

**Community Relations Council 92<sup>nd</sup> Audit and Risk Assurance Committee**  
**Thursday 4<sup>th</sup> May 11am 2023**  
**Held online**

**Present:** Mr J McCallister (Chair of CRC Audit and Risk Assurance Committee), Mr M McDonnell (Board Member)

**In attendance:** Dr J Irwin (CRC CEO), Mr S Walsh (NIAO), Ms J McGuckin (ASM), Mr P Garrity (CRC Finance Manager), Ms S Nicholson (TEO)Ms H George (CRC PA).

**Apologies:** Mr R Campbell (Board Member)

**1. Welcome**

The Chair welcomed Board members, Staff and colleagues to the 92<sup>nd</sup> Audit and Risk Assurance Committee.

**2. Declaration of Interests**

None

**3. Minutes**

The Board reviewed the minutes of the 91<sup>st</sup> Audit and Risk Assurance Committee, which took place on 23<sup>rd</sup> March 2023.

The minutes were approved by the Committee.

**4. External Audit**

Ms S Walsh from the Northern Ireland Audit Office presented the Committee with the 2022/23 Audit Strategy.

Ms Walsh noted that the Audit Strategy includes a presumed risk of material misstatement to the accounts due to management override of controls. She confirmed that this risk applies to all bodies being audited.

Materiality would be set at £71k. The error reporting threshold for this audit is £2,000. She explained that any errors below this threshold will not be included in the report, however it will be reported to the Director of Finance, Admin and Personnel and CRC's Accounting Officer.

NIAO audit team members Mr A Allen and Ms C McNutt will lead CRC's audit.

The audit fee will be £24,900. Increases between 10-15% have been applied to all organisations across the sector, with CRC seeing an 8% increase.

The audit will begin on 17<sup>th</sup> July 2023.

Ms S Walsh reminded the Committee that new audit regulations will require more preparation to be completed at the planning stage, and this should result in a smaller potential sample size being necessary throughout the audit.

The Committee expressed their concern at the increase in the audit fee considering there has been no change in the organisation or risk levels.

The CEO thanked Ms Walsh and noted that a very productive meeting to discuss the audit strategy and introduce staff took place with the finance staff and the NIAO audit team on 26<sup>th</sup> April.

The Committee noted the Plan and thanked Ms S Walsh for presenting it.

## **5. Internal Audit**

Ms J McGuckin presented the Committee with CRC's internal audit plan for 2023/24. The plan sets out the number of days audit fieldwork CRC will receive in the year, and the reviews that will take place.

CRC will undergo a four day review of grants administration and distribution, and a three day review of the Finance and General Purposes Committee. A 1.5 day review of the implementation of previous audit recommendations will also take place this year.

Ms H George will send the Committee the overall Assurance Statement for the 2022/23 audits.

The Committee thanked Ms J McGuckin for presenting and approved the plan.

## **6. Risk Register**

Ms J Irwin presented the Risk Register to the Committee.

'Implementation of DoF Guidance' remains rated red. The CEO informed the Committee that TEO have asked for a meeting to discuss the next steps to resolve this issue. This meeting will be taking place in May, and the Committee will receive an update at the next meeting.

'Staffing' remains rated red due to the resignation of the Funding and Development Director. The CEO assured the Committee that the Director provided a thorough handover to his team and the CEO ahead of his departure.

'External Audit Fee' remains rated amber as there has been no progress made on this risk.

'NILGSOC Pension Tribunal' remains rated amber. CRC await correspondence from legal representatives and the Tribunal Service, which will not see progress until later in the year.

'Resource' remains rated amber, as CRC await the final budget allocation for 2023/24. Correspondence has been received from TEO stating that CRC should work from a opening position of 10% less than the 2022/23 budget. CRC awaits further correspondence from TEO, however, a draft budget has been created, identifying areas where savings can be made.

The Committee thanked the CEO for presenting the Risk Register and approved the ratings.

## 7. Investigations into Funded Groups

The CEO informed the Committee that there are currently no open investigations into groups receiving funding from CRC.

## 8. Register of Audit Recommendations

The CEO presented the Committee with the Register of Audit Recommendations, which has been updated with the recommendations from the recent internal audits.

Recommendation one relates to the implementation of DoF guidance related to pensions. The CEO provided the Committee with an update on this issue earlier in the meeting.

Recommendation two relates to the quality of the accounts. The CEO reminded the Committee that CRC recently underwent an internal audit into the financial systems which was rated 'satisfactory'. A paper was also provided to the Committee recently providing assurances that the financial procedures continue to be followed. This recommendation will be reviewed following the current 2022/23 external audit. The CEO also noted that CRC now has two qualified accountants who will be preparing and overseeing the accounts: the temporary Finance Manager and the new Director of Finance, Admin and Personnel due to take up her post full time in July.

Recommendation three relates to the finance software used by CRC. The CEO informed the Committee that the SAGE system will be reviewed and upgraded by the Finance Manager following the preparation of the accounts for the 2022/23 external audit. The Committee asked for detail to also be added to the recommendations on the review of the grant management system.

**ACTION:** CRC to add detail to audit recommendation three, regarding the review of the grant management system.

Recommendation four relates to the review of HR policies. This review is scheduled to take place in July 2023.

Recommendation five relates to the review of the Engagement policies. Last year's review was completed in July 2022. This review is scheduled to take place in July 2023.

Recommendation six relates to the IT asset protocol. This recommendation has been implemented. This recommendation will now be removed from the register.

Recommendation seven relates to the drafting of a starters and leavers checklist in relation to IT and system access. This checklist has now been drafted and implemented. This recommendation will now be removed from the register.

Recommendation eight asks that a review of the Data Protection Policy and the Records Management Policy take place in 2023/24, This review is scheduled to take place in quarter two of this year.

Recommendation nine asks CRC to write up the processes and mitigations that were in place during the absence of finance staff. The CEO informed the Committee that work had already been as completed setting out mitigations for the potential 'Single Points of Failure' in CRC. The mitigation plan was drafted and implemented in 2022. This plan has now been added to CRC's Business Continuity Plan making this recommendation complete. It will now be removed from the register.

Recommendation ten asks that a column be added to CRC's Contracts Register to state whether a contract has been completed, extended, or renewed. This recommendation has now been implemented and will be removed from the register.

Recommendation eleven asks that, going forward, notes from CRC's development meetings and verification visits be uploaded onto the grant management system. This recommendation has been added to the procedures for the 2023/24 year and can now be removed from the register.

The Committee thanked the CEO for this update and noted the report.

## **9. Finance Guidance**

Ms H George presented the Committee with a paper setting out the latest Finance Department Guidance.

DoF Appraising Assistance to the Private, Voluntary, and Community Sectors. This guidance sets out advice for government departments appraising applications for financial assistance. While not directly applicable to CRC, the guidance has been shared with the funding team in case it is relevant to their work.

DoF Delegated Authority Arrangements. This guidance provides government departments undertaking Peace Plus funding with the delegated authority to spend up to £10m. This guidance is not relevant to CRC.

DoF Guidance on the Format of the Remuneration Report. This informs government departments of amendments to the FReM, highlighting changes including a section on HR issues and Staffing in the Annual Report and Accounts.

The Committee thanked Ms H George for this update and noted the paper.

## **10. Direct Awards**

Ms H George informed the Committee that there were no direct awards made during this period.

## **11. Purchases Without a Price Check**

Ms H George informed the Committee that there were no purchases made in this period that did not require or receive a price check.

## **12. Any Other Business**

None

## **13. Date of Next Meeting**

15<sup>th</sup> June 2023 11am

