

**NORTHERN IRELAND POLICING BOARD**

**MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE HELD  
ON TUESDAY 20 DECEMBER 2022 AT 2PM AT THE NORTHERN IRELAND  
POLICING BOARD WATERSIDE TOWER, BELFAST AND VIA ZOOM**

**PRESENT:**

**MEMBERS**

Mr Michael Atkinson (Chair)  
Mr Frank McManus (Vice-Chair)\*  
Mr Peter Osborne  
Ms Liz Kimmins MLA\*

**IN ATTENDANCE:**

**DEPARTMENT OF JUSTICE**

Ms Therese Murphy\*

**INTERNAL AUDIT**

Mrs Cathy Hadden\*

**NORTHERN IRELAND AUDIT  
OFFICE**

Mr Tomas Wilkinson\*

**ASM ACCOUNTANTS**

Mrs Christine Hagan\*

**OFFICIALS**

Mrs Sinead Simpson, Chief Executive  
Ms Aislinn McGuckin, Director of Police  
Pensions and Injury Benefits

Two Board Officials

\*Attended the meeting via video conference.

Round table introductions were done by all present.

**1. APOLOGIES**

Apologies were received from Mr Maurice Bradley MLA, Ms Nuala McAllister  
MLA, Mr Michael Matthews, Head of Internal Audit and Mrs Sharan  
Dustagheer, Department of Justice (DoJ).

## **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. DRAFT MINUTES OF THE ARAC MEETING HELD ON 6 OCTOBER 2022**

It was **RESOLVED**:-

- That the minutes of the ARAC meeting held on 6 October 2022 be approved.

## **4. COMMITTEE ACTION LOG**

The Committee noted the updates detailed within the Action Log and the related verbal overview provided by the Chief Executive in relation to the actions from the meeting on 6 October 2022.

### **Action Point 1**

With regard to the PSNI Risk Register the Chief Executive advised that she met with the previous ARAC Chair, Director of Resources and other members of the Board's senior management team (SMT) to review it and ensure that any issues on the PSNI Corporate Risk Register were being addressed through the work of the relevant Committees of the Board.

The Chief Executive noted that while the PSNI Risk Register would continue to be a good resource to Board committees, it had been agreed with the PSNI SET that it should not be relied upon as the only means of bringing Members' attention to critical issues. Issues and incidents would be notified through the Board Chair or Chief Executive.

The Chief Executive noted that all of the items from the 6 October and 17 June 2022 Committee meetings have been actioned as described in the log at item 4 and suggested that, if Members were content, these could now be closed.

It was **AGREED** that Action Points 2,3 and 4 from the meeting on 6 October 2022 and Action Point 4 from the meeting on 17 June 2022 may be closed.

## **5. CHAIRPERSON'S BUSINESS**

The Chair noted he had no items of Chair's business to report.

## **6. NIPB INTERNAL AUDIT**

### **6.1 NIPB Internal Audit Progress Report**

The Internal Audit Manager presented a paper which provided Members with an update on the work of the Internal Audit service since the last meeting in October 2022.

The Internal Audit Manager noted there have been no new audits completed since the previous ARAC meeting. The Internal Audit Manager advised that Internal Audit representatives met with the Chief Executive and Board officials in mid-November 2022 to discuss the timing and scope of the remaining assignments on the 2022/2023 Internal Audit work plan. At this meeting concerns were raised in relation to the administration and management of 2022/2023 PCSP funding in some council areas. The reallocation of the remaining 2022/2023 audit days to facilitate reviews in these areas was provisionally discussed and then subsequently agreed with the then chair of ARAC. The first of these reviews is due to commence week beginning 16 January 2023.

The Internal Audit Manager advised that following the reviews of the nominated PCSP/Council areas there is one further assignment on the 2022/2023 Internal Audit Plan, which is in relation to the Board's Complaints policies (general complaints and complaints against Board Members) and Whistleblowing policy. The Internal Audit Manager noted that the scope of this audit has been reduced to allow additional days to be allocated to the PCSPs and this audit will be carried out towards the end of quarter 4.

Members **NOTED** the update provided.

Members also discussed possible themes for the Internal Audit Work plan for the next 2 financial years and agreed to come back to this at a future date.

## **6.2 Internal Audit Open Recommendations**

The Chief Executive presented a paper which provided Members with an update on the progress made to implement open internal audit recommendations.

