

NORTHERN IRELAND POLICING BOARD

**MINUTES OF MEETING OF AUDIT AND RISK ASSURANCE COMMITTEE HELD
ON THURSDAY 28 MARCH 2024 AT 2PM IN JAMES HOUSE AND VIA ZOOM**

PRESENT:

MEMBERS

Mr Brendan Mullan (Chair)
Mr Peter Osborne (Vice Chair)
Mr Keith Buchanan MLA
(1) Mr Gerry Kelly MLA
(2) Mr Frank McManus*

IN ATTENDANCE:

DEPARTMENT OF JUSTICE

Ms Lindsay McCormick

INTERNAL AUDIT

Ms Lacey Walker
Mrs Cathy Hadden

**NORTHERN IRELAND AUDIT
OFFICE**

Ms Sarah Heanen

FPM ACCOUNTANTS

Ms Suzanne Villiers

POLICE PENSION BOARD

(3) Mr Michael Burton

OFFICIALS

Mrs Sinead Simpson, Chief Executive
Mr Sam Hagen, Senior Director of
Resources
Mrs Natalia McMahon, T/Director of Police
Pensions & Injury Benefits

Three Board Officials

(1) Left at 3.05pm

(2) From 2.10pm

(3) Item 9.1 only

*Attended the meeting via video conference.

1. APOLOGIES

Apologies were received from Ms Nuala McAllister MLA.

The Chair welcomed Mr Keith Buchanan MLA as a new Member of the Committee to his first meeting.

2. CONFLICTS OF INTEREST

No conflicts of interest were declared and the agenda for the meeting was agreed.

No matters for discussion were raised under 'Any Other Business'.

3. DRAFT MINUTES OF THE ARAC MEETING HELD 19 DECEMBER 2023

It was **RESOLVED:-**

- That the minutes of the ARAC meeting held on 19 December 2023 be approved.

4. COMMITTEE ACTION LOG

The Committee **NOTED** the updates detailed within the Action Log and the related verbal overview provided by the Director of Resources in respect of the open actions from the meetings held on 19 December 2023 and 23 March 2023.

Action Point 1 from meeting in December 2023

The Director of Resources advised that the Memorandum of Understanding and Data Sharing Agreements between the Board and Internal Audit have now been updated.

Action Point 3 from meeting in December 2023

The Chair highlighted a PSNI response to correspondence issued in respect of including 'Raising a Concern' as part of the Terms of Reference (TOR) for PSNI ARAC and this has now been updated as part of the PSNI ARAC TOR.

Action Point 6 from meeting in December 2023

The Director of Resources advised that matters regarding direct access to the Board Chair and ARAC Chair will be discussed further as part of the updated Raising Concerns policy at agenda item 11 of today's meeting.

Action Point 10 from meeting in December 2023

The Chief Executive has liaised with the Board's Performance Directorate in respect of providing a briefing session and information pack to Members in advance of attendance at Police Appeal Tribunals, and it was confirmed that arrangements are in place to facilitate this.

Action Point 11 from meeting in December 2023

The Director of Resources advised that following circulation of the Business Continuity Plan for Members to consider and agree by written procedure, the final plan has been approved by the Committee.

Action Point 3 from meeting in May 2023

The Director of Resources advised that the ARAC self-assessment effective questionnaire has been completed and the results will be discussed later in the meeting at agenda item 10.

Regarding the roll out of an effectiveness review for all Committees at the Board it was noted that Board effectiveness had been considered at the Board Away Day, and that an effectiveness review will be considered by the Performance Committee, following which consideration will be given by the Board Chair to the roll out across other Committees. **(AP1)**

5. CHAIRPERSON'S BUSINESS

5.1 Department of Justice (DOJ) correspondence – Annual Report & Accounts 2023-24

Members **NOTED** correspondence from the DOJ in respect of timelines for the Annual Report & Accounts 2023-24 and recognition of the hard work carried out by the Department to meet deadlines for laying the Accounts in 2022-23.

