



Service Procedure

CORPORATE GOVERNANCE COMMITTEE STRUCTURE

SP Identification Number 11/2012

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Department Command (Deputy Chief Constable)
Branch Executive Business Support
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Procedure Approved By:

Service Executive Deputy Chief Constable
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Governing Policy Directive: Corporate Governance

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Abstract: This document outlines the committee structure in place to ensure a consistent and professional approach to corporate governance within the Police Service of Northern Ireland.

This document will be of particular interest to members of SEB, ARC, RDRC, Programme Boards and Delivery Groups.

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1. BACKGROUND

- (1) The Department of Justice (DoJ) has designated the Chief Constable as Accounting Officer for the Police Service of Northern Ireland (the Police Service) and as such primary responsibility for the prudent use of police resources including financial resources falls to the Chief Constable.
- (2) The Chief Constable sets the tone and direction of policing primarily through the corporate governance committee structure, which is designed to ensure that the Police Service's business assets, resources and actions are directed towards the achievement of the Chief Constable's Strategic Principles and the objectives set out in the Northern Ireland Policing Plan.
- (3) As Accounting Officer the Chief Constable has responsibility for:
 - (a) Developing, adopting and implementing the objectives and targets agreed by the Policing Board;
 - (b) Ensuring that the Policing Board and the responsible Minister are kept informed of any changes which are likely to impact on the strategic direction of the Police Service;
 - (c) Ensuring that any statutory or administrative requirements for the use of public funds are complied with;
 - (d) Ensuring that the Service Executive Team receives regular financial information concerning the management of the Police Service;
 - (e) Demonstrating high standards of corporate governance.

2. AIM OF SERVICE PROCEDURE

- (1) Corporate Governance is the system by which organisations are directed and controlled. It is concerned with the systems, processes, controls, accountabilities and decision making at the heart of and at the highest levels of an organisation. It is about the way the organisation establishes and lives by its stated values. There is also a responsibility on all staff to support the Chief Constable and the Service Executive Team in carrying out these functions.
- (2) This Service Procedure sets out PSNI's Corporate Governance Committee structure (Appendix 'A'), and the interrelations between the Governance Committees, Programme Boards, Delivery Groups and the Strategic Tasking and Co-ordinating Group. (Appendix 'B').
- (3) The Corporate Governance Committee Charter is set out at Appendix 'C'. The purpose of the Charter is to provide a consistent approach to governance and a framework of operational guidelines to be followed by the Corporate Governance Committees.
- (4) The Terms of Reference for the three Governance Committees are outlined at Appendix 'D'-'F'.

3. SUMMARY

- (1) The Police Service has three distinct Governance Committees:
 - (a) The Service Executive Board (SEB) sets the tone and direction of the organisation, it is chaired by the Chief Constable and is the final decision making forum for the organisation. (Appendix 'D' refers)
 - (b) The Risk, Demand and Resourcing Committee (RDRC) supports SEB by making strategic decisions on resourcing the organisational priorities, in line with the tone and direction set by the Chief Constable. (Appendix 'E' refers)
 - (c) The Audit and Risk Committee (ARC) provides the external scrutiny, challenge and assurance that the organisation is exercising due diligence over its stewardship of public funds. (Appendix 'F' refers)

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- (2) The Programme Boards are designed to deliver long term transformational change, in line with the tone and direction set by SEB, through cross cutting programmes and projects, which are appropriately resourced, managed and then evaluated on completion.
- (3) The Delivery Groups translate the longer term resourcing plans set by RDRC into actual delivery, and their format is dictated by the needs of the organisation.
- (4) The Strategic Tasking and Co-ordinating Group considers and prioritises competing performance pressures on the Service and provides strategic direction on emerging issues, performance and potential risks.

TERMS OF REFERENCE
Communications Programme Board
Leadership and Training Programme Board
Policing with the Community Programme Board
Serious Harm Programme Board
ServiceFirst Programme Board
Balanced Budget Delivery Group
Efficiency Delivery Group
Estates and Security Management Delivery Group
Information Management Delivery Group
Procurement and Logistic Delivery Group
Resourcing Delivery Group
Sustainability Delivery Group
Transport Delivery Group
Strategic Tasking and Co-ordinating Group

4. APPLICATION

This Service Procedure applies Service-wide with specific responsibilities defined in respect of Committee Chairpersons and Committee Managers.

5. RISKS

Failure to implement an effective Corporate Governance Committee Structure may lead to:

- (1) An inability of the Chief Constable to effectively discharge his functions as an Accounting Officer to the satisfaction of the Public Accounts Committee.
- (2) The non-delivery of the Police Service's principles, Policing Plan objectives and targets.
- (3) Inadequate assurance that organisational risk is being effectively managed.
- (4) Duplication of effort across Governance Committees and the ineffective use of the Chief Officers' capacity.
- (5) Adverse comment from external oversight bodies including the NIPB, the Northern Ireland Audit Office, Her Majesty's Inspectorate of Constabulary (HMIC) etc.

