

# PROTECT

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## AUDIT and RISK COMMITTEE MEETING

Thursday 23 January 2014, 10am at CJI offices

### Attendees:

- Non-executive Chairperson: Willie McCarney (**WMcC**)
- Independent Member: Eddie Simpson (**ES**)
- NIAO: Finula Magowan (**FM**)
- KPMG: Philip Marshall (**PM**)
- DoJ: William Jeffrey (**WJ**)  
Derek Anderson (**DA**)
- FSD: Billy Irvine (**BI**)
- CJI: Brendan McGuigan (**BMcG**) Chief Inspector  
James Corrigan (**JC**), Deputy Chief Inspector;  
Meloney McVeigh (**MMcV**) Business and Communications Manager  
Stephen Dolan (**SD**) Inspector  
Paula Bean Mhic Artáin (**PBMA**), CJI Business and Administrative Support Officer.

### Agenda

- | <u>No.:</u> | <u>Description / Comments:</u>  |
|-------------|---|
| 1           | <b>Introduction / acknowledgement</b><br><br>WMcC welcomed everyone to the meeting. |
| 2           | <b>Apologies</b><br><br>Nil Return  |

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### 3 Minutes of meeting – 12 September 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 review meeting held on the 9<sup>th</sup> December attended by CJI staff and members of the Audit and Risk Committee was extremely beneficial. WMcC said the Risk Register is on the agenda to be discussed.

JC confirmed that CJI mid year cut was 3.5%.

- Relating to Point No. 10  
WMcC said due to budget constraints the media monitoring contract would not be renewed.
- Relating to Point No. 11  
WMcC said Key Performance Indicators had been implemented in the Service Level Agreement with FSD since September 2013.
- Relating to Point No. 13  
WMcC circulated the Audit and Risk Report on the Effectiveness in its Works on the 19<sup>th</sup> September. WMcC said he received one recommendation from WJ and this had been updated on the report.
- Relating to Point No. 15  
WMcC said the nine month set of accounts was on the agenda for discussion.

WMcC said that DA had circulated the DOJ Guidance – Controls over Supplier Change Results on the 18 September 2013

The Committee raised no questions.

### 5 Declaration of Conflict of Interests.

Nil return

### 6 Report summarising changes to CJI's Risk Register (9<sup>th</sup> December 2013).

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**MMcV** said that the meeting which took place in December was extremely beneficial to drafting the new format of the risk register. **MMcV** said the new register now contains 12 risks divided into 5 risk categories each of which were given a risk appetite level and tolerance score. **MMcV** said each individual risk now was scored in relation to inherent and residual risk and counter measures identified. **MMcV** said the last column on the register was blank because this would be used as a base line for future reviews and amends i.e. increase, decreases and no change noted in future reviews.

**ES** said the risk register meeting held on the 9<sup>th</sup> December was extremely beneficial and well attended.

**BI** apologised for not attending the meeting. **WJ** also apologised and said he had another commitment.

### **7 Report from management on whistle blowing and fraud issues, if applicable.**

Nil return

### **8 Report from management on any direct award contracts during the period.**

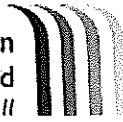
**MMcV** said there was one DAC awarded. **MMcV** said this was for the short term provision of quality assurance and proofing of CJI Inspection reports for submitting for Ministerial approval. **MMcV** said the DAC was to cover staff substitution following unexpected absence of a staff member due to illness. **MMcV** said the maximum cost of the DAC was one thousand pounds and the duration of three months.

**MMcV** said this DAC had ended as had the two DAC's recorded at the Audit and Risk Committee meeting held on the 12 September 2013. **MMcV** said the IT H/W S/W support and maintenance contract and the Artwork and design contract had been awarded to suppliers following Central Procurement Department (**CPD**) led competitive tender competitions.

### **9 Report summarising the expenses submitted by the Chief Inspector and the Deputy Chief Inspector.**

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

Meeting attendees agreed that the expenses showed minimal spends.

### 10 **Update on Internal Audit 2013.**

**DA** said Internal Audit field work was near completion and he was confident to share the draft report with CJI by the end of January start of February. **DA** said he had no major issues to report. **DA** said there were a few minor issues with low level recommendations and the anticipated Internal Audit report opinion was satisfactory. **DA** said one of the three areas looked at was the service provided by HR Connect. **DA** said it was important to bring to the Audit and Risk Committee's attention CJI had ongoing issues with the service provided by HR Connect. **DA** said the audit fieldwork found that the problems were not the fault of CJI. **DA** said he was aware that CJI had raised a formal complaint with HR Connect. **DA** said this will be mentioned on the report.

**DA** said he spoke with **WMcC** in regards to the need for CJI to replenish the membership for the Audit and Risk Committee to fall in line with good corporate governance. **DA** said he was happy to speak with **BMcG** following the Chair's retirement.

