

NORTHERN IRELAND POLICING BOARD

**MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE HELD
ON FRIDAY 17 JUNE 2022 AT 10AM AT THE NORTHERN IRELAND POLICING
BOARD WATERSIDE TOWER, BELFAST AND VIA ZOOM**

PRESENT:

MEMBERS

Mr Colm McKenna (Chair)
Mr Edgar Jardine (Vice-Chair)
Mr Michael Atkinson
Mr Frank McManus*
Mr Maurice Bradley MLA*
Ms Liz Kimmins MLA*
Ms Nuala McAllister MLA

IN ATTENDANCE:

DEPARTMENT OF JUSTICE

Mrs Sharan Dustagheer*

INTERNAL AUDIT

Mr Michael Matthews*
Mrs Cathy Hadden*

**NORTHERN IRELAND AUDIT
OFFICE**

Mr Tomas Wilkinson*

ASM ACCOUNTANTS

Mrs Christine Hagan*

OFFICIALS

Mrs Sinead Simpson, Chief Executive
Ms Jenny Passmore, Director of
Resources

Three Board Officials

*Attended the meeting via video conference.

1. APOLOGIES

The Chair welcomed new ARAC Committee Members Ms Liz Kimmins MLA,

Ms Nuala McAllister MLA and Mr Maurice Bradley MLA to their first Committee meeting and also welcomed back returning Members Mr Edgar Jardine, Mr Frank McManus and Mr Michael Atkinson.

No apologies were received for the meeting.

2. CONFLICTS OF INTEREST

No conflicts of interest were declared and the Agenda for the meeting was agreed.

No Member raised any matters for discussion under 'Any Other Business'.

3. COMMITTEE TERMS OF REFERENCE

The Director of Resources presented the Committee Terms of Reference (ToR) and advised that these are required to be reviewed at the beginning of each financial year. The Director of Resources highlighted some amendments which have been made to the document for Member's consideration.

During discussion Members requested that the following additional information be included in the ToR:

- Additional wording outlining the objective of the Committee

Director of Resources to update the Terms of Reference and bring back to next Committee meeting for approval. **(AP1)**

During discussion it was noted that the co-dependency of the relationship between the PSNI ARAC and this Committee, including the respective risk registers would also be discussed in due course with the new Chair of the PSNI ARAC.

VERBAL UPDATE OF THE PSNI ARAC MEETING HELD ON 26 APRIL 2022

The Chief Executive provided an update on key issues from the PSNI ARAC meeting on 26 April 2022. The Chief Executive gave an overview of the issues discussed at the meeting such as ongoing and completed audit reports, corporate governance arrangements, risk management, budget, business cases, draft Annual Financial Statements and draft Governance Statement and advised that there was nothing of particular concern to highlight.

The Chief Executive noted that PSNI Internal Audit have completed 38 separate audits in 2021/22 with 4 being carried forward into 2022/23. The Chief Executive advised that there were no Priority 1 recommendations issued in 2021/22 and listed several areas that are on the PSNI Internal Audit workplan to be reviewed this financial year.

Members discussed the recent media programme on Whistleblowing in the PSNI and asked if this was discussed at the meeting, however the Chief Executive advised that this meeting took place a month before the programme was broadcast, although acknowledged that it would likely be a topic for discussion at the next PSNI ARAC meeting on 29 June 2022. Members raised concerns regarding how quickly the PSNI can act upon lessons learned from this programme/situation and would like to see evidence of action being taken.

The Chief Executive advised Members that the Deputy Chief Constable had indicated at last week's Board meeting that PSNI would be reviewing and updating their Whistleblowing policy, however she would feed Member's comments and concerns on the whistleblowing issue back to the PSNI at their next ARAC meeting.

The Chief Executive also advised that following a recruitment competition a new Chair of the PSNI ARAC had been appointed and was expected to take up post later in the summer.

5. COMMITTEE ACTION LOG

The Committee noted the updates detailed within the Action Log and the related verbal overview provided by Officials in relation to the actions from the meeting on 16 March 2022.