6. LEGAL BASIS

Whilst there is no formal direct legislative requirement for the implementation of this Service Procedure, the Police (Northern Ireland) Act 2000 makes provision for the clear definition of roles, management of performance and the improvement of effectiveness, efficiency and economy within Parts IV, V and VI. Good governance arrangements are also recognised as desirable by HM Treasury.

7. POLICY LINKS

Internal

Policy/Procedure
Corporate Governance Policy Directive 02/12

External

The UK Corporate Governance Code (Sept 2012)
Audit Committee Handbook (April 2013)
Corporate Governance in Central Government Departments NI (July 2013)
Good Governance - Effective Relationships between Departments and their Arm's Length Bodies (May 2007)
The Police (Northern Ireland) Act 2000 and associated Code of Practice issued by virtue of Section 27

8. CONSULTATION

- (1) All Chief Officers;
- (2) Non-Executive Directors (Audit and Risk Committee);
- (3) Committee Managers;
- (4) Head of Corporate Governance;
- (5) Director, Internal Audit.

9. FREEDOM OF INFORMATION

This Service Procedure is suitable for disclosure in accordance with the Freedom of Information Act (2000).

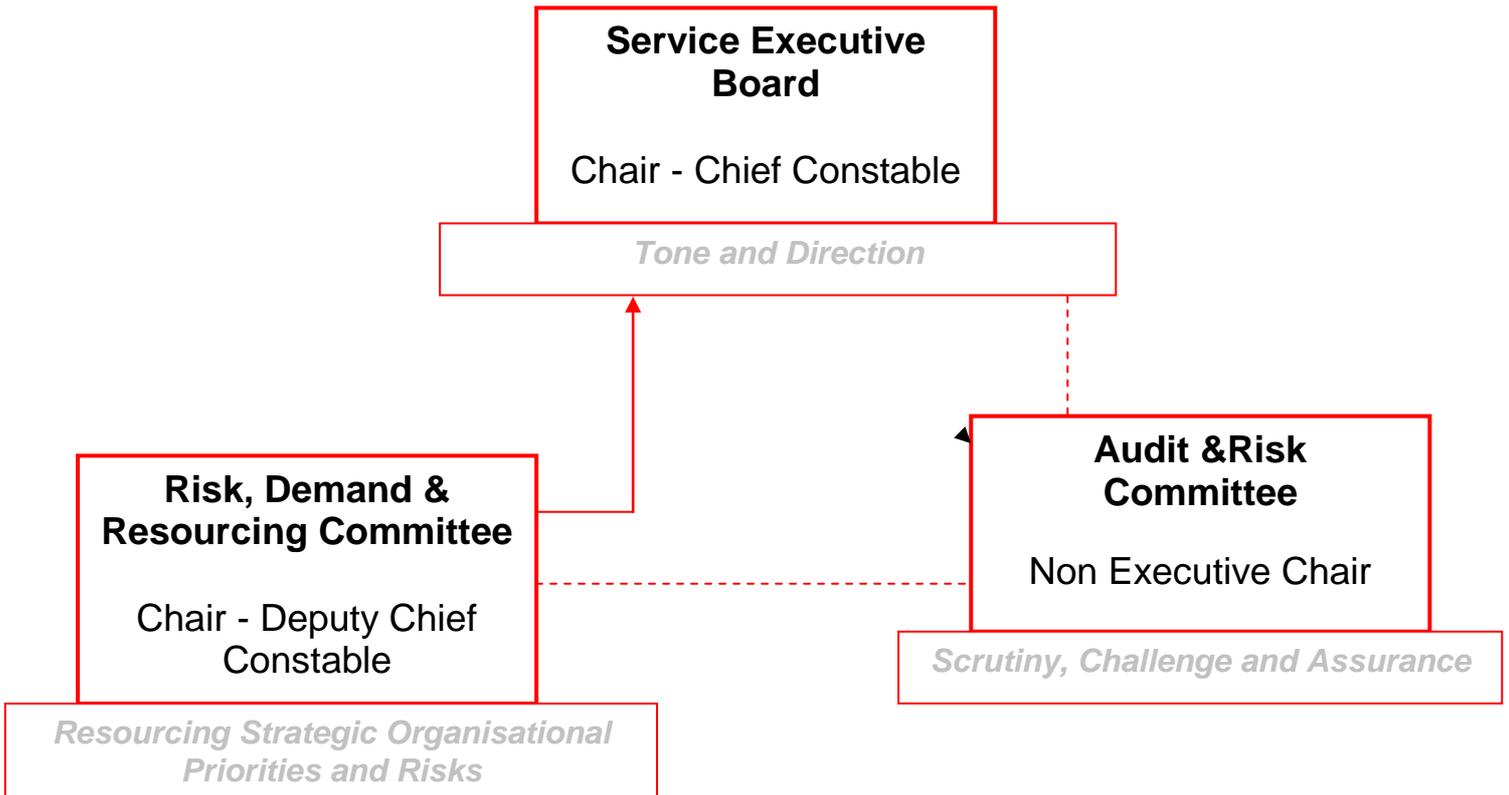
10. REVIEW

This policy will be reviewed every two years or sooner to reflect changes if necessary. Appendices will be reviewed every six months.

