

**NORTHERN IRELAND POLICING BOARD**

**MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE HELD  
ON THURSDAY 28 SEPTEMBER 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)  
(1) Ms Nuala McAllister MLA  
Mr Gerry Kelly MLA

**IN ATTENDANCE:**

**DEPARTMENT OF JUSTICE**

Ms Fiona Scullion  
Ms Lynne Curran

**INTERNAL AUDIT**

Mrs Cathy Hadden

**NORTHERN IRELAND AUDIT  
OFFICE**

Mr Tomas Wilkinson\*

**ASM ACCOUNTANTS**

Ms Judith Shortall

**PSNI ARAC CHAIR**

(2) Mr Michael McKavanagh

**OFFICIALS**

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

Two Board Officials

(1) Left at 15.40

(2) Item 6 Only

\*Attended the meeting via video conference.

**1. APOLOGIES**

Apologies were received from Mr Maurice Bradley MLA, Mr Frank McManus  
and Mr Michael Matthews.

The Chair noted this is Judith Shortall/ASM's final attendance at NIPB ARAC meetings and thanked her for ASM's input into the work of the Committee over the term of their contract.

## **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 22 JUNE 2023**

The Chair requested that in relation to agenda item 8.1 Draft Report to Those Charged with Governance, additional wording is included to the final paragraph to read "the uncorrected misstatement should remain uncorrected as it is currently under the materiality threshold of £126k, with no impact on the bottom line".

Subject to this amendment being made Members **APPROVED** the draft minutes for publication.

## **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 Points 1, 2 and 3 from the meeting on 22 June 2023, Action Point 2 from the meeting on 23 May 2023 and Action Point 4 from the meeting on 23 March 2023 may be closed.

**Action Point 4 from 22 June meeting**

The Director of Resources advised that this item can be progressed once Board officials receive the PSNI ARAC final Terms of Reference (ToR) which the PSNI ARAC Chair agreed to send a copy of, following the PSNI ARAC Committee meeting in October 2023.

**Action Point 5 from 22 June meeting**

The Director of Resources noted that this item will remain open until the December 2023 ARAC meeting when the update paper and associated “tracker” spreadsheet will be provided for Members consideration.

**Action Point 3 from 23 May meeting**

The Chief Executive referred to a compliance checklist used by the National Audit Office and noted this would be a useful assessment tool for evaluating Board and Committee performance and advised consideration needs to be given to the methodology of rolling out/implementing this system across the Standing Committees of the Board. The Chief Executive noted that this will be explored further with Members at the Board Member Development Day which will be scheduled over the coming months. This action will remain open.

**Action Points 2 & 3 from 23 March meeting**

The Director of Resources noted these two action points related to proposed updates to the Corporate Risk Register and advised that following the Risk Management Workshop on 26 September 2023 the Corporate Risk Register will be reviewed in depth and refreshed by the Board’s Senior Leadership Team (SLT) and confirmed that these proposals will be incorporated in the discussions for change going forward. These actions will remain open.

**5. CHAIRPERSON’S BUSINESS**

**5.1 Letter from NIAO – Good Practice Guide on Innovation & Risk Management**

Members noted the correspondence from NIAO sharing the latest Good Practice Guide on Innovation and Risk Management for public sector organisations.

## **5.2 Review of Risk Management Workshop 26 September 2023 – Verbal Update**

The Director of Resources provided an overview of a Risk Management Workshop which took place on 26 September 2023 with Committee Members and the Board’s Senior Leadership Team. The Director of Resources advised this was a very informative and useful event, and as a result Board officials are progressing a number of workstreams.

The Director of Resources advised the NIPB Risk Policy was reviewed at the workshop, alongside the recently updated Risk policy from the Department of Justice (DoJ), and it was agreed that the NIPB policy should be updated to reflect the requirements of the “Orange Book”, and the best practice contained in DoJ’s policy. The Director of Resources noted the workshop advisor introduced an updated risk register pro-forma which was presented and discussed, and it was agreed that following work to be done by branch heads and SMT to refresh and update Directorate Risk Registers, the Corporate Risk Register (CRR) would, in turn, be updated and aligned with the new reporting template.

Members were advised Board officials would aim to have the refreshed CRR ready to be presented to the December ARAC meeting for consideration.

**(AP1)**

There was also a discussion on assurance mapping for the organisation and it was agreed the Finance manager would liaise with Internal Audit representatives to consider if this could be included in the programme of work

for 2023\24. **(AP2)**

### **5.3 Member's Risk Concerns**

The Chair advised Members he recently met with the Director of Police Pensions and Injury Benefits to discuss and understand the Board's responsibilities as Pension Scheme Manager and noted that it has been agreed that the Police Pension Board Chair and the Board's Independent Pensions Advisor have been invited to attend the December 2023 ARAC meeting.

