

NORTHERN IRELAND POLICING BOARD

**MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE HELD
ON THURSDAY 14 MAY 2020 AT 2.00PM AT WATERSIDE TOWER,
CLARENDON DOCK, BELFAST AND VIA VIDEO CONFERENCE FACILITY**

PRESENT:

MEMBERS

Mr Colm McKenna (Chair)
Mr Edgar Jardine (Vice-Chair)
Mr Michael Atkinson
Mrs Joanne Bunting, MLA*
Mr Gerry Kelly, MLA
Mr Frank McManus*

IN ATTENDANCE:

DEPARTMENT OF JUSTICE (1) Mrs Sharan Dustagheer*

INTERNAL AUDIT (1) Mrs Lacey Walker*
(1) Mrs Cathy Hadden*

ASM ACCOUNTANTS (1) Ms Christine Hagan*

NI AUDIT OFFICE (1) Mr Tomás Wilkinson*

OFFICIALS

Mrs Amanda Stewart, Chief Executive
Ms Aislinn McGuckin, T/Director of Police
Administration*
Mr Adrian McNamee, Director of Partnership
Ms Jenny Passmore, Director of Performance
3 Board Officials

*Attended meeting via video conference facility

(1) Items 4 to 16

1. APOLOGIES

The Chair welcomed the Committee's new Members, Mr Michael Atkinson, Mr Edgar Jardine and Mr Frank McManus to the meeting. The Chair acknowledged the positive contribution of the Committee Members who had resigned from the Board and Committee on 31 March 2020.

Apologies were received from Mr Charles Barnett, the Committee's Specialist Accountant Advisor.

The Committee agreed the agenda for the meeting.

2. CONFLICTS OF INTEREST

The Chair asked Members to declare any conflicts of interests arising from the agenda. No conflicts of interest were declared. NOTED.

3. ELECTION OF VICE-CHAIR

The Chair noted that the Committee's Vice-Chair had resigned from the Committee following his election as Chair of the Board on 2 April 2020 and so a new Committee Vice-Chair had to be appointed.

The Director of Performance presented a paper which outlined the process to appoint a Committee Vice-Chair, and noted that one nomination had been received – Mr Edgar Jardine. No further nominations were received for the position, a vote took place and Members voted unanimously in favour of Mr Edgar Jardine being appointed Vice-Chair of the Committee.

It was **RESOLVED:**

- That Mr Edgar Jardine be appointed Vice-Chair of the Northern Ireland Policing Board's Audit and Risk Assurance Committee.

4. DRAFT MINUTES OF MEETING HELD ON 17 DECEMBER 2019

The Committee considered the draft minutes of the Committee meeting held on 17 December 2019.

It was **RESOLVED:**

- That the draft minutes of the Committee meeting held on 17 December 2019 be approved.

5. COMMITTEE ACTION LOG

Members noted the following updates from the action log from the Committee meeting held on 17 December 2019. NOTED.

Action Point 1

The Committee noted that the request that the Resources Committee have sight of certain PSNI Business Cases to minimise the risk to the Board was being taken forward as part of the development of a Framework between the Board, the PSNI and the Department of Justice (DoJ) on the tripartite policing structure. It was noted that this action was closed on the Action Log.

Action Point 2

The Committee noted a letter from the Board Chair to the Chief Constable dated 25 February 2020 congratulating the PSNI on the outcome of the external audit of the 2018/2019 Annual Report and Financial Statements. It

was noted that this action was closed on the Action Log.

Members noted that the three actions raised at the meeting on 26 September 2019 were closed on the Action Log.

6. CHAIRPERSON'S BUSINESS

6.1 Correspondence dated 13 February 2020 from the Department of Justice Permanent Secretary to the Northern Ireland Audit Office

Members noted the correspondence dated 13 February 2020.

6.2 Dear Accounting Officer correspondence dated 21 February 2020 Revised Policy and Guidance on Best Practice in Project Delivery Engagement with the Gateway/Assurance Review Process

Members noted the correspondence dated 21 February 2020. The Finance Manager noted that while Dear Accounting Officer (DAO) correspondence had been received it did not have significant impact on the organisation.