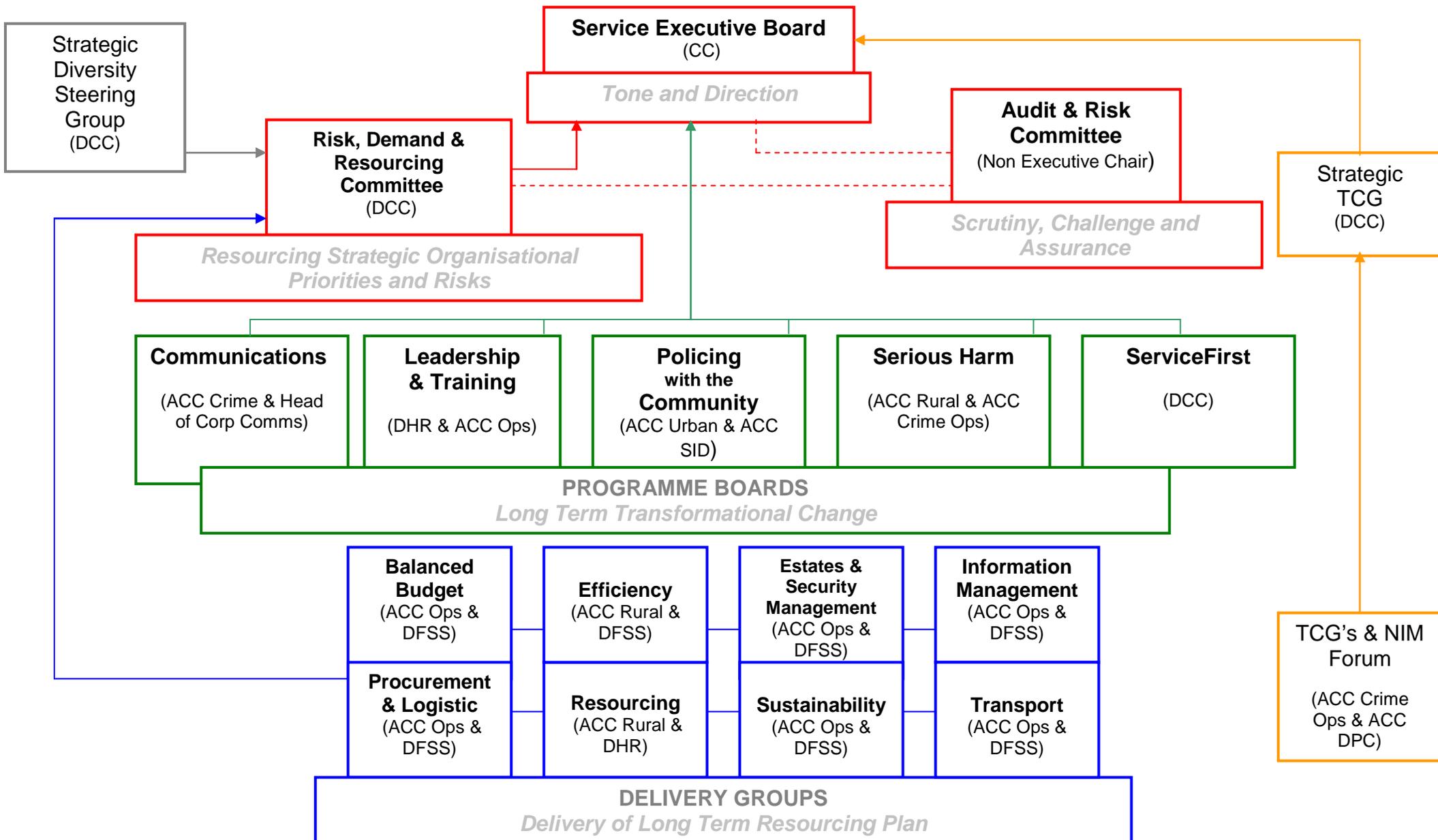
11. CANCELLATION

Service Procedure 20/10 'Corporate Governance Framework and Committee Structure and Assurance Framework' is hereby cancelled.