6. PSNI ARAC MEETING - 29 JANUARY 2024

Members **NOTED** the summary report of key items from the PSNI ARAC meeting held on 29 January 2024.

The Chair queried the high number of outstanding recommendations outlined in the PSNI Overview report and it was agreed to refer this matter to the Board's Performance Committee to ask PSNI for an update on the overdue Priority 1 recommendations, and the Chief Executive also advised Members that PSNI ARAC receive an annual update on these recommendations. **(AP2)**

7. NIPB INTERNAL AUDIT

7.1 Internal Audit Progress Report

The Internal Audit manager presented a report to update Members on the work of the Internal Audit (IA) service since the last ARAC meeting in December 2023, noting that one final report has been issued and provided an overview of two reports currently in progress and near completion.

The final report on 'Procurement and Contract Management' provided a satisfactory opinion with good controls in place, and recommendations were made in relation to the following areas:

1. Tender Evaluation Training,
2. Conflicts of Interest Declaration for Panel Evaluation Members, and
3. Monitoring of the Contracts Register by the Board.

Members were advised that two reports in progress are a 'Fact Finding review of NIPB's Assurance Framework' which has moved to the quality review stage with the draft report due to issue in early April 2024, and the final assignment titled 'IA's Verification Review of Causeway Coast & Glens Council's Compliance with Procurement Policies and Procedures - 2023/24 PCSP Funding' is at the fieldwork stage.

The Internal Audit manager noted there were no significant issues to highlight and provided an update on the agreed amendments to the NIPB 2023-24 Plan in the areas of Corporate Governance and the Police Property Fund: Call 2, and that sufficient resources were available to deliver the remaining assignments.

The Chief Executive also updated Members on the ongoing work in her role on the Joint Committee alongside the Chair and Vice Chair of Partnership Committee relating to Policing and Community Safety Partnerships (PCSPs).

Members **NOTED** the report and update provided.

7.2 Review of Procurement & Contract Management

The Internal Audit Manager summarised the findings from the final report on Procurement and Contract Management referenced above and confirmed that necessary key controls were found to be in place, and the overall audit opinion was categorised as satisfactory with management responses provided to the three recommendations made.

The Chair requested that Resources Committee considers updating its Terms of Reference to include annual consideration of the Board's Contracts Register, and given the Contract Register has not been considered by the Resources Committee in the last two years that the implementation date is brought forward from March 2025 and included in the Resources Committee programme of work in the next three months. **(AP3)**

Members **NOTED** the report and update provided.

7.3 NIPB Audit Plan for 2024-25

The Head of Internal Audit presented a paper outlining the NIPB proposed Internal audit work plan for 2024-25.

The Internal Audit Manager advised that as part of compiling the work plan consultation took place with the Chief Executive and ARAC Chair, and from consideration of previously completed Internal Audit work during the period 2019-20 to 2023-24.

Consideration was given to new or emerging risks, current risk registers and the audit resources available with resources prioritised in those areas of greatest risk.

Members were advised that consideration was also given to the inclusion of the deferred 2023-24 assignment 'Police Property Fund Call 2' in the 2024-25 Internal Audit Plan, however, given previous assurances in this area and a 'Satisfactory' Internal Audit opinion in 2021-22, and due to the fact that Call 2 has not yet fully completed, there was merit in the review now being undertaken in 2025-26.

Additionally, the Head of Internal Audit advised that Key Performance Indicators have remained the same and key areas for the Audit plan 2024-25 include PCSPs, Injury on Duty (IOD)/ Ill Health Retirements (IHR), Senior Officer discipline, and Information Management & Security.

Specifically, in respect of Information Management & Security, the scope will be to test compliance against a number of key policies and to consider any

recommendations made in the 'Protecting from Within' Report that are relevant to the Board's handling of information.

The Chief Executive also highlighted the significant amount of work which takes place at the Board in respect of IOD/ IHR processes and the need to consider and agree future actions which add value and deliver measurable outcomes in this area.

