

## **NORTHERN IRELAND POLICING BOARD**

### **MINUTES OF AUDIT AND RISK ASSURANCE COMMITTEE (ARAC) MEETING HELD ON THURSDAY 18 DECEMBER 2025 AT 2.10PM IN JAMES HOUSE AND VIA VIDEO CONFERENCE**

<b>MEMBERS PRESENT:</b>	Mr Patrick Nelson (Chair), Mr Tommy O'Reilly (Vice-Chair) Dr Kate Laverty* <b>(1)</b> Mr Gerry Kelly MLA
<b>IN ATTENDANCE:</b>	
<b>INTERNAL AUDIT</b>	Mr Gary Curran, Head of Internal Audit
<b>NORTHERN IRELAND AUDIT OFFICE</b>	Auditor*
<b>DEPARTMENT OF JUSTICE</b>	One Official*
<b>AAB ACCOUNTANTS</b>	Ms Suzanne Villiers*, Senior Audit Manager
<b>PSNI AUDIT AND RISK ASSURANCE COMMITTEE</b>	<b>(2)</b> Mr Michael McKavanagh, Chair
<b>POLICE PENSION BOARD</b>	<b>(3)</b> Mr Michael Burton, Chair
<b>NORTHERN IRELAND POLICING BOARD</b>	Mrs Sinead Simpson, Chief Executive Mr Sam Hagen, Senior Director of Resources <b>(4)</b> Ms Sarah Reid, T/Director of Police Pensions & Injury Benefits Mrs Paula Gow, T/Director of Partnership Six Officials

\* Attended via video conference.

- (1) Left at 4.10pm**
- (2) Item 4.2 only**
- (3) Item 4.1 only**
- (4) Left at 4.30pm**

## **1. APOLOGIES**

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

## **2. CONFLICTS OF INTEREST**

No conflicts of interest were declared.

## **3. DRAFT MINUTES OF THE MEETING HELD ON:**

### **3.1 Thursday 25 September 2025**

It was **RESOLVED:-**

- That the minutes of the Audit and Risk Assurance Committee meeting held on Thursday 25 September 2025 be approved for publication.

## **4. COMMITTEE BUSINESS**

### **4.1 Police Pensions Board Briefing (including Risk Register)**

The Chair welcomed Mr Michael Burton, Police Pension Board (PPB) Chair, to the meeting and Members were briefed on the work of the PPB including an overview on key issues in relation to the PPB Risk Register, as follows:

- McCloud Remedy – work has progressed well with the McCloud Remedy project, and an update was provided on caseload and next steps in relation to retrospective cases.
- National pensions dashboard – update on progress to connect the pensions database to the national pensions dashboard and work

taking place in respect of data security issues.

Discussions are ongoing to ensure the secure future transfer (in and out) of PSNI data for the dashboard, with the PSNI Data Breach having an impact on progress, that a connection is established to a secure server together with a testing phase, and overall progress compares favourably to similar organisations in England and Wales.

- Transformational bid for a digital system – the digital case management system has been paused due to ongoing work in relation to roles and responsibilities. Training continues to ensure that new and existing Pension Board members are fully aware of their role and responsibilities.

Members raised the following matters:

- Requested more information on work relating to the national pension dashboard and the extent to which the PPB has visibility of progress being made and of any concerns.

In response Members were advised that work is being supported by the Policing Board as Scheme Manger, PSNI work is ongoing to connect the database, officials from the Policing Board attend all meetings as well as weekly briefings, and there were no concerns at present with an acknowledgment of the good work completed by the project team.

- Status of the McCloud Remedy project and progress being made in relation to finalising payments, and the Police Pensions and Injury Benefits (PPIB) Director advised that all assessments have been completed, active Members have been contacted and any complexities in relation to data transfer are being worked through, with a target date of the end of the current financial year to complete the majority of cases with any delays will be due to the complex nature of a small

number of cases where additional information is awaited.

The Chair Asked Members to **NOTE** the update provided and thanked the Police Pension Board Chair for the briefing and he left the meeting.