6.3 Dear Accounting Officer correspondence dated 7 May 2020 Update to HM Treasury's Orange Book

Members noted the correspondence dated 7 May 2020 and it was agreed that Officials would prepare a paper summarising the changes made as a result of the update to HM Treasury's Orange Book. **(AP1)**

7.1 VERBAL UPDATE – PSNI'S AUDIT AND RISK ASSURANCE COMMITTEE MEETING 27 FEBRUARY 2020

The Chair updated Members on his attendance at the PSNI's Audit and Risk Assurance Committee (ARAC) on 27 February 2020 which he had attended at the invitation of the Chair of PSNI's ARAC.

7.2 VERBAL UPDATE – PSNI'S INTERNAL AUDIT ARRANGEMENTS

The Chief Executive updated Members on a teleconference that she had attended on the PSNI's governance and internal audit arrangements as a result of the COVID-19 pandemic.

Members discussed the Committee's relationship with the PSNI's ARAC and the potential for duplication of work between both Committees, particularly as the Board's ARAC received copies of the PSNI ARAC meeting papers. The Chair spoke of the good relations between both Committees, and noted that the Board's ARAC primary function was to provide assurance to NIPB's Accounting Officer on the internal controls and governance arrangements of NIPB. It was further noted that the Board's ARAC considered PSNI DACs as a standing agenda item, but that if there were material matters of consideration they would be referred to the Board sub Committee with responsibility for the matter – in the case of DACs it was agreed that the Board's Resources Committee would consider the matter for further.

8. PSNI AND NIPB DIRECT AWARD CONTRACTS UPDATE

Officials presented a paper which provided an update on Direct Award Contracts (DACs). Members noted that NIPB had no DACs between 1 April 2019 and 31 March 2020, and further noted the details provided by the PSNI on the DACs awarded between 1 April 2019 and 31 March 2020.

Members discussed the PSNI DACs and noted that while the value of DACs had decreased since 2014/2015, it was agreed that further information about

the DACs would be requested from the PSNI and referred to the Resources Committee for further consideration and the information would also be brought to ARAC meeting for noting. **(AP2)**

9. NIPB ACCOUNTING OFFICER STEWARDSHIP STATEMENT

Officials presented a paper which included the Stewardship Statement from the Chief Executive as Accounting Officer to the DoJ Permanent Secretary for the period 1 October 2019 to 31 March 2020.

One exception was reported within the Stewardship Statement which related to an Internal Audit recommendation that had not been implemented, Members noted the recommendation related to the recently published Northern Ireland Audit Office (NIAO) report on the PSNI Injury on Duty (IOD) Scheme, and that the audit recommendation would be considered further following a fundamental review of the IOD Scheme as had been recommended by the NIAO. The Chair noted that the Board had established an IOD Working Group which was looking at the current IOD Scheme arrangements and the NIAO Representative in attendance at the meeting noted that the NIAO Report highlighted that while a number of stakeholders were involved in the IOD Scheme, it was for the DoJ to take forward the recommendations made within the NIAO Report

10. NIPB INTERNAL AUDIT

10.1 NIPB Internal Audit Annual Report and Opinion 2019/2020

The Head of Internal Audit presented the Annual Report and Opinion for year ended 31 March 2020 highlighting that Annual Report and Opinion was a key document in terms of the Annual Governance Statement which is included

within the Annual Report and Financial Statements. Internal Audit's Opinion on NIPB's internal governance, risk management and internal control system was 'satisfactory' and was based on both internal audit activity during the year and also 'satisfactory' opinions provided in previous years. Members noted that during the year Internal Audit had operated with independence and objectivity and in accordance with the Public Sector Internal Audit Standards and had also met with the Chair of the Committee during the year.

