risk Register. NOTED.

Following discussion it was:-

AGREED:

That the Committee should be provided with a paper for the next meeting clarifying the role and responsibilities of the Board's Audit and Risk Management Committee and the PSNI Audit and Risk Committee.

3.7 PSNI Corporate Risk Register And Strategic Assessment (Item 3.6 Of Minutes Refers)

The Committee noted the contents of:-

- the PSNI Corporate Risk Register;
- the PSNI Strategic Assessment, tabled at the meeting.

NOTED.

3.8 Role Of Audit And Risk Management Committee (Item 5 Of Minutes Refers)

The Committee noted:-

- that Members had been provided with a copy of the Audit Committee Handbook;
- that Mrs Joan O'Hagan had been identified as the contact Member for the Board's whistle blowing policy;
- that the agenda for future meetings of the Audit and Risk Management Committee would be issued to the Chairperson and Vice-Chairperson of the Committee before being issued to Members for the meeting;
- that the Board had resolved the issue regarding the approval of minutes of Committee meetings.

NOTED.

3.9 NIPB Draft Statement On Internal Control 2010 – 2011 (Item 8 Of Minutes Refers)

The Committee noted that reference had been made to the recommendations in the KPMG report on the Organisational Review of the Board in the Draft Statement on Internal Control 2010 – 2011. NOTED.

3.10 Northern Ireland Policing Board Report On Expenditure (Item 11.2 Of Minutes Refers)

The Committee noted that the Resources and Improvement Committee would continue to consider the Board's report on expenditure. NOTED.

3.11 Communication Issues (Item 13 Of Minutes Refers)

Officials advised Members that the Board had considered the recommendation from the Committee on communication issues at the July 2011 Board meeting. NOTED.

3.12 CIPFA Training (Item 14.1 Of Minutes Refers)

The Committee noted that a CIPFA Training Session on Governance and Accountability had been held on 2 September 2011. The session may be re-run to allow other Members to attend. NOTED.

During a discussion regarding training for Members, a representative from NIAO referred to training for Mrs O'Hagan who had been identified as the contact Member for the Board's whistle blowing policy and it was:-

AGREED:

That Officials should arrange training on whistle blowing for the Member concerned.

3.13 Future Meetings Of Committee (Item 15 Of Minutes Refers)

The Committee

AGREED:

That the next meeting of the Committee should be rescheduled from 30 December 2011 to 9 December 2011.

4. CHAIRPERSON'S BUSINESS

The Chairperson had no issues to raise with the Committee.

5. UPDATED COMMITTEE DEVELOPMENT AND WORK PROGRAMME 2011 – 2012

The Committee considered a paper regarding an updated Audit and Risk Management Committee Development and Work Programme 2011 – 2012.

A representative from NIAO outlined details of two issues which she considered should be included in the Committee Development and Work Programme and it was:-

AGREED:

- That Officials should amend the programme to include the issues suggested by NIAO;
- That Officials should provide the Committee Development and Work Programme to Members for a rolling 12 months rather than on a financial year basis.

6. NORTHERN IRELAND POLICING BOARD (NIPB) CORPORATE RISK REGISTER

The Committee considered a paper which provided Members with an updated NIPB Corporate Risk Register.

A representative from NIAO suggested that the action by date held should be completed in the Risk Register and it was :-

AGREED:

That Officials should arrange for the Risk Register to have the action by date held completed by field.

7. NIPB INTERNAL AUDIT AND PERIODIC WORK PLAN 2011 – 2012

The Committee noted a paper which provided an update on the progress of the Internal Audit Periodic Work Plan for 2011 – 2012. NOTED.

The Committee noted that the following two internal audit assignments had been completed:-

- Review of arrangements for the monitoring of PSNI strategies;
- Review of effectiveness and adequacy of reporting arrangements (internal and external).

The Committee considered the reports and the Head of Internal Audit, PWC, responded to a number of questions from Members.

Members referred to information contained in papers for consideration by the Audit and Risk Management Committee and asked that papers for Committee meetings be provided seven days in advance of meetings and in hard copy rather than by electronic format.

8. REVIEW OF THE FORMAT, TIMING AND CONTENT OF INFORMATION SUPPLIED TO THE BOARD BY PSNI

The Committee considered a draft report on the review of the format, timing and content of information supplied to the Board by PSNI.

The Chairperson welcomed the PSNI Deputy Chief Constable and her colleagues to the meeting.

