

NORTHERN IRELAND POLICING BOARD

MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE (ARAC) HELD ON THURSDAY 19 DECEMBER 2024 AT 2PM IN JAMES HOUSE AND VIA VIDEO CONFERENCE

PRESENT:

MEMBERS

Mr Patrick Nelson (Chair)
Mr Tommy O'Reilly (Vice Chair)
Mr Gerry Kelly MLA

IN ATTENDANCE:

INTERNAL AUDIT	(1)	Ms Lacey Walker, Head of Internal Audit
NORTHERN IRELAND AUDIT OFFICE		Auditor*
AAB ACCOUNTANTS		Ms Suzanne Villiers*, Senior Audit Manager
PSNI AUDIT AND RISK ASSURANCE COMMITTEE	(2)	Mr Michael McKavanagh, Chair
NORTHERN IRELAND POLICING BOARD		Mrs Sinead Simpson, Chief Executive Mr Sam Hagen, Senior Director of Resources
	(3)	Ms Sarah Reid, T/Director of Police Pensions & Injury Benefits Five Officials

* Attended the meeting via video conference.

- (1) Left at 4.30pm**
- (2) Items 1, 2, and 6 only**
- (3) From item 8 on**

1. APOLOGIES

Apologies were received from Mr Frank McManus, Mr Peter McReynolds MLA, Mr Keith Buchanan MLA, and Ms Lynne Curran.

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 26 SEPTEMBER 2024

It was **RESOLVED:-**

- That the minutes of the Audit and Risk Assurance Committee meeting held on 26 September 2024 be approved.

4. ACTION LOG

The Committee **NOTED** the updates detailed in the action log and the related verbal overview provided by the Director of Resources in respect of the actions from the meeting held on 26 September 2024, as follows:

- Action point 1 – this relates to the Committee effectiveness review and providing Members with the relevant legislation and Terms of Reference (TOR) for other Audit Committees within the Department of Justice. Members **NOTED** the TOR for PSNI ARAC provided with the meeting papers and this action can now be closed.

- Action point 2 – Members have been provided with the PSNI Transformation presentation delivered to the Board's Resources Committee in September 2024 and this action can now be closed.
- Action point 3 – this action will remain open and relates to an Internal Audit review of Information Management and Security. The Board's Emerging Priorities Manager is considering the technical solution for password protection and the implementation date will be reviewed when this has been agreed.
- Action point 4 – this relates to the final report following a tabletop test exercise of the Board's 'Business Continuity & Disaster Recovery Plan' and Members were advised this will be discussed later in the meeting at agenda item 8.1. This action can now be closed.
- Action point 5 – this relates to the addition of Cyber Security on the Board's Corporate Risk Register and Members were advised this will be discussed later in the meeting at agenda item 8.2. Members **NOTED** the related Cyber Risk document provided and this action can now be closed.
- Action point 6 – this relates to the use of the Board's social media channels to promote the work of Independent Custody Visitors (ICV). Members were advised that Board social media channels are now being used to promote the ICV rolling recruitment campaign and this action can now be closed.

In relation to action point 7 from the meeting on 20 June 2024 a follow up meeting was convened to discuss the responses of the Committee effectiveness questionnaire and agree actions. This action can now be closed.

5. CHAIRPERSON'S BUSINESS

5.1 Guidance on responding to Northern Ireland Audit Office Public Reports

The Director of Resources advised Members of correspondence from the Department of Finance to provide guidance on responding to Northern Ireland Audit Office public reports.

Members **NOTED** the correspondence for information and that no further action was required.

6. PSNI AUDIT AND RISK ASSURANCE COMMITTEE – BRIEFING FROM CHAIR

The Chair welcomed Mr Michael McKavanagh, PSNI ARAC Chair, to the meeting and Members **NOTED** the meeting papers from the PSNI ARAC meeting in October 2024 to inform discussion.