CORPORATE GOVERNANCE COMMITTEE STRUCTURE



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CORPORATE GOVERNANCE COMMITTEE CHARTER

1. Terms of reference for each Committee are set out at Appendix D - F. Any changes to the Terms of Reference should be approved by the individual Committee and endorsed by the Service Executive Board.
2. Terms of Reference (and any changes to same), for the Programme Boards and Delivery Groups should be approved at Service Executive Board and Risk, Demand and Resourcing Committee respectively.
3. A minimum number of Committee Members (not Deputies or Representatives) must be present for the meeting to be deemed quorate.
4. All Committee Members, as identified within the Committee Terms of Reference, should nominate a suitable Deputy to attend on their behalf in their absence.
5. All Deputies must be in a position to represent the views of the Committee Member however they do not have the same voting rights.
6. All Committees will have an identified Chairperson.
7. The Chairperson of each committee will appoint a Committee Manager. Committee Managers should have a working knowledge of the scope of the Committee.
8. The Committee Manager must have a deputy with the same working knowledge who can represent the Committee Manager in their absence.
9. The Committee Manager will be responsible for setting the date for the meeting and ensuring appropriate administrative arrangements are made.
10. The Committee Manager should agree the agenda with the Chairperson taking into consideration the purpose of the Committee as set out in the Terms of Reference.
11. Command Secretariat will issue a 'call for papers' which should be supplied to Command Secretariat at least 10 days before the Committee meeting.
12. The Information Sheet (CGC1) must be used for the submission of papers to each Governance Committee. This form will be available in electronic format on PoliceNet with appropriate drop-down menus for each committee.
13. All papers, including the Information Sheet, should be appropriately marked in accordance with the Protective Marking Scheme (including the annotation 'NOT PROTECTIVELY MARKED')
14. Committee Managers (in consultation with Command Secretariat) will make the agendas available via Public Folders to all Chief Officers, Committee Members and Attendees at least 5 days before the Committee Meeting for their information.
15. Late papers require express permission of the meeting chairperson before being tabled for discussion.

16. Exceptional meetings may be held with the agreement of the Chairperson. Protocols for such meetings will be as normal.
17. Draft minutes will be issued for comment by the Committee Manager to committee attendees within 10 days after the committee meeting.
18. The final minutes of all Governance Committee Meetings will be completed by the Committee Manager and published on the 'Executive Business Support' pages on PoliceNet for internal information.
19. The Committee Manager, in consultation with the Freedom of Information Team, will consider the contents of the final minutes of the Committee Meeting for inclusion in the Publication Scheme.
20. All corporate governance documentation should be filed by the Committee Manager on the PSNI Record Management System (TRIM) to facilitate easy retrieval.
21. All Corporate Governance Committees will conduct a self-effectiveness review on an annual basis as soon as reasonably practicable at the end of the financial year. Such reviews should show committee alignment with Terms of Reference.

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 RESTRICTED
 CONFIDENTIAL
 SECRET
 TOP SECRET

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Appendix 'C'(1)

Corporate Governance Committee Information Sheet

SERVICE EXECUTIVE BOARD

Drop Down Menu
 SERVICE EXECUTIVE BOARD
 RISK DEMAND & RESOURCING COMMITTEE
 AUDIT AND RISK COMMITTEE

MEETING DATE: _____

Drop
Down
Menu
Open
Closed

PAPER TITLE	
AGENDA REF NO. <i>To be completed by Committee Manager</i>	
Open Agenda Item	
SPONSOR OF PAPER <i>Chief Officer/Head of Department</i>	
PRESENTER(S) OF PAPER	
PURPOSE OF PAPER	
ACTION REQUIRED BY COMMITTEE	

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**SERVICE EXECUTIVE BOARD
Terms of Reference**

1. PURPOSE

To set the overall tone and direction for the Police Service of Northern Ireland in delivering protective, personal, and professional policing with the community, while maintaining respect for human rights. The tone and direction set by the Service Executive Board (SEB) will improve public confidence and satisfaction in policing, while also reflecting the security environment. Consideration of the Chief Constables Statement of Principles, the objectives set in the Northern Ireland Policing Plan, and the prudent use of resources will guide SEB in setting the tone and direction for the Police Service.

2. OBJECTIVES

(1) Corporate Policy and Strategy

SEB will direct PSNI's corporate policy and strategy towards the achievement of organisational objectives, which are contained in the statement of principles, the Minister of Justice's long term policing objectives, and the Northern Ireland Policing Plan. The direction set will ensure the prudent use of resources.

Policy and Strategy approval:

- (a) In consultation with the Northern Ireland Policing Board and the Minister of Justice consider and agree the Objectives, Performance Indicators and Targets to be published in the Northern Ireland Policing Plan;
- (b) Approve the continuous improvement strategy
- (c) Consider and approve recommendations from the Risk, Demand & Resourcing Committee (RDRC) in relation to the Comprehensive Spending Review;
- (d) Consider and approve recommendation from the RDRC in relation to the Balanced Budget;
- (e) Consider and approve recommendations from RDRC in relation to significant changes to the Corporate Risk Register;
- (f) Approve significant changes to corporate policies including those that are of a novel or contentious nature;
- (g) Consider and approve governance arrangements, for the direction and management of the Police Service of Northern Ireland;
- (h) Approve and monitor Terms of Reference for the RDRC and Audit & Risk Committee;
- (i) Approve Annual Internal Audit Plan;
- (j) Approve Terms of Reference for the five Service Programme Boards:
 - (i) Communications;
 - (ii) Leadership and Training;
 - (iii) Policing with the Community;

- (iv) Serious Harm.
- (v) ServiceFirst
- (k) Approve the annual Business Plan for the five Service Programme Boards.