#### **4.2 PSNI ARAC Briefing (including the PSNI ARAC meeting held on 29 October 2025)**

The Chair welcomed Mr Michael McKavanagh, PSNI ARAC Chair, to the meeting and Members **NOTED** the meeting papers from the PSNI ARAC meeting on 29 October 2025 to inform discussion.

The PSNI ARAC Chair provided a comprehensive briefing on key issues in relation to the following areas:

- PSNI Finance/ Budget – positive work in the current financial year to mitigate budget pressures; projected budget deficit of £85m in the next financial year (2026-27) and no concerns have been raised regarding accounting officer responsibilities; ongoing discussions with the Department of Finance and Department of Justice (DOJ) to address pressures including pay awards and increasing Officer numbers as part of the PSNI recovery plan.
- Resourcing and deployable resources – work taking place to reduce levels of sickness absence, improving Officer/ Staff welfare, and to ensure optimum utilisation of available resources.
- High priority recommendations from reports issued by external oversight bodies - overview of challenges including resources to progress/ close recommendations and that limited progress has been made in the previous 12 months to deliver outcomes against targets, for example, in relation to open Information Commissioners Office

(ICO) recommendations.

Additionally, clarity around roles and responsibilities and options available including a deep dive by PSNI ARAC on specific target areas to ensure risks are being effectively managed.

In relation to Data Protection Officer (DPO) and Data Protection Impact Assessment (DPIA) processes the need for clarity on outstanding actions to gain an understanding on barriers impacting on progress, and an ongoing focus required on high priority recommendations, ICO in particular; and confirmation that additional resources were available to address these matters in the coming months.

Members raised the following matters with the PSNI ARAC Chair:

- Status of PSNI data breach settlement, work taking place to ensure that value for money is achieved, and the role of PSNI ARAC from an administrative perspective.

In response, the PSNI ARAC Chair acknowledged the good progress that has been made to secure funds for the data breach compensation claim, that PSNI, in collaboration with legal representatives will ensure that best value is achieved, and the ARAC role will be to provide the necessary level of scrutiny when detailed plans are made available.

- In relation to governance matters, PSNI ARAC's view on concerns raised in the 'Report to those charged with Governance 2024-25 in relation to two matters regarding the preparation of accruals.
- On deployability and absence levels within PSNI, ongoing concerns regarding the consistently high numbers of Officers/ Staff unavailable due to sickness/ absence and assurances that the issue is being addressed, for example, through ongoing communication at TEAM PSNI Events and work taking place in relation to Ill Health Retirement

- The agreed definition of deployable resources to assist with benchmarking activities and to ensure transparency to facilitate the collection and reporting of data.
- Role of PSNI pulse survey to identify opportunities and effect change, the role of first line managers (Sergeants/ Inspectors) in delivering change, perception that there has been a low take up for the first line manager course and to establish whether the training course is optional for managers and can be completed online. **(AP1)**
- Whether the PSNI Corporate Risk Register takes account of public issues which may have a reputational impact on PSNI, and process to inform PSNI ARAC of issues which may be classified as risks to the organisation, for example, the theft of ammunition from Steeple; the role of PSNI ARAC to interrogate the reasons for the theft of ammunition; and greater foresight in relation to the recent Alexander McCartney case.

Additionally, when PSNI ARAC was made aware of the incident at Steeple and concerns regarding the outcome of 18 audits previously completed in this area since 2018, whether PSNI ARAC has confidence that potential risks are appropriately recognised and recorded as part of the audit process; and opportunities available to consider risk registers from private sector organisations.

In response the PSNI ARAC Chair advised that he was kept fully updated about the Steeple incident with an action plan now in place, and will receive briefings on other matters of a serious nature, and the PSNI ARAC role is to scrutinise the systems, processes, and controls in place which have led to failings, with ongoing challenges in respect of managing unknowns , in a high risk policing environment but where possible issues are brought to PSNI ARAC when they occur with clear

action plans in place.

- In relation to vulnerabilities and controls in place, the PSNI ARACs capacity to carry out deep dives to provide assurance, for example, in relation to offender management.

