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AUDIT and RISK ASSURANCE COMMITTEE MEETING

Thursday 26 January 2017, 10:00am at CJI offices

Attendees:

Independent member: (Acting Chair)	Mairead McCafferty, (MMcC)
Independent member:	Sam Pollock, (SP)
DoJ Sponsor Division:	Jane Holmes, (JH)
DoJ Internal Audit:	Derek Anderson, (DA)
External Audit:	Michael Scoffield, (MS)
FSD:	Joanne Jamison, (JJ)
CJI:	Brendan McGuigan (BMcG); James Corrigan, (JC); Meloney McVeigh, (MMcV); and Stephen Dolan, (SD)
ARAC Secretary:	Linda Boal (LB)

Agenda No	Description / Comments
1	Introduction / acknowledgements MMcC welcomed everyone to the winter meeting.
2	Apologies Richard Gardiner, (RG) RSMNI; and Declan Cooper, (DC) NIAO.
3	Declaration of interest / conflict of interest Nil return.
4	Minutes of previous meeting – 20 October and matters arising The minutes of the previous meeting were circulated, agreed and signed by SP. <ul style="list-style-type: none">• Item 14: Progress on DoJ List for Audit Committee. JH advised there were no immediate plans to run a competition to recruit Audit Committee Chairs. DA confirmed it would be in order for CJI to continue to rotate the Chair

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between the two independent members of the Committee.

5

Report summarising any significant changes to CJI's Risk Register

A copy of the Risk Register was provided to Committee members prior to meeting attendance. MMcV advised that a revision was undertaken in December 2016 as requested at the previous meeting and highlighted the areas of highest risk as follows:

4.2 Recurring annual budget cuts together with in-year reductions undermines the range and depth of inspections.

- Detailed budget profile for 2016-17 has been completed
- Tight financial management in place to respond to any in-year budget cuts
- Response provided to financial planning exercise re impact of cuts of 3-15% against 2016-17 baseline budget between 2017-2020
- Response provided highlight challenges faced by CJI in delivering 3.7% reduction in 2016-17 against 15-16 baseline budget
- Continuous engagement in year with FSD accountant and sponsor division to highlight concerns/pressures and impact of budget cuts. Bi-monthly meetings with FSD accountants to monitor spend against budget to take place throughout 16-17
- Work ongoing to develop new Corporate Plan for 2016-19 and Business Plan for 2016-17.

1.2 Risk of contravening the CJI document and record management legislation and guidance – increased risk

- Introduced in support of adherence to best practice and legislation and to retain internal focus on this area in advance of ISO 9001 re-certification visit in January 2017.

2.2 Loss of staff capacity including skills and knowledge

- Counter measures include: review of inspection function to align with changes in business support, training of new Inspectors, monitoring sickness absence, staff development, review of inspection work as/when required to take account of loss of capacity within CJI.

2.3 Timeliness/relevance of report findings may lose value due to delays

- Counter measures included review of Protocols to strengthen timeframes, maintain open lines of communication, use of emerging finding meetings to raise awareness and monitor length of time for factual accuracy returns.

MMcC highlighted the issue of risk in respect of lack of budget allocation given pending election to NI Assembly and forming of new Executive.

BMcG confirmed CJI had received no clarity in relation to their budget.

DA confirmed that nobody knows what their budget allocation will be and that CJI functions should continue as normal in the interim. DoJ scheduled plans (for example, fine collection, domestic violence bill etc) are all on hold and can't proceed without the budget being confirmed.

SP queried why the issue of 'Timeliness/relevance of report findings may lose value

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due to delays' was on the CJI Risk Register and MMcV explained that this was mainly in respect to strengthening Protocols and areas around issues causing delay to report publication.

6 **Internal Audit Plan 2016-17**

The plan was noted. DA is working on a new three year strategic internal audit plan for the Department of Justice and will bring this to the next A&RAC meeting.