(2) Monitoring and accountability:

- (a) To monitor and direct the effective management of the Police Service's performance, against the objectives set in the Northern Ireland Policing Plan, at each meeting;
- (b) Receive financial information, including oversight of significant Business Cases (over £100k) concerning the management of the Police Service's in-year expenditure at each meeting;
- (c) Monitor and direct the effective management of Recommendations contained on Overview on a quarterly basis;
- (d) Monitor the work of the five Service Programme Boards through progress updates on a quarterly basis;
- (e) Approve Programme Board projects that have significant costs associated, and/or projects that cross more than one business area;
- (f) Monitor the Continuous Improvement Strategy;
- (g) Consider and approve Annual Accounts;
- (h) Approve changes to the Service Strategic Priorities as agreed at Strategic TCG;
- (i) Received action points emanating from the Strategic TCG.

3. STEWARDSHIP STATEMENTS AND GOVERNANCE STATEMENT

Consider and approve:

- (1) In year, and year end DoJ Stewardship Statements;
- (2) Year end Governance Statement.

4. SELF EFFECTIVENESS REVIEW

- (1) Conduct a self effectiveness review of the work of SEB in March of each year;
- (2) Receive annual Self effectiveness reviews from ARC and RDRC;
- (3) Receive annual self effectiveness reviews of the work of the five Service Programme Boards.

5. CHAIR

Chief Constable.

6. (1) MEMBERSHIP

- (a) Deputy Chief Constable;
- (b) All Assistant Chief Constables;

- (c) Director of Finance & Support Services;
- (d) Director of Human Resources.

(2) Advisers/Attendees

- (a) Head of Corporate Communications;
- (b) Legal Adviser;
- (c) Head of Corporate Governance;
- (d) Head of Command Secretariat/Committee Manager.

7. QUORUM

- (1) Chairperson;
- (2) Plus four other Committee members.

8. FREQUENCY

- (1) Monthly;
- (2) Extraordinary meetings may be held at the discretion of the Chair.

RISK, DEMAND & RESOURCING COMMITTEE
Terms of Reference

1. PURPOSE

To support and advance the tone and direction set for the Police Service by the Service Executive Board, by deciding on the resourcing of the organisations strategic priorities. The resourcing decisions will align with the tone and direction set for the organisation, and address the threat of serious harm, improve service excellence, while considering the impact on local concerns. Also, to identify and manage the corporate risk, prioritising demand and allocating organisational assets, through flexible practices to advance respect for human rights, public confidence and satisfaction.

2. OBJECTIVES

(1) Corporate Policy and Strategy

To approve, monitor and review corporate policy and strategy relating to the work of the eight Service Delivery Groups. Ensure that resources and staff are effectively distributed in a manner that takes account of demand and the management of the residual risks through the adoption of appropriate practices.

Policy and Strategy approval:

(a) Approve corporate policies and strategies, including significant changes, in relation to the following areas:

- (i) Resources (HR & Finance);
- (ii) Estates;
- (iii) Information Technology;
- (iv) Information Assurance;
- (v) Procurement;
- (vi) Transport;
- (vii) Efficiency.

Other policies and strategies that significantly impact on the distribution of police resources will also be considered and approved as appropriate.

(b) Approve Terms of Reference for the eight Service Delivery Groups identified below:

- (i) Balanced Budget;
- (ii) Efficiency;
- (iii) Estates & Security Management;
- (iv) Information Management;
- (v) Procurement & Logistic;
- (vi) Resourcing;

(vii) Sustainability;

(viii) Transport.

The above groups may be reviewed or other Service Delivery Groups may be convened according to organisational need at the time.

(2) Monitoring and accountability

- (a) Monitor the policies and strategies in relation to the eight Service Delivery Groups on a regular basis;
- (b) Monitor the work of the eight Service Delivery Groups through regular updates;
- (c) Receive annual update on progress against the Business Continuity Plan.

3. FINANCE

To recommend to the Service Executive Board for approval the:

- (1) Comprehensive Spending Review;
- (2) Annual Balanced Budget.

4. RISK MANAGEMENT

- (1) Identify, evaluate, prioritise and manage key corporate risks;
- (2) Recommend any significant changes to the Corporate Risk Register to the Service Executive Board for their approval;
- (3) Undertake the strategic oversight of the Service Risk Management processes.

5. SELF EFFECTIVENESS REVIEW

Conduct a self effectiveness review of the work of RDRC in March of each year.

6. CHAIR

Deputy Chief Constable.

7. (1) MEMBERSHIP

- (a) All Assistant Chief Constables;
- (b) Director of Finance & Support Services;
- (c) Director of Human Resources.

(2) Advisers/Attendees

- (a) Head of Corporate Communications;
- (b) Legal Adviser;
- (c) Head of Corporate Governance;
- (d) Committee Manager.

8. QUORUM

- (1) Chairperson;
- (2) Plus four other members.

