

**AUDIT COMMITTEE MEETING**  
 Thursday 25 April 2013, 10am at CJI offices

**Attendees:**

- Non-executive Chairperson: Willie McCarney (**WMcC**)
- Independent Member: Eddie Simpson (**ES**)
- ASM: Pauline Poots (**PP**)
- NIAO: Finula Magowan (**FM**)
- KPMG: Arthur O'Brian (**AOB**)
- DoJ: William Jeffrey (**WJ**)  
Amanda Oliver (**AO**)
- FSD: Joanne Jamison (**JJ**)  
Billy Irvine (**BI**)
- CJI: James Corrigan (**JC**), Acting Deputy Chief Inspector;  
Stephen Dolan (**SD**) Inspector  
Meloney McVeigh (**MMcV**), Business and Communications Manager;  
and;  
Paula Bean Mhic Artáin (**PBMA**), CJI Administrative Support Officer.

**Agenda**

**No.:**      **Description / Comments:**

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

**WMcC** welcomed everyone to the meeting. Particularly to Amanda Oliver (**AO**) from DOJ Internal Audit who was attending the Audit Committee meeting on behalf of Derek Anderson (**DA**) for the first time

**WMcC** thanked **PP** and **BC** for all the hard work ASM have carried out over the past ten years. **PP** said it had been a pleasure to work with CJI.

**2**      **Apologies**

Brendan McGuigan (**BMcG**), Chief Inspector;

**3 Minutes of meeting – 7 February 2013**

**WMcC** signed minutes and passed to PBMA.

**4 Matters arising**

- Relating to Point No. 4  
**JC** and **BMcG** met with **DA**. **DA** gave an overview of the level of service CJI can expect from DOJ Internal Audit. **DA** gave assurances that CJI will receive the same high level of service that ASM delivered and the same level of service other organisations in the DOJ family receive. **JC** said that he and **BMcG** were happy with the outcome of the meeting. **ES** said he spoke with **DA** about the quality of service he expected DOJ Internal Audit to provide. **ES** said that **DA** said he will have a full compliment of staff from the end of March. **AO** confirmed this. **WMcC** said **DA** had been given the agreed dates for the Audit Committee meetings.  
**WJ** thanked **ES** for adding items to the Audit Forum agenda. **WJ** said he was happy to get the items added to the agenda on **ES's** behalf.
- Relating to Point No. 7  
**BI** contacted office services to confirm procurement guidelines are correct. **BI** said there will be standard charge of 2k for any DAC. **BI** said the charge will cover any advice and recommended changes to be made to a DAC. **BI** said the lead time for a DAC will be 45 days. **MMcV** said that at the last procurement forum she attended the charge for DAC's over 30k needed to be confirmed and the date such charges will commence. **MMcV** said CJI had the ability to authorise any spends under 5K but for spends over 5k and under 10K, CJI would have seek advice from CPD and will mean CJI will be charged. **MMcV** said a charge of 2k will have big impact on CJI's already challenging budget. **AO** said the charge is a tool to deter organisations from awarding DAC's. **WMcC** agreed the 2k charge will discourage organisations using DAC's. **JC** said CJI have to seek specialised external consultants for inspection work. **MMcV** said that external consultantancy are not categorised as a DAC. **JC** said everything will have to go out for tender to stop CJI awarding DAC's. **WMcC** asked if CJI are still waiting for guidelines to be implemented. **MMcV** said yes.
- Relating to Point No. 9  
**WMcC** said **PP** will address the Internal Audit reports on item 11 of the agenda. **WMcC** said the review of the SLA between CJI and DOJ is still under review.
- Relating to Point No. 10

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**WMcC** said changes have been made to CJI Audit Committee Terms of Reference. **WMcC** said this will be signed at the end of the meeting.

- Relating to Point No. 11  
**BI** said the set of accounts is still on target. **BI** and **JJ** will meet **JC** next week for an early review.
- Relating to Point No. 14  
**ES** said he attended the Audit Forum meeting on the 19<sup>th</sup> March. **ES** said DOJ was carrying out a central accommodation review of all DOJ bodies. **MMcV** confirmed that she has been contacted and provided information to the Estates Strategy team on this study.

The Committee raised no questions.

### 5 Report from management regarding any conflict of interests and declaration of interest.

**WMcC** said a recommendation from Internal Audit was that all members of the Audit Committee should sign a declaration of interests and conflict of interest form. **ES** said he signed the forms when he was chairperson of the Police Ombudsman's Audit Committee. **WMcC** and **ES** said they are happy to do this. The Audit Committee members agreed. **WMcC** said the forms will be circulated by email. **WMcC** asked the Audit Committee members to sign forms and send to the Audit Committee Secretary as quickly as possible.

