

NORTHERN IRELAND POLICING BOARD

MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE (ARAC) HELD ON THURSDAY 26 SEPTEMBER 2024 AT 2.20PM IN JAMES HOUSE AND VIA VIDEO CONFERENCE

PRESENT:

MEMBERS

- Mr Patrick Nelson (Chair)
- Mr Tommy O'Reilly (Vice Chair)
- (1) Mr Frank McManus
- Mr Gerry Kelly MLA

IN ATTENDANCE:

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| DEPARTMENT OF JUSTICE | (2) | Mr Colum Thompson* |
| INTERNAL AUDIT | | Mrs Cathy Hadden, Audit Manager |
| NORTHERN IRELAND AUDIT OFFICE | | Mr Tomas Wilkinson, Director |
| AAB ACCOUNTANTS | | Ms Suzanne Villiers, Senior Audit Manager |
| NORTHERN IRELAND POLICING BOARD | (3) | Mrs Sinead Simpson, Chief Executive |
| | | Mr Sam Hagen, Senior Director of Resources |
| | (4) | Ms Jenny Passmore, Director of Partnership |
| | | Two Board Officials |

* Attended the meeting via video conference.

- (1) Left at 3.40pm
- (2) From 2.35pm
- (3) Out from 2.30pm to 3.25pm
- (4) Items 8 and 9 only

1. APOLOGIES

Apologies were received from Mr Peter McReynolds MLA and Mr Keith Buchanan MLA.

2. CONFLICTS OF INTEREST

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

No matters for discussion were raised under 'Any Other Business' and it was confirmed the meeting was quorate.

3. DRAFT MINUTES OF THE MEETING HELD ON 20 JUNE 2024

It was **RESOLVED:-**

- That the minutes of the Audit and Risk Assurance Committee meeting held on 20 June 2024 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 in respect of the open actions from the meeting held on 20 June 2024, and advised the following actions can now be closed:

- Action point 1 – in respect of the use of Artificial Intelligence and facial recognition in Policing a recommendation for a round table discussion is scheduled to take place later this year or early next year depending on plans for the new Policing Plan consultation.

- Action point 2 – this relates to the ‘PSNI Whistleblowing’ and ‘Northern Ireland Policing Board (NIPB) Raising Concerns’ policies and it was confirmed that the title Raising Concerns has replaced Whistleblowing and that both policies are one and the same.
- Action point 3 - an update on the PSNI ARAC meeting held on 21 June 2024 will be provided later in the meeting at agenda item 6.
- Action point 4 – letter of representation has been signed by the Chief Executive as Accounting Officer.
- Action point 5 – the final NIPB Annual Report and Accounts for 2023-24 have now been signed, laid in the NI Assembly, and is now available on the Board's website.
- Action point 6 – the Board’s Corporate Risk Register (CRR) has been updated to reflect changes made following discussion at a previous ARAC meeting. The Board’s CRR is continuously updated as a live document and previous versions are available on the Board’s digital sharing platform.
- Action point 8 – NIPB ‘Fraud’ related policies have now been published on the Board’s website.

4.1 Committee Effectiveness Questionnaire

The Director of Resources provided an update on the one remaining open action (action point 7) from the meeting on 20 June 2024 in relation to the ARAC committee effectiveness questionnaire.

Members asked about the availability of ARAC related training provided by the Chief Executives Forum; the wider role of NIPB ARAC in respect of Tripartite relationships with Department of Justice (DoJ) and PSNI; the PSNI ARAC

Chair's scheduled attendance at the next ARAC meeting in December 2024; the role of ARAC Members as part of a discussion scheduled with the Board Chair and Vice Chair on governance related matters; and that future recruitment processes for new Independent Board Members should consider the exploration and interrogation of specific value added by candidates in key areas.

Following discussion, it was agreed to circulate the ARAC Terms of Reference for PSNI and DoJ respectively, provide Members with the legislation as it relates to the Board, and consider providing feedback to DoJ regarding the skills and experience criteria for the recruitment of new Independent Board Members. **(AP1)**

5. CHAIRPERSON'S BUSINESS

There were no Chairperson's items of business brought to the Committee for this meeting.

6. PSNI ARAC MEETING – 21 JUNE 2024

Members **NOTED** the summary report of key items from the PSNI ARAC meeting held on 21 June 2024.

Members requested an ongoing awareness of the PSNI ARAC Corporate Risk Register relating to a deep dive on cybercrime; progress made with the Tripartite partnership (NIPB, PSNI & DoJ) as it relates to legal costs and governance structures, specifically the partnership between the Board and DoJ; and work taking place to develop the PSNI Service Operating Model. Following discussion, it was also agreed to provide Members with the 'PSNI Transformation' presentation from the Resources Committee in September 2024. **(AP2)**

7. NICS INTERNAL AUDIT

7.1 Internal Audit Progress Report

The Internal Audit (IA) manager presented a report to update Members on the work of IA since the last ARAC meeting in June 2024, noting that two final reports have been issued during this period, and provided an overview of progress being made against the 2024-25 IA plan.