9. FREQUENCY

- (1) Monthly;
- (2) Extraordinary meetings may be held at the discretion of the Chair.

**AUDIT AND RISK COMMITTEE
Terms of Reference**

1. INTRODUCTION

- (1) The Chief Constable (Accounting Officer) has established an Audit and Risk Committee to support him in relation to his responsibilities for risk management, control and governance.
- (2) The role of the above Committee is to support the Chief Constable (Accounting Officer) by reviewing the comprehensiveness of assurances in meeting the Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances. This is achieved by introducing an independent perspective and a process of constructive challenge in order to provide the Accounting Officer with an assurance that effective risk management, control and governance processes are in place.
- (3) The Committee does not have any executive responsibilities although it may draw attention to strengths and weaknesses in control and make suggestions as to how weaknesses might be dealt with. The overarching purpose of the Audit and Risk Committee is to advise the Chief Constable and the Service Executive Board (SEB) on the PSNI risk management, control and governance environment.

2. MEMBERSHIP

The members of the Committee are as follows:

- (1) Non Executive Member – Chair;
- (2) 2 other Non Executive Members.

3. MEETINGS

- (1) The Committee will meet at least four times per year. The Chair of the Committee may convene additional meetings as deemed necessary. A minimum of 2 members of the Committee must be present for the meeting to be deemed quorate.
- (2) The Committee will normally be attended by the Chief Constable (Accounting Officer), Deputy Chief Constable, Director of Human Resources, Director of Finance and Support Services, Head of Financial Services, Head of Corporate Governance, senior representative of Internal Audit and a senior representative of the Northern Ireland Audit Office (NIAO).
- (3) In addition to the above an independent observer from both the DOJ NI and NI Policing Board attends each Committee meeting.
- (4) The Committee may ask other Police Service personnel to attend to assist with its discussions on any particular matter. The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters. The Accounting Officer may ask the Committee to convene further meetings to discuss particular issues on which he requires specific advice.

- (5) A senior representative of the NIAO and the Head of Internal Audit may request a meeting with the Committee or its Chair if they consider that one is necessary. At least once a year, without the presence of executive management, the Committee will meet respectively with the NIAO and Internal Audit. The Head of Internal Audit and senior representative from NIAO will have free and confidential access to the Chair of the Committee.

4. KEY RESPONSIBILITIES

The Committee will advise the Accounting Officer on:

- (1) The strategic processes for risk management, control and governance and the Governance Statement. Note: a new Governance Statement will be introduced for the 2012/13 financial year which will replace the Statement on Internal Control (SIC);
- (2) The accounting policies and the Annual Financial Statements including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to NIAO;
- (3) The planned activity and results of both Internal Audit and NIAO;
- (4) Adequacy of management response to issues identified by audit activity, including NIAO's Report to those charged with Governance;
- (5) Assurances relating to corporate governance requirements;
- (6) Anti-fraud policies, 'wrong doing' processes and arrangements for special investigations;
- (7) The Committee will also periodically review its own effectiveness and report the results of that review to the Accounting Officer.

5. DETAILED TERMS OF REFERENCE (TOR)

The detailed terms of reference for the Committee include the following:

- (1) **Responsibilities of the Committee in relation to Internal Audit**
 - (a) Advise the Accounting Officer on the skill, experience and competency requirements for the post of Head of Internal Audit;
 - (b) Advise the Accounting Officer on the award, renewal or termination of the Internal Audit contract;
 - (c) Advise the Accounting Officer regarding the purchase of non-audit services from the contractors who provide audit services;
 - (d) Review and discuss with the Head of Internal Audit the scope of work of the Internal Audit function, its Audit Strategy and Annual Plans, the issues identified as a result of its work and how management is addressing these issues;
 - (e) Ensure that the function is adequately resourced, and has appropriate authority and independence within the Police Service;
 - (f) Review co-ordination between Internal Audit and NIAO, the risk management function and other sources within the wider assurance framework;
 - (g) Periodically review the terms of reference of the Internal Audit function (Internal Audit Charter);

- (h) Ensure the Head of Internal Audit provides an Annual Assurance Statement (annual report) to the Accounting Officer timed to support his Governance Statement;
- (i) Receive reports from Internal Audit on progress, key findings and management responses and receive the Internal Audit Annual Assurance Statement.

(2) Responsibilities of the Committee in relation to Northern Ireland Audit Office (NIAO)

- (a) Discuss with the NIAO the nature and scope of their audit including any value for money studies following submission of the NIAO Audit Strategy;
- (b) Review and consider the results of the audit, its cost effectiveness and the audit fee;
- (c) Review and consider any findings on material weaknesses in accounting and internal control systems which were raised in the Report to those charged with Governance;
- (d) Review and discuss with management and auditors the Annual Financial Statements;
- (e) Discuss any difficulties, reservations or other matters arising from the audit review of the Annual Financial Statements.