The Chief Executive noted since the previous meeting in October 2022 seven recommendations have been closed. There are currently eight remaining open recommendations, four of which are from a recently completed audit of Mid and East Antrim Council (MEA) PCSP Funding and are due for implementation by 31 March 2023. The Chief Executive advised that in relation to these recommendations the PCSP Joint Committee met on 13 October 2022 to discuss the audit report and associated recommendations and agreed that the report would be sent to the MEA Chief Executive requesting a meeting to discuss the findings. This has been scheduled for 26 January 2023. The Joint Committee also agreed that Board officials should proceed to seek the necessary assurance regarding expenditure. The Chief Executive noted that the Partnership Manager met with the PCSP staff in November 2022 to agree information which would be required with each

quarterly report. As some recommendations relate to the PCSP adhering to Council processes, these will be discussed at the upcoming meeting with the Council Chief Executive.

With regard to the older open recommendations the Chief Executive advised work has commenced on an annual review of the Corporate Governance Framework suite of documents, of which the Risk Management Framework is one. Once this review is completed focus will be brought to the Risk Management Framework early in 2023. This item will be discussed in further detail under the next agenda item.

The Chief Executive noted two recommendations arising from the Business Continuity Planning (BCP) Review in May 2021 continue to be progressed and further attention will be given to those following the Board's move to James House in late spring 2023. The Chief Executive advised work on the implementation of a recommendation arising from an audit on Information Management and Security in March 2022, in particular with regard to the Retention and Disposal Policy and Schedule continues to be delayed due to the absence of a functioning Executive. The Board's Retention and Disposal Schedule was laid at the NI Assembly on 14th July 2022, however due to the ongoing absence of an Executive the Schedule cannot be progressed any further at this stage. The Board's Schedule needs to sit through a period of ten plenary sessions allowing for government scrutiny and challenges to be addressed. When a functioning Executive is restored, this sitting period will begin immediately.

Members **NOTED** the update provided.

## **7. CORPORATE GOVERNANCE FRAMEWORK**

The Chief Executive noted that as a result of a 2020 internal audit best practice recommendation, following an audit of Corporate Governance and Risk Management, a Corporate Governance Framework (CGF) was drafted by

Board officials and published on the Board's website in April 2021. The commitment was given then to review the framework on an annual basis. Board officials have now carried out that review and the Chief Executive presented this paper to Members to seek the views of the Committee.

The Chief Executive advised that the Corporate Governance Framework details the arrangements which have been established to ensure the proper and effective management of the organisation including the Board, Committees, SMT, the roles and responsibilities of the Chief Executive as Accounting Officer, Directors and their respective Directorates and also the Board's relationship with the Department of Justice (DoJ).

The Chief Executive noted proposed amendments to the Framework are included in the draft document at Annex A of the meeting papers and are highlighted in red. The Chief Executive added there have been no significant removals to the document, only enhancements or factual updates and listed some of the proposed amendments:

- Several sections have been updated and expanded to match other corporate documents such as the Board Member Handbook and the Board's Corporate Plan:
- The Resources Directorate section has been updated to reflect the division of work across 4 branches, 2 of which are new since the completion of the limited organisational review earlier this year.
- With a view to future proofing the document, the section on each of the Board's sub-Committees has been updated to direct readers to the Board's website to view further details including current Membership and the Committee's Terms of Reference.
- Following this initial annual review, it is proposed that an appropriate timescale for further reviews of the CGF may be every 3 years;
- Where appropriate website links have been inserted and referenced in the Annexes.

During discussion a Member suggested additional wording be included to support the People and Organisational Development functions on Page 27 of the document – the Member to send the exact wording to the Chief Executive for inclusion. **(AP1)**

Another Member raised a query on item 4.20 on page 31 of the document regarding the make up and the balance of political representatives of the Chair's Advisory Group (CAG) – the Chief Executive to check and confirm the background on the formation of this group. **(AP2)**

Following discussion it was **AGREED**:

- To approve the final draft of the document, subject to the above amendments being included/clarified; and
- To review the document every 3 years.

## **8. CORPORATE RISK REGISTER**

The Chief Executive 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 in December 2022. The total number of Corporate Risks is five. No new risks have been added to the register since the previous meeting in October 2022. The Chief Executive confirmed she is assured that the Board is taking all action necessary to manage the risks that are currently open on the register.

