

NORTHERN IRELAND POLICING BOARD

MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE (ARAC) HELD ON THURSDAY 27 MARCH 2025 AT 2.10PM IN JAMES HOUSE AND VIA VIDEO CONFERENCE

PRESENT:

MEMBERS

Mr Patrick Nelson (Chair)
Mr Keith Buchanan MLA
(1) Mr Gerry Kelly MLA

IN ATTENDANCE:

INTERNAL AUDIT

Mrs Cathy Hadden, Internal Audit Manager

NORTHERN IRELAND AUDIT OFFICE

Auditor

DEPARTMENT OF JUSTICE

Ms Therese Murphy*

AAB ACCOUNTANTS

Ms Suzanne Villiers, Senior Audit Manager

NORTHERN IRELAND POLICING BOARD

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

- (2) Ms Jenny Passmore, Director of Partnership
- (3) Mr Adrian McNamee, Director of Performance
- (4) Ms Sarah Reid, T/Director of Police Pensions & Injury Benefits
- Five Officials

* Attended via video conference.

- (1) Left at 3.05pm
- (2) From 2.25pm, left at 2.45pm
- (3) From 2.40pm
- (4) Left at 2.25pm

1. APOLOGIES

Apologies were received from Mr Peter McReynolds MLA and Mr Tommy O'Reilly.

2. CONFLICTS OF INTEREST

No conflicts of interest were declared.

3. DRAFT MINUTES OF THE MEETING HELD ON 19 DECEMBER 2024

It was **RESOLVED:-**

- That the minutes of the Audit and Risk Assurance Committee meeting held on 19 December 2024 be approved.

4. ACTION LOG

The Committee **NOTED** the action log updates and related overview provided by the Director of Resources on the action points from the meeting held on 19 December 2024, as follows:

- Action point 1 - this relates to escalation of risk at PSNI and strengthening of risk management/ transparency.
Correspondence was issued to the Chief Constable on this matter and this action can now be closed.
- Action point 2 – this relates to consulting with the Chief Constable regarding sickness absence in PSNI at the next Board meeting in February 2025.
This matter was subsequently raised in the context of attendance management and this action can now be closed.

- Action point 3 – this relates to Internal Audit (IA) plans to complete a follow up review of Causeway Coast and Glens (CCG) Council Policing and Community Safety Partnership (PCSP).

The matter will be raised at the next Joint Committee meeting scheduled in April 2025 and this action will remain open.

- Action point 4 – this relates to the closure of an IA recommendation regarding compliance by PCSPs with procurement policies.

This recommendation was deemed outside the remit of Joint Committee and was resolved by issuing correspondence to the 'Society of Local Authority Chief Executives and Senior Managers' (SOLACE), and this action can now be closed.

- Action point 5 – this relates to the addition of Cyber Security to the Board's Corporate Risk Register (CRR), and this action can now be closed.

- Action point 6 – this relates to the recommendation by the Committee for all Board Members to be provided with IT Assist laptops and Board e-mail accounts.

The decision taken by the Board at the meeting in February 2025 was to issue IT Assist laptops and e-mail accounts to Independent Members only at this time whilst an alternative option was explored for Political Members. This action can now be closed.

- Action point 7 – this relates to updating the Police Pensions & Injury Benefits (PPIB) risk register to clearly reference the Board's view that Injury on Duty (IOD) and Ill Health Retirement (IHR) responsibilities should be removed from the Board, and to monitor progress being made by the Sub and Steering groups in this regard.

In respect of action point 3 from the meeting in September 2024 and the IA review of Information Management and Security at the Board, Members were advised that the Board's Emerging Priorities manager is considering the technical solution regarding password protection at the Board and the implementation date will be reviewed when a solution is agreed. This action will remain open.

Following discussion, the Chair requested a further update on the implementation date and whether the timescale to implement a solution can be expedited, and it was agreed to follow up on this matter. **(AP1)**

In respect of action point 7 from the meeting in December 2024 the Chair requested a further update on progress being made to facilitate the removal of IOD/ IHR responsibilities from the Board, and the Chief Executive advised that there was a clear intent by all parties evidenced through a planned meeting of a Subgroup in the coming weeks and the DoJ commitment to develop a project plan for consideration at that subgroup meeting.

Additionally, Members were advised that correspondence has been issued to the Chief Constable to establish his views on removing IOD/ IHR responsibilities from the Board and a response is awaited. This action will remain open.

5. CHAIRPERSON'S BUSINESS

5.1 Proposed date for ARAC meeting in June 2025

The Director of Resources advised of the proposed date for the ARAC meeting in June 2025 for Members to consider the Northern Ireland Policing Board Draft Annual Report and Financial Statements for the year ended 31 March 2025, including the Chair's report, performance report, and accountability report

Following discussion with the audit team and to align with the audit timetable it was **AGREED** to schedule the ARAC meeting for 19 June 2025.

