



Audit and Risk Assurance Committee

Terms of Reference

Amended and Revised April 2023

Criminal Justice Inspection Northern Ireland (CJI) Audit and Risk Assurance Committee Terms of Reference

The Accounting Officer has established an Audit and Risk Assurance Committee with effect from April 2006 to support him in his responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Accounting Officer's and CJI's Senior Management Team's needs and also reviewing the reliability and integrity of these assurances.

Based on the Guidance contained in the 2016 HM Treasury Audit and Risk Assurance Committee Handbook¹ and the Audit and Risk Assurance Committee Handbook (Northern Ireland) issued March 2014² and the size and structure of the organisation, the following points represent the Terms of Reference of the Committee.

I. Membership

I.1 Membership of the Audit and Risk Assurance Committee (ARAC/Committee) will be reviewed every three years with non-executive/independent members permitted to serve a maximum of two three-year terms in succession,³ subject to satisfactory performance and attendance.⁴ Membership with effect from 1 April 2023 will be:

- *Derek Anderson (Non-Executive/Independent Member); and*
- *Mandy Kilpatrick (Non-Executive/Independent Member).*

The following are attendees of the ARAC:

- *a representative of the Department of Justice (DoJ) sponsor division;*
- *Amanda Oliver (Head of Internal Audit, DoJ) or a representative of NICS Internal Audit;*
- *a representative from the NIAO/External Audit;*
- *Michael Rafferty (Accountant, Financial Services Division DoJ);*
- *James Corrigan (Deputy Chief Inspector, Chief Executive and Accounting Officer, CJI);*
- *Jacqui Durkin (Chief Inspector, CJI)*
- *David MacAnulty (Inspector, CJI);*
- *Meloney McVeigh (Business and Communications Manager, CJI); and*
- *Linda Boal (Corporate Secretariat Officer and ARAC Secretary).*

I.2 The ARAC will be chaired by a Non-Executive/Independent Member.

¹ His Majesty's Treasury Audit and Risk Assurance Committee Handbook, March 2016 available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/512760/PU1934_Audit_committee_handbook.pdf

² Department of Finance (formerly Department of Finance and Personnel) Audit and Risk Assurance Committee Handbook (Northern Ireland) March 2014 available at <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/daodfp0514attv2.pdf>

³ Cabinet Office guidance is that the first appointment is for a fixed three years which can be renewed for up to three years, hence a maximum of six years. See Chapter 3 Membership, independence, objectivity and understanding, His Majesty's Treasury Audit and Risk Assurance Committee Handbook, March 2016.

⁴ The terms of appointment including how the individual performance of ARAC members will be appraised, including a clear understanding of what would be regarded as unsatisfactory performance and the criteria which would indicate the termination of ARAC membership, should be made clear to members.

- 1.3 The ARAC will be provided with a secretarial function by a member of CJI's Business Support Team. The role will involve receipt and organisation of Committee papers, preparation of agenda, minute taking, arranging and uploading the CJI ARAC minutes to the CJI website – www.cjini.org – and maintenance of the ARAC file (see further detail at 6.8).
- 1.4 The ARAC membership and attendance will be made available on the CJI website – www.cjini.org – along with the Committee's Terms of Reference and minutes of its meetings.
- 1.5 The ARAC will conduct an annual self-assessment of performance and make recommendations for improvement as required.

2 Appointment of Non-Executive/Independent Members

- 2.1 CJI will seek to appoint new non-executive/independent ARAC members or reappoint ARAC members for an appropriate term in a cost-effective manner including through open competition.

3 Reporting

- 3.1 The ARAC will formally report in writing to the Accounting Officer by way of the minutes after each meeting.
- 3.2 The ARAC will provide the Accounting Officer with an annual report, timed to support the finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.
- 3.3 Internal Audit will provide a copy of final audit reports to the ARAC.
- 3.4 The External Audit *Report to those Charged with Governance* (RTTCWG) will be copied to ARAC members.

4. Responsibilities

- 4.1 The ARAC will advise the Accounting Officer on:
- the strategic processes for risk, control and governance and the Governance Statement;
 - the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
 - the planned activity and results of both Internal and External Audit;
 - the adequacy of management response to issues identified by Internal Audit activity and External Audit's management letter;
 - assurances relating to the management of risk and corporate governance requirements for the organisation:
 - (where appropriate) proposals for tendering for Internal Audit and/or External Audit services;
 - anti-fraud and anti-bribery policies, whistleblowing and raising concerns processes and arrangements for special investigations; and

- the ARAC will periodically review its own effectiveness and report the results of the review to CJI's ARAC and CJI's Accounting Officer.

5 Access and Rights

5.1 The Head of Internal Audit and the representative(s) of External Audit will have free and confidential access to the Chairperson of the ARAC or its non-executive members and/or the CJI Accounting Officer.

