

CJI Audit and Risk Assurance Committee (ARAC) Meeting Outputs

Wednesday 13 April 2022, by video conference

Attendees:

Independent member: (Acting Chair)	Derek Anderson (DA)
Independent Member:	Mandy Kilpatrick (MK)
DoJ Sponsor Division:	Adrienne Neill (AN) Louise Boyd (LB)
DoJ Internal Audit:	Amanda Oliver (AO)
NIAO:	Lynsey Forsythe (LF)
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)
ARAC Secretary:	Linda Boal (LB) CJI

Agenda Description / Comments

No

1

Introduction / acknowledgements.

- DA welcomed everyone to the meeting including new members Lynsey Forsythe from the NIAO and Louise Boyd from DoJ Sponsor Division.

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Apologies.

- David MacAnulty, CJI.

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Declaration of interest/Conflict of interest.

- None. DA advised members they should indicate any conflicts should they arise during the meeting.

4 Minutes of previous meeting – 19 January 2022 and matters arising.

The minutes of the previous meeting were agreed and signed.

Matters arising:

- Point 9: MMcV to agree a meeting time with MK.
- Point 10: AO will keep the ARAC informed of any developments.

5 Review of the Audit & Risk Assurance Committee Terms of Reference.

- DA stated this was an excellent, comprehensive document.
- DA queried a point around tenure and selection. JD responded that CJI wanted to leave recruitment options and affordability open and tenure as stated in the draft Terms of Reference satisfies both the business needs and required due diligence.
- MK had no issues with the document and shared a recent NIAO comment on the use of Civil Servants on ARACs.
- LF agreed to clarify this and will advise the ARAC members.

Action: LF

- DA suggested the issue may be around conflict of interest and agreed it should be taken on board at the next meeting.
- DA and MK confirmed agreement with the content of the Terms of Reference.
- MMcV advised she would send to both Independent Members for signature.

Action: MMcV

6 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 April staff meeting.
- 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.
- Adjustments have been made under the 'Cause' column regarding COVID-19, and CJI's intention to return to increased office working and on-site inspection fieldwork.
- Changes were applied to reflect the new 2022-23 Business Objectives and resourcing and financial pressures.
- The Risk Register 'Impacts' and 'Key Controls' were also reviewed.
- The Key Risk 3 'Delivery' reflects the 2022-23 budget with a very small amount of discretionary spend. A number of staff changes have taken place with two full-time Inspectors and one part-time Business Support resigned and retired during the year. Inspector recruitment plans are underway.
- DA queried if the plans to return to office working are to be a blended approach?
- JD replied that CJI have always had a blended approach, with Inspectors regularly working on site in organisations or drafting reports at home. Most staff attend the office two to three days each week to support better team working. All staff are currently working remotely for two weeks while the office heating system is being replaced.

- DA asked about the plans to replace the Inspectors who have retired.
- JD confirmed a business case has been approved for recruitment services to support filling one full-time Inspector post; the budget would not allow CJI to replace both vacancies.
- DA sympathised with the unsatisfactory current budget situation; CJI are not alone in this regard and it will have an impact on the CJI Inspection Programme.
- JC agreed that the budget is a significant risk CJI have to manage. The flat cash budget for 2022-23 does not reflect higher costs and likely inflationary pressures on salaries and will lead to increased budget pressures as the year progresses.
- DA agreed that the risk is likely to increase as the impact of a flat cash budget becomes clearer.
- MK agreed with the points made around the budget adding this created a sense of isolation for small bodies. The CJI hybrid mix of working discussed is interesting and the challenges that would bring.
- DJ advised that the NIAO may add a point to the audit strategy regarding the economic impact of the war in Ukraine and inflationary pressures. Audits carried out to date include a point relating to this under other risk factors and asked if budget forecast numbers should be flexed to show this yet. DJ to provide wording to MMcV and JJ.
Action: DJ
- DA agreed that the wording for this point would be particularly welcome as this may impact on pay negotiations and pressures.
- DA commented that the Risk Register was excellent and clearly a live document which receives an appropriate level of discussion at the ARAC.

7 Consideration of the Internal Audit Annual Report and Opinion 2021-22.

- AO spoke to the Report, which had been shared with members in advance of the meeting.
- The Report showed an overall audit opinion rating of 'Satisfactory'.
- The audit planned for 2022-23 will look at Information Assurance and Cyber Security.
- DA congratulated everyone concerned with achieving this excellent result.

8 Review draft CJI Governance Statement for inclusion in the 2021-22 Annual Report and Accounts.

- DA noted that the document covered all the elements he would expect to see in a Governance Statement and that it was good to see this so early in the process.
- MK agreed, adding it was a thorough document.
- The draft Governance Statement was agreed by all members.
- MMcV will consider the comments made by DJ in point 6 above and will adjust the Governance Statement accordingly. The point relating to the UK's Exit from the EU is retained due to CJI involvement in the UK National Preventive Mechanism and its responsibility under the Optional Protocol to the Convention against

Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT) international human rights treaty.

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

- MMcV advised that the narrative section of the Annual Report has been prepared and shared with FSD to review against the most recent version of FReM guidance and the feedback has been incorporated.
- JJ reported that the Financial Statement is well in hand with no issues identified. The template has been prepared and rolled into the final published accounts, which will be sent to the FSD Grade 6 by Friday 15 April for review.
- DA stated it was excellent to see the Annual Report and Accounts so well advanced this early in the financial year and MK agreed.
- DJ confirmed that this will not change the timetable agreed for the audit and Deloitte will wait until the internal reviews have completed before beginning their work.
- DA asked if we can expect the Report To Those Charged With Governance (RTTCWG) by the Autumn and DJ confirmed this should be the case.
- JD added that she was grateful for the work MMcV and JJ have put in to get the Annual Report and Accounts to this stage.

10 Report from management on whistle blowing and fraud issues.

- MMcV reported a nil return in relation to CJI.
- DA asked if there was an update in relation to the incident raised at the last ARAC. AO has carried out work on this issue and agreed to update the relevant parties at an in-camera meeting following on from the ARAC meeting.

11 Report from management on any direct award contracts.

- MMcV reported a nil return.

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

The report was noted by all members.

13 Review of CJI's gifts and hospitality register.

The reported information was noted by all members.

14 AOB.

- There were no further points for discussion.

15 Dates of next meetings.

- Dates of the next meetings are:
 - Summer - Wednesday 8 June 2022 at 10am.
by Zoom Video Conference or in person if feasible.



Derek Anderson
Acting Chairperson

Date: 8 June 2022