

## **AUDIT COMMITTEE MEETING Thursday 26<sup>th</sup> April 2012**

**Those present:** Willie McCarney (**WMcC**), Non Executive Chairperson;  
Eddie Simpson (**ES**), Independent member;  
Brendan McGuigan (**BMcG**), CJI Deputy Chief Inspector;  
Stephen Dolan (**SD**), Inspector;  
Finula Magowan (**FM**), NIAO;  
William Jeffrey (**WJ**), DOJ;  
Philip Marshall (**PM**), KPMG;  
Martina White (**MW**), Acting CJI Secretary and  
Brian Clerkin (**BC**), ASM

### **1 Introductions**

**WMcC** welcomed everyone to the meeting.

### **2 Apologies**

Paula Mhic Artáin, CJI; Michael Maguire, CJI; Pauline Poots, ASM and Richard Logan, DOJ.

### **3 Minutes of meeting of 26 January 2012**

**FM** requested that the wording in A.O.B (paragraph 14) is amended to include "if not paid and not recognised as an accrual". **PM** also requested that the sentence "in reality it would be treated as an accrual" is deleted from the same paragraph. The Committee agreed to both changes - the minutes were then agreed as being factually accurate.

### **4 Matters Arising**

**WMcC** highlighted the matters arising from the previous minutes which will be examined in depth through the agenda. **BMcG** updated the Committee on the Back Pay to Staff, the pay strategy/assimilation has been approved by DFP, this allows the pay remit to be considered; it is with DFP at the moment and will be paid to staff once approved. For clarity on the pay remit, **WJ** stated that the documentation is currently with CJI for further consideration of the figure work and comments that had been flagged up in the pay remit business case. This followed a review of the documentation and a meeting between Michelle Galbraith (Sponsor Directorate Accountant) and Patrick Charleton (CJI's Finance Manager).

### **5 Approval of Internal Audit Plan for forthcoming year**

**BC** presented to the Committee the proposed 2012/13 Internal Audit Plan. He said that this would complete the final year of the plan and that no amendments had been made to the original which had been approved by the Committee. The Committee approved the Plan for 2012/13.



## **6 Internal Audit Annual Assurance Report**

**BC** advised the Committee that CJI had been given an Annual Assurance rating of Satisfactory. **WMcC** congratulated CJI on hearing that all five recommendations had been implemented and no significant issues had been raised.

## **7 Update on CJI Risk Register**

**BMcG** and **WMcC** discussed with the Committee the amendments to the register. **FM** questioned whether anything should be included in 2(a) Resources to incorporate the transfer of financial processing to Account NI. **BMcG** explained that a Service Level Agreement (SLA) is in the process of being arranged with Financial Services Division (FSD), this will provide financial cover for CJI. **SD** stated that once the SLA is approved the risks will reduce for Business Support staff.

## **8 A progress report from management on the implementation of NIAO and Internal Audit recommendations**

**BMcG** said that all the recommendations made in the Internal Audit report have been implemented and he thanked CJI staff for their hard work in accomplishing this.

## **9 A report from management as to whether there have been any whistle blowing and fraud issues**

**BMcG** stated that there have been no incidents of fraud or whistle blowing. He also confirmed that the Senior Management Team have approved the CJI Anti-Fraud Policy, this will be implemented into the ISO Core Process Map.

## **10 Single Tender Actions**

**BMcG** confirmed that there have been no Single Tender Actions in this period. **SD** suggested that Single Tender Action is changed to Direct Contract Awards to bring into line with current practice in the Department.

Action - MW

## **11 Travel and Subsistence expenditure of the Chief Inspector and Deputy Chief Inspector**

The expenditure was presented to the Committee for comment, it was agreed that the expenses were minimal.



## 12 Updated Internal Audit Report – ASM

**BC** presented to the Committee the report - *A review of the preparation for ISO re-accreditation (Human Resources)* and highlighted paragraph 17 which reflected the 4 recommendations.

**BMcG** told the Committee that an independent assessor had made only 7 observations on opportunities for improvement. **WMcC** congratulated **BMcG**, Bill Priestly and the entire team, on the re-accreditation of ISO. **BC** continued with the Audit Fieldwork 2011/12 follow up review and highlighted the Summary of Findings on page 3, confirming that all recommendations have been fully implemented.

## 13 Review of Audit Committee Terms of Reference

**WJ** requested that in paragraph 1.1 "subject to satisfactory performance and attendance" is added. **ES** proposed that in paragraph 1.1 August 2011 is replaced with April 2012.

**BMcG** proposed that when the SLA is approved with FSD that the appointed Accountant is required to attend the Audit Committee meetings - the Committee agreed. After a brief discussion about the membership of the Audit Committee **BC** said that it was good practice to have a majority of independent members so this should be kept in mind. It was agreed that the membership should consist of two independent members, one of whom would be the Chair, and two executive members. **FM** recommended removing the names of individuals. The consensus view was that it is common practice to include the names.

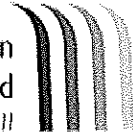
**WMcC** commented on paragraph 2.1 that this will be the first time that the Committee will advertise in an open competition to fill vacant independent posts. **ES** questioned **BMcG** on when the position of chair would be advertised, **BMcG** confirmed that on completion of his term of office the position of chair will be advertised. **ES** requested that paragraph 2.1 is amended to include "new non-executive"; the Committee agreed.

**BC** requested that paragraph 3.4 is reworded.

**FM** said that in 6.1 (last bullet point) CJI would not be in a position to tender for External Audit, so the words "where appropriate" and "External Audit" should be removed and the sentence reworded. **FM** requested that the review carried out by the Committee should be specified. **ES** agreed and "The effectiveness on the workings of the Audit Committee" should be added to paragraph 6.1 as a bullet point.

The Committee agreed that *Single Tender Actions* is replaced with *Direct Award Contracts* in paragraph 7.1 (final bullet point).

**ES** asked has 7.3 been added as an agenda item, **BMcG** clarified that it hadn't but should be reviewed at Annual Report time.



**ES** requested that paragraph 8.2 is reworded to "Should any non-executive..." and "to reimburse CJI..."

The Committee requested that the amended document is sent out to agree the amendments. **FM** clarified that in paragraph 5.3 that Management Letter is obsolete and should be deleted.

Action - MW

#### **14 Review of CJI's Gifts & Hospitality**

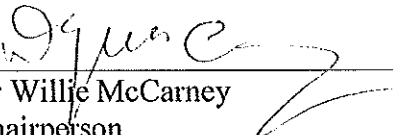
The Gifts and Hospitality was reviewed by the Committee.

#### **15 A.O.B**

**WMcC** congratulated Michael Maguire on his appointment to the role of Police Ombudsman. He also congratulated Martina White on her move to Account NI.

#### **16 Date for next meeting**

Thursday 7<sup>th</sup> June 2012 @ 10.00am.

  
Dr Willie McCarney  
Chairperson

Date 15/09/12