

NORTHERN IRELAND POLICING BOARD

**MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE HELD
ON THURSDAY 22 JUNE 2023 AT 2PM AT THE NORTHERN IRELAND
POLICING BOARD, JAMES HOUSE BELFAST AND VIA ZOOM**

PRESENT:

MEMBERS

Mr Brendan Mullan (Chair)
Mr Peter Osborne (Vice-Chair)
Mr Frank McManus*
Ms Nuala McAllister MLA
Mr Gerry Kelly MLA

IN ATTENDANCE:

DEPARTMENT OF JUSTICE

Ms Therese Murphy*

INTERNAL AUDIT

Mr Michael Matthews
Mrs Cathy Hadden

**NORTHERN IRELAND AUDIT
OFFICE**

Mr Tomas Wilkinson

ASM ACCOUNTANTS

Ms Judith Shortall

OFFICIALS

Mrs Sinead Simpson, Chief Executive
Mr Sam Hagen, Senior Director of
Resources

Two Board Officials

*Attended the meeting via video conference.

1. APOLOGIES

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. DRAFT MINUTES OF THE ARAC MEETING HELD 23 MAY 2023

It was **RESOLVED**:-

- That the minutes of the ARAC meeting held on 23 May 2023 be approved.

4. COMMITTEE ACTION LOG

The Committee noted the updates detailed within the Action Log and the related verbal overview provided by the Director of Resources and Chief Executive in relation to the actions from the meetings on 23 March and 23 May 2023.

It was **AGREED** that Action Point 1 from both meetings on 23 March 2023 and 23 May 2023 may be closed.

Action Point 2 from 23 May meeting

The Director of Resources noted that this issue regarding staff turnover had been referred to Resources Committee for further scrutiny and was discussed at the meeting earlier today and Board officials are taking this forward. As such it was agreed that this action point may now be closed.

Action Point 3 from 23 May meeting

The Director of Resources advised he will liaise with the ARAC Chair on the methodology for assessing the effectiveness of ARAC. The Chief Executive will also meet with the ARAC Chair to discuss further scope for developing an assessment tool for the other Standing Committees of the Board. This action

will remain open.

Action Point 2 from 23 March meeting

The Chief Executive noted wording of the McCloud risk on the Police Pension Board (PPB) risk register is being updated by the Chair of PPB and amended wording will then need agreed by PPB members. The Chief Executive noted it is hoped that the PPB members will review and agree wording over the summer months, at which point wording for NIPB Corporate Risk Register can be considered. This action will remain open.

Action Points 3 & 4 from 23 March meeting

With regard to Risk 4 on the Board's Corporate Risk Register, no change is suggested to the wording of the risk in the Corporate Risk Register, however discussion is needed around the mitigations and it is suggested this should be considered further following the risk management workshop with the Board's senior management team and Committee Members which will be taken forward over the summer months. These actions will remain open.

5. CHAIRPERSON'S BUSINESS

5.1 Internal Audit satisfaction Questionnaire

Members noted the satisfaction questionnaire sent to Internal Audit representatives by the Chief Executive for year ended 31 March 2023.

6. VERBAL UPDATE - PSNI'S ARAC MEETING HELD ON 25 APRIL 2023

The Chief Executive provided an update on key issues from the PSNI ARAC meeting on 25 April 2023. The Chief Executive gave an overview of the issues discussed at the meeting which included:

- The need for work at pace in order to minimise the number of audits carried over into the next financial year, while noting there were no

significant issues raised in relation to current audits;

- PSNI Communications department had a deep dive from Assistant Chief Officer (ACO) Duffield on Attendance Management, including the work of the Attendance Management Group in relation to setting new targets for annual working days lost. These proposed targets were due to be considered by the PSNI Senior Management Branch (SMB) in May, following which they will be presented to the Board. (They were discussed at the Resources Committee meeting earlier today).
- The Audit Strategy for 2023/24 was considered and the Committee noted plans to do more testing around estimates in light of the budgetary pressures;
- The Committee reviewed the Risk Register and agreed to re-evaluate the detail to ensure it appropriately reflects the current issues. The Chief Executive confirmed that obvious risks such as future funding, terrorist threat and crime recording are captured on the current register;
- Discussion on a report in relation to recommendations from the Overview system and a high level look at what business area they relate to;
- An update on the review of the PSNI Internal Governance Structures which Members can expect the PSNI to present to the Board over the next several months; and
- Other items of business such as routine financial reporting, stewardship statements, Fraud and DAC reports.

Following a query from a Member regarding the minutes of the PSNI ARAC April 2023 meeting, the Chief Executive advised these would be uploaded to Decisiontime once made available by the PSNI over the next few days. **(AP1)**

Members **NOTED** the update provided.

7. NIPB INTERNAL AUDIT

7.1 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 remaining open recommendations, 4 of which are from a 2022 audit of Mid and East Antrim Council (MEA) PCSP Funding and were due for implementation by 31 March 2023. The Director of Resources advised that these recommendations will remain open to allow for continued monitoring of MEA's expenditure. It was hoped that they would close after year end, however the year end claim for 2022/23 has not yet been received, therefore, a review of the breakdown of expenditure across the year is not yet possible. The Director of Resources advised it is expected that all four recommendations will be closed, subject to assurance provided as part of the yearend submission.

