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Audit and Risk Assurance Committee Meeting Outputs Thursday 11 April 2019, 10:00am at CJI offices

Attendees:

**Independent member:
(Acting Chair)** Mairead McCafferty (MMcC)

Independent member: Derek Anderson (DA)

DoJ Sponsor Division : Claire Robinson (CR)

DoJ Internal Audit: Amanda Oliver (AO)

NIAO Garry Currie (GC) NIAO

External Audit Katrina Wall (KW) Deloitte

FSD Richard Logan (RL)

Criminal Justice Inspection (CJI): Brendan McGuigan (BMcG)
James Corrigan (JC)
Meloney McVeigh (MMcV)
Stephen Dolan (SD)

A&RAC Secretary: Linda Boal (LB) CJI

Agenda Description / Comments

No

1 Introduction / acknowledgements
MMcC welcomed everyone to the meeting.

2 Apologies
Joanne Jamison (FSD);
Julie Canning (NIAO);
Adrienne Neill (DoJ) and
Dawn Johnston (Deloitte).

3 Declaration of interest / Conflict of interest
• None.

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4 Minutes of previous meeting – 24 January 2019 and matters arising

The minutes of the previous meeting were agreed and signed.

MMcV gave an update on the matters arising:

- Pt 4 – actioned
- Pt 5 & 7 – covered in the agenda
- Pts 9, 10 & 11 – actioned.

5 Review of A&RAC Terms of Reference

- MMcV had revised and amended the Terms of Reference document.
- All changes were agreed by members and signed by the two Non-Executive members.

6 Update JEGS exercise – Inspector Role

- JC summarised the discussion on this point from the last A&RAC meeting.
- JC held discussions with DoF who provided assurance around the JEGS exercise, giving the option to use a private provider if CJI were not satisfied with the process.
- Inspectors had agreed to proceed on that basis.
- A comprehensive job description was prepared by the Inspection team and signed-off by JC. It was then submitted to the NICS Grading Evaluation Unit who met with Inspectors. A few amends were made to the final job description.
- The Inspectors cannot stay on the existing scale and so must move to either Grade 7 or Grade 6, consequently there will be implications regardless of the outcome.
- CJI will experience budgetary issues if the role is evaluated as a Grade 6 position which will necessitate discussions with DoJ sponsor department.
- A Grade 7 evaluation would appear to be a demotion.
- The evaluation outcome should be known in a week or two.
- MMcC asked if the Inspectors had been content with the process. JC confirmed that they were and that the discussion with the Evaluation Unit has provided reassurance. JC and BMcG raised a few issues with DoF regarding the specific nature of the CJI Inspector role to ensure their concerns were taken into account.
- DA asked if there had been communication with Trade Union on this issue.
- JC replied that there hadn't been as none of the Inspectors were members of the Trade Union and had agreed to this process as a team.
- SD confirmed this was the case and felt the Trade Union would only need to be involved if Inspectors felt the process was unfair.

7 Report summarising any significant changes to the CJI Risk Register

MMcV spoke to the CJI Risk Register which had been reviewed by CJI staff at the April General Staff Meeting and distributed to members in advance of the meeting.

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- CJI are in the process of transferring to the new DoJ Risk Register format which was discussed at the last A&RAC meeting. The new format resulted in a sharper, more focused Register.
- Staff had reviewed the previous Risk Register and reflected on the risks. These were then input into the new format focusing on two areas: Reputation and Delivery.
- This led to a reduced number of risks and risks at a more strategic level.
- Ownerships of the risks were assigned at a higher level; CI and DCI.
- The Register also moved from the previous scoring of 1-10 to the new scoring of 1-4.
- The new formatted version of the Risk Register will be reviewed again at the next General Staff Meeting which may result in further amendments prior to the June A&RAC meeting.
- Initial feedback from CJI staff is that the new format is welcomed.
- MMcC agreed that the new format looked easier to read and was more consistent across the board as she had attended the DoJ ARAC Chair's session where the DoJ format was shared.
- BMcG felt the new format was a breath of fresh air, the Risk Register had been ready for review and it made sense to raise the risks to a higher strategic level.
- MMcC agreed that it was good to focus on real and present risks as sometimes there can be a tendency with some risk registers to include hypothetical or conditional risks.
- BMcG commented that it had been interesting to see the DoJ Department Risk Register and particularly the areas which were not included.
- MMcC suggested that it might be a good opportunity to have dialogue with Sponsor Department as they should be aware of what is included on their ALB Risk Registers.
- SD said that linkages between ALBs and Department Risk Registers should be open and transparent. Loss of confidence and reputational risks are key links. Draft PfG targets could also be key links.
- DA liked the transparency of the Risk Register and that it contained all the key elements and the two key pillars of risk adding that reputation is everything. CJI has a good reputation across the system and he queried the inherent risk score on this risk and suggested CJI revisit it. He agreed it was right to focus on delivery. The risk around processing of staff salaries was a reflection on external partners. DA commended the new Risk Register and complimented CJI on a job well done.
- CR suggested that partnership between CJI and DoJ be added as this may assist links with Sponsor Department.
- JC referred to the highest risk which was around incorrect payment of staff salaries and confirmed that while CJI have little control over this, the risk owners have little concern or interest in addressing it.
- DA agreed and reflected that the reason the score is high is through past experience and the number of occurrences. He agreed it is outside of CJI control and while it may improve, it should be kept under review.

