

**NORTHERN IRELAND POLICING BOARD**

**AUDIT AND RISK MANAGEMENT COMMITTEE**

**MINUTES OF A MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE  
HELD ON FRIDAY, 10 JUNE 2011 AT 9:30AM IN WATERSIDE TOWER, BELFAST**

**PRESENT:**

**MEMBERS:**

Mr Ross Hussey (Chairperson)  
Mr Brian Rowntree (Vice Chairperson)  
Mr Jonathan Craig  
Mr Pat Sheehan  
Mr Michael Wardlow

**NORTHERN IRELAND AUDIT  
OFFICE IN ATTENDANCE:**

Ms Karen Beattie

**PRICEWATERHOUSE  
COOPERS IN ATTENDANCE:**

Mr Martin Pitt, Head of Internal Audit

**DEPARTMENT OF JUSTICE IN  
ATTENDANCE:**

Mr David Hughes, Deputy Director  
Policing Policy & Strategy Division

**OFFICIALS IN ATTENDANCE:**

Mr Edgar Jardine (Interim Chief Executive)  
Mr Sam Hagen (Director of Corporate  
Services)  
Mr David Wilson (Director of Planning)  
Four Board Officials

**1. APOLOGIES, ETC**

The Chairperson welcomed Members to the first meeting of the Audit and Risk Management Committee of the reconstituted Board.

Apologies were received on behalf of Mr Stuart MacDonnell and Mr Adrian McQuillan.  
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 25 MARCH 2011**

The Committee noted the minutes of the meeting held on 25 March 2011. NOTED.

The Chairperson advised Members that the minutes had been approved by the outgoing Board on 7 April 2011. NOTED.

## **3. MATTERS ARISING FROM MEETING HELD ON 25 MARCH 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 review had been carried out by the PSNI on the format, timing and content of information supplied to the Board by PSNI. The report on the review would be brought to the September 2011 Committee meeting for consideration. NOTED.

Following discussion in relation to the review, it was:-

#### **AGREED:**

That a copy of the draft report should be obtained from the PSNI and circulated to Members as soon as possible.

### **3.2 Training On Risk Management (Item 3.4 Of Minutes Refers)**

The Committee noted that the Northern Ireland Audit Office (NIAO) Good Practice Guide on Risk Management had been published on the previous day and an electronic copy of the Guide would be issued to Members. NOTED.

### **3.3 Organisational Review Report (Item 10 Of Minutes Refers)**

The representative from the NIAO indicated that the Audit Office would wish to receive a copy of the draft report on the Organisational Review of the Board by KPMG.

Following discussion it was:-

#### **AGREED:**

That a copy of the draft KPMG report should be issued to Members, NIAO and the Board's Internal Auditors.

### **3.4 Corporate Risk Register (Item 10 Of Minutes Refers)**

The Committee noted that the 2011/2012 Board's Corporate Risk Register was being developed. The Risk Register would be provided to Members for consideration at the September 2011 Committee meeting.

Following discussion, it was:-

#### **AGREED:**

That Members should be provided with copies of:-

- The Board's Directorate Risk Registers;
- The 2010/2011 Corporate Risk Register.

### **3.5 Invite To Chair Of PSNI Audit And Risk Committee (Item 11 Of Minutes Refers)**

Officials advised the Committee that the Chair of the PSNI Audit and Risk Committee would be invited to the September 2011 Audit and Risk Management Committee meeting to discuss issues relating to the work of the PSNI Audit and Risk Committee. NOTED.

Following discussion it was:-

**AGREED:**

- That the Chair of the Department of Justice's (DOJ) Audit Committee should be invited to attend a meeting of the Audit and Risk Management Committee;
- That the DOJ should be asked to provide the NIPB Audit and Risk Management Committee with a copy of the Departmental Risk Register;

**3.6 PSNI Corporate Risk Register And Strategic Assessment (Item 11 Of Minutes Refers)**

Officials advised Members that the PSNI Corporate Risk Register 2011/2012 and the Strategic Assessment would be considered at the September 2011 Committee meeting. NOTED.

**4. CHAIRPERSON'S BUSINESS**

**4.1 Policing With The Community Awards**

Members were reminded that the 2011 Policing with the Community Awards Ceremony which would be held in the Hilton Hotel, Templepatrick on 14 June 2011 at 12:00noon. Any Member wishing to attend was asked to contact Secretariat.

**4.2 Tribunal Case - Settlement**

The Committee noted details of correspondence, tabled at the meeting, which had been sent to the NIAO by a claimant in relation to a confidential settlement which had been reached in 2008 in respect of a claim made against the Board to a Fair Employment Tribunal. NOTED.

## **5. FIRST DAY BRIEF AND THE ROLE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

The Committee noted a paper in relation to the role and responsibilities of the Audit and Risk Management Committee.

The representative from PWC gave a presentation to the Committee on the role of the Audit Committee, corporate governance, risk management and internal/external audits. A copy of the presentational material used by Mr Pitt is attached at Appendix 'A'.