The PSNI ARAC Chair provided a comprehensive briefing on the key issues facing PSNI ARAC at this time, relating to the following three areas:

1. Funding and Service Operating Model,
2. Data Breach (August 2024), and
3. Attendance Management.

In relation to PSNI Funding Members were briefed on the continuing resource challenges and work taking place to implement a breakeven position for the year 2024-25, with a recognition that the ability to ensure future financial stability has not yet been assured and this limits the transformational agenda including progress to revise the Service Operating Model (SOM). Additionally, PSNI faces significant challenges in respect of holiday pay liabilities and costs associated with the data breach.

The PSNI ARAC Chair noted that work continues at all levels in PSNI to make the case for additional resources and the Chief Constable is fully aware of his accounting officer responsibilities.

In relation to the data breach and information management, Members were advised that accountability is now clearly held at a senior management level with dedicated support from the PSNI 'Data Board' and revised internal processes, for example, updated processes to manage Freedom of Information requests.

Overall, the PSNI ARAC Chair indicated that significant progress has been made and work continues at pace to ensure that new processes are successfully embedded.

In relation to attendance management Members were briefed on processes and controls in place and that progress has been made to implement some of the recommendations from an Internal Audit report. but acknowledged that further investment and cultural change is required to effect real transformation.

Members raised the following matters with the PSNI ARAC Chair:

- Impact of funding issues on corporate risk and extent to which reduced headcount will impact the quality of PSNI investigations and the mechanism by which this is escalated and accounted for on the PSNI risk register. Additionally, the way in which the Board's ARAC can be kept informed of these issues if they are not routinely captured and discussed by PSNI ARAC.

In response the PSNI ARAC Chair acknowledged the importance of PSNI ARAC being across such matters, to include initiating a deep dive where necessary, to ensure that issues are clearly escalated with controls in place and stakeholders were kept informed.

The Chief Executive referred to a previous Board meeting when this matter was discussed and it was **AGREED** to provide Members with

the PSNI response. **(AP1)**

- Progress made to increase officer numbers and assessment of plans to implement a revised Service Operating Model as part of transformation, and barriers to success.
- Assessment of risk in respect of managing the implementation of data breach recommendations following recent changes to PSNI Leadership Team.
- Provide assurance in relation to information management risks and that cultural progress has been made.
- Absence management and ability to lobby for additional resources if limited progress is being made with existing funds, and extent to which first line managers have the training and cultural framework to deliver real progress. Additionally, whether systemic change is necessary and clarity on the Board's role going forward.

In response the PSNI ARAC Chair outlined work taking place to improve absence management controls and the Chief Executive advised that the Board's Resources Committee received regular updates on absence management and will continue to engage with PSNI on this matter.

Following discussion, it was **AGREED** to submit a question from the committee to the Chief Constable at the next Board meeting in February 2025 on progress being made to sickness and absence management in PSNI. **(AP2)**

- Update on PSNI audit plan for the remainder of the financial year (2024-25) given the significant programme of work, and progress on key areas including revised SOM and Professional Standards.

Members **NOTED** the update provided and the Chair thanked Mr Michael McKavanagh for his briefing and he left the meeting.

7. NICS INTERNAL AUDIT

7.1 Internal Audit Progress Report

The Head of Internal Audit (IA) presented a report to update Members on the work of IA since the last ARAC meeting in September 2024, noting that fieldwork for one assignment on 'Injury on Duty /Ill Health Retirements' has been completed and the report is due to issue in the New Year.

Members were advised that planning has commenced for the one remaining assignment on the 2024/25 IA Plan on Policing and Community Safety Partnerships (PCSPs) in relation to a follow up audit on Causeway Coast and Glens Council (CCG) PCSP and is scheduled to commence in quarter four. Additionally, work will commence in 2025 on the development of a new IA Strategy for the next 3-5 years.

Members asked about the follow up audit on CCG Council PCSP including timescale for completion, the need to provide assurance to the wider public, and assessment of concerns previously raised regarding procurement processes.