The IA manager provided an update on future work streams noting that a 'Senior Office Discipline' assignment planned for quarter 3 in 2024-25 has been paused and that in the interim, should there be a senior disciplinary case, the Board will exercise the relevant Regulations and seek expert advice from the Crown Solicitors Office and Counsel (as has been done in the past). It was noted that any risk, albeit classified as low, is mitigated by these Regulations.

Members were also advised that a targeted piece of work on Injury on Duty/ Ill Health Retirement is planned to commence mid-November 2024.

Members asked whether there were plans to move the senior officer discipline assignment to a future date, and if the budgeted days for this piece of work could be reallocated, and both IA and NIAO officials confirmed they were content with the assurance provided by the reduced programme of work.

Members **NOTED** the update provided and **APPROVED** the proposed amendment to the Internal Audit plan.

7.2 Review of Information Management and Security (Operation of Data Sharing Agreements)

The IA manager provided an update on a targeted piece of work to review the operation of a sample of Data Sharing Agreements (DSAs) / Information

Sharing Agreements (ISA) that NIPB have with key stakeholders to determine if data is shared securely in accordance with the arrangements stipulated in the respective DSAs.

The review concluded that management has established a satisfactory system of internal control to mitigate the key risks within the Board.

One priority 3 recommendation was accepted by management in line with established best practice across the NICS and DoJ, which stated that Board management consider the use of password protection when transferring sensitive personal information within the NICS network.

Members asked about plans to expedite the implementation date for considering the use of password protection and following discussion it was agreed to review the implementation date and explore options available. **(AP3)**

Members **NOTED** the update provided.

7.3 Fact Finding Review of NIPB Assurance Framework

The IA manager outlined that the purpose of the fact finding review of NIPB Assurance Framework was to determine the main assurances that NIPB receive as an organisation, the providers of that assurance, and the associated assurance mechanisms that have been established with these providers.

Overall, the review concluded there are a broad range of sources of assurance including a number of independent sources.

The IA manager provided a summary of conclusions and highlighted several observations and management responses from questionnaires completed by the Board's Senior Management Team (SMT); suggested that additional assurance providers are included as part of the assurance framework; the

need for certain assurances as highlighted from the questionnaire responses; and that key assurances are mapped on the assurance framework to the relevant objective or legislative role.

Members **NOTED** the update provided.

7.4 NIPB Internal Audit Open Recommendations

The Director of Resources presented a paper to provide Members with an update on progress being made to implement the seven Internal Audit open recommendations.

Four of the open recommendations relate to the verification review of Causeway Coast and Glens (CCG) Council's compliance with procurement policies and procedures in respect of 2023-24 Policing and Community Safety Partnership (PCSP) funding.

In relation to a recommendation for the council to undertake a detailed review of PCSP Direct Award Contracts, a follow up audit will be carried out in the current year 2024-25, to commence at the end of quarter three and conclude early quarter four.

A meeting with the council has been scheduled to discuss findings and recommendations and a further progress update will be provided at the next Committee meeting in December 2024. A copy of the council audit report in relation to the IA report on CCG Council procurement will also be requested at this meeting.

The fifth open recommendation on PCSP Community Safety Grant Assessment Panels relates to an audit carried out in 2022-23 and will be progressed as part of the follow up audit referenced above.

The sixth open recommendation relates to the Board's 'Retention and

Disposal Policy and Schedule' for existing and new records, and stage three (disposal of records) is expected to be completed by the end of this financial year (2024-25).

The seventh open recommendation relates to testing of the Board's Business Continuity Plan (BCP), and following the completion of a tabletop test exercise it was agreed to bring the final report with lessons learned to the Committee when available. **(AP4)**

Members raised the following matters with the Director of Resources:

- Process for disposal of records as part of the retention and disposal policy.
- Feedback on other PCSP audits taking place unrelated to the CCG council area.

In response the IA manager and Northern Ireland Audit Office (NIAO) Director advised that the audit budget is allocated to provide assurance and ensure financial controls are in place across all PCSPs.

8. EXTERNAL AUDIT

8.1 Final Report to those charged with Governance

The NIAO Director provided Members with an update on the final 'Report To Those Charged With Governance 2024-24', noting that the audit of NIPB financial statements for the year ended 31 March 2024 is complete. The accounts were certified on 1 July 2024, with an unqualified opinion without modification, and they were laid with the NI Assembly on 4 July 2024.

The NIAO Director updated Members on the annual report on continuous improvement which includes reporting on the NIPB performance plan and performance summary, and on plans to make improvements as part of a

report refresh for next year.

Members asked about the audit findings on the classification of settlements with uncertain timing and further clarity on the testing of accruals and the distinction between provision and accruals; the nature of improvements being made to the annual report on continuous improvement, and whether Members will be provided with the Terms of Reference for the value for money test study taking place.

In response Members were advised that the Board's Performance committee considers the annual report on Continuous improvement, and that it is a statutory audit with consideration ongoing in respect of its status and need.

Members **NOTED** the final report and the Director of Resources offered thanks and appreciation, on behalf of the Committee, to both NIAO and AAB Accountants for their hard work and collaborative approach to ensure the tight deadlines are met to complete the auditing work for the Board's Financial Statements.