Members discussed each of the 5 risks in turn and agreed that they all should remain live and the following comments/observations were noted:

- In relation to Risk 4 “Independent Medical Referee Process” – some Members believed the mitigations to be dormant and felt that more could be done to more robustly mitigate this risk. The Director of Police Pensions and Injury Benefits (PPIB) noted that there has been renewed focus on this from all stakeholders over recent months and this will be made a priority going forward into spring 2023. The Director of Police Pensions and Injury Benefits added that it would be difficult to see the residual score on this risk changing unless there are changes in legislation.
- Members queried whether the mitigating actions, had, in certain cases any real effect on “impact”, or whether they focused mainly on reducing “likelihood”. **(AP3)**

The Chief Executive advised there was an issue with regard to the McCloud Remedy, the implications of which were increasingly crystallising, and which caused concern around ability of the Board to deliver what is required, such that it potentially could need to be added to the Corporate Risk Register over the coming months. It was noted the Director of Police Pensions and Injury Benefits would provide a more fulsome briefing/update under the next agenda item.

### **8.1 Police Pension Scheme Manager Quarterly Update**

The Director of Police Pensions and Injury Benefits (PPIB) presented Members with a paper providing a quarterly update on the ongoing and upcoming work in relation to the area of police pensions, with particular emphasis on the work being progressed in relation to the McCloud Remedy and owing to the Board’s role as police pension Scheme Manager.

The Director of PPIB provided Members with a high level refresher on the



McCloud judgment which relates to changes in public sector pension schemes and was a result of a legal case taken in light of a reform of public sector pensions in 2015. The Director of PPIB advised that the Police Pension Board (PPB) had recently considered upcoming McCloud work to include a project in relation to approximately 400 Police Scheme Pension Members who retired on ill health grounds during the McCloud remedy period and who will require reassessments, with these reassessments to be completed by 1 October 2023. The Director of PPIB stated that this project, as well as others to include potential compensation and tax claims, will have significant financial and resourcing implications for both the Board and PSNI. The Director of PPIB stressed that this will be a very challenging exercise, given that the numbers involved are what PPIB directorate would normally process on an annual basis as a matter of course, and these reassessments will be required to be completed alongside normal business need and within a set time period.

The Director of PPIB provided an update on the McCloud Pensions Calculator project and confirmed that a finalised calculator from the Government Actuary's Department (GAD), had been received. However, the pension scheme, at both Manager and Administrator end, is facing IT related problems in having this calculator uploaded for use. This is a problem facing all parts of the civil service and other pension schemes, including in particular NICS Pensions Branch. The Board's IT provider has confirmed that they are exploring building a new server to host the calculator. The Director of PPIB noted the Board's IT provider continues to try to have this calculator up and running as soon as possible. Further updates will be shared with key stakeholders as and when they are received. The Director of PPIB noted Board Officials continue to liaise with both GAD and IT colleagues in relation to this matter.

In response to questions from Members, the Director of PPIB advised that at this stage it is unclear of the exact quantum of payments which may become due following the aforementioned reassessments. Additionally it hasn't been

confirmed, in relation to compensation cases only, if it is the Board or the PSNI that will be responsible for funding these claims. During discussion it was suggested that it would be beneficial to invite the Chair of the Police Pension Board to attend the next ARAC meeting in March 2023 to provide an update. **(AP4)**

The Chief Executive advised that as things develop this may be something that would need to be added to the Board's Corporate Risk Register, and she wanted to bring it to Member's attention only at this stage, although noted that it is already recorded and managed as a risk on the Police Pension Board Risk Register.

**9. NIPB FRAUD UPDATE**

The Chair noted there are no instances of fraud to report in the period 6 October 2022 to date.

**10. NIPB DIRECT AWARD CONTRACTS (DACs)**

The Finance Manager reported there is one existing direct award contract in place in respect of a company tasked with carrying out a Job Evaluation and Grading exercise to assess the Senior Director of Resources post prior to launching a recruitment competition to fill this vacancy. The Finance Manager noted that the NI Civil Service has a framework for carrying out exercises of this nature, however NDPB's are not permitted to avail of it. As such, there was no alternative other than to award the contact to the only other firm in the UK that could undertake this work. The Finance manager confirmed that all due process had been followed in awarding this contract.

**11. NIPB RAISING A CONCERN UPDATE**

The Chair noted there are currently no cases of Raising a Concern being progressed by the Board.

**12. NIPB COMPLAINTS UPDATE**

The Chair noted there are currently no live complaint cases being progressed by the Board.

**13. NIPB GIFTS AND HOSPITALITY REGISTER**

The Chair noted that in the period 06 October 2022 to date there were no Gifts or Hospitality to report.

**14. COMMUNICATIONS ISSUES**

None.

**15. ANY OTHER BUSINESS**

None.

**16. DATE OF NEXT MEETING**

The next meeting will take place on Thursday 23 March 2023 at 2pm.

(Meeting closed at 15.20)

**CORPORATE SERVICES**

**Date: December 2022**

**Chair**