In response the PSNI ARAC Chair outlined the use of divisional risk registers as part of recognising emerging trends and patterns, the management of red risks, addressing risk appetite and reducing some of these risks as part of a broader perspective to ensure key focus areas are prioritised.

- The role of PSNI ARAC following discussion at the Board's Resources Committee in December 2025 in relation to overtime payments to some Officers and impact on their health and wellbeing.

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

Members discussed the following matters following the briefing from the PSNI ARAC Chair:

- Concerns regarding the high level of overtime for some Officers notwithstanding the nature of demand on policing at short notice and further information required on the calculation of overtime (overtime hours worked versus overtime hours paid); the long term impact on wellbeing of those working in challenging departments, for example, the Public Protection Branch. Following discussion Members were advised that the Board's Resources Committee will follow up on the issues raised.
- Theft of ammunition from the Steeple site and apparent failure of

previous audits to identify issues, potential challenges facing auditing processes and controls in place to ensure future compliance. Concerns on the timeline for when the Board was notified of the breach, the extent to which PSNI audit plans cover all key risk areas, options available in relation to writing to PSNI on an operational matter to seek assurances on general risks/ vulnerabilities given previous incidents including the PSNI data breach, or to wait for the outcome of a PSNI commissioned review.

Following discussion it was **AGREED** to issue correspondence from the Board Chair to the Chief Constable to highlight issues in respect of previous audits (18) failing to identify issues, and management controls now in place to provide assurance on future compliance and to mitigate risks. **(AP2)**

#### **4.3 NI Policing Board Corporate Plan - Objective E Reporting Dashboard**

The Director of Resources presented Members with the latest version of the Board's Corporate plan Objective E reporting dashboard for the period 1 April 2025 to 30 November 2025 and advised that updates have been recorded alongside previous comments considered by the Committee at the ARAC meeting in September 2025.

Members were advised that following feedback a new section had been added as an annex to the dashboard to provide relevant details on ongoing legal cases involving the Board.

Members received a finance update under the resource management section of the dashboard; an overview of the recent 'Investors in People' survey completed by Board staff and noted the high level of staff participation with the final report to be shared with staff following discussion by the Senior Management Team (SMT).

Members raised the following matters in relation to the dashboard:

- Clarity on the role of ARAC in relation to information provided on legal cases; whether there is a process to recover costs from third parties in some of these cases; and the role of the Crown Solicitor Office.
- Further details requested on the Board's projected year-end financial position (to end of March 2026), and visibility of potential underspend against budget to explore options available to reallocate resources.  
In response Members were advised that changes to management accounts could not be confirmed until signed off by DoJ and that the overall easement reported is expected to be confirmed and reported to the Committee when the next update is provided at the meeting in March 2026.
- Status of the Police Pensions and Injury Benefits (PPIB) case management system and the T/Director of PPIB advised that following a scoping exercise development has been paused with issues around costs and implementation by PSNI, and the situation will continue to be monitored.  
Following discussion it was **AGREED** to provide a more details on the case management system as part of the next dashboard update. **(AP3)**
- Recognition of the positive figures provided in relation to sickness absence at the Board and average days lost per employee in rolling year (1.94 days vs 8.66 days reported in Nov 2024).

Members **NOTED** the reporting dashboard and updates provided.

## 5. INTERNAL AUDIT

### 5.1 IA Progress Report (including update on programme of work)

The NIPB Head of Internal Audit (IA) presented a paper to provide Members with an update on the work of IA since the last ARAC meeting in September 2025.

Members were advised that the draft report- for the 'Risk Management Framework' assignment has been issued for management comments and fieldwork is well advanced on the 'Financial Management / Budgetary Control' assignment.

In respect of the three remaining assignments in the 2025-26 audit plan, two were scheduled for quarter 4 and the remaining follow up review of Causeway Coast and Glen's (CC&G) PCSP (Conflicts of Interest and Procurement) has been paused. Members were advised that CC&G Council's internal investigation regarding PCSP Conflicts of Interest has concluded and Board Officials has received sight of the associated report, and recommendations are currently under consideration.

