

NORTHERN IRELAND POLICING BOARD

MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE HELD ON THURSDAY 25 MARCH 2021 AT 2.00PM AT THE NORTHERN IRELAND POLICING BOARD WATERSIDE TOWER, 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 Gerry Kelly, MLA*
Mr Frank McManus*

IN ATTENDANCE:

DEPARTMENT OF JUSTICE

Mrs Fiona Scullion*

INTERNAL AUDIT

Mrs Lacey Walker*

NORTHERN IRELAND AUDIT OFFICE

Mr Gary Currie*

ASM ACCOUNTANTS

Mrs Christine Hagan*

OFFICIALS

Mrs Amanda Stewart, Chief Executive*
Ms Jenny Passmore, Director of Resources
Three Board Officials

*Attended the meeting via video conference.

(1) Part item 4 to end (joined meeting at 2.10pm)

1. APOLOGIES

No apologies were received.

2. CONFLICTS OF INTEREST

No conflicts of interest were declared and the Agenda was agreed.

No Member raised any item that they wanted to discuss under 'Any Other Business'.

3. DRAFT MINUTES OF THE MEETINGS HELD ON 17 DECEMBER 2020 AND 17 FEBRUARY 2021

It was **RESOLVED** that:

- The minutes of the Committee meetings held on 17 December 2020 and 17 February 2021 be approved.

4. COMMITTEE ACTION LOG

The Director of Resources presented an overview of the Committee Action Log noting that all actions had been closed. The Board's Corporate Risk Register (CRR) which would be considered at agenda item 9 had been updated to include the risk appetite of all risks following the Risk Management Workshop with all Board Members on 25 February 2021 which was facilitated by Steve Mungavin.

5. CHAIRPERSON'S BUSINESS

5.1 Joint NIPB and PSNI ARAC Meeting held on 18 March 2021

The Chair provided an overview of the meeting held with the PSNI Audit and Risk Assurance Committee (ARAC) on 18 March 2021 which was facilitated by Michelle Anderson, Head of Group Internal Audit, and noted that the development of a shared PSNI and Board objective had been discussed and that the Chief Executive was asked to give further consideration before providing a further update to the Committee. **(AP1)** The Vice-Chair also noted that previously the Civil Service facilitated a shared learning forum for Arms' Length Bodies Audit Committees.

The Chair noted the importance of maintaining engagement with the PSNI ARAC and their role in providing assurance to Chief Constable who in turn was accountable to the Board, and Members agreed that an annual meeting with the PSNI ARAC should be arranged to ensure continued engagement and discussion.

6. VERBAL UPDATE PSNI ARAC MEETING HELD ON 23 FEBRUARY 2021

The Chief Executive provided an overview of the material items considered at the PSNI's ARAC meeting on 23 February 2021 including a review of the timing of an audit of the PSNI's Occupational Health and Welfare (OHW) Branch which had previously been deferred as a result of COVID-19. The PSNI's ARAC had also discussed embedding risk management principles within the PSNI and the PSNI's forecasted financial position for 2021-22 as a result of the indicative draft budget received from the Department of Justice (DoJ). During the PSNI's ARAC meeting, the PSNI Head of Internal Audit had also noted that the reduced internal audit activity during 2019-20 as a result of COVID-19 would not impact the provision of an Annual Audit Opinion.

7. NIPB INTERNAL AUDIT

7.1 NIPB Internal Audit Progress Report

The NIPB Head of Internal Audit presented an overview of the Progress Report to the Committee noting that two audits had recently completed and the final reports had been issued to Management with three other audits in progress and due to complete shortly. It was noted that the audit of Financial Management and Budgetary Control had not identified any recommendations for Management to implement, and the audit of Freedom of Information (FOI) and General Data Protection Regulation had noted that while there was a satisfactory internal control framework, there was a backlog of FOI requests that the Board were progressing and there was also engagement with the Information Commissioner's Office who were aware of the backlog of FOI requests.

The Head of Internal Audit also noted that the Annual Opinion would be presented at the next Committee meeting in May 2021 and the draft Annual Internal Audit Plan 2021-22 was also being progressed.