Action Point 1

The Committee noted that the Professional Standards and Discipline/Code of Conduct is not included on the PSNI Risk Register.¹

Action Point 3

Board officials advised that the PSNI's Retention and Disposal schedule does follow the same process as the Board's and PSNI have an allocated representative within Public Records Office NI (PRONI) who is responsible for assisting with any queries.

Action Point 4

Board officials advised that before the policy could be finalised, a senior officer misconduct issue was brought to the attention of the Chief Executive. Legal advice from a senior QC experienced in misconduct hearings has been sought on the process the Board should follow in handling such cases. The development work on the policy has been suspended pending consideration of the current case and will be resumed at the conclusion, drawing on the experience of the case and the specialised advice of the legal experts.

Action Point 6

The Corporate Risk Register (CRR) and in particular Risk 4 was reviewed by Senior Management Team (SMT) and additional mitigating actions have been added. This will be discussed in more detail later in the meeting when considering the CRR at agenda item 15.

¹ Following a SMB decision in June 2022 this is now included on the PSNI Risk Register.

It was agreed that Action Points, 2, 5 and 7 may be closed.

6. CHAIRPERSON'S BUSINESS

The Chair noted he had no items of Chair's business to report, however noted the Chief Executive's Forum are holding Public Accountability and Governance Training for Audit Committee Members on 19 October 2022 and encouraged all Members to attend.

7. ACCOUNTING OFFICER END OF YEAR STEWARDSHIP STATEMENT 2021/2022

The Director of Resources presented this paper which provided Members with an update on the Chief Executive's Stewardship Statement to the Department of Justice (DoJ) for the period 1 September 2021- 31 March 2022.

DoJ officials confirmed they are content with it and noted the 1 exception.

Members NOTED the Stewardship Statement.

8. FINAL DRAFT NIPB ANNUAL REPORT AND ACCOUNTS 2021-22

The Committee considered the NIPB's draft Annual Report and Financial Statements for the year ended 31 March 2022 including the Chair's Report, Performance Report, Accountability Report and Financial Statements.

Members discussed with officials suggested amendments to the draft Annual Report and Financial Statements for the year ended 31 March 2022 and Members were advised to have all comments/feedback/suggestions on all aspects of the report with officials by close of business Tuesday 21 June 2022 in order that officials can action requested amendments in time to finalise the report and ensure it is laid in the Assembly within the required timescales.

A Member raised a query regarding the Carbon Reduction scheme and asked if the energy figures contained in this report would change once the office relocation to James House took place. The Chief Executive advised she would check and revert to the Member with this information. **(AP2)**

Discussion was also held regarding the length, content and format of the Annual Report and Accounts and the Chair suggested that going forward a working group be established to review the style of the report for next year. The Chief Executive noted this would be taken forward alongside a working group recently established to progress the Board's next Corporate Plan. **(AP3)**

9. NIPB LETTER OF REPRESENTATION TO COMPTROLLER AND AUDITOR GENERAL

The Director of Resources presented this paper which asked the Committee to consider the Letter of Representation, and if content recommend that the Letter of Representation be signed by the Accounting Officer.

Members confirmed they were content with the letter and agreed to recommend that it be signed by the Accounting Officer.

10. EXTERNAL AUDIT

10.1 Draft Report to those charged with Governance

The Committee noted a draft Report to Those Charged with Governance in relation to the Annual Report and Financial Statements for the year ended 31 March 2022.

External Audit Representatives provided an overview of the draft Report noting that it proposed an unqualified audit opinion without modification.

The Committee further noted that:

- No misstatements or irregular expenditure above the clearly trivial threshold of £5,500 were identified during the audit
- Two uncorrected misstatements were identified during the audit. One related to an amount of £60k which was reported as an accrual for legal costs; external audit advised it should be reclassified as a provision. The other related to an extrapolation of errors noted in the sample selected for testing on the Injury on Duty (IOD) provision which indicated an overstatement of £72.6k
- No irregular expenditure was identified
- External Audit reviewed the internal controls; accounting systems; and procedures to the extent considered necessary for the effective performance of the audit. No priority one recommendations were identified as a result of any findings.