Following discussion Members agreed to **APPROVE** the Internal Audit work plan for 2024-25.

7.4 NIPB Internal Audit Charter

The Head of Internal Audit (IA) presented a paper providing Members with an overview of the NIPB Internal Audit Charter 2024-25. The Charter sets out the purpose, authority and responsibility of Internal Audit and the requirement to present the Internal Charter to the Audit and Risk Assurance Committee on an annual basis. IA is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.

The Head of IA advised there have been no significant changes to the Charter since it was last reviewed in March 2023, however, updates have been made in respect of standards and the role of IA including further engagement at Board level and bringing together the Chairs of a range of ARAC's to review IA standards and to explore further the practical application of these standards.

Members confirmed they were content to **RECOMMEND** to the Board's Accounting Officer and the Board that the Internal Audit Charter 2024-25 be approved.

A Member asked about the nature of and commissioning of consultancy assignments and was advised that the consulting aspect relates to plans for new areas of work or systems and to provide information in an advisory capacity. In principle, such requests for new consultancy or advisory work will

be considered by the appropriate Committee.

7.5 Internal Audit Recommendations

The Director of Resources presented a paper to provide Members with a quarterly update on both the open and closed recommendations in relation to NIPB Internal Audit Recommendations.

The Director of Resources provided an update on the nine closed recommendations identified following an audit of the Raising Concerns and Complaints policies in December 2023, and both policy documents have been revised following the Internal Audit report and the nine recommendations were now considered as closed. The updated policies will be considered later in the meeting at agenda item 11 when Members will have the opportunity to consider the closed recommendations further.

In respect of the Board's Business Continuity Plan (BCP), Members feedback was sought at the December 2023 meeting, and following feedback the BCP has been updated and approved by written procedure.

The approved BCP was issued to relevant NIPB personnel this month (March 2024) to be stored off-site at a secure location and as such the recommendation regarding the completion of a post incident review of the response to Covid-19, ensuring recovery time objectives were met and to identify lessons learned, and an update to the BCP is now considered closed.

In relation to the best practice recommendation resulting from an audit of Corporate Governance and Risk Management, and following feedback at the ARAC meeting in December 2023, the Board's Risk Management Framework has been updated and approved by written procedure and this recommendation has been closed.

The Director of Resources advised there were 2 open recommendations being

progressed towards completion.

The first open recommendation relates to the Internal Audit review of NIPB Information Management and Security recommendation and the implementation of the Retention and Disposal Policy and Schedule. This was delayed due to the two year hiatus of the NI Assembly and following restoration of the devolved government Members were advised the Board's Retention and Disposal Schedule is now active. Officials will now give consideration to the resourcing issues associated with applying the Schedule to physical records and it is anticipated this recommendation can be closed.

The second open recommendation relates to the Internal Audit BCP review and the testing of the BCP, and the Director of Resources advised this will be actioned during July/ August 2024.

The Chair asked about oversight for the approved Retention and Disposal Policy and Schedule and was advised that progress updates will be provided as part of the Chief Executive's report to the Board.

Members **NOTED** the updates provided.

8. EXTERNAL AUDIT

8.1 NIAO Strategy for NIPB External Audit 2024-25

The Senior Manager from FPM Accountants presented Members with a Report on the NIAO Audit Strategy for the certification of the Board's Annual Report and Accounts for the year ended 31 March 2024.

The Audit Strategy details the actions for the Audit Committee in approving the strategy, and whether the risk assessment meets expectations. Significant risks were highlighted including management override of control regarding Fraud Risk, and the second significant risk of Income Recognition has been rebutted as income is immaterial for the Board's financial statements.

Other matters were highlighted in respect of the prior year Report to those Charged with Governance, and audit procedures will continue to monitor this area in the current year.

The Audit timetable has been reviewed and agreed with officials with an amendment to the Draft Annual Report and year-end financial statements provided to NIAO in order to align with the Committee's next scheduled meeting in May 2024.

