

**NORTHERN IRELAND POLICING BOARD**

**MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE HELD  
ON THURSDAY 26 SEPTEMBER 2019 AT 2.00PM AT WATERSIDE TOWER,  
CLARENDON DOCK, BELFAST**

**PRESENT:**

**MEMBERS**

Mr Colm McKenna (Chair)  
Mr Doug Garrett (Vice-Chair)  
Mrs Joanne Bunting  
Mr Tom Frawley  
Ms Wendy Osborne

**IN ATTENDANCE:**

**DEPARTMENT OF JUSTICE**

Mrs Sharan Dustagheer

**INTERNAL AUDIT**

Mrs Michelle Anderson  
Mrs Cathy Hadden

**ASM ACCOUNTANTS**

Ms Christine Hagan

**NI AUDIT OFFICE**

Mr Neil Gray

**PSNI AUDIT AND RISK  
ASSURANCE COMMITTEE  
CHAIRMAN**

Mr Stephen Hodgkinson

**OFFICIALS**

Mrs Amanda Stewart, Chief Executive  
Mr Tim Logan, Director of Resources  
(1) Ms Jenny Passmore  
2 Board Officials  
(2) 1 Board Official

- (1) Items 1 to 4.1
- (2) Items 10 to 13

## **1 APOLOGIES**

Apologies were received from Mr Gerry Kelly and Mr Charles Barnett.

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 17 JUNE 2019**

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

It was:-

### **RESOLVED:**

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

## **4 UPDATE ON ACTION LOG**

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

### **Action Point 1**

The Committee noted a letter received from Mr Mark McNaughten T/ Director of Finance and Support Services and Human Resources which stated that the Chief Constable carried full responsibility for any liability relating to the PSNI estate. Members noted that legal advice was being obtained at the request of the Resources Committee regarding the Board's duties as the legal owner of

the PSNI estate.

Members requested that the Department of Justice's (DoJ) role in relation to the PSNI estate also be clarified. **(AP1)**

Members noted the following updates from the action log from the Committee meeting held on 13 May 2019. NOTED.

#### **Action Point 1**

Letters had been issued to the Council Chief Executives in July 2019 outlining the main findings of the PCSP verification visits audit however no responses had been received by the Policing Board. The Committee requested that Officials follow-up with all Chief Executives requesting an acknowledgement and response to the letters. **(AP2)**

Members noted the following updates from the action log from the Committee meeting held on 28 March 2019. NOTED.

#### **Action Point 6**

Members requested that the action be closed on the action log as the matter was being progressed by the Board.

#### **Action Point 7**

The Whistleblowing Policy was being presented later in the meeting under agenda item 10.

### **4.1 Human Rights Advisor Contract Arrangements Update**

Board Officials presented a paper to the Committee summarising the progress made in closing the internal audit recommendations that were made following the advisory audit of the Human Rights Advisor Contract Arrangements now that the new Human Rights Advisor was in place and a new contract had been drafted relating to the role.

During discussions, Members asked that the references within the new

contract to both a one month notice period and a 3 month break clause be clarified. **(AP3)**

Officials discussed the contract management arrangements in place including that the Director of Performance was the Contract Manager and that the Performance Committee was responsible for the Human Rights Advisor's work plan. It was agreed that

- all Board Members would be advised that the commissioning of the Board's Human Rights Advisor's work is to flow through the Director of Performance who (with Performance Committee) has overall oversight of his work programme. **(AP4)**

## **5 CHAIRPERSON'S BUSINESS**

The Chair noted the upcoming training for Members which was being delivered by the Chief Executive's Forum at Clare House on 15 October 2019.

## **6 PSNI AUDIT AND RISK ASSURANCE COMMITTEE MEETING 19 JUNE 2019 OBSERVATION REPORT - VERBAL**

The Chief Executive briefed the Committee on the material issues that had been discussed at the PSNI Audit and Risk Assurance Committee (ARAC) meeting which she had attended on 19 June 2019.

## **7 UPDATE FROM PSNI ARAC CHAIRMAN STEPHEN HODKINSON-VERBAL**

Mr Hodkinson briefed the Committee on PSNI ARAC meetings including the non-executive members of the Committee, the permanent attendees at PSNI ARAC meetings and standard items of business that are considered at meetings.

Mr Hodkinson highlighted that in addition to standard items of business the Committee also receives in-depth briefings on a range of topics (deep dives) and he referred to activities that he has undertaken to understand how PSNI as an organisation works to enable him to hold the senior team to account as a member of the ARAC. Mr Hodkinson also highlighted the role that PSNI ARAC undertakes in relation to the scrutiny of PSNI Direct Award Contracts (DACs) and noted the interest these also received by NIPB ARAC.

## **8 PSNI AND NIPB DIRECT AWARD CONTRACTS UPDATE**

Members reviewed correspondence received from PSNI which included a complete list of DACs awarded by PSNI to third party suppliers. Members noted that the common reasons for the awarding of a DAC which are technical necessity or intellectual property rights.

Members discussed the DACs in place which included a DAC with retired Bedfordshire Chief Constable Jon Boutcher to undertake the external investigations into Operations Kenova and Yurta. Members noted that Mr Boutcher was due to attend the next Board meeting to provide an update on the external investigations that he was undertaking and the Committee asked that the number of external investigations being undertaken by Mr Boutcher be clarified with the PSNI. **(AP5)**

The DoJ's role in scrutinising PSNI DACs was discussed with the DoJ official in attendance and it was agreed that clarification regarding the DAC approval process would be sought in writing from the DoJ and PSNI. **(AP6)**

## **9 NIPB INTERNAL AUDIT**

### **9.1 Internal Audit Charter**

Mrs Anderson presented the Internal Audit Charter which the Committee was

being asked to recommend to the Board for approval. Mrs Anderson noted that the Charter set out how Internal Audit would work within the Policing Board and included details of reporting arrangements to the Committee.