#### Action PBMA

**AOB** said it would be good practice for the Audit Committee to keep this item on the agenda as circumstances can change for members throughout the year. This was agreed by the Audit Committee.

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

**WMcC** noted changes had been undertaken to CJI's Risk Register since the previous Audit Committee meeting.

**MMcV** provided a brief summary of those changes to the members in attendance. **MMcV** said that risks 2.1 & 2.3 had increased and two new risks had been added to the register 2.5 & 4.4.

No additional queries were raised by the meeting attendees.



**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.**

Nil Return

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

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

Meeting attendees agreed that the expenses included minimal spends.

**10**

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

**WMcC** said Internal Audit recommendations were currently under review and would be brought forward to the next Audit Committee meeting. **MMcV** said once all related documents have been received she will update and monitor the tracker document and this will be brought forward to the next Audit Committee meeting. **AOB** and **FM** said it was unlikely that the draft NIAO report would be available for the June meeting and may need to be discussed at the September meeting.

**11 Consideration of the Internal Audit Annual Assurance report for the proceeding financial year.**

**WMcC** welcomed the satisfactory report from ASM. **PP** apologised for the lateness of circulation of the report to the Audit Committee. **PP** gave a high level summary of the Internal Audit report and welcomed discussion from the Audit Committee.

**BI** said AccountNI had some problems with paragraph (a) recommendation B6. **PP** will meet with **JJ** and would report the outcome to the Audit Committee.

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**AOB** said findings and facts regarding CJI's overdraft facilities need to be confirmed. **PP** said that any revisions will be sent to **MMcV** and circulated to the Audit Committee.

### Action PP

**PP** said most recommendations had been accepted by CJI with timescales. **PP** said that recommendation C5 had not been accepted. **MMcV** gave an explanation to the Audit Committee to explain why the recommendation had not been accepted. **WMcC** asked the Audit Committee if they had any comments to make on this.

**MMcV** said she spoke with the IT Manager and had been given assurance that strict guidance and timescales were in place to remove leavers from the IT system. **AOB** said he was less concerned with exit interviews but said it was important to have policy in place to remove leavers from the IT and payroll systems. **AOB** had concerns that the knowledge of how to remove leavers from the system was held by one person in CJI and asked what would happen if that person was out of the office. **AOB** said that everyone in CJI should be made aware of the policy to suspend leaver's accounts. **MMcV** said from a security level point of view payroll rested with others in the organisation and a document will be circulated to all staff for leavers to be suspended from IT system.

### Action MMcV

**WJ** said in a controlled environment, exit interviews can be very beneficial to an organisation. **JC** said there were positives and negatives to exit interviews and believed CJI benefit more from informal discussions with leavers. **WJ** said there was a partial procedure in place for CJI leavers. **JC** said he would accept the security recommendation and informal exit interviews. **MMcV** said that CJI could change the status to partially accepted. **WMcC** asked the Audit Committee if it was happy for this change. The Audit Committee agreed.

**PP** said the financial procedures manual is under review and will be updated later in the financial year.

### Action JJ & BI.

**PP** said there were general issues in housekeeping. **MMcV** said a memo had been sent to staff to remind them of procedures.

**ES** said he was happy to see CJI get a satisfactory level of assurance from ASM.

**12      Consideration of the Internal Audit Strategy and approval of Internal Audit Plan for the forthcoming year.**

**JC** said he had not received the draft copy of the Internal Audit Strategy. **AO** said she will circulate the draft Internal Audit Strategy to **JC**. It was agreed the item will be put on the next Audit Committee meeting agenda for approval.

**Action AO & PBMA**

**13      Review of CJI's 2012-2013 Government Statement.**

**WMcC** thanked **SD** for the Government Statement document which had been circulated to Audit Committee members. **MMcV** said there was a tight time frame to seek comments on the document which had been agreed by the senior management team. **MMcV** asked for clarification that the Audit Committee were happy with the changes made to the risk appetite. **PP** and **AOB** said they were happy with changes. **WMcC** asked the Audit Committee if they had any further comments.

**AOB** said the document should remain in draft form until the External Audit was complete to allow for any necessary changes to be made. **FM** said she was happy for the document to remain as a draft copy until the External Audit was complete.

**WMcC** said the document will remain a draft and be discussed at the June Audit Committee meeting.

**WMcC** said the Audit Committee should change its title to The Audit and Risk Committee. **ES** agreed saying that other Committees have also made the name change.

The Audit Committee Agreed.

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

**MMcV** 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.

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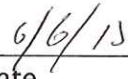
### 15      **AOB**

Nil Return

### 16      **Date for next meeting**

Thursday 6<sup>th</sup> June @ 10.00am

  
**Dr Willie McCarney**  
Chairperson

  
Date