The Chair highlighted his concerns regarding the scheduling and sequencing of the ARAC Committee meetings in relation to the preparation of draft minutes from the meeting and the ability to have the draft minutes available for consideration by Members at the subsequent Board meeting. SMT to give consideration to the scheduling issue and a wider discussion to be had regarding the timing and tabling of draft Committee minutes at Board meetings. It was noted that this will be considered further at the Board Member Development Day which will be scheduled over the coming months.

**(AP3)**

## **6. PSNI ARAC**

### **6.1 PRESENTATION FROM PSNI ARAC CHAIR**

Members received a comprehensive briefing from the PSNI ARAC Chair, which provided an overview of the roles and responsibilities of both the Committee and the Chair of the committee, noting the common interests and interface between the PSNI ARAC and the NIPB ARAC Committee, as well as an understanding of the differences. The PSNI ARAC Chair advised Members of the governance structures in place to provide oversight and assurance of the PSNI's financial, audit and corporate governance arrangements as well as addressing issues of risk and control. The PSNI ARAC Chair provided a summary of the work activities of the Committee and noted the positive

relationships with the PSNI Service Executive Team (SET) and Internal and External Audit representatives.

During discussion Members raised the following points with the PSNI ARAC Chair:

- The level of SET engagement with the audit processes;
- The level of detail incorporated in the PSNI's Corporate Risk Register, noting the challenge of ensuring all risks are accurately reflected without overloading the register;
- The anticipated findings from the Independent Review of the data breach critical incident;
- The scheduling of PSNI ARAC meetings to allow for the minutes of a previous meeting to be available to be considered by the Board's ARAC;
- The PSNI ARAC Committee Terms of Reference (ToR), and the PSNI ARAC Chair agreed to send a copy of the ToR to NIPB ARAC Committee Chair following the PSNI ARAC Committee meeting in October 2023.

## **6.2 VERBAL UPDATE - PSNI'S ARAC MEETING HELD ON 27 JUNE 2023**

The Chief Executive provided an update on key issues from the PSNI ARAC meeting on 27 June 2023. The Chief Executive gave an overview of the issues discussed at the meeting which included:

- The NIAO Report to those Charged With Governance, noting the report was unqualified, with a few minor issues to be addressed to close out the audit trail, however these are not expected to delay sign off;
- The Pension Scheme Audit which was also unqualified, noting the key issue was the significant reduction in actuarial liability (due primarily to changes in underlying assumptions including factors which are set by

Treasury);

- The annual risk management report, and the Committee noted that the Orange Book was being closely followed but that the approach and documents had evolved over the previous five years. The Chief Executive advised that discussion underlined how it was very much a “live” document. The Chief Executive noted that funding continues to be a key feature of the report, whilst mandatory training and records management have been de-escalated;
- Corporate Financial Reporting and the Annual Resource Plan, noting the discussion focussed on the current £38m shortfall which was projected to rise to £52m to allow for a pay uplift and other emerging pressures;
- The Chief Executive noted the Committee had a deep dive into the policing plan measures and performance against them, and discussion centred on the importance of the work being done to develop a Service Management Statement;
- The PSNI Overview system and discussion on how best to manage the volume of recommendations and the need for critique of them before acceptance is confirmed;
- Other items of business such as routine financial reporting, Fraud and DAC reports, noting there would be a large DAC due to be reported in respect of custody healthcare and use of Forensic Medical Officers (FMOs) to manage that service.

Members **NOTED** the update provided.

## 7. NIPB INTERNAL AUDIT

### **7.1 Internal Audit Progress Report**

The Internal Audit Manager presented a report which noted that the advisory audit of the Complaints Handling process is ongoing and nearing completion, and the Internal Audit manager advised at this stage following a benchmarking exercise the procedures operating within NIPB are closely aligned to those operating across the public sector.

The Internal Audit Manager advised that during Quarter 3, Internal Audit will be commencing an audit of Procurement and Contract Management and will also be undertaking audits of the Police Property Fund and PCSPs. It was confirmed that all areas on the 2023/24 Internal Audit Work Plan are on target for completion by year end. In respect of the audit on Corporate Governance due in quarter 4, the Internal Audit Manager noted Internal Audit representatives will liaise in advance with the Chief Executive to confirm the scope of the audit. The Chief Executive welcomed Members views on matters they would like to see included in this audit.

