



Audit and Risk Assurance Committee Meeting Outputs
Thursday 6 June 2019, 10:00am at CJI offices

Attendees:

Independent member: (Acting Chair)	Derek Anderson (DA)
Independent member:	Mairead McCafferty (MMcC)
DoJ Sponsor Division :	Claire Robinson (CR)
DoJ Internal Audit:	Amanda Oliver (AO)
NIAO	Pamela Dugdale (PD) NIAO
External Audit	Katrina Wall (KW) Deloitte Dawn Johnston (DJ) Deloitte
FSD	Joanne Jamison (JJ) FSD
Criminal Justice Inspection (CJI):	Brendan McGuigan (BMcG) James Corrigan (JC) Meloney McVeigh (MMcV) Stephen Dolan (SD)
A&RAC Secretary:	Linda Boal (LB) CJI

Agenda No	Description / Comments
1	Introduction / acknowledgements DA welcomed everyone to the meeting.
2	Apologies Garry Currie (GC) NIAO
3	Declaration of interest / Conflict of interest <ul style="list-style-type: none">• None.
4	Minutes of previous meeting – 11 April 2019 and matters arising The minutes of the previous meeting were agreed and signed. <ul style="list-style-type: none">• Pt 16 AOB – Actioned.

5 Consider the (emerging) External Audit opinion (Audit Completion Report) for the financial year 2018-19.

- DJ spoke to the 2018-19 Report to those Charged with Governance which had been distributed to members in advance of the meeting. The areas included in the report included Audit Scope, Significant Risk and Audit Findings.
- The report identified one unadjusted misstatement of £1,419 that exceeded the trivial threshold of £1,000 which was in relation to the accrual costs in respect of the 2018-19 pay award.
- Deloitte are still awaiting confirmation on controlled processes such as Account NI, but the systems all appear to be appropriate.
- PD confirmed that the NIAO had no issues in relation to the report.
- DJ confirmed a clean audit opinion was proposed and that the amount of £1,419 was not material.
- KW referred to the key risks section of the report which concluded all testing was satisfactory.
- DJ confirmed that CJI were in compliance with GDPR and Data Protection regulations in the handling and storage of personal data.
- KW confirmed that the unadjusted misstatement in relation to the pay award was due to the difference from the anticipated 1% to 1.25% pay increase and that this was not material and did not require adjustment.
- DA agreed this was a very small amount of money.
- CJI was notified of the proposed 1.25% pay award on 3 May, post year end. JJ advised the matter had been discussed with JC and MMcV and planned to carry it forward into the next year.
- DA and MMcC confirmed they were happy with that course of action.
- DJ stated that it had been useful to observe the debate and was happy with that level of unadjusted item.
- DJ added that the date should be added to the Letter of Representation to the C&AG in the Appendices section of the Report and it would be amended to reflect the inclusion of the unadjusted error.

Action: DJ

- DJ wished to record her thanks to JJ, MMcV and the team for their co-operation during what was the first audit of CJI undertaken by Deloitte.
- DA extended his thanks to DJ and KW from Deloitte and the NIAO for getting this across the line.
- MMcC commended CJI on obtaining a clean audit opinion.

6 Discuss the implications of the result of the Accounting Officer's review of effectiveness of the system of control in relation to the Governance Statement.

- JC confirmed he was content and assured with the effectiveness of the system of control in relation to the Governance Statement and this was supported by the clean opinions from internal and external audits. He was pleased that internal audit had provided additional assurance in relation to GDPR obligations.
- JC had no further issues to outline.

- DA welcomed the Governance Statement.
- CR confirmed that Sponsor Department were happy with the Statement.
- MMcV advised of one small amendment to wording on pages 37-38 regarding Conflicts of Interest.

7 Review and consider the Accounts.

- The Report to those charged with Governance for the year ended 31 March 2019 showed a clean audit certificate.
- DA stated that during an in-camera conversation with internal and external audit prior to the A&RAC meeting, the Members confirmed they were happy with the Accounts.
- JJ distributed a document to the Committee which explained a number of points contained in the Accounts. The document noted a change at page 30 in relation to the addition of Reports of the Non-Executive Members of the A&RAC. It also included reference to pension contribution information which is still outstanding and will be added to the Remuneration Report once it is available.
- New guidance issued by DoF yesterday [5 June 2019 regarding the staff cost note in relation to pensions] has also be included and shared with the NAO.
- DA asked if CJI were aware of plans for faster closing of Accounts next year.
- JJ confirmed this had been discussed but due to the dependence of information required from third parties, it is unclear if this would be achievable.
- DA agreed it would be a considerable challenge to meet the new suggested deadlines.
- PD advised that the new suggested deadlines had come from Government and was not a local decision. It may result in having to take a 'best guess' in relation to accruals etc. DoF are planning to provide guidance.
- DA suggested this would be a subject that the A&RAC would return to again and asked JJ to keep the Committee updated.

Action: JJ

8 Advise the Accounting Officer on signing the Accounts and Government Statement.

- DA and MMcC confirmed they are content with the Accounts and that the CJI Chief Executive and Accounting Officer should proceed to sign them once the outstanding pension information became available.