The Chair referred to the discussion points at page three of the Audit Strategy report regarding 'Actions for the Audit Committee', and following which Members were content with the matters highlighted in respect of the Committee's responsibilities and considerations and confirmed they had no further issues to raise.

Members **NOTED** the Report and update provided.

9. RISK

9.1 Police Pension Board Risk Register

The Committee received a briefing from the Chair of the Police Pension Board (PPB) which included an overview of the Police Pension Board Risk Register 2024-25, and an update on the 5 key risks on the PPB Risk Register:

1. **Knowledge and understanding** – work is continuing to ensure training is provided for all new PPB Members.
2. **Record Keeping** – consideration will be given to deescalate this risk when work is completed as part of the McCloud reassessment project.

3. **Pension Administrator Controls** – work continues to develop the Internal Service Agreement between NIPB as the scheme manager and PSNI to allow for this risk to be deescalated.
4. **McCloud Remedy** – work is ongoing with the McCloud Remedy project and monitored on an ongoing basis by the Scheme Manager and Administrator with separate updates provided to the PPB.
5. **Transformational** – work is ongoing in relation to the approval for implementation of a digital system for Scheme Manager records.

The PPB Chair provided an overview of potential future risks including the rollout of the Police Pension Dashboard in 2026, and anticipated issues around information and data security.

The ARAC Chair commended Board staff for the work taking place in respect of the McCloud Remedy project and enquired whether deadlines were being met given the ongoing resourcing pressures; and the current status of the project in relation to being on track for delivery.

The Chief Executive acknowledged the significant backlogs and that no additional resources were able to be allocated for the McCloud project due to budget and operational pressures, and therefore existing resource was reallocated to meet statutory deadlines.

A Member asked for further clarity in respect of the higher number of McCloud assessments in NI compared to other Police Services in England and Wales.

It was agreed to give further consideration to amending the format of the Register to align with the NIPB Risk Register. **(AP4)**

Members **NOTED** the update provided.

The Chair thanked the Chair of the Police Pension Board for the briefing and

he left the meeting.

9.1 NIPB Corporate Risk Register

The Director of Resources presented Members with the NIPB Corporate Risk Register (CRR) and a summary of Corporate Risks & Tracker and advised there were five Corporate Risks included as part of the summary document, and although the Corporate Risks have not changed since they were previously reviewed by the Committee in December 2023, actions and target dates have been updated to reflect progress being made.

In respect of the risk area relating to reputational damage to the Northern Ireland Policing Board, work has taken place to embed actions and key controls following events impacting the organisation in the past year.

Members were advised that the Board's Senior Management Team (SMT) do not anticipate significant changes to these risks going forward, and that consideration will be given to incorporating the new Policing Plan within the CRR rather than as part of the Directorate level Risk Register's.

The Chair highlighted the risk area relating to NIPB Capacity and Capability (Staffing) and work taking place to manage the impact of staff vacancies on prioritising workload, and following the referral of this issue to the Resources Committee in the past year an action plan remains outstanding.

Members discussed the re-categorisation of the residual score for NIPB Capacity and Capability from a low to medium; the rationale for doing so; further work which can take place given budget pressures and confirmation of the budget for 2024-25 required before any recruitment decisions can be taken; whether key controls can be updated to account for the reclassification of the residual score; and following discussion it was agreed to reclassify the current residual score for this risk area from a low to medium risk classification. **(AP5)**

10. COMMITTEE EFFECTIVENESS QUESTIONNAIRE

The Director of Resources presented a paper to provide Members with the results of the ARAC Self-Assessment Effectiveness Questionnaire.

It was noted that it is good practice to carry out this process on an annual basis and a detailed questionnaire was developed for Members in conjunction with the ARAC Chair.

The Director of Resources provided a high level overview of the results and sought Members proposals on how they would like to proceed, noting that some of the responses indicate a knowledge gap and further information could be provided to address this gap, and other responses indicate that further investigation and discussion is required.