5.2 Department of Justice (DoJ) correspondence – Annual Report & Accounts 2024-25

Members **NOTED** correspondence from DoJ in respect of timelines for the preparation of Non Departmental Public Body Annual Reports & Accounts for 2024-25 and recognition of the hard work carried out to meet deadlines for laying the Accounts in 2023-24.

6. PSNI ARAC MEETING - 29 JANUARY 2025

The Chief Executive asked Members to **NOTE** a paper which provided an update on key issues from the PSNI ARAC meeting held on 29 January 2025.

The Chair highlighted the high number (40) of high priority open recommendations in the PSNI ARAC overview report and requested further information on this matter.

Following discussion, the Chief Executive agreed to consult with PSNI in relation to the age/ duration of these high priority recommendations, and subject to the response the Committee will consider whether a follow up question is required. **(AP2)**

7. NICS INTERNAL AUDIT

7.1 Internal Audit Progress Report – March 2025

The IA manager updated Members on the work of IA since the previous ARAC meeting in December 2024 and provided an update on the completed IA plan for 2024-25.

Members were advised that two reports had been completed since the previous ARAC meeting in December 2024:

- Injury on Duty/ Ill Health Retirements – A ‘Satisfactory’ opinion was provided and that management have established a satisfactory system of internal control to ensure IOD and IHR applications, reconsiderations, reassessments and appeals were processed in accordance with the NIPB operational procedures.
- A ‘Follow Up Review of 2022/23 Causeway Coast and Glens (CCG) Council’s Management of any Potential and/or Perceived PCSP Conflicts of Interests’ identified a risk that conflicts of interest were not being appropriately identified and managed.

It was subsequently established that measures have been put in place to mitigate this risk including training and a potential investigation, and that a follow up review (scheduled for quarter two 2025-26) will be carried out following the completion of training and any potential investigation, in order to provide the necessary assurance and verify operational effectiveness of previous IA recommendations.

Members discussed the ongoing focus on CCG PCSP in the 2025-26 work plan and available options to address non-compliance; potential risks to reputational damage of the Board; and the process/ timelines for completion of a follow up review.

The Chief Executive advised Members that based on recent meetings and engagement with CCG management the seriousness of the situation is recognised and outlined the potential future role of Joint Committee following the completion of the follow up review.

The IA manager outlined the timeline for publishing the follow up review as September 2025, and this is subject to the completion of all due diligence checks.

Members **NOTED** the updates provided.

7.2 Draft Internal Audit Strategy 2025-30 (including Internal Audit Plan for 2025-26)

The IA manager presented a paper to update Members on the 5 year Internal Audit strategy including the IA work plan for 2025-26, with the strategy document outlining the resource requirement, planning approach, audit approaches, performance measures, and quality assurance.

The planning approach included an audit impact assessment informed from consultation with the ARAC Chair, the Board's senior management, previous audit coverage, risk registers, and systems under development.

This will be reviewed every five years and on an annual basis IA will conduct a review to identify audit priorities and risks for the coming year.

Members were also referred to the IA work plan for 2025-26.

Members raised the following matters:

- Methodology used to confirm total number of days required for the 2025-26 work plan.

In response the IA Manager advised that it was a risk based approach with built in flexibility to allow for changes should this be necessary.

- Rationale of the scheduling approach to finalise work areas in the 2025-26 work plan.

In response the IA manager advised that following the confirmation of high priority work areas relating to PCSPs, high level decisions, and following extensive consultation, decisions were taken to focus on the work of the Resources Committee and in relation to financial management and the risk management framework.

Following discussion Members **AGREED** with the Strategic Impact Assessment and allocation of IA resources for 2025-26 and **APPROVED** both the NIPB Internal Audit Strategy and 2025-26 Internal Audit Plan.

7.3 NIPB Internal Audit Open Recommendations

The Director of Resources asked Members to **NOTE** a paper on progress being made to implement the IA open recommendations and advised that since the previous meeting in December 2024 the number of open recommendations has remained unchanged at six and that work continues to progress these recommendations to completion.

Specifically, Members were advised of the status of IA open recommendations in relation to Information Management and Security - Operation of Data Sharing Agreements; CCG Council's compliance with its procurement policies and procedures - 2023/24 PCSP funding; and Information Management & Security.

8. EXTERNAL AUDIT

8.1 Northern Ireland Audit Office Audit Strategy for NIPB External Audit 2024-25

The Senior Audit Manager from AAB Accountants presented the NIAO Audit Strategy for the certification of the Board's Annual Report and Accounts for the year ended 31 March 2025.

The Audit Strategy detailed actions for the Committee as part of approving the strategy, and whether the risk assessment meets expectations.

Significant risks were highlighted and audit responses including management override of controls regarding fraud, and recognition of the Board's occupancy of James House with the requirement to implement IFRS 16 (reclassification

of James House from a licence to a lease) which will require a prior year adjustment to the financial statement.

Members discussed the significant risk outlined in relation to IFRS 16 and reclassification of James House from a licence to a lease and were advised that all obligations and disclosures will be met as required to satisfy the requirements under IFRS 16.

