

NORTHERN IRELAND POLICING BOARD

MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE HELD ON THURSDAY 25 JUNE 2020 AT 2PM 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
- (1) Mrs Joanne Bunting, MLA*
- Mr Frank McManus*
- (2) Mr Gerry Kelly, MLA*

IN ATTENDANCE:

- DEPARTMENT OF JUSTICE** (3) Mrs Sharan Dustagheer*
Mr John Chittick*

- INTERNAL AUDIT** (4) Mrs Lacey Walker*
Mrs Cathy Hadden*

- ACCOUNTING ADVISOR** (5) Mr Charles Barnett*

- ASM ACCOUNTANTS** Ms Christine Hagan*

- NI AUDIT OFFICE** (6) Mr Gary Currie*
(7) Mr Tomas Wilkinson*

- OFFICIALS** Mrs Amanda Stewart, Chief Executive
Ms Jenny Passmore, Director of Performance
2 Board Officials

*Attended meeting via video conference facility

1. APOLOGIES

Apologies were received from Mr Gerry Kelly MLA.

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. DRAFT MINUTES OF MEETING HELD ON 14 MAY 2020

The Committee considered the draft minutes of the Committee meeting held on 14 May 2020.

It was **RESOLVED:**

- That the draft minutes of the Committee meeting held on 14 May 2020 be approved.

4. COMMITTEE ACTION LOG

The Director of Resources updated Members on the Committee Action Log from the Committee meeting held on 14 May 2020 noting that four actions had arisen during that meeting.

Action Point 1

A memo summarising the changes following the recent publication of Her Majesty's Treasury Orange Book on Risk Management Principles was included at item 4.1 for Members information. Members also noted that risk appetite training would be provided to all Board Members later in the

year. It was noted that Action Point 1 would be closed on the Action Log.

Action Point 2

Members noted that the Committee's queries on PSNI Direct Award Contracts (DACs) were being progressed through Resources Committee as agreed. Members noted the correspondence received from the PSNI T/ Executive Director of HR, Finance and Support Services to the Resources Committee Chair dated 5 June 2020 at item 4.2. The Director of Resources noted that the Resources Committee had agreed to write back to the PSNI T/ Executive Director of HR, Finance and Support Services with further queries about PSNI DACs which would be dealt with at Resources Committee meeting in September 2020. It was noted that this action would be closed on the Action Log.

Action Point 3

The Director of Resources noted that SMT would review the open audit recommendations target dates and they would be brought to the Committee meeting on 24 September 2020.

Action Point 4

The Director of Resources noted that SMT had discussed the Board's corporate risks and were of the view that it would be helpful to have input from ARAC Members given their expertise in the area of risk management. It was agreed that a meeting with all Members and SMT to discuss the corporate risks would be arranged. **(AP1)**

5. CHAIRPERSON'S BUSINESS

5.1 Letter from Kieran Donnelly, Comptroller and Auditor General to Amanda Stewart 11 June 2020 Impact of COVID-19 on Northern Ireland Audit Office

Members noted the correspondence dated 11 June 2020 which had been issued to all Accounting Officers including the Chief Executive. Ms Hagan provided an update on the commencement of the external audit of the Annual Report and Financial Statements for the year ended 31 March 2020. Mr Currie agreed to circulate a recent report from the National Audit Office on financial reporting during COVID-19.

6 PSNI'S AUDIT AND RISK ASSURANCE COMMITTEE MEETINGS HELD ON 26 MAY 2020 AND 23 JUNE 2020

The Chief Executive updated Members on the PSNI ARAC meetings that she had attended on 26 May 2020 and 23 June 2020.

In respect of the meeting on 23 June 2020, the Chief Executive noted that there had been a presentation from the PSNI's Professional Standards Branch in respect of its Annual Report for 2019/20. The PSNI Head of Internal Audit had presented the Internal Audit Annual Report and Opinion for the year ended 31 March 2020 which included Internal Audit's 'satisfactory' opinion on PSNI's internal governance, risk management and internal control system. The Head of Internal Audit also provided an update on the Annual Work Plan for 2020/21 which would include 29 audits over 9 months, as a result of COVID-19, and one audit would focus on PSNI DACs, including DACs awarded during COVID-19.