With regard to the older open recommendations the Director of Resources advised that in relation to the two remaining recommendations arising from the Business Continuity Planning Review, it was agreed that the implementation of these recommendations would be paused due to resourcing issues and the office relocation to James House – operationally it was more appropriate for the Business Continuity Plan to relate to the new premises. The Director of Resources advised that now the move has been completed the development of a new Business Continuity Plan for James House will be undertaken, to incorporate the recommendations made as part of this audit, as soon as the required resources become available. The Chair asked that the target implementation date for these recommendations be revised to reflect the new timescales for delivery. **(AP2)**

The Director of Resources advised that there has been no change regarding 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 – this 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.

The Director of Resources advised that in relation to the best practice recommendation regarding the Risk Management Framework, this work will be incorporated into the Strategic Planning and Governance’s branch programme of work for the coming year and progressed following the Risk Management workshop with Committee Members, SMT and all Heads of Branch which is due to be scheduled over the summer months.

Members **NOTED** the updates provided.

7.2 Head of Internal Audit Annual Opinion 2022/23

The Head of Internal Audit presented the Annual Report and Opinion for year ended 31 March 2023 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 previous years.

The Head of Internal Audit confirmed there were no significant issues arising from their internal audit work for 2022/23 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 2022/23.

Members **NOTED** the Satisfactory Internal Audit Opinion for 2022/23.

8. EXTERNAL AUDIT

8.1 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 2023.

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 £6,300 were identified during the audit;
- One uncorrected misstatement was identified during the audit. This related to an amount of £89k which was reported as an accrual for legal and holiday pay costs; external audit advised it should be reclassified as a provision;
- 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 misstatement, after discussion it was **AGREED** by the Committee that it should remain uncorrected as it is currently under the materiality threshold of £126k, with no impact on the bottom line.

8.2 Letter of Representation

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.

9. ANNUAL REPORT & FINANCIAL STATEMENTS

The Committee considered the NIPB's draft Annual Report and Financial Statements for the year ended 31 March 2023 including the Chair's Report, Performance Report, Accountability Report and Financial Statements.

Members confirmed they were content with the amendments made following the previous meeting on 23 May 2023 and agreed to recommend that the Chief Executive, in her role as Accounting Officer, submit the Report to the Comptroller & Auditor General (C&AG).

Discussion was also held regarding the length, content and format of the Annual Report and Accounts going forward, and consideration to be given to streamlining the report and reducing duplication where possible.

10. COMMITTEE PROGRAMME OF WORK

The Director of Resources tabled a draft programme of work for the period June 2023 – March 2024.

During discussion the Head of Internal Audit agreed to incorporate a review of the Board's Whistleblowing/Raising a Concern and Fraud policies into the Internal Audit programme of work for 2023\24.

Following a suggestion from the ARAC Chair, it was agreed to add Directorate level risk registers to the programme of work to come to the Committee in turn each quarter. Board Officials to update the programme of work to reflect this.

(AP3)

Members also discussed the need for clarity regarding the Committee's oversight of PSNI risk management and consideration to be given to adding the PSNI ARAC Terms of Reference (ToR) to the programme of work at agreed intervals. **(AP4)**

11. 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 on 14 June 2023. The total number of Corporate Risks is five. No new risks have been added to the register since the previous meeting in March 2023.

Members discussed proposed amendments and additional mitigations to several of the risks and it was agreed that SMT would review all of the risks and mitigations in full at the Risk Management workshop with Committee Members, SMT and all Heads of Branch which is due to be scheduled for the Autumn period.

12. GOVERNANCE UPDATES

12.1 Fraud Update - The Director of Resources noted there were no cases of fraud or suspected fraud to report within the period.

12.2 Direct Award Contract Update - The Director of Resources noted there were no Direct Award Contracts to report within the period.

12.3 Complaints Update - The Director of Resources noted there were no live complaint cases currently being progressed by the Board.

The Chair requested that going forward the Police Pensions and Injury Benefits (PPIB) complaints register should be included with the papers for this meeting for Members to note.

12.4 Raising a Concern Update - The Director of Resources noted there were no cases of Raising a Concern reported within the period.

12.5 Gifts and Hospitality - The Director of Resources noted the Gifts and Hospitality register reflects the acceptance of one dinner engagement for the Board Chair and two dinner engagements for the Vice-Chair in this reporting period.

13. FREEDOM OF INFORMATION / DATA PROTECTION ACT REQUEST STATISTICS

The Communications Manager presented a paper which provided Members with summary information on Freedom of Information Requests (FOIs) and Data Protection Subject Access Requests received by the Board. This included a statistical breakdown of requests received between 1 April 2022 and 31 March 2023.

The Communications Manager highlighted the high volume of work and complexities involved in the processing of some of these requests and explained that on occasion, despite best endeavours of Board staff, that some requests were not able to be processed within the statutory timeframes.

The Communications Manager noted that this issue was previously on the Board's Corporate Risk Register but had, over time been de-escalated to the Directorate Risk register as the backlog had been cleared, however SMT may wish to consider adding it back to the Corporate Risk Register.

The Chair requested that going forward a tracker spreadsheet be included with this paper to show the number of FOIs currently being progressed by the Board and highlighting which stage of the process they are at. **(AP5)**

14. COMMUNICATIONS ISSUES

None.

15. ANY OTHER BUSINESS

None.

16. DATE OF NEXT MEETING

The next meeting will take place on Thursday 28 September 2023 at 2pm.

(Meeting closed at 15.30)

Strategic Planning and Governance

Date: June 2023

Chair