

Community Relations Council 79th Audit and Risk Assurance Committee
Thursday 25th February 2021 11am, held online

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

In attendance: Ms J Irwin (CRC CEO), Mr G McKeown (CRC DFAP), Ms T Wilson (CRC Finance), Ms H George (CRC PA), Ms A McMaw (ASM), Ms A Busby (NIAO), Ms S Nicholson (TEO).

Apologies: None

1. Minutes

The Audit and Risk Assurance Committee reviewed the minutes of the 78th ARAC meeting, which took place on the 14th January 2021.

The Committee agreed the minutes as being a true and accurate reflection of the meeting.

2. Matters Arising

The CEO informed the Committee that all matters arising will be dealt with in other areas of the agenda.

3. External Audit

Ms A Busby informed the Audit and Risk Assurance Committee that the Northern Ireland Audit Office will begin consulting CRC on the 2020-21 audit planning procedures.

The Committee thanked Ms A Busby for this update.

4. Internal Audit

Ms A McMaw informed the Committee that two internal audits will be carried out in March 2021, One looking at CRC's grants management and the other into Board effectiveness.

She shared with the Committee the Terms of Reference for the grants management audit.

The Committee thanked Ms A McMaw for this update and noted this paper.

5. Covid-19 Arrangements

Mr G McKeown updated the Committee on the implementation of CRC's Covid-19 procedures.

He stated that the procedures reviewed and approved by the Board continue to be implemented. These procedures are working well, and staff continue to be able to carry out their work.

The Finance and Funding Teams continue to process payments and make awards to groups, through the online grants management system.

The Engagement Team maintain contact with stakeholders remotely and successfully held a number of events online. The use of online technology has provided the opportunity for wider engagement.

Communication with staff continues with the Weekly Newsletter and regular team meetings. The Management Team meet weekly, Staff Meetings are held monthly, and line meetings are taking place as normal.

The Senior Management Team are aware of, and take in to consideration, staff members' caring and home schooling responsibilities, and liaise with staff members about managing workloads and expectations. The Management Team are working to ensure that they are not putting undue pressure and anxiety on staff.

The Committee raised the issue of staff's return to the office, the preparations that will need to take place and the considerations of staff's anxieties. Mr G McKeown informed the meeting that plans have been drafted around staff's return to the office. A draft floor plan has been drafted and presented to staff, taking into consideration social distancing. CRC have drafted IT controls and a move to cloud based storage, and a review of all policies is currently taking place. The CEO thanked TEO for continuing to share relevant guidance with CRC to ensure that the approach to home working is consistent with the department.

The Committee thanked Mr G McKeown for this update.

6. Risk Register

Mr G McKeown presented the Committee with the updated Risk Register.

The Committee reviewed and discussed each of the risks in turn.

They agreed that the 'Compliance with DOF guidance FD (DFP) 08/14, 09/18' risk should remain red due to the finance, HR and legal issues and the continued uncertainty. Mr G McKeown informed the Committee that the Pension Sub Group met in January and requested additional information and analysis. The Chair met with Mr M Browne, TEO, and will feedback on this at the Finance and General Purposes Committee.

The Committee agreed that the 'Staff Morale' risk should remain amber, The Chair noted that a number of measures have been put in place, however, it would not be appropriate to change the risk register until staff are working back in the office together. Mr G McKeown informed the Committee that the LRA Implementation Group met in February and agreed a number of actions. These actions will be presented at the upcoming Finance and General Purposes Committee. The Chair has been appointed as the Dignity at Work Champion, and staff have been informed that issues can be raised with the HR Manager, the CEO, and/or the Chair. Headstogether will continue to support the HR Manager with the Implementation of the Dignity at Work Charter, and will be conducting training and coaching sessions with the Senior Management Team.

The Committee agreed that the 'Covid-19' risk should remain amber. The Committee agreed that, while there are positive developments, the situation has not changed significantly at this time, and therefore no change can be made to the risk rating. The CEO reassured the Committee that, unlike the move to working from home, CRC will have more control over the move back to the office. The Board will receive any policies and procedures relating to the move back for review and approval. Any changes to the working procedures will be thoughtfully put in place.

Mr J McCallister left the meeting

7. Board Investigation into Funded Groups

Mr G McKeown presented the Committee with an update on the investigation into a previously funded group.

He informed the Committee that CRC still await an update from TEO on the group's outstanding HMRC payments. Ms S Nicholson added that there is debate about whether there is outstanding Customs payments due, and whether TEO will be required to pay these.

The Committee asked Mr G McKeown to review whether the conditions of CRC's original letter of offer to the group have lapsed and whether the organisation is still in existence.

ACTION: Mr G McKeown to review whether the letter of offer issued to this group has lapsed, and whether the organisation is still in existence.

The Committee thanked Mr G McKeown for this update and noted the report.

8. Register of Audit Recommendations

Mr G McKeown presented the Committee with an update on the progress to implement recommendations made during CRC's audits.

The first recommendation to resolve the compliance with 'DOF guidance FD (DFP) 08/14, 09/18' was reported on earlier in the Committee. CRC have submitted a Business Case to TEO and their queries were discussed at the recent Pension Sub Group meeting. Mr G McKeown informed the Committee that the implementation date for this recommendation has been updated to 31st December 2021. The CEO added that CRC remain active in resolving this issue.

Ms A McMaw informed the Committee that a review will be conducted of the implementation of audit recommendations and will be reported back to the Committee in April.

Mr G McKeown added that the other audit recommendations are priority three, and on target to be completed by their implementation date.

The Committee thanked Mr G McKeown for this update and noted the report

9. Department of Finance Guidance

Ms T Wilson presented the Committee with one piece of guidance from the Department of Finance, relating to the preparation of the Annual Report and Accounts. The Guidance requires structural and disclosure changes in the Report.

The Committee thanked Ms T Wilson for presenting this guidance, and noted the paper.

10. Direct Awards

Ms T Wilson informed the Committee that there were no direct awards made following the previous ARAC meeting

11. Small Purchases without a Price Check

Ms T Wilson informed the Committee of CRC's photocopier costs, which did not require a price check.

The Committee noted this paper.

12. Any Other Business

Ms A Busby and Ms A McMaw left the meeting.

i) Internal Audit Contract

Mr G McKeown informed the Committee that CRC drafted a tender and appointed an Internal Audit firm. Mr G McKeown, the CEO, and Mr R Campbell sat on the scoring panel. The organisation awarded the bid are the current holders of the contract. They were the only organisation to submit a bid. The tender was sent to a number of firms in Northern Ireland. The panel were content that the bid met the standards to be awarded the contract, and were content that it reflected value for money.

The group will receive £450 per day, up to a maximum of 18 days during 2021-2024.

The process was conducted in line with CRC and CPD guidance.

Mr G McKeown drew to the Committees attention that this will be the third time this organisation has been awarded this contract. CRC will speak to the firm and ask for assurance in the Audit Strategy on how they will ensure objectivity.

The CEO added that a review was carried out to ensure that there was no guidelines preventing the re-appointment of internal auditors, following an open tender process.

The Committee asked Mr G McKeown to speak to the other firms, to establish why they did not submit a bid.

ACTION: Mr G McKeown to speak to other auditing firms to establish why they did not submit a bid to this tender.

13. Date of Next Meeting

8th April 2021 11am