(3) Responsibilities of the Committee in relation to the Annual Financial Statements (AFS's)

The Committee will not itself be able to review the AFS's in detail in order to advise the Accounting Officer whether they are true and fair. However in reaching a view on the AFS's the Committee should:

- (a) Consider the key accounting policies and disclosures paying particular attention to areas involving significant judgement, estimation or uncertainty;
- (b) Consider the assurances about the financial systems which provide the figures for the AFS's;
- (c) Consider the quality of the control arrangements over the preparation of the AFS's by the Director of Finance and Support Services;
- (d) Advise on the content of the Governance Statement for the previous year, to be presented as part of the AFS's;
- (e) Consider emerging audit opinion for the previous year;
- (f) Consider the NIAO's Report to those charged with Governance for the previous year.

(4) Responsibilities of the Committee in relation to Risk Management

- (a) To oversee the risk management process and provide assurance to the Chief Constable that the risk management process is operating effectively;
- (b) Consider the six monthly and annual report on risk management including updates on the PSNI Corporate Risk Register;
- (c) Review the Corporate Risk Register and a District and Departmental Risk Register during the course of the year;
- (d) Review the Annual Internal Audit report on the Review of Corporate Risk Management processes.

(5) Responsibilities of the Committee in relation to the Governance Statement and the DOJ NI Stewardship Statements

Review the above Statements in relation to:

- (a) The policies and management framework for identifying and assessing business risks and managing their impact on the organisation;
- (b) The high level assurance framework and the sources of assurance which underpin and support the signing of the Statements by the Accounting Officer;
- (c) The timeliness of and reports on the effectiveness of corrective action taken by management;
- (d) Consider the process applied by the Service Executive Board (SEB) for disclosing material internal control issues in the Statements;
- (e) Review the content of the Statements in relation to disclosure of material internal control issues.

6. OTHER RESPONSIBILITIES OF THE COMMITTEE

- (1) Consider other topics as defined by the Service Executive Board including the policies for preventing and detecting fraud and the policies for ensuring that the Police Service complies with relevant regulatory and legal requirements.
- (2) Consider the PSNI Corporate Financial Reports as a standing agenda item at each Committee meeting.
- (3) Periodically review and update its own terms of reference requesting approval from the Service Executive Board (SEB) for proposed changes. In addition the Committee will periodically evaluate its own performance against terms of reference and best practice.

7. INFORMATION REQUIREMENTS

- (1) The Committee will be provided with:

For each meeting

- (a) The minutes of and actions arising from the last Committee meeting;
- (b) A progress report from the Head of Internal Audit summarising:
 - (i) Key issues emerging from internal audit work. Note: this includes those audit assignments awarded a 'limited' assurance at 'Draft' Report stage;
 - (ii) Summary of progress to-date against the Internal Audit Annual Operational Plan;
 - (iii) Executive Summary of each Internal Audit 'Final' Report. This will include the overall assurance rating and a summary of key findings, audit recommendations and the management response including implementation timeframe;
 - (iv) Any audit recommendations which have not been accepted including the management response.
 - (v) Changes to the Annual Internal Audit Plan;
 - (vi) Any resourcing issues affecting the delivery of Internal Audit objectives.

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(c) Executive Business Support Branch will also provide the Committee with an 'Overview' report including the Outstanding Audit Recommendations Schedule (OARS). Note: the Overview system is a bespoke system developed to monitor and track the implementation of all external recommendations and those arising from key internal projects.

(d) Corporate Financial Reports.

As appropriate:

(a) The Internal Audit Charter;

(b) The Internal Audit Strategy and Annual Operational Plans;

(c) The Head of Internal Audit's Annual Assurance Statement (Annual Report);

(d) Internal and External Assessments of the Internal Audit function in accordance with the Internal Audit Quality Assurance and Improvement Programme;

(e) Northern Ireland Audit Office (NIAO) Audit Strategy;

(f) The 'Draft' and 'Final' Annual Financial Statements;

(g) The 'Draft' and 'Final' Governance Statement;

(h) A report on any changes to accounting policies;

(i) NIAO 'Interim' and 'Final' Reports to those charged with Governance;

(j) DOJ NI six monthly and annual Stewardship Statements;

(k) A report on co-operation between Internal Audit and NIAO;

(l) Six monthly and annual reports on Risk Management including updates to the Corporate Risk Register;

(m) PSNI Corporate Governance Committee Structure including the Terms of Reference for the Service Executive Board (SEB) and the Risk, Demand and Resourcing (RDR) Committee and self effectiveness reviews of these Committees;

(n) Professional Standards Annual Report;

(o) Annual Report on the 'Overview' system;

(p) Six monthly and Annual Fraud Reports;

(q) Other reports as requested by the Committee.

(2) The Committee has the authority to request any Police Service personnel to either:

(a) Attend a Committee meeting;

(b) Provide written report(s) to the Committee for the purpose of providing information to assist the Committee in fulfilling its role of advising the Accounting Officer on issues of risk, control and governance.

