

CJI Audit and Risk Assurance Committee (ARAC) Meeting Outputs

Wednesday 19 January 2022, by video conference

Attendees:

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| Independent member: (Acting Chair) | Derek Anderson (DA) |
| Independent Member: | Mandy Kilpatrick (MK) |
| DoJ Sponsor Division: | Adrienne Neill (AN) |
| DoJ Internal Audit: | Amanda Oliver (AO) |
| NIAO: | Pamela Dugdale (PD) |
| External Audit: | Dawn Johnston (DJ) Katie Jamieson (KJ) |
| FSD: | Joanne Jamison (JJ) |
| Criminal Justice Inspection (CJI): | Jacqui Durkin (JD) James Corrigan (JC) Meloney McVeigh (MMcV) David MacAnulty (DMacA) |
| ARAC Secretary: | Linda Boal (LB) CJI |

Agenda Description / Comments

No

1 Introduction / acknowledgements.

- DA welcomed everyone to the meeting and welcomed Mandy Kilpatrick, the new Independent Member and David MacAnulty CJI Inspector.

2 Apologies.

- None.

3 Declaration of interest/Conflict of interest.

- Mandy Kilpatrick, Principal Private Secretary to the Lady Chief Justice, stated that, while a Senior Civil Servant, her role was focussed on supporting the independent judiciary and that she would preclude herself from any agenda items which was or could be perceived as a conflict of interest.
- Subsequent to the meeting and for full transparency, MK and JD asked that their past working relationship in the Northern Ireland Courts and Tribunals Service and personal friendship was noted. Neither believe this will present any issue for the Committee or its business, however should any potential or perceived issue arise it will be immediately brought to the Committee's attention.

4 Minutes of previous meeting – 13 October 2021 and matters arising.

The minutes of the previous meeting were agreed and signed.

Matters arising:

- None.

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

- MMcV provided an overview of the CJI Risk Register which had been updated following a review by CJI staff in the January staff meeting. Changes to the Register were highlighted for ease of reference.
- The Risk Register contains three key risks: 1 Quality of inspection product; 2 Relevance to/within the CJS; and 3 Resilience and sustainability of CJI.
- Risk 1 – actions updated regarding the ISO process and the establishment of an Information Sharing agreement with the PPS.
- Risk 2 – actions updated regarding monitoring of the inspection programme and consultation with stakeholders.
- Risk 3 – key controls updated regarding additional financial support received from Sponsor Department to enable expert support for the inspection programme. The retirement of two full time Inspectors will impact on inspection programme delivery. Plans are underway to recruit one full time Inspector. The residual score has been adjusted moving the risk from low to medium. Actions updated regarding the business case for approval to recruit.
- DA sought clarification that while two Inspectors had retired, only one was being replaced.
- JD advised a part time Inspector had substantively moved to full time employment following the first retirement. The recruitment of a full time Inspector is mindful of budget reductions. A business case for the recruitment of external support is being prepared.
- DA asked if that would have an impact on the delivery of the inspection programme.
- JD responded yes and that there were a number of issues. Help from HMCPSI has been secured and requested from HMICFRS and the assignment of Lead Inspectors and Deputies has been reviewed. It is unlikely a new Inspector would start before May 2022. The 2022-23 inspection programme needs to reflect this and CJI will only bring in external support when it is needed and affordable.

- DA stated that it was clear the Risk Register was an active document and invited MK to comment.
- MK agreed it was a very full Risk Register with clear controls and actions with a risk based assessment of what can be done with the resources and budget.
- JD added that while she understands everyone will have budget cuts, a 'salami slice' approach can have a disproportionate impact on small organisations whose majority of budget is for staff with very little discretionary spend. She reiterated previously expressed concerns that this approach risks an inspection programme that is affordable rather than independent risk based coverage across the criminal justice system. External expert consultancy is required and beneficial to inspected organisations and CJI credibility.
- DA agreed that the points were well made and that CJI had his full support. He thanked Sponsor Department for the additional funding provided in-year and was aware that the budget pressure is disproportionate.
- JD thanked the Chair and Sponsor Department for their support.
- DA stated that the Committee need to keep this issue under review.

6 Internal Audit Report 2021-22 (Corporate Governance).

- AO spoke to the Report which had been shared with members in advance of the meeting.
- The overall audit opinion was Satisfactory.
- The report looked at the areas of organisation structure and processes; financial reporting and internal controls; and standards and behaviour which will be reflected in the Annual Report.
- DA commended the result of the audit report.

7 Draft Internal Audit Plan for 2022-23 (for noting).

- Following consultation regarding the key risks facing CJI, the Internal Audit plan was drafted.
- The 2022-23 audit will examine the measures that CJI have put in place around Information Assurance/Cyber Security and to what extent CJI complies with best practice set out in the National Cyber Security Centre's "10 steps to cyber security".
- JC confirmed he was happy with the planned strategy, especially given the current hybrid working model.
- MK welcomed the fresh look at the internal audit plan.