During discussion, it was:-

### **AGREED:**

- That the Committee should be provided with a copy of the Audit Committee Handbook;
- That a Lead Member, who was not a Member of the Audit and Risk Management Committee, should be identified under the Board's whistle blowing policy;
- That the agenda for future meetings of the Audit and Risk Management Committee should be approved by the Chairperson of the Committee before being issued to Members for the meeting;
- That the procedures for the approval of minutes of Committees meetings should be placed on the agenda for consideration at the next Board meeting.

## **6. PSNI SUSPECTED FRAUDS**

The Committee noted a paper which outlined details of the current suspected frauds within PSNI as reported to the DOJ. NOTED.

There was a change in the reporting arrangements of PSNI suspected frauds in February 2011. This resulted in the requirement to report all suspected frauds to the DOJ and copied to the Board.

Members indicated that they were content with the format of the information.

## **7. NIPB INTERNAL AUDIT AND PERIODIC WORK PLAN 2011/2012**

The Committee considered the Board's Internal Audit Periodic Work Plan for 2011/12.

Members noted that in line with Her Majesty's Government guidance and Government's Internal Audit Standards, the Board's contracted Internal Audit Service Provider, PWC, prepared an Audit Needs Assessment (ANA) for the Board during 2010/2011. The ANA outlined a proposed Audit Strategy, which was approved by the Committee in June 2010, and from this work three annual internal audit Periodic Work Plans were proposed to address the Board's internal audit requirements.

The Committee:

### **RESOLVED:**

To approve the Board's Internal Audit Periodic Work Plan for 2011/12.

## **8. NIPB DRAFT STATEMENT ON INTERNAL CONTROL 2010/2011**

The Committee considered the Board's Draft Statement on Internal Control (SIC) for 2010/2011.

Members noted that the SIC was a mandatory assessment, in line with Government guidance, made by the Board's Accounting Officer, and is included within the Board's

Annual Accounts. The Accounting Officer's assessment is based on his responsibility for establishing and maintaining a sound system of internal control, which supports the achievement of the Board's overall business objectives, plans and policies, whilst protecting public funds and assets. The assessment covers a number of topics which include risk; corporate governance; effectiveness and fraud.

Members discussed the Committee's role in relation the Organisational Review carried out by KPMG.

During discussion, it was:-

**AGREED:**

That the Draft SIC should include reference to the KPMG report on the Organisational Review of the Board.

It was:-

**RESOLVED:**

To approve the Board's Statement on Internal Control for 2010/2011 subject to the Chair and Vice Chair clearing additional text in relation to the Organisational Review.

**9. NORTHERN IRELAND AUDIT OFFICE (NIAO) AUDIT OPINION, LETTER OF REPRESENTATION AND REPORT TO THOSE CHARGED WITH GOVERNANCE FOR NORTHERN IRELAND POLICING BOARD (NIPB) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

The Committee considered a paper which outlined details of the Board's 2010/2011 Year End Financial Statements, a revised copy of which was tabled at the meeting.

The representative from NIAO presented a draft report, tabled at the meeting, to those charged with governance, setting out the provisional findings from the audit of the Board's Financial Statement for 2010/2011.

During discussion Members complimented Officials on the Board's accounts for the 2010/2011 financial year.

It was:-

**RESOLVED:**

To approve the 2010/2011 draft Financial Statements, remuneration report, draft letter of representation and draft report to those charged with governance.

**10. COMMITTEE DEVELOPMENT AND WORK PROGRAMME 2011/2012**

The Committee considered a paper which outlined details of the Audit and Risk Management Committee Development and Work Programme for 2011 – 2012.

It was:-

**RESOLVED:**

To approve the Audit and Risk Management Committee Development and Work Plan for 2011/12.

## **11. INFORMATION PAPERS**

### **11.1 Observation Of The PSNI Audit And Risk Committee Meeting On 4 May 2011**

The Committee noted a paper which provided feedback on the PSNI Audit and Risk Committee held on 4 May 2011, which had been attended by the Director of Planning.

### **11.2 Northern Ireland Policing Board Report On Expenditure To April 2011**

The Committee noted details of the Board's report on expenditure to April 2011.

It was:-

#### **AGREED:**

That the Resources and Improvement Committee should continue to consider the report and the Audit and Risk Management Committee should review the information on a regular basis.

### **11.3 Accounting Officer Approval Letter NIPB – Interim Chief Executive**

The Committee noted an approval letter from the DOJ in respect of the Board's Interim Chief Executive. NOTED.

## **12. 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.

### **13. COMMUNICATION ISSUES**

There were no communication issues arising from the meeting.

During discussion, Members were of the view that news releases should be issued from the Board and not from Committees, and it was agreed to:-

#### **RECOMMEND:**

To the Board that the standing agenda item relating to Communication Issues for all Committees should be removed.

### **14. ANY OTHER BUSINESS**

#### **14.1 CIPFA Training**

It was:-

#### **AGREED:**

That a CIPFA "On Board" Training Session should be arranged in the Autumn for Members and Senior Management.

## **15. DATE OF NEXT MEETING**

It was agreed that all future meetings should be held quarterly on the last Friday of the month.

The date of the next meeting was arranged for 30 September 2011 at 2:00pm.  
(Meeting closed 11:20pm).

**Secretariat**

**June 2011**

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**Chairperson**