Members discussed utilisation of the 10 budgeted days for the paused CC&G PCSP review and options available to explore other workstreams in the current or next financial year.

Members were advised the change to the audit plan will not impact the capability of IA to provide the necessary assurance at year end as it is based on current year and the previous 3 years of IA audit work.

Following discussion it was **AGREED** that Officials will revisit the audit strategy for 2025-30 and explore available options to utilise the spare capacity in relation to the 10 budgeted days now available. **(AP4)**

Members **NOTED** the:

- Internal Audit Progress Report, and

- Paused status of the Follow Up review: Causeway Coast and Glen's PCSP (Conflicts of Interest and Procurement), and
- Internal Audit planning arrangements for 2026-27.

## **5.2 Internal Audit Review – NIPB Risk Management Framework**

Members **NOTED** the update provided at the previous agenda item in respect of the IA draft report on the NIPB Risk Management Framework assignment.

## **5.3 NIPB Internal Audit Open Recommendations**

The Director of Resources advised Members that the six open IA recommendations remain open since the last Committee update in September 2025, and progress updates have been provided.

The T/Director of Partnership presented an update on the relevant recommendations in relation to CC&G PCSP and information management & security.

Members **NOTED** the updates provided.

## **6. RISK**

### **6.1 Corporate Risk Register (including discussion on wider Corporate Risks)**

The Director of Resources advised Members that the Board's SMT have reviewed the NIPB Corporate Risk Register (CRR) and the total number of corporate risks remains unchanged at six since the last Committee update in September 2025.

Members were advised that the residual score for risk 2, 'PSNI Human Resources and Estates Responsibilities' has increased from a likelihood of 2 to a 3 because of the uncertainty around implementation of the police pay rise, the public messaging around low police numbers, and the recovery business case being agreed but is without a funding commitment from the Executive.

Members discussed risks around cyber security including the status of new systems being introduced by the Board's IT provider and the process to review the security of critical IT systems; priority status of the Board's systems in relation to the review of IT infrastructure and applications/ software across the wider civil service; status of records system used by PPIB directorate for IHR/ IOD cases; and the need for assurances that the Board's IT systems, including data records, are fully protected.

Members **NOTED** the Corporate risk register and summary of corporate risks and tracker.

## **6.2 Police Pensions & Injury Benefits Risk Register**

The T/Director of Police Pensions and Injury Benefits (PPIB) updated Members on the risk areas recorded on the PPIB risk register and advised that the inherent score for risk 3 and Police Pensions management will be amended to reflect the correct score.

Members were advised of a change to risk 2, 'Insufficient skilled resources to meet demand', and that the risk has been downgraded due an increase in staff numbers and training being delivered for new team members. This risk is expected to remain on the register due to expected staff turnover given the nature of the work carried out by the team

Additionally, matters relating to the McCloud Remedy will remain on the risk

register as work progresses on the testing process for a new dashboard.

In relation to risk number 4, 'data management', the current score is recognised as medium-high due to the number of paper files being held, with controls in place including documents held in a secure location accessible by approved staff only, and the future digitisation of records will likely downgrade this risk.

Members **NOTED** the update.

## **7. GOVERNANCE UPDATES**

The Director of Resources asked Members to **NOTE** the updates provided in relation to governance matters at agenda items 7.1 to 7.5 since the last Committee meeting in September 2025.

### **7.1 Fraud**

There were no cases of fraud or suspected fraud to report.

### **7.2 Direct Award Contracts (DACs)**

No new Direct Award Contracts to report.

### **7.3 Raising a Concern**

No matters in relation to Raising a Concern to report.

### **7.4 Complaints**

The Director of Resources provided an update on two complaints received since the last Committee update in September 2025.

The first complaint was progressed through stage 1 of the Board's process and it was found there was no complaint to take forward.

Following communication with the complainant it was progressed to stage 2 and the complaint was reviewed by a Member of SMT independent of the original decision, and the original decision was upheld.

The second complaint was categorised as not meeting the definition of a complaint in line with the policy and therefore was not taken forward.

