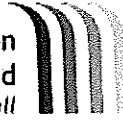


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AUDIT & RISK COMMITTEE MEETING Thursday 12 September 2013, 10am at CJI offices

Attendees:

- Non-executive Chairperson: Willie McCarney (**WMcC**)
- Independent Member: Eddie Simpson (**ES**)
- NIAO: Finula Magowan (**FM**)
- DoJ: William Jeffrey (**WJ**)
Derek Anderson (**DA**)
- FSD: Billy Irvine (**BI**)
- CJI: James Corrigan (**JC**), Deputy Chief Inspector;
Stephen Dolan (**SD**) Inspector
Paula Bean Mhic Artáin (**PBMA**), CJI Business & Administrative Support Officer.

Agenda

No.: Description / Comments:

1 **Introduction / acknowledgement**

WMcC welcomed everyone to the meeting. **WMcC** congratulated James Corrigan on his recent appointment as Deputy Chief Inspector.

WMcC indicated that the statement of conflict of interests should be a standing item on the agenda. **WMcC** asked attendees if they had anything to declare.

Attendees had nothing to declare.

2 **Apologies**

Brendan McGuigan (**BMcG**), Chief Inspector
Meloney McVeigh (**MMcV**), Business & Communications Manager
Michael Rafferty (**MR**), FSD

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Philip Marshall (**PM**), KPMG
Arthur O'Brien (**AOB**), KPMG
Declan Cooper (**DC**), NIAO

3 Minutes of meeting – 6 June 2013

The Minutes were agreed as accurate.
WMcC signed minutes and passed to PBMA.

4 Matters arising

- Relating to Point No. 5
WMcC said the risk register was on the agenda to be discussed.
- Relating to Point No. 9
WMcC confirmed the progress report from management on implementation of NIAO and Internal Audit recommendations would be discussed later in the agenda.
- Relating to Point No. 16
WMcC said that management response letter to the report to those charged with governance from the NIAO was circulated to all attendees on Friday 14th June 2013.
- Relating to Point No. 17
WMcC confirmed the SLA agreement with CJI and DOJ Internal Audit was circulated to all attendees on Friday 14th June 2013.
- Relating to Point No. 19
DA confirmed the Internal Audit Definitions had been circulated to all attendees. The changes made to the assurance ratings give more clarity and greater consistency.

The Committee raised no questions.

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

WMcC said CJI risk register had not been reviewed since the last Audit & Risk Committee meeting. This was partly due to staff leave over the summer period and the demands of CJI relocating to the 7th floor.

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WMcC said CJI would review the risk register in the next few weeks and it would be circulated to all attendees. Attendees should email comments to the secretary. The register will be discussed at the next Audit & Risk Committee meeting.

ES asked how would CJI prioritise its programme with limited resources. **JC** said at the start of the financial year the programme was achievable against the budget that was outlined for the financial year. The additional 5% cuts implemented over the last six month period of this financial year was very difficult to plan. CJI is a small organisation and the biggest cost is salaries which are fixed for the coming year. Although the down sizing of the accommodation and the suppression of staff vacancies generated savings it would not cover the additional 5% cuts. The only further areas to look at would be reducing staff or changing the design of CJI reports. This would result in CJI producing lower quality spec of reports which would be presented to MLAs, media, Government bodies etc. CJI would struggle to maintain its professional standard and the product would be affected. CJI is waiting to hear if the 5% cuts will be imposed.

FM asked if the cuts were negotiable for all organisations or if any other organisations were exempt from the cuts. **JC** said that Criminal Justice Organisations are negotiating their level of cuts and that the PSNI had been exempt from the recent 5% cut.

SD said the inspection programme will be effected as inspectors are not able to go on training and/or attend events to raise awareness of the inspection topics. CJI will not be in a position to bring in external expertise to assist with inspections. This could lead to criticism from other organisations.

WMcC said CJI have limited staff with **TMcG** working one day per week and **JC's** position as inspector not being replaced. **JC** said the fundamental change to the risk register will reflect the new challenges faced by CJI and will be in accordance with NIAO guidance.

6 Report from management on whistle blowing and fraud issues, if applicable.

Nil return

7 Report from management on direct award contracts during the period.

JC said CJI had three direct award contracts to report to the Audit and Risk Committee - TCS, Sherwood's and Page Setup. **JC** gave an update on all three DACs confirming that the process had been fully complied with in each case. Details of the three DACs have also been passed to the DOJ for inclusion in their database.

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- 8** Report summarising the expenses submitted by the Chief Inspector and Deputy Chief Inspector.

Details of expenditure were presented to the Committee by **JC**.

Meeting attendees agreed that the expenses showed minimal spends.

- 9** **Consideration of the NIAO's opinion for the previous year**

WMcC welcomed the clean audit certificate. The Committee agreed.

- 10** **Consideration of the NIAO's letter and final report to those charged with governance (RTTCWG).**

WMcC and **JC** welcomed a very positive report. **JC** said the management response letter had been circulated to all members by the secretary on the Friday 14th June 2013. The tender for new media monitoring may be cancelled due to the 5% cuts because CJI can no longer sustain this service.

FM said she was pleased with such a clean audit report reflecting such high standards of control in CJI.

- 11** **Progress report from management on implementation of NIAO and Internal Audit recommendations.**

JC said there was nothing of concern, the most important performance target was setting Key Performance Indicators (KPI)'s in the Service Level Agreement (SLA) with FSD. He had a meeting with Richard Logan on the 31st July to discuss the SLA and KPI's will be proposed by the end of September.

- 12** **Changes to Internal Audit Assurance Ratings**

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This was discussed under matters arising item no 19.

13 **Consideration of the committee's own effectiveness in its works.**

WMcC apologised and said the report will be circulated to members within the next couple of weeks. Members should forward comments to the Secretary

Action WMcC & PBMA.

14 **Review of Gifts and Hospitality.**

JC summarised the gifts and hospitality register which was presented to the audit committee for review.

Meeting attendees agreed that the expense noted was minimal spend.

15 **AOB**

WMcC asked **BI** for an update on the six months, nine months & twelve months set of accounts.

BI said he planned to deliver the draft six months accounts to **JC** in October and the nine month set of accounts will be ready for discussion at the next Audit and Risk Committee meeting. **BI** said he would be following the same schedule as last year. **JC** said he was happy with this because it worked well last year and the set of accounts were very detailed. **BI** said he delivers monthly accounts to the management team meeting and that the next spend monitor round has been completed pending the final outcome of the strategy resource committee which is due in October.

Action BI & PBMA

DA said he has highlighted to all Audit & Risk Committees to be vigilant in regards to fraud recently carried out in Belfast City Council. **DA** said a note on controls over supplier change request has been sent to all DOJ organisations to reduce the risk of

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this kind of fraud being carried out. **JC** and **PBMA** confirmed that CJI had not received this note. **DA** said he will send it to **PBMA** after the committee meeting.

Action DA

16

Date of next ARC meeting

Thursday 23rd January 2014.


Dr Willie McCarney
Chairperson

23-01-2014
Date