With regard to the uncorrected misstatements, after discussion it was AGREED by the Committee that they should remain uncorrected as they are currently under the materiality threshold of £109k.

With regard to the Priority 2 recommendation relating to the accuracy of data used to determine the IOD provision the Chief Executive confirmed she is content to accept this recommendation and will liaise with the T/Director of Police Administration to put in place plans to address it to ensure that the issue is resolved for next year. The Chief Executive acknowledged that this will require significant resource. **(AP4)**

11. NIPB INTERNAL AUDIT

11.1 NIPB Internal Audit Charter

The Head of Internal Audit presented the Internal Audit Charter to the Committee noting that in accordance with Public Sector Internal Audit Standards (PSIAS) there is a requirement to present the Internal Audit Charter to the Audit and Risk Assurance Committee on an annual basis. The Head of Internal Audit advised the Committee are asked to recommend that the Board approve the Charter. The Charter detailed the purpose and authority of the internal audit function, and the relationship between the Head of Internal Audit, the Accounting Officer and the Committee. The Head of Internal Audit advised that the Charter was last reviewed by the Committee in June 2021 and there have been no significant changes made to it since that date.

Members confirmed they are content to recommend that the Board approve the 2022-23 Internal Audit Charter.

11.2 NIPB Internal Audit Annual Opinion

The Head of Internal Audit presented the Annual Report and Opinion for year ended 31 March 2022 highlighting that the Annual Report and Opinion was a key document in terms of the Accounting Officer's Annual Governance Statement which is included within the Annual Report and Financial Statements. The Head of Internal Audit advised that Internal Audit's Opinion on NIPB's internal governance, risk management and internal control system was 'satisfactory' and was based on both internal audit activity during this financial year and also cumulative assurances derived from internal audit activity during 2020/21 and 2019/20.

The Head of Internal Audit confirmed there were no significant issues arising from their internal audit work for 2021/22 and that Internal Audit has operated independently, and in line with Public Sector Internal Audit Standards (PSIAS), in the course of delivery of the service during 2021/22.

Members NOTED the Satisfactory Internal Audit Opinion for 2021/22.

11.3 NIPB Internal Audit Progress Report

The Head of Internal Audit provided a verbal update and advised things are progressing well to date and confirmed that he is confident that Internal Audit will be able to deliver the 2022/23 workplan within the agreed timescales.

11.4 Internal Audit Open Recommendations

The Director of Resources presented a paper which provided Members with an update on the progress taken to implement open internal audit recommendations.

The Director of Resources noted there are currently eight open recommendations. Of these eight recommendations two are partially achieved.

Work is ongoing on the implementation of 2 recommendations arising from an audit on Information Management and Security in March 2022, in particular with regard to the Retention and Disposal Policy and Schedule and the updating of the Records Management Policy and associated Handbook.

Three recommendations arising from the Business Continuity Planning (BCP) Review continue to be progressed. Board officials are scheduled to meet next week to take stock of progress to date and consider next steps. Engagement has also taken place with partner agencies in respect of methodologies for the future testing of the updated BCP. The development of a new James House BCP has also been added as an action to our internal James House Project Work Breakdown Schedule (WBS).

A recommendation from the 2021 Audit of FOI and GDPR is in relation to the backlog of FOI requests. As at 8 June 2022 the number of outstanding FOI

requests stands at 9 (Responses to 8 of these requests are outside the statutory time limit). The Compliance Officer continues to monitor the total number of outstanding FOI requests and reports to SMT on a monthly basis.

In relation to the open recommendation from 2016/17 regarding the Senior Officer Discipline Policy the Director of Resources referred to the update she provided earlier in the meeting under agenda item 5, Action Point 4.

A Member raised a query regarding the number of open internal audit recommendations reported in the draft Annual Report and Accounts at the end of the 2021 financial year and the start of the 2022 year – the Director of Resources to check and confirm. **(AP5)**

12. FRAUD UPDATE

The Committee noted that there was no suspected or actual fraud to report.