8 Consider the External Audit strategy proposed in respect of the current year's accounts (2021-22).

- DJ provided an overview of the 2021-22 Audit Strategy which was prepared following consultation with MMcV and JJ.
- The Strategy included Key Messages; Materiality; Audit Approach; and Audit Timetable. The team were not anticipating any pandemic related interruptions.

- DJ commented how useful it was to be involved in the Audit and Risk Committee meetings during the year.
- KJ advised that the audit will test the fraud risk but the additional risk regarding the pay award would not be included this year as it was resolved.
- DA was delighted with the Strategy and suggested the need for a degree of flexibility but happy with the content.
- MK echoed those comments and stated the Strategy was proportionate and focused on the key areas.
- MMcV highlighted the timetable date of 7 June for signing the financial statements and letter of representation to the C&AG. Consequently, the planned 8 June ARAC meeting may need to be rescheduled or the date of signing financial statements and letter of representation amended to after the ARAC meeting.
- The new NIAO Engagement Manager will be Lynsey Forsythe who will take up post from February 2022.
- DJ advised that while there were no significant changes in the standards this year, there would be next year, which may be a comment in the final audit strategy.
- All points were duly noted by members.

9 Review the overall CJI Assurance Framework.

- MMcV gave an overview of the document which incorporates recent guidance and reflects the original framework.
- The key areas of assurance have been adjusted to reflect current procedures.
- The Assurance Map concluded CJI has a comprehensive framework of assurance.
- DA and MK agreed it was an excellent document which addressed all key areas.
- JC added that the document would be of great benefit for the end of year requirements and welcomed the positive comments from the Committee. JC would welcome any further comments from Committee members.
- MK enquired if CJI had a skills matrix that captured the skills and experience of the ARAC members. MMV advised a skills register for CJI staff was in place capturing skills, experience and qualifications of staff relevant to their roles and that details of ARAC members could be included within this.
- MK indicated it would be helpful to capture the skills relevant to ARAC membership to assist in identifying any gaps.
Action: MMV to discuss with MK and put in place arrangements to capture relevant information for future reference.

10 Consider the Committee's own effectiveness in its work.

- MMcV presented the document which provided an assessment of how the Committee had performed against the five principles outlined in the HMT Audit and Risk Committee handbook.
- The attached table showed comments against each Audit Committee duty.
- DA commented that it was useful to have a reflection against best practice.
- MK agreed it was a structured, comprehensive approach. MK asked how open lines of communication to external and internal audit occurred.

- MMcV confirmed that four oversight meetings with Sponsor Department took place each year but that meetings can be arranged on an ad-hoc basis when required. Minutes from the meetings are recorded and shared.
- MK asked if the DoJ held stocktake meetings for Committee Chairs similar to that organised by The Executive Office and JD suggested these may have stopped due to the pandemic.
- AO advised these may be reinstated and will check with David Lennox.
Action: AO
- DJ stated that an annual meeting was held with External and Internal audit, without the CJI team, to enable the others members to hold an in camera self-assessment.

11 Overview of nine-month set of accounts.

- JJ confirmed work was completed in relation to the nine-month accounts with no issues of concern to report. The report will be submitted for review next week.

12 Report from management on whistle blowing and fraud issues.

- MMcV reported a nil return in relation to CJI.
- JD gave a brief update on an anonymous whistle blowing letter being handled in line with the CJI guidance.
- DA is satisfied with the approach adopted.
- JD added that it was important organisations effectively respond to anonymous reports and appropriately learn from them even if they can't communicate directly with the Audit Committee.
- DA stated all whistle blowing cases must be taken seriously and there needs to be evidence they are properly investigated. He believes CJI have an important role in interacting with organisations on any cases referred through them.
- AO advised she is aware of this case and that handling is being reviewed to ensure proper oversight of all whistle blowing allegations.
- JD suggested AO contacted her if she wished to discuss in the course of her review.

13 Report from management on any direct award contracts.

- MMcV reported 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 (October – December 2021) – CI and DCI:

| Government Procurement Card | | Travel & Subs | |
|-----------------------------|----|---------------|---------|
| CI | £0 | CI | £191.45 |
| DCI | £0 | DCI | £0 |

The above expenses were noted by all members.

15 Review of CJI's gifts and hospitality register.

Since the previous meeting (June to September)

the following gifts and hospitality have been received;

- £22.90 - CJI Staff mid-year Stocktake meeting; this was off-site to allow for social distancing requirements.

the following gifts and hospitality has been extended;

- Nil.

The above information was noted by all members.

16 AOB.

- JD thanked PD for all her work and assistance during her time with CJI Audit and Risk Committee and wished her well with her new project.

17 Dates of next meetings.

- Dates of the next meetings are:
 - Spring - Wednesday 13 April 2022 at 10am;
 - Summer - Wednesday 8 June 2022 at 10am.

Location: Block I, Knockview Buildings, Stormont Estate, Belfast BT4 3SJ or by Zoom Video Conference.



Derek Anderson
Acting Chairperson

Date: 13 April 2022