Members discussed the backlog of FOI requests that were being progressed noting that the deadline to respond was set down in legislation. The Chief Executive provided an overview of the work involved in responding to FOI requests noting that a number of requests had originated from within Police Administration Branch and that the Senior Management Team (SMT) were monitoring the situation and assigning extra resources when necessary.

7.2 NIPB Internal Audit Open Recommendations

The Director of Resources provided an overview of the progress made in implementing open audit recommendations noting that the intended implementation date of two recommendations had been moved to later in 2021 to allow Officials to further time to work on both recommendations noting that in relation to one recommendation legal advice had been requested from the Crown Solicitors Office.

8. EXTERNAL AUDIT

8.1 NIAO Strategy for NIPB External Audit 2020-21

Northern Ireland Audit Office (NIAO) and ASM Accountant Representatives in attendance presented the proposed external audit strategy for the Annual Report and Financial Statements for the year ended 31 March 2021 noting that the deadline for laying them before the Northern Ireland Assembly was Friday 2 July 2021 before the summer recess commenced.

Members noted the proposed risk-based approach to the external audit and the materiality level of £114,000. 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 £5,700.

8.2 NIAO Letter of Understanding

The NIAO Audit Manager provided an overview of the Letter of Understanding from the NIAO to the Accounting Officer noting that it was a standard document that detailed the roles and responsibilities of both the Comptroller and Auditor General and the Accounting Officer during the external audit. It was further noted that the Letter of Understanding would remain in place until terminated or superseded. The Chief Executive noted that she was in agreement within the Letter of Understanding, and had signed the correspondence and returned it to the NIAO.

9. NIPB CORPORATE RISK REGISTER

The Director of Resources provided an overview of the CRR and risks detailed within it which had been updated following the Board's Risk Management Workshop with Steve Mungavin and included the agreed risk appetite of all risks. Members discussed a range of issues with the Director of Resources

and Management including:

- Whether the residual score of risk 5 (Business Continuity and COVID-19) was appropriate given impact of COVID-19 on the backlog of FOI requests that had been discussed earlier during the meeting and the Director of Resources agreed that SMT would consider the residual score further. **(AP2)**
- Whether the residual score of risk 4 (Independent Medical Referee Process (IMR)) was appropriate given the number of actions taken to mitigate against the risk. The Chief Executive provided an update on the ongoing IMR Peer Review by the DoJ noting that it had the potential to impact the reputation of the Board and the conclusion of the DoJ's Peer Review was awaited.
- The Police Pension Board had its own Risk Register which was monitored on an ongoing basis by the Police Pension Board and that the risks associated with the McCloud Judgement Remedy are documented in that register. Members noted the Resources Committee had received a briefing on the McCloud Remedy at its meeting on 24 March 2021. The Chief Executive agreed to append the Police Pension Board Risk Register to the Board's Corporate Risk Register and present it to ARAC on a quarterly basis for noting. **(AP3)**
- The presentation of the CRR including the categorisation of the risks should be considered further by SMT. **(AP4)**

The Chief Executive updated the Committee on the capacity and capability of staff noting a number of staff that had recently resigned from the organisation as they had been successful in an external Northern Ireland Civil Service (NICS) recruitment competition and while new staff had been appointed there would be a period of settling in which may impact their ability to complete work.

10. NIPB COMPLAINTS UPDATE

Board Officials presented an overview of the complaints received since 1 October 2020, and an overview of all complaints received since 1 April 2020.

11. GIFTS AND HOSPITALITY REGISTER

Members noted that because of the impact of the COVID-19 pandemic, there had been no opportunities for Board Members or staff to offer or receive gifts or hospitality.

12. COMMUNICATION ISSUES/ OPPORTUNITIES

No communication issues were raised.

13. ANY OTHER BUSINESS

The Chair noted that it was good practice for the Committee to meet in private (without Officials) with both internal and external audit representatives and requested that Officials consider, if possible ahead of the sign off of the Annual Report, the arrangement of private meetings between the ARAC and internal and external auditors. **(AP5)**

14. DATE OF NEXT MEETING

The Committee would meet on Wednesday 19 May 2021 at 2pm.

(Meeting closed at 3.15 pm).

CORPORATE SERVICES

Date: March 2021

Chair