#### **Action DA and BMcG**

### 11 **Review of the Audit and Risk Committee's Terms of Reference (ToR).**

**WMcC** gave an overview of changes to be made to the TOR to reflect changes in the Audit and Risk Committee. **WMcC** said **MMcV** will make the changes to the TOR and circulate the report to the Audit and Risk Committee. **MMcV** said she will track any changes made to the document and circulate to the Audit and Risk Committee for their consideration and comment. **WMcC** said the TOR would be brought forward as an item on the agenda for the next Audit and Risk Committee meeting for agreement and signing.

#### **Action MMcV and PBMA .**

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### 12 Report summarising nine-month set of accounts

**BI** presented the nine month set of accounts to the Audit and Risk Committee. **BI** said to date all expenditure had been reconciled. **BI** said he updates **BMcG** and **JC** on a monthly basis at the Senior Management Team meetings on CJI's expenditure and accounts. **BI** said he had a working file prepared to form the basis for the end of year accounts. **BI** responded to all questions posed by the Audit and Risk Committee regarding the accounts.

**ES** asked was there anything of concern highlighted in this years account. **BI** said to date CJI are within their budget.

### 13 Progress report from management on implementation of NIAO and previous Internal Audit recommendations.

**MMcV** said all external recommendations had been completed. **MMcV** said there was one outstanding internal audit recommendation which was nearing completion. **MMcV** said the paper work was with FSD for signing.

### 14 Review of Gifts and Hospitality.

**MMcV** summarised the gifts and hospitality register which was presented to the Audit and Risk Committee for review.

Meeting attendees agreed that the expense noted was minimal spend.

### 15 Appointment of a New Non-Executive Independent member.

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**WMcC** said that an external campaign for a new non-executive member would be financially crippling for CJI under its current budget constraints. **DA** said that Central Management Department (**CMD**) in DFP completed a competition for suitable candidates for non-executive Board members and CJI maybe able to use this list. **DA** said the Mary Madden (**MM**) was the co-ordinator in contact.

### Action JC

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### AOB

**FM** apologised to the Audit and Risk Committee for not circulating the External Audit Strategy for consideration. **FM** said the error was due to administration difficulties. **FM** said that External Audit Strategy would be circulated to Audit and Risk Committee members for comment.

### Action FM and PBMA

**PM** said the external audit field work would be carried out in early May. **PM** said the dates had been agreed with CJI and the draft Annual Report and Accounts will be discussed at the scheduled June Audit and Risk Committee meeting.

**MMcV** gave an update on the outline of the business case for new accommodation. **ES** asked when the lease was ending for the current premises. **MMcV** said late April but negotiations were taking place with Lands and Property Services and the landlord to extend the lease on a temporary basis.

**MMcV** said the search for accommodation had been very extensive. **MMcV** said CJI had looked at both the public and private sectors. **MMcV** said CJI had also considered accommodation in Belfast City centre, outer Belfast area and locations such as Lisburn and Antrim.

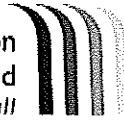
**BMcG** said he was disappointed with the lack of accommodation provided by the public sector especially with the current work being carried out by the Strategic Investment Board (**SIB**).

**DA** asked if CJI was aware of the current cuts forecast for DOJ's budget projected for the next financial year. **DA** said departments had been asked to project budgets reflecting a 4% cut, a 6% cut and an 8% cut. **MMcV** said she was made aware of this and CJI had begun work on providing baseline budget figures and arguments regarding the impact on CJI for the DOJ.

**WMcC** said under NAO regulations the Chairperson of the Board normally selected the Chair of the ARC. **WMcC** said that, since CJI doesn't have a Board, the Audit

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and Risk Committee could elect a new Chair to take over from the 1<sup>st</sup> of April 2014. Members agreed. **WMcC** proposed **ES** be appointed and **BMcG** seconded this proposal. The vote was unanimous.

**ES** thanked the Audit and Risk Committee and gave an overview of his extensive previous experience including Chairing the Police Ombudsman Audit and Risk Committee for six years.

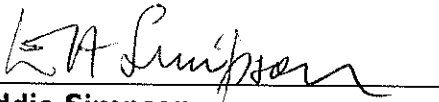
**BMcG** thanked **WMcC** on behalf of the Audit and Risk Committee and CJI for the dedication, professionalism and expertise he brought as Chairperson to the Audit and Risk Committee. **BMcG** extended his best wishes to **WMcC** for the future. **WJ** seconded **BMcG** and thanked **WMcC** on behalf of the DOJ.

**WMcC** thanked everyone in the Audit and Risk Committee and said that he had been with CJI for nearly seven years. **WMcC** said it had been a pleasure to work with the Audit and Risk Committee and thanked everyone for their hard work and support over the years.

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### Date of Next meeting

Thursday 24<sup>th</sup> April 2014 @ 10am  
Thursday 5<sup>th</sup> June @ 10am  
Thursday 11<sup>th</sup> September @ 10am  
Thursday 22<sup>nd</sup> January 2015 @ 10am

  
**Eddie Simpson**  
Chairperson

Date 24/4/14.