Action: JC

9 Update on JEGS exercise and Inspector recruitment.

- JC advised that the evaluation exercise had been undertaken by the DoF Evaluation Unit who scored the Inspector role at Grade 7.
- This was a disappointing result for the Inspectors and was seen as a demotion in real terms.
- JC asked for further information and received the scores for each of the areas assessed. The score was at the upper range of Grade 7, but not near enough to Grade 6 which limits the opportunity for a positive outcome of an appeal. JC requested a breakdown of the scoring range of each of the areas assessed but

was advised these could not be shared. The JEGS team stated that the company who own the methodology used would not release the scoring mechanism on the grounds of it being commercially sensitive.

- JC questioned if the JEGS evaluation is appropriate for small, specialised organisations as some areas of scoring included are not relevant to the Inspector role requirements.
- The lack of information regarding the JEGS process doesn't allow for an informed view of whether it is fit for purpose.
- CJI Inspectors are still considering their position.
- CJI management are keen to get independent legal advice on the matter but would need to tender for this.
- The wider implications for CJI include future recruitment competitions as this would have to be at Grade 7. While this would attract DP grades, it would result in a lower skill base of applicant and require more effort in up-scaling new staff.
- It also has implications on the status of CJI Inspectors carrying out inspection fieldwork when interviewing Head of Departments and other roles at Grade 6 or above.
- JC advised CJI will shortly be recruiting for a full time Inspector and on this basis, it will have to be at the Grade 7 pay scale.
- MMcV has contacted Sponsor Department for guidance on this recruitment exercise.
- DA stated that he is not entirely certain the JEGS model used is the correct one for the nature of the work CJI Inspectors carry out. The model is rigid and weighted to certain criteria. Specialist posts sit outside this model and this is not reflected in the level of responsibility. There is a lack of comparison for the span of control for these type of roles. This matter could run and run and should be kept on the A&RAC agenda.
- MMcC suggested these issues raised a number of identified risks in relation to staff morale and retention and queried the reluctance to release the scoring information requested. Under GDPR principles the data may belong to Sponsor Department which would preclude the need for legal advice but it does create risks for CJI.
- JC wanted to reassure current Inspectors and would seek legal advice in relation to issues like pay protection.
- BMcG shared his corporate memory with the Committee stating that when CJI was set up, Inspectors were on an analogous NIO Grade A scale. Going down the route of JEGS creates all sorts of problems. The solution of shoe-horning an independent organisation into civil service pay scales does not work. CJI employees don't have the full benefits of the civil service and, as public servants, are employees of the Chief Inspector of CJI. CJI have to ensure they are pitching the salary and conditions at the right level to attract and retain staff in an organisation where there are very limited future promotion opportunities. Inspectors need answers to the questions raised by JEGS. If they had gone through an interview process there would be an entitlement to feedback but



JEGS does not provide this and quoting commercially sensitive information does not help with the decision of whether or not to challenge.

- DA was glad to see the CJI management team fully supporting the Inspectors and thanked JC for the update on an issue which will have big implications for CJI.

10

Report summarising any significant changes to CJI's Risk Register.

- The CJI Risk Register had been distributed to all members in advance of the meeting.
- The recently revised format is in line with that of the DoJ.
- Members complimented the Register for ease of reading and the content.
- The Risk Register now focuses of three fundamental risks and is colour coded to highlight areas of greatest concern.
- DA commented it was great to see no risks coded 'Red' and that the reputational risk is of utmost importance to CJI. CJI is held in high regard and loss of reputation would be detrimental to the organisation.
- MMcC agreed with DAs comments and suggested if a risk around Staff Morale following the JEGs outcome should be included.
- MMcV replied that the last review of Risk Register by staff has taken place prior to the outworking of the JEGS evaluation, and agreed this was likely to feature in the next review.
- MMcC asked for clarification around Risk 3 in relation to the CJI NPM responsibilities.
- MMcV explained that this risk was specifically around CJI being unable to fulfil its obligations as an OPCAT designated body.
- MMcC suggested the recruitment of a new Chief Inspector to replace BMcG at the end of his term of office could also be a potential risk.
- DA agreed that the Committee were concerned and asked how advanced the recruitment process was.
- CR responded that Sponsor Department had met with BMcG in April to help inform the recruitment pack documents and process. A panel has now been appointed for the process and it is currently with the Permanent Secretary for his approval.
- CR confirmed that after seeking legal advice, the appointment does not require Ministerial appointment, and the Permanent Secretary can appoint the new Chief Inspector.
- MMcV asked if a date had been decided yet for the post to be advertised and CR replied that this would probably be over the summer months. The post will be advertised in local and national media.

11

Report from management on whistle blowing and fraud issues.

- MMcV advised of a nil return.

12

Report from management on any direct award contracts

- MMcV advised of a nil return.

13 Report summarising the expenses submitted by the Chief Inspector and the Deputy Chief Inspector.

MMcV provided the relevant figures as undernoted:

- *Since the last meeting – CI and DCI:*

Government Procurement Card		Travel & Subs	
CI	£7.20	CI	£50.40
DCI	£40.20	DCI	£62.37

14 Review of CJI's gifts and hospitality register

Since the last meeting:

the following gifts and hospitality have been received;

- Nil return.

the following gifts and hospitality has been extended;

- Nil return.

15 AOB

There were no further points for discussion.

Dates of next meetings

The meeting dates for meeting for the next financial year were agreed as follows:

Autumn - Thursday 17 October 2019 at 10am;

Winter - Thursday 23 January 2020 at 10am;

Spring – Thursday 9 April 2020 at 10am and

Summer - Thursday 4 June 2020 at 10am.

All meetings will be held in Block I Knockview Buildings, Stormont Estate.



Derek Anderson
Acting Chairperson

17/10/2019

Date