The Chair asked the Internal Audit manager to confirm if reviews of the Board's Whistleblowing and Fraud policies are covered in the Complaints Handling Audit (as agreed with the Head of Internal Audit at the June ARAC meeting). The Internal Audit Manager advised she would check with Head of Internal Audit and confirm. The Chief Executive noted she would follow up with the Head of Internal Audit on this also. **(AP4)**

Members **NOTED** the update provided.

### **7.2 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.

It was noted that since the previous meeting, the four recommendations which



arose from the September 2022 audit on Mid and East Antrim (MEA) Council PCSP Funding Verification Exercise in respect of 2020/2021 and 2021/2022, which were due for implementation by 31 March 2023 have now been closed as sufficient assurance has been provided as part of the year-end 2022/23 submissions.

In relation to the older open recommendations the Director of Resources advised that the two remaining recommendations arising from the Business Continuity Planning Review 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 an updated 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 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 has been delayed due to resourcing issues and will be incorporated (resource permitting) into the Strategic Planning & Governance branch programme of

work for the remainder of this year. It was noted that as discussed under agenda item 5.2, a Risk Management Workshop for ARAC members and the Board's Senior Leadership team took place on 26 September 2023, at which the Board's approach to Risk Management was discussed in depth. Following this workshop it was agreed that the Board's Risk Management Framework, the Corporate Risk Register and Directorate Risk registers will be reviewed and refreshed and the revised Corporate Risk Register will be submitted to the December 2023 ARAC meeting for Member's consideration. **(AP1 relates)**

Members **NOTED** the updates provided.

## **8. EXTERNAL AUDIT**

### **8.1 Final Report to Those Charged with Governance**

The Committee noted the Final 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. A representative from the NI Audit Office advised the Committee that the Comptroller and Auditor General certified the Annual Report and Accounts on 29 June 2023 and they were laid with the Assembly on 3 July 2023.

## **9. CORPORATE RISK REGISTER**

The Director of Resources advised that as discussed earlier under agenda items 4, 5.2 and 7.2, following the Risk Management Workshop on 26 September 2023, it was agreed that upon completion of work to be done by branch heads and SMT to refresh and update Directorate Risk Registers, the Corporate Risk Register (CRR) would, in turn, be updated and aligned with the new reporting template. The updated CRR will be presented to Members at the December 2023 ARAC meeting.

Members discussed each of the 5 risks in turn and it was **NOTED**:

- Risk 1 – some mitigations are out of date, the need to include an additional action in relation to recent media events and how the Board addresses these as an organisation (lessons learned from recent weeks will be reflected on and captured on CRR);
- Risk 3 – the risk should be reworded to reflect the level of vacancies the Board is currently carrying and the residual score should be Amber and not Green in light of these;
- Risk 4 – this risk will remain Red as a legislative change is required which is not within the Board's remit to implement (requires updating of Regulations)
- The Chair put forward some suggestions for inclusion on the updated CRR such as, failure to appoint a Chief Constable, lack of a current Business Continuity Plan, the Police Pension Board/McCloud issue and Information Security.

## **10. DRAFT BI-ANNUAL STEWARDSHIP STATEMENT**

The Finance Manager presented this paper which provided Members with the draft Chief Executive's Stewardship Statement to the Department of Justice (DoJ) for the period 1 April 2023 - 30 September 2023 and outlined the process and timescales involved.

The Chair advised that the absence of an up to date Business Continuity Plan must be listed and highlighted as an exception in the return to DoJ. The Finance Manager to update the template prior to submission to DoJ. **(AP5)**

## **11. GOVERNANCE UPDATES**

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

**11.2 Gifts and Hospitality** - The Director of Resources noted the Gifts and

Hospitality register reflects the acceptance of one dinner engagement for the Board Chair, two dinner engagements for the Vice-Chair, two dinner engagements by Board Members and one dinner engagement for the Chief Executive in this reporting period.

The Chair requested that the Board's Gifts and Hospitality policy be reissued to all Members – Board officials to circulate. **(AP6)**

### **11.3 - DAO (DoF) 03 23 - Conflicts of interest - Employment legal cases**

Members **NOTED** the attached DAO guidance.

### **11.4 - DAO (DoF) 07 21 – Conflicts of Interest Guidance**

Members **NOTED** the attached DAO guidance.

## **12. COMMUNICATIONS ISSUES**

None.

## **13. ANY OTHER BUSINESS**

The Head of External Audit echoed the Chair's earlier comments and thanked ASM representatives for their input into the work of the Committee over the term of their contract.

## **14. DATE OF NEXT MEETING**

The next meeting will take place on Thursday 21 December 2023 at 2pm.

(Meeting closed at 16.05)

## **Strategic Planning and Governance**

**Date: September 2023**

**Chair**