

# PROTECT



## Audit and Risk Assurance Committee Meeting Outputs Thursday 25 January 2018, 10:00am at CJI offices

### Attendees:

<b>Independent member: (Acting Chair)</b>	Mairead McCafferty, (MMcC)
<b>Independent member:</b>	Sam Pollock, (SP)
<b>DoJ Sponsor Division :</b>	Heather Gallagher, (HG) (representing Jane Holmes)
<b>DoJ Internal Audit:</b>	Tracey Devlin, (TD) (representing Amanda Oliver)
<b>External Audit:</b>	Michael Scoffield, (MS) RSM UK, External Audit Karen Beattie, (KB) NIAO (Assignment Director) Julie Canning, (JC) NIAO (Assignment Manager)
<b>FSD:</b>	Joanne Jamison, (JJ)
<b>Criminal Justice Inspection (CJI):</b>	Brendan McGuigan, (BMcG) James Corrigan, (JC) Meloney McVeigh, (MMcV)
<b>ARAC Secretary:</b>	Linda Boal, (LB) CJI

<b>Agenda No</b>	<b>Description / Comments</b>
<b>1</b>	<b>Introduction / acknowledgements</b> MMcC welcomed everyone to the meeting.
<b>2</b>	<b>Apologies</b> Stephen Dolan (SD), CJI; Jane Holmes, (JH) DoJ; and Amanda Oliver, (AO) DoJ Internal Audit.
<b>3</b>	<b>Declaration of interest / Conflict of interest</b> None.
<b>4</b>	<b>Minutes of previous meeting – 26 October 2017 and matters arising</b>

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- The minutes of the previous meeting were circulated, agreed and signed.

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

- MMcV spoke to the CJI Risk Register and apologised for not having distributed a copy in advance of the meeting. The Register had been reviewed at the CJI staff meeting on Tuesday 23 January and will be shared with the Committee once the final version is agreed.
- The Risk Register holds 11 risks, four of which have reduced, six have stayed the same and one has increased. This is now phrased as a new risk covering staffing issues, budget pressures and the ability for CJI to deliver an effective inspection programme.
- Counter measures have been put in place although the residual risk with a score of 72 exceeds the CJI stated threshold of 60.
- Any queries in relation to the Risk Register should be sent to MMcV or brought to the April meeting.
- MMcC invited JC and BMcG to comment on the new risk.
- JC stated that it had been his intention to recruit a full-time Inspector to replace a leaver but the current budget cut of 3% for 2018-19 meant CJI could no longer afford this. The only option now is to recruit for a part-time Inspector or increase the hours of existing part-time Inspectors. This still represents a cut in the FTE of the Inspection team. Due to the budget reductions made year on year, there are no other areas left to cut. Next year (April 2019 – March 2020) the expectation is of a 6% cut across DoJ. CJI can't make that saving and have arranged a meeting with Sponsor Department to discuss fundamental reforms to the organisation. We need to decide what significant changes CJI can make to meet these cuts.
- JC and BMcG will then meet with representatives at a higher level.
- MMcC asked what impact the cuts would have on delivery of the inspection programme.
- BMcG replied that he is taking a risk based approach to a reduced programme. Recent focus on prison inspections have produced positive results with benefits in performance which have been welcomed by the NIPS. Environmental changes have impacted on CJI functions. The organisation is now well established in the Crown Estate, and avail of support from –FSD, DoJ and IT Assist. Discretionary spend has evaporated. BMcG would now question the need for continuing the current governance model. Independence can be maintained in the form of the Chief Inspector. A different delivery model to reduce the governance burden should be sought. While the Department have been helpful, they can't continue to cut the budgets of small organisations and a re-alignment of small organisations is required. CJI believe there needs to be more long term planning. CJI have to find a different way of delivering inspection reports and getting them into the public domain.
- SP agreed that there has to be a re-think on governance and stated that an independent structure doesn't guarantee independent inspections.

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- An update from the meetings will be presented to the April meeting.  
**Action: MMcV/JC**

## 6 Internal Audit Plan for 2017-18 (for noting)

- TD advised that the internal audit will focus on the financial support area and will include both FSD and CJINI.
- The audit will last five days and the draft report will be presented to the April meeting.

**Action: AO/TD**

## 7 Consider the External Audit Strategy for 2017-18.

### RSM UK to present the 2017-18 draft audit strategy.

- KB introduced herself and Julie Canning (Assignment Manager) to the members. Julie will attend future CJI Audit and Risk Assurance Committee meetings. KB confirmed that she was happy for MS to talk through the strategy.
- A paper will be tabled at the April meeting and will contain key audit risks. If members identify any potential risks please forward to KB for consideration.

**Action: JCanning**

- MS advised of the following points:
  - the audit strategy will set the materiality at 2% (£30K) and the trivial amount at £1K;
  - there are no significant risks identified;
  - the main risk will be the pressure on funding;
  - the timetable will be similar to last year;
  - the Accounts are to be received on 27 April with the audit to commence 30 April;
  - the report will be available on 4 June;
  - MS will manage the audit; and
  - VFM reports will be included.

## 8 Review the overall CJI Assurance Framework

- MMcV had reviewed the CJI Assurance Map document and shared a copy prior to the meeting.
- There were no points raised by the Committee and the document was noted.

## 9 Consider the Committee's own effectiveness in its work.

- MMcV spoke to the paper which had been shared in advance of the meeting.
- The document contained five principles relating to the work of the Audit and Risk Assurance Committee and Section B – the ARAC's assessment of its own performance will be tabled at the April meeting.

**Action: MMcV**

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- MMcC and SP confirmed Self-Assessments will be completed by them for the April meeting.  
**Action: SP & MMcC**
- SP applauded the manner in which the Audit and Risk Assurance Committee meetings are serviced by CJI and MMcC agreed.

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

- KB advised that general NIAO practice would be to place reliance on internal audit but given the small size of CJI and the reduced amount of audit activity, this would not be the case.

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

- JJ advised that the nine-month accounts were in progress with no issues to report.
- Rolling forward for year-end preparation has already begun.

**12 Report from management on whistle blowing and fraud issues, if applicable**

MMcV advised of a nil return.

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

MMcV advised of a 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:

<b>Government Procurement Card</b>		<b>Travel &amp; Subs</b>	
CI	£101.14	CI	£292.10
DCI	£55.20	DCI	£139.10

The increase in travel & subs relate to mileage incurred during the programme of Stakeholder Consultation meetings with Heads of Agencies and Inspectorates.

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

Since the last meeting no gifts or hospitality have been received by CJI staff. There was one item to report in relation to hospitality extended which was a working lunch with HMCPSI Inspectors amounting to £18.85 in relation to the Domestic Violence and Abuse and Sexual Violence and Abuse inspection file reviews.

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

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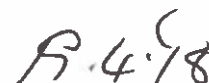
**16 AOB**

There were no further items tabled for discussion.

**17 Dates of next meeting**

Date of next Meeting: **Thursday 19 April 2018 @ 10am.**  
Block I Knockview Buildings, Stormont Estate.

  
Mairead McCafferty  
Acting Chairperson

  
Date