5.2 Members of the ARAC will have access to working papers and reports of internal audit assignments.

5.3 The ARAC may:

- co-opt additional members for a period not exceeding one year to provide specialist skills, knowledge and experience; and
- procure specialist ad-hoc advice at the expense of CJI subject to budgets agreed by the Accounting Officer.

6 Meetings

6.1 The ARAC will meet four times a year. Additional meetings may be convened by the Chairperson as deemed necessary.

6.2 The Accounting Officer may ask the ARAC to convene further meetings to discuss particular issues on which he wants the Committee's advice.

6.3 A minimum of two members of the Committee will be present for the meeting to be deemed quorate.

6.4 The ARAC meetings will normally be attended by the Accounting Officer; the Finance Director; a senior representative from the Internal Audit service provider (usually Head of Internal Audit) and a senior representative of the External Audit service provider.

6.5 ARAC meetings will also normally be attended by a representative of CJI's sponsor division within the DoJ.

6.6 The ARAC may ask any other official of the organisation to attend to assist it with its discussions on any particular matter.

6.7 The ARAC may ask any or all of those who normally attend but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

6.8 Briefing documents for each meeting will be presented to ARAC members and those attending at least one week prior to the meeting. An ARAC file will be retained detailing terms of reference, briefing documents, minutes of meetings and the Annual Report made to the Accounting Officer to aid the development of the Governance Statement.

7 Information requirements

7.1 The ARAC will be provided with the following information for each meeting:

- a report from the Business Manager summarising for the ARAC any significant changes to the organisation's strategic risks and a copy of the Risk Register;
- a progress report from the Internal Audit service provider summarising:
 - ❖ Work performed (and a comparison with work planned);
 - ❖ Key issues emerging from internal audit work;
 - ❖ Management response to audit recommendations;
 - ❖ Proposals for any changes to agreed Internal Audit plans;
 - ❖ Any resource issues affecting the delivery of internal audit objectives.
- a progress report from the External Audit representative summarising work done and emerging findings;
- a breakdown of expenditure by the Chief Inspector/Deputy Chief Inspector in relation to travel and subsistence; hospitality (received and given) and procurement card expenditure;
- on an annual basis, a summary of the total expenditure of the Chief Inspector/Deputy Chief Inspector in relation to travel and subsistence; hospitality (received and given) and procurement card expenditure throughout the course of the financial year.
- a breakdown of all direct award contracts for which approval has been sought and secured from the Accounting Officer under his delegated authority and/or secured or declined by the DoJ;
- any management assurance reports; and
- reports on the management of major incidents, 'near misses,' and lessons learned.

As and when appropriate, the ARAC will also be provided with:

- the Internal Audit strategy;
- proposals for the terms of reference of Internal Audit/the Internal Audit charter;
- the Head of Internal Audit's Annual Opinion and Report;
- quality assessment reports on the internal audit function;
- the draft accounts of the organisation;
- the draft Corporate Governance statement;
- a report on any changes to accounting policies;
- External Audit's management letter;
- a report on any proposals to tender for audit functions;
- a report on co-operation between internal and external audit; and
- the organisation's risk management strategy.

8 Remuneration of Non-Executive/Independent members

- 8.1 The independent Chairperson and any other non-executive members appointed to the CJI ARAC will be remunerated, where applicable, under their terms of engagement on an annual basis following the submission of an invoice requesting payment. This invoice should be submitted in writing to the Accounting Officer following the first meeting of the new financial year. Payment will be via CJI's payroll (HR Connect) by electronic BACS payment where possible.
- 8.2 The independent Chairperson and any other non-executive members appointed to the CJI ARAC will be reimbursed for travel and subsistence costs incurred at current CJI/Northern Ireland Civil Service (NICS) rates on presentation of a valid claim in line with CJI/NICS policy governing claims of this type.
- 8.3 Should any non-executive members wish to terminate their contact with CJI during the period of their appointment for which they have been remunerated, they will be required to reimburse CJI for the remaining period of time from the point of termination to the end of the financial year.
- 8.4 CJI will review where applicable the level of remuneration paid to the Chairperson and each independent member every three years.

9 Conduct/Breach of Contract

- 9.1 All members and attendees of the CJI ARAC are required at the start of each financial year to complete an annual Declaration of Interests disclosure form which will be held on file by CJI and made publicly available on the CJI website – www.cjini.org. Members and attendees are also required to declare any conflict of interest that arise at each ARAC meeting.
- 9.2 Should at any point any member of CJI's ARAC fail to maintain an appropriate standard of conduct in line with the conduct of those in public life (the Nolan Principles), the Accounting Officer may seek to meet with the member concerned and if appropriate, terminate their membership.

I hereby accept and agree to the terms of reference stated above.



SIGNED: _____

NAME: Derek Anderson

(Please print)

DATE:.....25th April 2023.....

**Criminal Justice Inspection
Northern Ireland**
a better justice system for all



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SIGNED: 

NAME: Mandy Kilpatrick
(Please print)

DATE:..... 10 May 2023.....