Members raised concerns around future PCSP funding for CCG Council PCSP and discussed controls in place including the accounting officer role of the Board's Chief Executive and the Partnership Directorate's role in the day to day management of PCSPs.

Members **NOTED** the update provided and following discussion it was **AGREED** to await the outcome of the IA follow up audit in quarter four of this financial year and then bring the matter back to Committee. **(AP3)**

7.2 NIPB Internal Audit Open Recommendations

The Director of Resources updated Members on progress being made to implement the IA open recommendations and advised that since the last meeting in September 2024 two recommendations had been closed in relation to a review of Causeway Coast and Glens Council's Compliance with Procurement Policies & Procedures, and a review of the Policing Board's Business Continuity Planning & Disaster Recovery Plan.

The six open recommendations were summarised as follows:

- One new open recommendation has been added following the completion of an 'IA Review of Information Management and Security: Operation of Data Sharing Agreements', in September 2024.
- Four 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.
- One open recommendation relates to the Board's 'Retention and Disposal Policy and Schedule' for existing and new records, with a target date for completion of stage three (disposal of records) by the end of the financial year (2024-25).

The Chair asked about plans to complete stage three of the Retention and Disposal Schedule and the Chief Executive advised that the target date could not be achieved as part of day to day business due to current workload across the Board, with options being explored to expedite the process, and that the level of risk was low due to controls in place.

Members queried the reasoning behind the closed recommendation

referenced above in relation to the IA Verification Review of Causeway Coast and Glens Council's Compliance with Procurement Policies and Procedures – 2023/24 PCSP Funding, given that other recommendations from this review remain open, and it was **AGREED** to review with the Board's Partnership team. **(AP4)**

Members **NOTED** the update.

8. COMMITTEE BUSINESS

8.1 Northern Ireland Policing Board Business Continuity & Disaster Recovery Plan

The Emerging Priorities manager presented a paper to provide Members with an update on the Business Continuity Tabletop Test Exercise carried out in September 2024, following a review recommendation by Internal Audit of the Board's Business Continuity Planning and Management including Business Recovery.

Members were provided with the test report and revised draft of the Business Continuity Plan (BCP) and discussed the number of action logs to streamline the process.

In response Members were advised that following a comprehensive review of the Board's business areas the number of action logs was reduced from fourteen to ten and this represented the best practical solution.

Members **NOTED** the update provided and following discussion **AGREED**:

- That the revised Business Continuity & Disaster Recovery Plan can be finalised and distributed to relevant Board personnel.

8.2 Cyber Security

The Emerging Priorities manager presented a paper which provided a detailed overview of current Cyber Security arrangements at the Policing Board, highlighting ongoing or future developments and identifying any potential vulnerabilities within this structure, and covered the following key areas:

- **Background** - results from a Cyber Security Breaches Survey in 2024 highlighted multiple types of threats including Phishing Attacks, Ransomware, Social Engineering, Insider Threats, Outdated Legacy Systems, Supply Chain Attacks and Distributed Denial of Service Attacks.
- **Current position** – status of Board's IT infrastructure, provided by 'IT Assist', which has been provided with a 'satisfactory' rating from auditors following the most recent assessment.
- **Cyber Security** - the 'Digital Security and Engagement' team provides the Board with a diverse range of digital security services and all Board staff operate with a secure laptop and email address supported by regular 'forced' updates to the firewall, virus protection and operating system, and a network security client is utilised to protect the mobile workforce.
- **IT Health Check** – 'Penetration' testing of Board IT systems is carried out by approved Cyber Security experts to highlight potential vulnerabilities and take remedial actions. The last penetration test was completed in April 2024 and vulnerability testing on commercial off-the-shelf IT devices provided to Board Members identified security weaknesses.
- **MetaCompliance** – software has been installed on all Board issued laptops to allow staff to report suspicious 'phishing' type e-mails.

- **Policy/ procedure documents** – key documents are available to advise staff on the secure use of IT equipment and these are currently being updated to reflect the new MetaCompliance arrangements referenced above.

