

AUDIT COMMITTEE MEETING FRIDAY 18TH JUNE 2010

Those present: Willie McCarney (**WMcC**), Non Executive Chairperson;
Brendan McGuigan (**BMcG**), CJI Deputy Chief Inspector;
Brian Clerkin (**BC**), ASM;
Karen Beattie (**KB**), NIAO;
Paula McCullough (**PMcC**), CJI Secretary;
Meloney McVeigh (**MMcV**), CJI Business & Communications
Manager;
Michael Maguire (**MM**), CJI Chief Inspector;
Stephen Dolan (**SD**), CJI Inspector;
William Jeffrey (**WJ**), DOJ

Apologies: Eddie Simpson (**ES**), Independent member

1 Introductions

WMcC welcomed everyone to the meeting.

2 Minutes of meeting of 27th April 2010

WMcC signed the previous minutes dated the 27th April 2010 as factually accurate.

3 Update on CJI Risk Register

MMcV said the risk register will be reviewed on the 23rd June 2010 and will be circulated to all members.

Action PMcC

MMcV said she has amended the Risk Register Matrix to the nine square chart and updated the Risk Register policy as agreed at the Audit meeting held on 15th March 2010. **BC** said that CJI staff had received Risk Management training. **MM** said that staff found this beneficial.

4 CJI DOJ Financial Assurance Report

WMcC said the written report was now available for the committee to read and asked members if they had any questions. **KB** said NIAO were generally content with the findings of the DOJ report. It would be good practice to carry out a sample check on the BACs payments to ensure there was no opportunity to manipulate the payments.

Action KB

MM wanted to express his thanks to Ann McCracken for carrying out the review and compiling the report.



5 Update on 09/10 Annual Report & Accounts & NIAO 09/10 Audit

WMcC said the three risks and linked priority ratings seemed very high.

KB said:

Bank Reconciliations are a fundamental part of financial control. **MMcV** said two members of Business Support reconciled the bank statements on a weekly basis but this was not signed off by management. This would however be done in future.

Government Procurement cards are high priority because they could lead to misuse of public funds. **BMcG** said that the procurement cards are an essential tool for CJI to carry out its business. Having administration staff purchase all goods for Inspectors would be a backward step for an organisation striving to provide best value. **MM** said that there needs to be an element of trust between employer and employee. **KB** said its up to organisations to follow procedures that they feel is best and it was all about managing risk.

The **Petty Cash** priority rating was high due to the principal that it involved a mechanism where money was transferred into a personal bank account. This could potentially lead to misuse of public money even though this has not been the case so far. **WJ** said that stopping this practice would protect the individual involved.

MMcV said the procedures followed meant there was always an audit trail available in relation to petty cash and in the time this system had been operating, CJI had had no problems.

KB said paragraph 6.2 may be subject to change due to the website development not being capitalised. **MMcV** said the cost shown is the overall amount covering a three year period.

KB said that CJI had not received unqualified accounts yet as a few adjustments need to be made. A management response to the Audit findings will also be required.

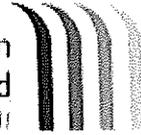
Action MMcV

WMcC asked **BMcG** if he had any further comment on the statement of internal control on pg 53 of the annual report. **BMcG** said he was content with the statement.

The 2009-10 Annual Report and Accounts will be presented to parliament. **WJ** will clarify if the Annual Report and Accounts 2009-10 are required to be formally layed in the Northern Ireland Assembly as well as presented for information as per **KB's** understanding.

Action WJ

6 ASM Horwath End of Year Assurance Report



BC had no issues with the follow up review and he noted that, under paragraph 17, CJI could be included in the sample carried out by DOJ Internal Audit branch. **MM** asked how much time will be involved. **BC** said the timeline has not been agreed and Paul Lyness will be undertaking the process.

BC presented the proposed 2010/11 annual internal audit plan which was agreed by the committee.

7 Audit Committee Self Assessment

WMcC said the self assessment had been carried out and asked the committee if they had any comments. **KB** suggested a few changes to be made to the assessment. The committee agreed to adopt **KB**'s suggestions.

Action WMcC

8 Single Tender Actions

MMcV presented one Single Tender Action to the Audit Committee for notification in relation to an inspection of the Northern Ireland Prison Service's Corporate Governance arrangements.

9 Travel and Subsistence expenditure of Chief and Deputy Chief Inspectors

MMcV presented the Chief and Deputy Chief Inspector expenditure to the Audit Committee for notification.

10 A.O.B

WMcC said he had been informed the contingency server test date will be agreed next week.

Action JG

WMcC and **ES** have accepted an additional year extension to their contracts.

WMcC said some actions arising from the 2008/09 report to those assigned with the governance have been reassigned to other CJI staff members.

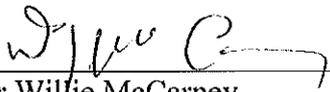
WMcC said he will meet with **PMcC** to finalise the process for uploading Audit Committee minutes to the CJI website.

Action WMcC

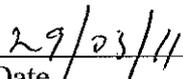
11 Date for the next meeting



Thursday 2nd December 2010 at 10.00am.



Dr Willie McCarney
Chairperson



Date