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- MMcV confirmed that this risk had featured on the Risk Register a number of years ago, but had been removed after a period of improvement. It was recently added again following a number of issues and delay in payments.

8 **CJI Audit Strategy for 2018-19 as prepared by NIAO**

- KW gave an overview of the 2018-19 Audit Strategy which had been distributed to members in advance. The audit of financial statements is planned to respond to the risks of material misstatement to transactions and balances and irregular transactions. Materiality will be set at £21,000 which was set considering both qualitative and quantitative aspects that would reasonably influence the decisions of users of the financial statements and is in line with previous years.
- The error reporting threshold will be on all misstatements above £1,000.
- The document outlined the audit approach including detail around the independence, management of personal data, use of contractors and using the work of Internal Audit.
- While significant risks will be considered, an additional risk factor in relation to the 2018-19 pay award (which has not been prepared but not yet approved) has been identified.
- The audit timetable was also included with the interim visit completed in March showing no issues.
- RL confirmed he had no issues with the report and it was consistent.
- Members confirmed they were content with the strategy.

9 **Consideration of the Internal Audit reports for the 2018-19 financial year:**

- GDPR;
- Corporate Governance; and
- Annual Report and Opinion 2018-19.

AO spoke to the reports which had been distributed in advance of the meeting.

- All reports obtained an Overall Audit Opinion of 'Satisfactory' with no issues to address.
- The area of HR Support Systems will be subject to audit next year which may assist with the payment of staff salaries risk contained on the CJI Risk Register.
- DA commented that it was particularly gratifying to obtain the Satisfactory rating on the GDPR audit report.
- JC confirmed that CJI policy was that Inspectors did not bring sensitive information back to the office, but rather read it on-site taking notes.
- BMcG confirmed that this had been the practice for a number of years.
- MMcC commended the work which had been done on GDPR and the Satisfactory rating in the reports.

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10 Review of the draft CJI Governance Statement for inclusion in the 2018-19 Annual Report & Accounts

MMcV spoke to this point which was required for inclusion in the CJI Annual Report and Accounts.

- The report had been shared with members in advance of the meeting.
- MMcV had subsequently carried out a few minor amends regarding comments on ICT, Information Security and GDPR, mostly in relation to changes in terminology.
- CR raised a query around the appointment of the CJI Chief Inspector in first paragraph which stated the appointment was made by the Minister of Justice. CR suggested this could be amended to reflect that the DoJ can appoint in the absence of a Justice Minister.
- RL clarified that the Governance Statement should reflect what has happened in the 18-19 financial year and not what may happen in the future.
- After a brief discussion MMcV and CR agreed to retain the paragraph detail but with the additional reference to the CI's appointment extension by the DoJ. DA asked if the Audit Committee Statement he completed would be included in the Annual Report and Accounts and MMcV confirmed that it would.
- The A&RAC agreed the content of the Governance Statement.

11 Overview of work ongoing in the preparation of the 12-month set of Accounts for CJI.

- RL confirmed that the work on the CJI accounts was on course, with no issues to report and JJ will finalise.
- RL has reviewed the narrative portion of the report drafted by MMcV.

12 Report from management on whistle blowing and fraud issues.

- MMcV advised of a nil return.

13 Report from management on any direct award contracts

- MMcV advised of a nil return.

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

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MMcV provided the relevant figures as undernoted:

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

Government Procurement Card		Travel & Subs	
CI	£516.37	CI	£169.05
DCI	£45.20	DCI	£21.65

- **Total Expenses for the CI and DCI for financial year 2018-19**

Government Procurement Card		Travel & Subs	
CI	£564.97	CI	£589.65
DCI	£142.60	DCI	£55.15

- **Total Expenses for all CJI staff for financial year 2018-19 (including CI and DCI)**

Government Procurement Card	Travel & Subs
£4,570.56	£4,4043.60

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

Since the last meeting:

the following gifts and hospitality have been received;

- Nil return

Hospitality received during the financial year by CJI = £15.00

the following gifts and hospitality has been extended;

- Working lunch for Oversight Bodies and VCS Group Consultation meetings = £61.50 and £110.50 respectively.
- Business dinner in relation to CSE inspection = £45.20.

Hospitality given during the financial year by CJI = £348.62.

MMcV confirmed that all items above were in relation to legitimate business purposes.

These matters were noted by Chair and other members of Committee with no concerns.

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AOB

Update from DoJ on recruitment of CJI Chief Inspector.

- CR confirmed that work in relation to the recruitment exercise was in progress and that she would be seeking a meeting with BMcG to help inform the process.

For noting: Partnership between Department and ALBs: NI Code of Good Practice (March 19).

- The Code of Good Practice had been shared with members in advance of the meeting.
- MMcC confirmed she had attended DoJ Departmental Board's Chair of ARAC Clarke Black Session on 14 March and shared a note for record with JC and MMcV and will also share with DA.

Action: MMcC/MMV

Dates of next meeting

Dates of meeting:

Thursday 6 June 2019 @ 10:00 am

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

Derek Anderson
Acting Chairperson

Date