Members were reassured by the work taking place in respect of cyber security at the Board and discussed whether this ongoing and evolving risk should be elevated to the corporate risk register (currently recorded on the Resources directorate risk register).

Members discussed follow up actions in relation to the Board meeting in December 2024 regarding proposed changes to Members IT arrangements.

The Director of Resources outlined the two options previously discussed by the Board in respect of issuing IT Assist laptops to all Members, or Independent Members only.

Members outlined practical concerns of multiple devices, accessibility options, and options available in respect of tablets or smart phones rather than larger laptop devices.

Members **NOTED** the update provided and following discussion **AGREED** to:

- The addition of Cyber Security to the Corporate risk register **(AP5)**, and
- **RECOMMEND** to the Board at the next meeting in February 2025 that the preferred option of the Committee is to issue all Board Members with new IT Assist laptop devices to ensure full mitigation against cyber security risks. **(AP6)**

9. RISK

9.1 NIPB Corporate Risk Register

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

Members were advised that since the CRR was last presented to the Committee in September 2024 the number of risks have remained unchanged at six.

Members discussed progress being made to recruit administrative officers to mitigate risk in the area of capacity and capability (staffing), the potential impact of the review of the Board on staffing levels, and the process to identify risks as part of the development of the new Policing Plan 2025-30.

Members **NOTED** the updated corporate risk register and as referenced above at agenda item 8.2 that Cyber Security will be added to the corporate risk register.

9.2 Police Pensions and Injury Benefits Directorate Risk Register

The T/Director of Police Pensions and Injury Benefits (PPIB) updated Members on the four risk areas recorded on the PPIB risk register and advised of the one risk included on the Corporate risk register in relation to the Board's role and responsibilities as scheme manager of Injury on Duty (IOD) and Ill Health Retirement (IHR) processes.

The T/Director of PPIB highlighted the need to tighten the regulations associated with IOD/ IHR functions to ensure that it fully protects the reputation of the Board as it continues to operate as scheme manager.

Members requested that the PPIB risk register clearly reflects the Board's view that IOD/ IHR responsibilities should be removed from the Board with legislative change, and that consideration is given to escalating this risk to the corporate risk register should there be limited progress from the Sub and Steering groups to implement recommendations from a 2020 NIAO Report.

(AP7)

Members **NOTED** the update.

10. GOVERNANCE UPDATES

The Director of Resources provided the following updates in relation to governance matters relevant to the Committee.

10.1 Fraud

No new or ongoing cases of fraud or suspected fraud.

10.2 Direct Award Contracts

No new Direct Award Contracts.

10.3 Complaints

No complaints are currently being progressed by the Board.

10.4 Raising a Concern

No matters in relation to 'Raising a Concern' have been received.

10.5 Gifts and Hospitality Register

Three new declarations for Gifts or Hospitality have been recorded during the reporting period.

Members **NOTED** the updated register.

10.6 NIPB Mid-Year Stewardship Statement to the Department of Justice

Members **NOTED** the Mid-Year Stewardship statement.

11. FREEDOM OF INFORMATION / DATA PROTECTION ACT REQUEST STATISTICS

Members **NOTED** the summary information on Freedom of Information (FOI) requests and Data Protection Act (DPA) requests received by the Board, which included a statistical breakdown of requests received between 1 April 2024 and 30 September 2024.

The Chair requested further information on a determination by the Information Commissioners Office that an FOI request was not vexatious and Members were advised that the Board responded as directed and issued a substantive response to the request.

The Chief Executive outlined the significant and ongoing resourcing challenges to manage and respond to an increasing number of FOI/ DPA requests and that Board officials are working hard to meet statutory targets.

12. COMMUNICATION ISSUES/ OPPORTUNITIES

None.

13. ANY OTHER BUSINESS

No other business was conducted.

14. DATE OF NEXT MEETING

The next meeting is scheduled to take place on Thursday 27 March 2025 at 2pm in James House.

Meeting closed at 4.40pm.

Strategic Planning and Governance

Date: December 2024

Chair