

# PROTECT

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## AUDIT and RISK ASSURANCE COMMITTEE MEETING

Thursday 29 January 2015, 10:00am at CJI offices

### Attendees:

- Non-executive Chairperson: Eddie Simpson (**ES**).
- NIAO: Finula Magowan (**FM**).
- KPMG: Philip Marshall (**PM**).
- DOJ Sponsor Division  
DOJ Internal Audit: William Jeffrey (**WJ**).  
Derek Anderson (**DA**).
- FSD: Joanne Jamison (**JJ**).
- CJI: Paula Bean Mhic Artáin (**PBMA**), Business and Administrative Support Officer.

### Agenda

#### No.:      Description / Comments:

#### 1      **Introduction / acknowledgement**

**ES** welcomed everyone to the meeting.

#### 2      **Apologies**

Sam Pollock (**SP**), Independent Member;  
Brendan McGuigan (**BMcG**), Chief Inspector;  
James Corrigan (**JC**), Deputy Chief Inspector;  
Stephen Dolan (**SD**), Inspector;  
Meloney McVeigh (**MMcV**), Business and Communications Manager.

#### 3      **Minutes of previous meeting – 11 September 2014**

The Minutes were agreed as accurate. **ES** thanked **LB** for acting as Secretary at the Autumn meeting.

**ES** signed the minutes and passed to **PBMA**.

#### 4      **Matters Arising**

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**Relating to item 14: ES** suggested changing the autumn meeting from September to mid October to enable the Committee to discuss the six month set of accounts.

**This was noted and agreed by the Committee.**

### **Action – PBMA**

#### **5 Disclosure regarding conflict of interest and declaration of interest for all Audit Committee members.**

Nil return.

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

**ES** updated the Committee of changes made to the Risk Register.

#### **Risk 4.2**

**ES** asked if CJI had been informed of their 15/16 budget. **JJ** said that CJI would suffer a 12% cut from its baseline budget.

#### **Risk 4.3**

**DA** said CJI should write to the Head of Internal Audit in the Department of Finance and Personnel (**DFP**) to escalate CJI's concern over ongoing issues with the inaccurate processing of staff salaries by HR Connect. **DA** said CJI had no control over the processing of staff salaries as this function was carried out via Shared Services. **DA** said the inaccurate processing of staff salaries could result with CJI's accounts being qualified. **DA** said he would be happy to discuss this with **JC**.

### **Action DA & JC**

**FM** asked if concerns could be raised through the Department of Justice (**DOJ**). **WJ** said it was appropriate for CJI to contact the Head of Internal Audit in DFP as they had responsibility over Shared Services. **WJ** said CJI needed to articulate the serious implications of inaccurate processing of staff salaries could have on the accounts.

**WJ** asked if HR Connect provided CJI with a payroll only service. **JJ** confirmed yes. **WJ** asked if CJI paid HR Connect for this service. **JJ** said DOJ paid HR Connect for the processing of CJI's staff salaries; however this could be subject to change.

**CJI escalating their complaint over the inaccurate processing of staff salaries to the Head of Internal Audit in DFP was noted and agreed by the Committee.**

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### **Risk 5.1**

**ES** said risk 5.1 should be removed from the register as CJI had relocated to new premises. **PBMA** said the register was scheduled to be reviewed in February.

- 7 Report from management on whistle blowing and fraud issues, if applicable.**  
• **For noting – Joint Audit Office Guidance on Whistle blowing.**

**DA** said he attended the launch of the guidance on whistle blowing and highlighted the importance for CJI to adopt processes as lessons could be learnt from the Northern Ireland Fire Authority's case study.

### **Action MMcV**

- 8 Consideration of CJI's Anti Fraud Policy & Fraud Response Plan – January 2015.**

**ES** said **MMcV** could update the Committee on CJI's Anti Fraud Policy & Fraud Response Plan at the Spring Meeting.

### **Action MMcV**

- 9 Report from management on any direct award contracts during the period.**

Nil Return.

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

**PBMA** provided details of the quarterly expenses to the Committee.

**The expenses were noted and agreed by the Committee as minimal spend.**

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### **11 Review and challenge the internal audit strategy and the periodic work plan for the beginning of the new financial year.**

**DA** said the Internal Audit Strategy would be a light touch review reflecting the level of assurance and quality control CJI practiced and the Internal Audit Strategy would be available at the spring meeting.

#### **Action DA**

**ES** agreed that a light touch review reflected the level of assurance CJI received from last year's Internal Audit Report.

**This was noted and agreed by the Committee.**

**ES** asked if CJI could reduce the number of Audit & Risk Assurance meetings held each year to reflect the assurance and quality control practiced in CJI. **DA** said four meetings a year was good practice, however, the level of detail on the agenda could be reduced.

It was noted that CJPLD (sponsor division) had recently agreed with CJI to change the quarterly oversight meetings from four formal meetings per year, to two formal meetings and two diaried meetings per year, with the caveat of holding pay remit meetings as appropriate.

**A reduction in the level of detail on the agenda was noted and agreed by the Committee.**

#### **Action PBMA**

### **12 Consider the Audit Planning Report from External Audit.**

**PM** gave an overview of External Audits plan for 14/15. **PM** said he was happy to answer any questions from the Committee.

**The report was noted and agreed by the Committee.**

### **13 Review the overall Assurance Framework.**

**ES** said this item was on the agenda to reflect the Audit & Risk Assurance Committee Handbook (NI), however the item had been reviewed at the Summer meeting.

### **14 Consider areas in which the Committee will particularly promote co-operation between auditors and other review bodies in the coming year.**

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**DA and FM** agreed that good working relations exist.

**This was noted and agreed by the Committee.**

**15 Re-visit emerging findings from auditors and review actions in response to the External Audit management letter.**

**ES** confirmed this item had been completed.

**16 Consider the Committee's own effectiveness in its work.**

**ES** confirmed this item would be on the summer meeting agenda.

**Action PBMA**

**17 Report summarising nine-month set of accounts.**

**JJ** gave an overview of the nine-month set of accounts. **JJ** said there was nothing of concern and she was due to meet with Richard Logan (**RL**) next week to present CJI's nine month set of accounts. **JJ** said she and **PBMA** would be extremely busy over the next few months with the year end, Internal and External Audits and preparing the Accounts for 14/15.

**18 Progress report from management on implementation NIAO and Internal Audit recommendations.**

**ES** confirmed that all recommendations had been implemented.

**19 Review of CJI's gifts and hospitality register.**

**PMBA** summarised the gifts and hospitality register.

**This was noted and agreed by the Committee as minimal spend.**

**20 AOB**

**DA** said the inclusion of complaints handling in the Internal Audit Programme had been brought forward due to concerns of a lack of consistency and best practice in public bodies, when handling complaints. **DA** said DFP's Internal Audit had developed a standardised template.

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**ES** said **MMcV** would update the Committee of CJI's complaints policy at the Spring meeting.

## Action MMcV

21

### Date of next meeting

Thursday 23rd April @ 10.00am

Thursday 4<sup>th</sup> June @ 10.00am

Thursday 22<sup>nd</sup> October @10.00am

**E. A. Simpson**  
Chairperson

Date

23/4/15