By way of update on the internal audit activity conducted during the year, it was noted that Internal Audit had completed four of five planned audits, with the final audit having being deferred to 2019/2020 as a result of the COVID-19 pandemic. It was further noted that during the year Internal Audit had conducted Policing and Community Safety Partnership (PCSPs) Verification Visits and followed up on the 'limited' audit opinion that had been given during 2018/2019. The follow-up visit conducted during the year had resulted in the 'limited' audit opinion being raised to 'satisfactory'. Members noted the Final Audit Reports on Governance and Oversight Arrangements PCSPs, Follow-Up PCSP Verification Visit, Corporate Governance and Risk Management and Police Administration Branch. It was agreed that audit reports relating to PCSPs would be considered by ARAC initially before being considered by the Joint Committee and the Board's Partnership Committee.

10.2 Internal Audit Open Recommendations

The Director of Performance presented an update to the Committee on the open internal audit recommendations noting that the implementation target dates for some recommendations had been moved because of staffing capacity and the impacts of COVID-19. The Chief Executive cautioned over the implementation target dates noting the likely long term impact of COVID-19 on NIPB and it was agreed that the Senior Management Team (SMT) would review the implementation target dates and ensure that they were

achievable and would report any further changes to target implementation dates to the Committee. **(AP3)**

11. NORTHERN IRELAND AUDIT OFFICE AUDIT STRATEGY FOR NIPB 2019/20

NIAO and ASM Accountant Representatives in attendance presented the proposed external audit strategy to the Committee which included the proposed timetable for the completion of the external audit. However it was noted that the proposed timetable was drafted before the COVID-19 pandemic and further guidance was awaited before the proposed timetable was reviewed. Members noted that a two month extension had been granted to the laying of the Annual Report and Financial Statements before the Northern Ireland Assembly which allowed some flexibility to the external audit timetable.

Members noted the proposed risk-based approach to the external audit and the materiality level of £107,000. Members further noted that under materiality qualitative matters would also be considered and reported to the Committee if appropriate. The error reporting threshold was also noted to be £5,400.

12. POLICE PROPERTY FUND

The Director of Partnership presented a paper on the establishment of the Police Property Fund and included the implementation documents. It was noted that the documents that been considered by the Partnership Committee on 20 February 2020 and approved by the Board at its meeting on 5 March 2020. ARAC Members were asked to note the documents.

13. NIPB CORPORATE RISK REGISTER

The Director of Performance presented the NIPB Corporate Risk Register to the Committee and provided an overview of the five current identified risks.

In response to a Member's question about how the mitigating actions being taken and the impact the actions would have on the residual score of the risk relating to Police Administration, the T/Director of Police Administration updated Members on work ongoing with both the PSNI and the DoJ, but highlighted that legislation was required to address the current Selected Medical Practitioner and Independent Medical Referees process.

The Chief Executive noted that a risk had been added to the Register relating to the COVID-19 pandemic and the impact it was having on the organisation. The addition of a general 'emergency/ business continuity risk' to the Register was discussed so as to ensure that a potential emergency to the organisation was considered regularly by SMT. The Chief Executive agreed to review and update the Corporate Risk Register with SMT and bring back to the Committee. **(AP4)**

14. ARAC REPORT TO THE BOARD

Members noted the draft Report that had been drafted in accordance with the Committee's Terms of Reference which summarised the material items of business considered by the Committee during 2019/20, and was intended to support the preparation of the Annual Report and Financial Statements. It was noted that further information would be added to the Annual Report following the completion of the external audit summarising the Comptroller and Auditor General's opinion on the Annual Report and Financial Statements.

It was **RESOLVED**:

- That the draft Annual Report to the Board be approved for submission to the Board subject to information about the Comptroller and Auditor General's opinion on the Annual Report and Financial Statements being inserted to the Annual Report to the Board.

15. ANY OTHER BUSINESS

No other business was conducted.

16. DATE OF NEXT MEETING

Members discussed the next meeting date noting that the meeting would include consideration of the draft Annual Report and Financial Statements for the year ended 31 March 2020. It was agreed that the meeting would be held on 25 June 2020 at 2.00pm.

(Meeting closed at 3.40pm).

CORPORATE SERVICES

Date: May 2020

Chair