**IT WAS AGREED:**

That the Internal Audit Charter be recommend to the Board for approval.

**9.2 Internal Audit Strategy**

Mrs Hadden presented the three year internal audit strategy and annual one year work plan which the Committee was being asked to recommend to the Board for approval.

During discussion, Members noted

- that while the Board's risk appetite was material to Internal Audit's approach to undertaking audits, Internal Audit highlighted the importance of speaking with management to understand an organisation's approach to risk management too.
  
- Internal Audit assurance activity was focussed on reviewing the internal control mechanisms already in place and the level of assurance provided by the internal control mechanisms. Consideration of 'Value for Money' would primarily be assessed via a specific 'Value for Money' study.

**IT WAS AGREED:**

- (1) That the Internal Audit Three Year Strategy be recommended to the Board for approval.
  
- (2) That the Internal Audit Charter be recommended to the Board for approval.
  
- (3) The Internal Audit Annual Work Plan 2019/2020 be approved in accordance with the Committee's delegated authority from the Board.

### **9.3 Internal Audit Open Recommendations**

Officials presented an update to the Committee on the open internal audit recommendations noting that since the last update 18 recommendations had been closed.

Officials referred Members to recommendation 5 which was due to be implemented by 31 March 2020 but stated that the closure target date would not be achieved and the funding for the Case Management System was being returned to the DoJ as part of the In-Year Monitoring exercise. The Chief Executive briefed the Committee on the reasons why the closure date would not be met including the numerous work pressures and priorities that Officials were dealing with, following the reconstitution of the Board in December 2018, including the drafting of a new Policing Plan and NIPB Corporate Plan, PSNI Chief Officer Appointments and PCSP recruitment. The Chief Executive also noted that the work of the Police Administration Branch was complex and advised that as Accounting Officer it had been necessary for her to balance the risk of pursuing a Priority One audit recommendation against the bigger risk of the additional stress that this would place on staff who are already dealing with a large case load of work.

Members expressed their deep concern about the pressures within the Police Administration Branch and confirmed their view that the Branch cannot continue to meet its statutory functions and pursue the implementation of a case management system at this time.

The Chief Executive referred to a planned Board briefing on the work of the Police Administration Branch which would be held in mid-October 2019 and all Members were encouraged to attend.

## **10 NIPB WHISTLEBLOWING POLICY**

Officials presented the final Whistleblowing Policy to the Committee noting that following approval at the Board meeting on 26 June 2019 some minor

cosmetic amendments had been made following input from a Member. The Policy was now finalised and the Committee was asked to note the final version of the Policy. NOTED

#### **11 NIPB COMPLAINTS POLICY AND PROCEDURE- VERBAL UPDATE**

Officials updated the Committee on the review the Policing Board's Complaints Policy and Procedure (the Policy) in conjunction with a Board Member who was providing input to the Policy review. It was noted that the Policy was last updated in 2016 and the purpose of the review of the Policy was to produce a clearer Policy and make it more user friendly.

##### **IT WAS AGREED:**

That the final draft of the Complaints Policy and Procedure would be shared with ARAC members for review and comment prior to it being submitted to the Board meeting on 6 November 2019 for approval.

**(AP7)**

#### **12 NIPB GIFTS AND HOSPITALITY REGISTER**

The Committee noted the Board's Gifts and Hospitality Register. NOTED.

#### **13 NIPB CORPORATE RISK REGISTER**

Officials presented the NIPB Corporate Risk Register to the Committee.

During discussion it was noted that risk 1 should be updated to include reference to the Resources Committee's recent request to obtain legal advice on the Board's duties as the legal owner of the PSNI Estate.

#### **14 NIPB ACCOUNTING OFFICER STEWARDSHIP STATEMENT TO**



## **SEPTEMBER 2019 – DRAFT STATEMENT**

The Committee noted the draft Stewardship Statement to the DoJ for the period 1 April 2019 to 30 September 2019. NOTED.

### **15 REPORT TO THOSE CHARGED WITH GOVERNANCE – FINAL REPORT**

The Committee noted the Report to Those Charged with Governance in relation to the NIPB Annual Report and Financial Statements for the year ended 31 March 2019. NOTED.

### **16 NIPB FINANCIAL STATEMENTS**

Officials presented the NIPB Board Annual Report and Financial Statements for the year ended 31 March 2019 to the Committee and noted that the Accounting Officer had signed them on 2 July 2019 and they had been laid before the NI Assembly on 5 July 2019. NOTED.

### **17 QUESTIONS FOR THE CHIEF CONSTABLE**

The Committee agreed to write to the PSNI to request an update on the 'Holiday Pay' (Bear Scotland) case. **(AP8)**

### **18 COMMUNICATION ISSUES**

There were no communication issues arising from the meeting.

### **19 ANY OTHER BUSINESS**

No other business was conducted.

### **20 2020 MEETING DATES**

The 2020 meeting dates were provisionally agreed by Members.

## **21 DATE OF NEXT MEETING**

Members noted that the next Audit and Risk Assurance Committee meeting would be held on 17 December 2019 at 10.00am.

(Meeting closed at 4.30pm).

## **CORPORATE SERVICES**

**Date:** October 2019

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**Chair**