7 **Consider the External Audit Plan for 2016-17**

MS presented the Audit Strategy for 2016-17 which had been distributed to members in advance. MS drew attention to several high level points:

1. Materiality.
2. Error Reporting Threshold.
3. Significant Risks – risk factors will be similar to last year:
Regularity and contract management;
Financial position and pressure on funding;
Information governance/data protection; and
Provision for litigation and claims;
4. Agreed timetable – start 2 May 2017 with report presented to A&RC 8 June;
and
5. Current and Planned VFM Activities.

DA asked for an explanation of Risk of Litigation and if CJI could be sued. BMcG answered that the closest CJI had come was a Judicial Review. JJ confirmed that this had resulted in CJI having to pay its own legal costs.

8 **Review the overall CJI Assurance Framework.**

MMcV spoke to the report which had been distributed in advance. MMcC confirmed all content with this.

9 **Consider the Committee's own effectiveness of its work**

MMcV presented this reviewed and updated report. Section A of the report detailed Performance against ARAC good practice principles and the CJI assessment against them:

- Principle 1: Membership, independence, objectivity and understanding;
- Principle 1: Skills;
- Principle 3: The role of the Audit and Risk Assurance Committee;
- Principle 4: Scope of work; and
- Principle 5: Communication and reporting.

Section B report covers the work of the Audit and Risk Assurance Committee itself and assessment against these points. MMcC noted that this annual self assessment report will be presented at next meeting; templates to be issued by MMcV.

10 **Consider areas in which the Committee will particularly promote co-operation between Auditors and other review bodies in the coming year**

MMcC reminded this is a standing agenda item and invited DA to speak on the recent communication from Department of Finance in respect of the NICS Centralisation of Internal Audit.

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DA gave an overview of the centralisation project. There is an SLA in place for the group service which includes CJI. This will not involve any changes for CJI. The Group Service will transition during the 2017-18 year with very little change for this year. DA will remain as Head of Internal Audit. Internal audit will transfer to the Department of Finance. Formal project management arrangements will be established to agree a project plan, commence work streams and monitor implementation. The project management arrangements will include a communication strategy for Audit Committees as well as staff and other key stakeholders. DA will continue to use the DoJ systems and processes including their security functions. The requirement for DoJ security clearance will remain and DoJ email addresses will be retained. There will be distinct arrangement for DA personally with separate line management established within the group Audit Services. CJI will receive the same service in relation to responsiveness, knowledge of business and a cost effective quality service. SP asked if the central unit will include external providers and DA replied it will be made up of government suppliers only though will exclude PSNI, OPONI and NIPB.

11 **Report summarising nine-month set of accounts**

JJ has prepared the nine-month accounts which were reviewed by Richard Logan, FSD. The accounts are in a healthy state with no issues to report. Preparation for year-end is ongoing with a timetable agreed.

12 **Report from management of whistle blowing and fraud issues**

Nil return.

DA advised an anonymous complaint in relation to another Criminal Justice organisation had been received by a wide range of recipients including BMcG. DA has dealt with the complaint. MMcC confirmed this presented no issue for CJI and appropriate action had been taken.

13 **Report from management on any direct award contracts (DACs) during the period**

Nil return.

14 **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:

Government Procurement Card		Travel & Subs	
CI	£4.50	CI	£124.65
DCI	£0	DCI	£0
TOTAL	£4.50	TOTAL	£124.65

15 **Review of CJI's gifts and hospitality register**

MMcV reported as follows:

BMcG was in receipt of hospitality from the Children's Commissioner in respect of a working lunch to the value of £10.

Hospitality was extended to Inspectors from HMCPsI in respect of lunch to the value of £42 working with CJI on a PPS inspection.

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16 AOB
There were no further points for discussion.

17 Dates of next meetings
Spring meeting – Thursday 20 April 2017, 10am; and
Summer meeting – Thursday 8 June 2017, 10am.

All located at CJI offices, Block I Knockview Buildings, Stormont Estate.


Mairead McCafferty
Acting Chairperson

12.4.17
Date