The Senior Audit manager outlined the audit timetable and status of significant misstatements which were identified in the prior year audit including those relating to accruals and provisions, and Members were advised these matters were subject to an ongoing legal case and a response is awaited from the Crown Solicitors Office on an appropriate year end determination.

Members **NOTED** discussion points in the Audit Strategy report in respect of 'Actions for the Audit Committee', and Members were content with the matters highlighted in respect of the Committee's responsibilities and considerations.

Members **NOTED** an increase in the audit fee, in line with inflation, as well as the Audit Strategy report and associated updates provided.

9. RISK

9.1 Northern Ireland Policing Board (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 December 2024 the number of risks has increased from six to seven with the addition of Cyber Security.

Members were advised of a change to the residual ~~score~~ score on the tracker for PCSP funding and that the score since the last meeting in December 2024 had been reduced from of six to four.

Members raised concerns regarding the criteria to reduce the residual score ~~for~~ and were advised of work taking place to mitigate risks in relation to PCSP funding.

Following discussion, it was agreed to consult with the Director of Partnership as risk owner to reassess the current residual score. **(AP3)**

The Director of Resources advised that a decision taken by the Board at the meeting in February 2025 to provide IT Assist laptops and e-mail accounts for all independent Members has positively impacted on the residual risk score for the 'Cyber Security Attack on I.T Assist/ NIPB network, or equipment' risk.

Members **NOTED** the update provided and amended corporate risk register.

9.2 Performance Directorate Risk Register

The Director of Performance presented the Performance directorate risk register and outlined the three risk areas: delivery of a new Policing Plan for 2025-30; appointment of a new Human Rights Advisor at the Board; and potential for data breach (as part of the administration of Police Appeals Tribunals and Business Interest Appeals).

Members were advised the risk in relation to the delivery of a new Policing Plan 2025-30 will be removed from the register when the new plan is launched in April 2025.

Members **NOTED** the update provided and were reassured by plans in place to facilitate the transition process as part of appointing a new Human Rights Advisor.

10. Draft Committee Programme of Work 2025-26

The Director of Resources presented the draft committee programme of work 2025-26 and advised Members that it is similar to the previous year in line with standard agenda items and highlighted the special meeting scheduled in May 2025 to consider the Board's draft Annual Report and Financial statements for 2024-25.

The Chief Executive advised Members that amendments to the programme of work may be necessary because of work taking place to finalise the business plan objectives for the Boards new Corporate Plan 2025-30.

Members **NOTED** the update provided and **AGREED** the committee programme of work for 2025-26.

11. GOVERNANCE UPDATES

The Director of Resources asked Members to **NOTE** the following updates in relation to governance matters relevant to the Committee for the reporting period.

11.1 Fraud

No new or ongoing cases of fraud or suspected fraud.

11.2 Direct Award Contracts

No new Direct Award Contracts.

11.3 Complaints

Members were advised that a complaint was received during the reporting period and following consideration it was concluded that it did not fall within the scope of the Board's Complaints policy.

The complaint is now being progressed under the Board's Data Protection policy.

Following discussion, the Chair was provided with assurance that there is a clear audit trail for this complaint should there be any questions in respect of its handling by the Committee.

11.4 Raising a Concern

No matters in relation to 'Raising a Concern' were received.

11.5 Gifts and Hospitality Register

Members **NOTED** the updated register for the reporting period and that there were no significant entries to highlight.

12. COMMITTEE BUSINESS

12.1 Justice Bill and Clause 22 - relating to provision for Members to delegate functions to members and officials of the Board, and other clauses.

The Director of Resources presented a paper asking Members to consider and agree the functions contained in the Terms of Reference for the Committee that should be delegated to Officials when there is a functioning Board, and those to be delegated to Officials when there is not a functioning

Board, and make recommendations to the Board.

Following discussion Members requested more time to consider this matter and the Chief Executive advised that the timescale for completion of this work extended over the next several months to allow sufficient time for full consideration by the Committee.

Following discussion, Members **AGREED** that Officials will bring a revised paper to a future Committee meeting with recommendations for a scheme of delegations for when there is a functioning Board and a non-functioning Board. **(AP4)**

13. **COMMUNICATION ISSUES/ OPPORTUNITIES**

None.

14. **ANY OTHER BUSINESS**

Members were advised of a recent change to Committee Membership and that Mr Frank McManus had resigned as a Member of the Committee, with effect from 31 December 2024.

Following a consultation with all Independent Members Dr Kate Lavery has volunteered to join the Committee in line with the Board's casual vacancy process.

Following discussion, it was agreed to **RECOMMEND** to the Board the appointment of Dr Kate Lavery to the Committee in accordance with Section 20 paragraph (h) of the Board's Standing Orders.

15. **DATE OF NEXT MEETING**

The next meeting is scheduled to take place on Thursday 29 May 2025 at

2pm in James House.

Meeting closed at 3.20pm.

Strategic Planning and Governance

Date: March 2025

Chair