13. NIPB DIRECT AWARD CONTRACTS

The Director of Resources advised there is one existing contract in place in respect of a specific piece of equipment to assist a Board Member with carrying out their full range of duties and there is also one new contract awarded in April 2022 in relation to a license for finance software. The Director of Resources confirmed that this software is essential to allow Finance staff to carry out their daily work and also confirmed that all due process had been followed in awarding this contract.

14. NIPB RAISING A CONCERN UPDATE

The Chief Executive advised Members of a potential case to be considered under the Board's current Whistleblowing policy. Members noted that advice is being sought on next steps and to establish the appropriate avenue for the

case to be progressed.

15. NIPB CORPORATE RISK REGISTER

The Director of Resources presented the Corporate Risk Register (CRR) and advised this is reviewed by the senior management team (SMT) at regular intervals and was last reviewed at length earlier this week. The total number of Corporate Risks is seven. No new risks have been added to the register since the previous meeting in March 2022. The Director of Resources noted that following a request made at the previous meeting a summary sheet highlighting any movement of any risks since the previous meeting was included with the paper for Members consideration. Members confirmed they were content with the format of this summary.

The Director of Resources reported that following review by SMT it was agreed to add further mitigations to Risk 2 (PSNI Human Resources and Estates Responsibilities) to provide further assurance to Members, however there was no change to the inherent and residual scores.

With regard to Risk 4 relating to the Independent Medical Referee Process the Director of Resources advised that SMT had considered it and added additional mitigations, however accepted that the residual score would not change as much of the risk is outside of the control of the Board. A Member enquired about the format and content of the IMR familiarisation days referred to in the mitigations - the T/Director of Police Administration to provide further detail on the format and content of these days. **(AP6)** Members highlighted concerns raised previously that despite the mitigations the residual score will not change and re-iterated previous comments about the potential introduction of a target risk score.

The Director of Resources advised that with regard to Risk 5 (Business Continuity – Covid-19), after some deliberation SMT were of the view that this

risk could be de-escalated to the Resources Directorate Risk Register given that business continuity had remained throughout the Covid-19 pandemic. One Member expressed concerns at this, however the Chair confirmed he was happy for this risk to be de-escalated. **(AP7)**

16. NIPB COMPLAINTS UPDATE

A Board official provided the Committee with an update on the status of complaints currently being progressed under the Board's Complaints Policy.

17. NIPB GIFTS AND HOSPITALITY REGISTER

The Corporate Services Manager presented the Gifts and Hospitality Register for the 2021-22 financial year and noted the entries for the Board Chair and Board officials.

Members NOTED register and confirmed they were content for it to be published on the Board's website. **(AP8)**

18. COMMITTEE ANNUAL REPORT

The Director of Resources presented the Committee's Annual Report to the Board noting that in accordance with the Committee's Terms of Reference, it was required to present an Annual Report to the Board, timed to support the finalisation of the Annual Report and Financial Statements, summarising the work undertaken during 2021-22.

Members NOTED the report which was also tabled at the Board meeting on 9 June 2022.

19. COMMITTEE PROGRAMME OF WORK

The Director of Resources tabled a draft programme of work for the period June 2022 – March 2023.

During discussion The Head of Internal Audit suggested adding approval of the Internal Audit Workplan for the 2023/24 financial year to the agenda for the March 2023 Committee meeting. Board Officials to update the programme of work to reflect this. **(AP9)**

Members also agreed to consider and revert to Board Officials on any presentations they would like to receive at the December 2022 Committee meeting.

20. ANY OTHER BUSINESS

Discussion was held regarding the legislative requirement of the NIAO report on Continuous Improvement in Policing and it was noted that this report would be considered via Performance Committee once published.

21. DATE OF NEXT MEETING

The next meeting will take place on Tuesday 28 June 2022 at 3pm via zoom. This is a single item agenda to finalise the Annual Report and Accounts only. The next full meeting of the Committee will take place on Thursday 29 September at 2pm.

(Meeting closed at 11.50)

CORPORATE SERVICES

Date: June 2022

Chair