The complaint was in relation to a Freedom of Information (FOI) request and it was determined that it should be progressed in line with the defined FOI process.

Members were also advised of an FOI complaint which has been progressed to the Public Sector Ombudsman, and that the Board has not received any communication from the Ombudsman on the matter, however, the complainant had copied the Board to communication with the Ombudsman on the matter.

Members discussed potential next steps in relation to complaints not upheld by the Board and were advised of the role of the Public Sector Ombudsman should a complainant be dissatisfied with a decision taken by the Board.

## **7.5 Gifts and Hospitality Register**

In respect of the Board's Gifts and Hospitality register Members were advised of 2 new entries since the last update for events attended by the Board Chair.

## **7.6 NIPB Mid-Year Stewardship Statement to the Department of Justice**

Members **NOTED** the Mid-Year Stewardship statement submitted to the Department of Justice.

The Chair asked about reference to the contract value of a medium sized project being exceeded in the contract management section of the Stewardship statement and the Director of Resources provided a comprehensive update on this matter to provide the necessary assurance.

## **8. ACTION LOG**

The Director of Resources asked Members to **NOTE** the action log and related updates for the meetings held on 25 September 2025 and 19 June 2025.

## **9. CHAIRPERSON'S BUSINESS**

### **9.1 Cyber Security and Resilience - Good practice guidance**

The Director of Resources asked Members to **NOTE** the good practice guidance issued by the National Audit Office in relation to cyber security and resilience.

Members discussed a review of the sections outlined in the guidance including some of the high-level questions to ensure appropriate controls were in place including governance and resilience measures as part of cyber security and resilience at the Board.

In response Members were advised that annual assurance statements issued by service providers include IT Assist and this level of assurance was required by the NI Audit Office prior to issuing the Board's audit certificate at year end.

In relation to items outlined in the guidance Members discussed the capability and capacity of the Board to fully interrogate these given resourcing challenges, that IT services are delivered and managed by an external

provider (IT Assist), options available to review and add this work stream to the Committee programme of work for 2026-27, and to seek support from Internal Audit and External Audit should this be taken forward.

Following discussion it was **AGREED** to explore the cyber security and resilience related matters outlined in the guidance as part of the 2026-27 programme of work, with potential support from IA to provide a short advice/guidance piece, albeit there is a limited role for the Board as IT related matters are managed by external providers. **(AP5)**

## **9.2 Internal Audit Charter & Mandate for NIPB 2025-27**

Members **NOTED** the signed Internal Audit Charter and Mandate 2025–27, previously considered by the Committee at the meeting in September 2025.

## **9.3 NI Audit Office - Change of Portfolio Director and Audit Manager**

Members **NOTED** correspondence from the NI Audit Office to advise of a change of portfolio director and audit manager responsible for engagement with the Board on these matters, with the change to take effect on 1 January 2026.

## **10. FREEDOM OF INFORMATION/ DATA PROTECTION ACT REQUEST STATISTICS**

The Board's Data Protection Officer presented Members with an update on the current position in respect of FOI and Data Protection/Subject Access Request (SAR) figures for the period 1 April 2025 to 30 September 2025.

Members were provided with the headline figures and an update on work taking place in respect of internal reviews and managing complaints, and as previously advised to the Committee, the increasing complexity and time

required to process requests, approve redactions and subsequent impact on meeting statutory deadlines, with the majority of request relating to PPIB and police pensions

Members discussed the overall trend regarding FOI requests, available options to address the increasing workload and the Board's responsibilities as a public sector organisation, cost implications associated with additional complexity, and vexatious requests.

Members **NOTED** the update provided.

#### **11. COMMUNICATIONS ISSUES/ OPPORTUNITIES**

None.

#### **12. ANY OTHER BUSINESS**

None.

#### **13. DATE OF NEXT MEETING**

The next meeting is scheduled to take place on Thursday 19 March 2026 at 2pm in James House.

Meeting closed at 4.55pm

### **Strategic Planning & Governance**

**Date: December 2025**

**CHAIR**