9. RISK

9.1 NIPB Corporate Risk Register

The Director of Resources presented Members with the NIPB Corporate Risk Register (CRR) as well as a summary of Corporate Risks & Tracker and advised that tracked changes are available as part of a live risk register for Members to view progress.

Members were advised that since the CRR was last presented to the Committee in June 2024 the number of risks have increased from five to six, and the new risk on 'Information Management' will be discussed later in the meeting as part of the Partnership directorate risk register update.

Members asked about the addition of 'Cybersecurity' to the CRR given that it is included on risk registers across the public sector and that cyber threats represent significant and evolving challenges to organisations.

In response the Director of Resources advised that IT Assist, the provider of the Board's IT infrastructure, has not made senior officials aware of any specific risks to be added to the CRR and that robust mechanisms are in place with NIAO to provide certificates to cover these systems and provide assurance.

The NIAO Director advised that relevant certifications are provided at year end on an annual basis, after the completion of 'penetration' system testing by third parties and that a cybersecurity good practice guide for audit committees will be released in the coming months.

Following discussion, it was agreed that officials will consider the addition of cybersecurity to the NIPB risk register, and whether to include at corporate or directorate level. **(AP5)**

The Chair requested an update on progress being made with risk areas three and four, and the Director of Resources provided the following summary:

- Risk area three, NIPB capacity & capability (staffing) – progress made in line with the resources available to a small organisation such as the Board, and a targeted recruitment campaign for Administrative Officers (AOs) is currently underway and vacancies are expected to be filled by the end of this year.

The Chief Executive advised that challenges exist around securing security clearance for new staff in a timely manner; addressing staffing needs in other areas of the Board; exploring options available to collaborate with the wider NI Civil Service for recruitment purposes; the benefits of secondments, interchanges, and agency staff; welcomed the support from Members to lobby for additional resource; and provided

assurance to the Committee that this risk is a priority for the Board's senior management team.

- Risk area four, Independent Medical Referee (IMR) process – the Chief Executive advised this area of work is linked to the tripartite partnership (NIPB, PSNI, & DoJ) and work has been completed on the Joint Medical Guidance which is now on a statutory footing.

Recommendations from a NIAO report in 2020 require further consideration and work is ongoing in relation to Injury on Duty reform through sub and steering groups, and that legislative change is likely required in this complex area.

The Chair asked about Tripartite arrangements and that the matter could be raised at the Board meeting with the Minister of Justice in October 2024.

In response the Chief Executive advised that structural change is a long term process and work is ongoing to progress this risk area.

Members **NOTED** the Board's updated Corporate Risk Register.

9.2 Partnership Directorate Risk Register

The Director of Partnership presented the Partnership Directorate Risk Register and provided the following update on the four risks. It was noted that the risk on 'Information Management' was recently added to the Corporate Risk Registers:

- Risk area 1, Information Management - work taking place to address this risk, including the AO recruitment campaign to support the work of Police Pensions & Injury Benefits (PPIB) due to the high level of Freedom of Information and Subject Access Requests received, and to address welfare concerns as well as expand the capacity of the Board's communications team.

- Risk area 2, Police Property Fund – no issues were reported and it was noted that key controls and an escalation process action plan were in place to minimise any financial, reputational and legal impact to the Board.
- Risk area 3, Policing and Community Safety Partnership (PCSP) funding – this relates to key controls in place for financial transactions from the Board to PCSPs and potential risks associated with the mismanagement of PCSP budgets. The Chief Executive advised of concerns raised in the Joint Committee relating to the management of conflicts of interest, procurement and financial transactions, and that necessary assurances have been provided for specific PCSPs in key areas including conflicts of interest and Direct Award Contracts (DACs). The IA manager also highlighted the work of Internal Audit in carrying out independent audits and deep dives where necessary.
- Risk area 4, Independent Custody Visitors (ICVs) – ongoing challenges to recruit ICVs and following discussion it was agreed to consider using social media channels for Members to reshare positive news in respect of the work of ICVs. **(AP6)**

Members discussed recruitment plans to manage the high number of FOI/ DPA requests, the type of FOI requests received, benefits of viewing a sample range of PCSP audits to provide a big picture view of work taking place to provide assurances that PCSPs are operating well and underlying issues are being sufficiently interrogated.

10. GOVERNANCE UPDATES

10.1 Complaints

The Director of Resources advised there were no live complaint cases currently being progressed by the Board.

10.2 NIPB Gifts and Hospitality Register

The Director of Resources advised there were two declarations for Gifts or Hospitality recorded during the reporting period.

Members **NOTED** the updated register provided.

11. COMMUNICATION ISSUES/ OPPORTUNITIES

None.

12. ANY OTHER BUSINESS

No other business was conducted.

13. DATE OF NEXT MEETING

The next meeting is scheduled to take place on Thursday 19 December 2024 at 2pm in James House.

Meeting closed at 4.10pm.

Strategic Planning and Governance

Date: September 2024

Chair