Members highlighted the lower than expected response rate for completing the questionnaire and suggested that some responses highlighted a development opportunity which could be addressed by a briefing session on the areas concerned and that a paper is brought back to the Committee highlighting key issues and providing options to address these.

A Member suggested the possibility of senior Board officials completing the questionnaire to gather additional views on the effectiveness of the Committee, as part of a 360 degree evaluation process of Committee effectiveness. However, in line with the Committee's terms of reference it was noted and agreed that assessing the effectiveness of the Committee was a process to be completed by Committee Members only.

Following discussion it was **AGREED**:

- To reissue the ARAC Self-Assessment Effectiveness questionnaire to Members who have not completed it and include responses as part of an updated paper to be brought back to Committee. **(AP6)**

11. UPDATED RAISING CONCERNS AND NIPB COMPLAINTS POLICIES

The Strategic Planning and Governance manager presented a paper to provide Members with the updated Raising Concerns and NIPB Complaints policies following a recent Internal Audit report.

The Strategic Planning and Governance manager advised Members that in respect of the Complaints policy the one Priority 3 recommendation relating to the placement of the process flow chart within the body of the policy document has been actioned and for the Raising Concerns policy, changes to the policy have been highlighted on the document for ease of reference.

Members were asked to consider options in respect of the process to adopt relating to providing contact information in the Rasing Concerns policy document in order that access to the Chair of the Board is seen to be unfettered.

Members discussed options regarding the establishment and management of an email address to provide unfettered access to the Chair of the Board and the need to ensure the agreed communication process is specifically tailored to the Raising Concerns policy to avoid confusion at the point of contact.

Following discussion it was **AGREED:**

- to establish a designated point of contact email address for the Chair of the Board which can be included in the policy document and accessed only by the Board Chair and the Chief Executive's PA and will provide for the unfettered access in respect of the Raising Concerns policy, and **(AP7)**
- the Head of Internal Audit would provide contact information for inclusion in the final Raising Concerns policy document in respect of how they may be contacted by someone wishing to raise a concern

under the policy, and

- subject to the above inclusions, the revised Raising Concerns policy is approved for publication on the Board's website.

12. DRAFT COMMITTEE PROGRAMME OF WORK 2024-25

The Director of Resources presented a paper to provide Members with the ARAC draft programme of work for 2024-25 and advised that the programme was similar to the previous year and allows for additional items to be added should it be necessary to do so.

The programme of work also takes account of timelines in respect of the Annual Report and Accounts for May and June, including an additional meeting in May for this purpose.

Following discussion Members **AGREED** the proposed ARAC programme of work for 2024-25.

13. GOVERNANCE UPDATES

13.1 Gifts and Hospitality Register update

The Director of Resources advised Members that the Gifts and Hospitality register records events or gifts offered to Board Members and officials, whether accepted or declined. Members noted the updated register included the acceptance of small promotional items by Board officials from an external supplier.

13.2 Direct Award Contract (DAC) update

The Director of Resources advised there was one new DAC in relation to the use of a technical advisor to assist with the maintenance of the specialised security doors in use at the Board's Headquarters at James House. Members were updated on extensive technical expertise of the advisor and their input to

date on this issue which makes them best placed to provide the required support to bring this matter to a conclusion as soon as possible.

The Director of Resources noted that advice was also taken from Construction and Procurement Delivery (CPD) at the Department of Finance and CPD were unable to provide a viable alternative and were content with the arrangement in place for this DAC.

13.3 Complaints update

The Director of Resources noted there were no live complaint cases currently being progressed by the Board.

Members **NOTED** the governance updates provided.

14. COMMUNICATIONS ISSUES

None.

15. ANY OTHER BUSINESS

A representative from NIAO asked for clarity in respect of the published Audit timetable for NIPB signed accounts and noted the revised schedule to allow for all related actions to be completed.

16. DATE OF NEXT MEETING

The next meeting is scheduled to take place on Thursday 23 May 2024 at 2pm in James House.

(Meeting closed at 3.30pm)

Strategic Planning and Governance

Date: March 2024

Chair