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8. REPORTING

- (1) The Committee will provide the Accounting Officer with an interim Annual Report, timed to support the finalisation of the Annual Financial Statements (AFS's) and the Governance Statement, summarising its conclusions from the work undertaken during the previous financial year.
- (2) The Committee will subsequently provide the Accounting Officer with a Final Annual Report on the work of the Committee. This report will be published.
- (3) The Committee will formally report in writing to the Accounting Officer after each meeting.
- (4) A summary of the minutes of Committee meetings will be provided to the Service Executive Board on a timely basis.

9. FUNDING

The Audit and Risk Committee will be provided with appropriate funding to cover the costs incurred in fulfilling its role. The funding should be sufficient to:

- (1) Meet the remuneration and working expenses of its Non Executive Members (NEM's);
- (2) Meet the relevant training needs of its NEM's;
- (3) Provide specialist (external) advice or opinions when required;
- (4) Provide external review of the effectiveness of the Audit and Risk Committee.

10. OUTLINE ANNUAL WORK PROGRAMME OF THE AUDIT AND RISK COMMITTEE

(1) Spring Meeting (early May)

(a) Internal Audit

- (i) Review the Final Internal Audit Strategy (new audit strategy developed every 3rd year);
- (ii) Review the Final Internal Audit Annual Operational Plan for the current financial year;
- (iii) Consider the Internal Audit Progress Report;
- (iv) Consider the Draft Internal Audit Annual Assurance Statement for the previous financial year.

(b) Annual Financial Statements

- (i) Consider the Draft Annual Financial Statements (AFS's) for the previous financial year;
- (ii) Consider the Draft Governance Statement for the previous financial year;
- (iii) Consider the interim NIAO Report to those charged with Governance for the previous financial year.

(c) Risk Management

Consider the Annual Risk Management Report for the previous financial year including a review of the significant changes to the Corporate Risk Register since the last Committee meeting.

(d) **Other**

- (i) Review of the Annual Fraud Report;
- (ii) Review of the Annual 'Overview' Report;
- (iii) Review of the 'Overview' Report and the Outstanding Internal Audit Recommendations Schedule (OARS);
- (iv) Review of Corporate Financial Reports.

(2) **Summer Meeting (early June)**

(a) **Internal Audit**

- (i) Review the Final Internal Audit Annual Assurance Statement for the previous financial year;
- (ii) Consider the Internal Audit Progress Report.

(b) **Annual Financial Statements**

- (i) Consider the Final Annual Financial Statements (AFS's) for the previous financial year;
- (ii) Consider the Final Governance Statement for the previous financial year;
- (iii) Consider the revised draft of the NIAO Report to those charged with Governance for the previous financial year.

(c) **Other**

- (i) Review of the Professional Standards Annual Report;
- (ii) Interim Report on the work of the Audit and Risk Committee;
- (iii) 'Self Effectiveness' review of the work of the Audit and Risk Committee including a review of the Terms of Reference for the Committee.
- (iv) Review of the 'Overview' Report and the Outstanding Internal Audit Recommendations Schedule (OARS);
- (v) Review of Corporate Financial Reports;

(3) **Autumn Meeting (late October)**

(a) **Internal Audit**

Consider the Internal Audit Progress Report for the current financial year;

(b) **Annual Financial Statements**

- (i) Consider the Final NIAO Report to those charged with Governance for the previous financial year;
- (ii) Review of progress in relation to implementation of significant observations identified in NIAO Report (for previous financial year).

(c) **Risk Management**

- (i) Review of the Six Monthly Risk Management report for current financial year;
- (ii) Review of the significant changes to the Corporate Risk Register since the last Committee meeting;
- (iii) Review of a District or Departmental Risk Register.

(d) **Other**

- (i) Review of progress re significant issues identified in Internal Audit Annual Assurance Statement and the Governance Statement (for last financial year);
- (ii) Review of the 'Overview' Report and the Outstanding Internal Audit Recommendations Schedule (OARS);
- (iii) Review of the Six Monthly Fraud Report for current financial year;
- (iv) Approval of the Annual Report on the work of the PSNI Audit and Risk Committee;
- (v) Review of Corporate Financial Reports.

(4) **Winter Meeting (late January)**

(a) **Internal Audit**

- (i) Consider the initial Draft Internal Audit Strategy for next 3 financial years (new audit strategy developed every 3rd year);
- (ii) Consider the initial Draft of the Internal Audit Annual Operational Plan for the next financial year;
- (iii) Consider the Internal Audit Progress report.

(b) **Annual Financial Statements**

- (i) Consider the PSNI Annual Financial Statements Planning Memorandum for next financial year;
- (ii) Consider the NIAO Audit Strategy for next financial year.

(c) **Risk Management**

Review of a District or Departmental Risk Register.

(d) **Other**

- (i) Review of progress re significant issues identified in Internal Audit Annual Assurance Report and the Governance Statement (for last financial year);
- (ii) Review of the 'Overview' Report and the Outstanding Internal Audit Recommendations Schedule (OARS);
- (iii) Review of Corporate Financial Reports.