

Community Relations Council 77th Audit and Risk Assurance Committee
Thursday 3rd December 2020 11am, held online

Present: Mr R Campbell (Chair of CRC Audit and Risk Assurance Committee), 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), Mr B Clerkin (ASM), Ms S Nicholson (TEO)

Apologies: Mr M McDonnell (Board Member), Ms K Doey (Northern Ireland Audit Office).

1. Minutes

The Audit and Risk Assurance Committee reviewed the minute of the 76th ARAC meeting, which took place on the 13th November.

The Committee recommended an amendment on page 2, changing ‘plan’ to ‘plans’.

On the completion of this amendment, the Committee approved these minutes.

2. Matters Arising

None

3. External Audit

Mr G McKeown informed the Committee that the Certificate and Report of the Comptroller and Auditor General has been placed in the Annual Report and Accounts. The Report and Accounts have been filed with the NI Assembly and will be filed with Companies House and the Charity Commission in due course.

4. Internal Audit

Mr B Clerking informed the meeting that the audit of CRC’s Board effectiveness and grants management will be taking place in February 2021.

5. Covid-19 Arrangements Update

Mr G McKeown updated the Committee on CRC’s Covid-19 continuity arrangements.

The Covid-19 arrangements, brought in place following the introduction of restrictions in Northern Ireland, continue to work well. Staff are still working from home and rely on remote

technology to conduct their work, including the online grant management system.

The Management Team continue to hold meetings weekly. Staff meetings are taking place monthly. Line meetings have been taking place, along with regular check-ins with staff on their morale.

Mr G McKeown added that, despite the circumstances CRC continue to administer grant awards, vouch claims, and host events online.

The Committee thanked Mr G McKeown for this update.

6. Risk Register

Mr G McKeown presented the Audit and Risk Assurance Committee with the updated Risk Register.

The Committee then reviewed the red risks related to 'No Better No Worse Off' guidance. The Chair reminded the Committee that a year ago, in December 2019, TEO contacted CRC and requested that a proposal be made to resolve this issue by March 2019. CRC complied with this, spoke to staff about the proposals, submitted a business case, responded to all TEO comments and submitted an updated business case in July 2020. CRC have yet to receive any formal written response from the Department on this.

Ms S Nicholson, TEO, informed the meeting that CRC have received a verbal comment regarding the Business Case, but have not received anything in writing. Mr C Gardner has been working with TEO Finance Branch to reduce the number of queries which will be necessary for CRC to answer. She stated that, for the Finance Branch, no deadline is in place.

The Chair stated that there are two issues as a result of this delay. One being that CRC have a red risk in the Risk Register, which is out of the organisations control. The second being the impact on CRC staff, who, in December 2019 were told that this issue has to be resolved by March 2020, and have seen no progress.

The Committee agreed that 'No Better No Worse Off' risk will should remain rated 'red'.

The Committee then reviewed the amber risks.

In relation to the 'Staff Morale' risk, The CEO informed the Committee that, following a tendering process, CRC have procured the services of Heads Together to continue the implementation of the Dignity at Work Charter. She added that the LRA are currently conducting a temperature check, the report on which will available in January 2021.

The Committee agreed that 'Staff Morale' should remain amber.

The Committee agreed that 'Covid-19' should remain amber. While CRCs arrangements continue to work and are very robust, the outside factors still remain.

The Committee noted the Risk Register and thanked Mr G McKeown and the CEO for the update.

7. Audit Investigation into Funded Groups

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

He stated that there have been no changes in the status of this investigation since the previous meeting. He added that CRC await notice from The Executive Office on the status of the group's outstanding HMRC payments.

Ms S Nicholson informed the meeting that the HMRC £27K debt will likely be written off, that TEO are seeking confirmation of this and that TEO's investigation is closed.

The Committee thanked Mr G McKeown and Ms S Nicholson for this update.

8. Register of Audit Recommendations

Mr G McKeown presented the Committee with a report updating on the progress of the implementation of audit recommendations.

The Pension Business Case remains in progress, as CRC await TEO's comments and queries. The implementation date of this recommendation will now be updated to reflect this delay. This recommendation has a priority one rating.

Mr G McKeown then updated the Committee on the priority three recommendations.

The recommendation to review CRCs potential use of a minimum scoring mechanism has now been completed. The funding team expressed that the 'Eligibility Criteria' acts as a minimum score, as no applications will be accepted unless they meet this criteria. This recommendation will now be removed from the Register.

The recommendation to include risk management in the induction of new staff and Board members has been implemented. CRC recently recruited a Vouching and Verification Officer, and as part of the induction he was presented with CRC's Risk Strategy and appetite. This recommendation is now complete and will be removed from the Register.

A recommendation coming out of the Audit suggested that CRC updated the Business Continuity Plan to include pandemics, such as Covid-19, and to update the distribution list. This update has been made, and the document was emailed to the updated distribution list. This recommendation is now complete and will be removed from the Register.

A recommendation coming from the Covid-19 audit is for CRC to keep VPN access under review and document the controls in place. This recommendation is due to be completed by 31st March 2021.

The recommendation for CRC's financial policies and procedures to be updated and for the working from home to be added, will be completed by the 31st December 2020.

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

9. Department of Finance Guidance

Ms T Wilson presented the Board with two pieces of Guidance from the Department of Finance.

DAO (DoF) 09/20 Continued payments of grants during the period of Covid-19 response. This guidance relates to the continued implementation of previous guidance on insuring payments are made in the current period.

The second guidance comes from the Northern Ireland Audit Office alerting organisations of the fraud risks in the tender process, as a result of Covid-19.

Mr G McKeown added that CRC will bring the policies and procedures up to date to align with this new guidance.

The Committee noted this report.

10. Direct Awards

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

11. Small Purchases Without a Price Check

Ms T Wilson informed the Committee that CRC made one purchase which did not need a price check. This was the purchase of a place at the NHS Confederation Conference 2020. Mr

The Committee noted this report.

B Clerkin left the meeting

12. Any Other Business

i) End of Internal Audit Contract

Mr G McKeown informed the meeting that CRC's contract with the current internal auditors comes to an end on the 31st March 2021.

CRC have drafted a business case setting out two options:

- An organisation to carry out an audit over a fixed number of days, 18.
- An organisation to carry out an audit over 15 days, with the flexibility to add three days or remove three days from the audit, being the status quo option

The CEO highlighted that the Committee should consider two things when reviewing these two options. Previous history and external factors. The level of CRCs previous audit comments have been relatively low, and have had high levels of assurance. External factors, like covid-19, will influence how many days of audit are necessary.

The Committee agreed that the flexibility of the second option is preferred.

Mr G McKeown added that following approval of the business case CRC will begin the open procurement in the New Year in line with CRC and CPD procurement guidance.

13. Date of next meeting

14th January 2021