An update was also provided on the external audit of the PSNI's Annual Report and Financial Statements and the PSNI Pensions Annual Report and Financial Statements for the year ended 31 March 2020.

The Chief Executive further noted an update on the PSNI's Performance Report was provided which would impact the Performance Report within NIPB's draft Annual Report and Financial Statements for the year ended 31 March 2020 and amendments would be needed to the NIPB

Performance Report when the PSNI's Performance Report was received.

The PSNI's Corporate Plan Horizon 2020/25, including the PSNI's list of planned projects, was also discussed at the PSNI ARAC meeting and a half day meeting would be arranged to brief all Board Members on Horizon 2020/25.

In relation to the PSNI ARAC meeting held on 26 May 2020, the Chief Executive noted that a list of PSNI DACs, including those awarded during COVID-19, had been included with the meeting papers which were also available to Members.

7. DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 INCLUDING:

- 7.1 Draft Board Chair's Report**
- 7.2 Draft Performance Report**
- 7.3 Draft Accountability Report**
- 7.4 Draft Financial Statements**

The Committee noted a paper which outlined details of NIPB's draft Annual Report and Financial Statements for the year ended 31 March 2020 including the Chair's Report, Performance Report, Accountability Report and Financial Statements.

Members discussed further possible changes to the draft Annual Report and Financial Statements for the year ended 31 March 2020 however it was noted that feedback from the NIAO highlighted the need for consistency of approach in respect of performance reporting

It was noted that PSNI had recently drafted their annual performance report and it was agreed that the Board's Performance Report would be reviewed further once that document had been considered.

Members noted that there were no losses and special payments over £300,000 (2018/19 £nil).

Members agreed to hold an additional Committee meeting on 30 July 2020 at 2pm to consider and recommend approval of the Annual Report and Financial Statements for the year ended 31 March 2020 to the Board.

8. DRAFT GOVERNANCE STATEMENT

Members considered the draft Governance Statement to be included in the Annual Report and Financial Statements for the year ended 31 March 2020, which was a key document within the Annual Report and Financial Statements.

Members discussed proposed changes to the documents for Officials to consider and incorporate into the draft Governance Statement.

9. GIFTS AND HOSPITALITY REGISTER TO 31 MARCH 2020

The Committee noted the Gifts and Hospitality Register to 31 March 2020 which would be published on NIPB's website. The Head of Internal Audit noted that a number of the entries had the cost/ value 'unknown' included and Members noted that for transparency reasons it may be appropriate to estimate the value of gifts and hospitality where possible.

10. NIPB INTERNAL AUDIT

10.1 NIPB Draft Annual Work Plan 2020/21

The Head of Internal Audit updated the Members on the proposed Internal Audit Work Plan 2020/21. It was noted that this was the second year of

the current Internal Audit Strategy and the proposed Annual Work Plan had been discussed with the Chief Executive and the Committee Chair to ensure that the Plan was appropriate and to discuss the impact of COVID-19 on the organisation. The Plan would be reviewed following any changes made to the Corporate Risk Register and would be presented to the Committee in September 2020. .

The Head of Internal Audit noted that the timescales in the Plan were indicative and flexible, and included time for the provision of risk management training.

It was **RESOLVED:-**

That the Internal Audit Annual Work Plan 2020/21 be approved.

11. QUESTIONS FOR THE CHIEF CONSTABLE

Members agreed not to submit any questions in writing to the Chief Constable.

12. COMMUNICATION ISSUES/ OPPORTUNITIES

No communication issues were raised.

13. ANY OTHER BUSINESS

No other business was conducted.

14. DATE OF NEXT MEETING

The Committee would next meet on 30 July 2020 at 2pm.

(Meeting closed at 3.20pm).

CORPORATE SERVICES

Date: June 2020

Chair