The PSNI Official gave a presentation to the Committee on the draft report on the review of the format, timing and content of information supplied to the Board by PSNI. A copy of the slides used during the presentation is attached at Appendix 'A'.

During the presentation, the PSNI Official briefed Members on:-

- the Terms of Reference for the review;
- the approach taken by the PSNI Process Improvement Unit in relation to the review;
- requests received by the PSNI from the Board for information;
- duplicate requests which were being received by the PSNI from the Board for information;
- the findings from the review;
- the turnaround time for the PSNI to provide information to the Board.

In the discussion following the presentation, Members commended the PSNI on the work that had been undertaken in relation to producing the report and sought and received further information in relation to:-

- Officials challenging Board Members in relation to the justification of requests and suggested that requests for more information may be requested from the new Board;
- the turnaround time for the PSNI to provide information to the Board.

Committee Members asked Officials to review the content and recommendations contained in the draft report.

In conclusion it was:-

AGREED:

- Following consideration by the Board Senior Management Team to take the recommendations in the draft report forward with PSNI and provide the Committee with an update at its next meeting.
- To arrange for the Board to consider the report in due course.

The Chairperson thanked the Deputy Chief Constable and her colleague for their contribution and they left the meeting.

9. CHANGE IN THE CAPITALISATION THRESHOLD

The Committee considered a paper regarding a proposal to increase the capitalisation threshold for Property, Plant and Equipment.

It was:-

RESOLVED:

To approve the change in the level of the capitalisation threshold to £1,000.

10. MEETING WITH NON-EXECUTIVE CHAIR OF THE PSNI AUDIT AND RISK COMMITTEE

The Non-Executive Chair of the PSNI Audit and Risk Committee briefed Members on his role and responsibilities.

During discussion, Members sought and received further information in relation to:-

- post procurement and management of contracts awarded by PSNI;
- areas for inclusion in the PSNI Internal Audit Plan;
- risks for PSNI around public confidence;
- corporate governance and risks within PSNI;
- future challenges and risks for PSNI.

The Chairperson thanked the Non-Executive Chair of the PSNI Audit and Risk Committee and his colleague for their contribution and they left the meeting.

Following further discussion it was:-

AGREED:

- That the Non-Executive Chair of PSNI Audit and Risk Committee should be advised of any issues/risks/concerns raised at Audit and Risk Management Committee meetings at which he was not in attendance.
- That a standing item should be included on the agenda for future meetings of the Committee regarding issues to raise with the Non-Executive Chair of the PSNI Audit and Risk Committee.
- That a letter should be sent to the Non-Executive Chair of PSNI Audit and Risk Committee in relation to Post Procurement Project Management and managing the risks associated with project management.

11. NIPB – MANAGEMENT STATEMENT AND FINANCIAL MEMORANDUM

The Committee considered a paper regarding the NIPB Management Statement and Financial Memorandum (MS&FM).

Officials advised Members that the MS&FM sets out the arrangements and requirements of the Board and the DOJ in relation to a range of corporate governance and financial requirements. DOJ and Board Officials have considered various drafts of the MS&FM over the past months and the document represents the current position.

Members discussed the MS&FM and it was:-

AGREED:

That paragraph 7.3 of the Management Statement should be discussed further with DOJ and the MS&FM brought back to the Resources and Improvement Committee for further consideration.

12. PSNI MANAGEMENT STATEMENT AND FINANCIAL MEMORANDUM

The Committee considered the PSNI MS&FM tabled at the meeting and it was:-

AGREED:

That Officials should consider the MS&FM before bringing back to the Resources and Improvement Committee for consideration.

13. INFORMATION PAPERS

The Committee noted the following information papers:-

13.1 NIPB – Year End Financial Statements 2010 – 2011

13.2 Department of Finance and Personnel Guidance

14. MATTERS TO BE RAISED WITH THE CHIEF CONSTABLE AT THE NEXT BOARD MEETING

There were no matters to raise with the Chief Constable at the next Board meeting arising from the meeting.

15. COMMUNICATION ISSUES

There were no communication issues arising from the meeting.

16. ANY OTHER BUSINESS

No other business was discussed.

17. DATE OF NEXT MEETING

The date of the next meeting was arranged for 9 December 2011 at 2:00pm.

(Meeting closed 4.30pm).

Secretariat

October 2011

Chairperson