

Community Relations Council 90th Audit and Risk Assurance Committee

Thursday 9th February 11am 2023

Held online

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

In attendance: Dr J Irwin (CRC CEO), Ms S Walsh(NIAO), Ms Jenny McGuckin (ASM), Ms S Nicholson (TEO), Ms H George (CRC PA).

Apologies: None

1. Conflicts of interest

Mr R Campbell works at the same firm as CRC's legal advisors, assisting with the FOI set out in the Risk Register and the tribunal case. There is no conflict as Mr R Campbell was not involved in the procurement process and is not involved in these legal matters.

2. Minutes

The minutes of the 89th Audit and Risk Assurance Committee, which took place on 14th December 2022 were reviewed. The Committee approved the minutes of this meeting.

3. Matters Arising

Two actions from the previous meeting will be updated in other parts of the agenda.

The CEO informed the Committee that CRC's Finance Manager handed in their resignation on the evening of Tuesday 7th February. As this member of staff is still within their probationary period they are only obligated to give one week's notice.

This leaves the organisation in a difficult position. However the CEO added that the HR Manager is already in contact with a recruitment firm and the recruitment situation seems to be a little better than it was this time last year. CRC will be meeting a prospective candidate for the role of temporary Finance Manager on Monday 13th February. The CEO noted that the DFAP Team is much more resilient than this time last year, as team members have become more familiar with each other's roles and deadlines. She thanked the remaining team members for their commitment and working together to maintain standards and delivery in the directorate.

As the internal audit is currently taking place reviewing the financial systems, CRC has asked ASM to send on any material requests and queries while the current Finance Manager is still at CRC.

The Committee expressed their concern about this development. The three areas to oversee closely are: the exit process; the finance systems in the absence of a Finance Manager; and the controls in place around separation of duties. They offered to set up another Committee meeting in the coming weeks if useful.

The CEO thanked the committee for its support and stated that the organisation continues to ensure that the separation of responsibilities is maintained. She also noted that the

organisation was up to date with all current reporting deadlines. The CEO will liaise with the Chair of the committee on whether an additional meeting is required in the coming weeks.

The Committee thanked Ms H George and Ms J Irwin for their work in this difficult period.

4. External Audit

i) Report to Those Charged with Governance

Ms S Walsh presented the Committee with CRC's final Report to Those Charged with Governance. Ms S Walsh informed the Committee that Ms K Doey will be moving from CRC's audit team, and will be replaced by Mr A Allen.

The Committee approved the final draft and thanked Ms S Walsh for presenting the report. The Committee thanked Ms K Doey for her work over the years reviewing CRC's account.

5. Internal Audit

Ms J McGuckin presented the Committee with the Terms of Reference for three upcoming audits. In February CRC's IT and Business Continuity Plan will be audited, along with the Finance and Complaints Procedures. These two audits are underway.

In March the internal auditors will review CRC's Grants Administration.

The Committee thanked Ms J McGuckin for this update.

6. Risk Register

The CEO presented the Committee with CRC's updated Risk Register, and the Committee agreed the following ratings.

'Implementation of DoF Guidance' remains rated red as there has been no further developments.

'Staff Morale' remains amber. Dignity at Work is a regular item at all Staff and Team meetings.

'Freedom of Information Request' remains amber. CRC received correspondence from the Information Commissioners Office case officer the draft response has been discussed with the Chair and CRC's legal advisor. The Board will discuss and agree the next steps at the upcoming meeting.

'DFAP Team Staffing' remains rated red, due to recent developments. CRC's new DFAP Director is due to start work in March 2023. This risk will be kept under review.

'External Audit Fee' remains amber as there has been no update. Ms S Nicholson informed the Committee that TEO raised this issue during their audit meeting and plan to hold a meeting for all ALBs and NIAO.

Ms S Walsh stated that the percentage fee increase for 2023/24 has not yet been agreed for CRC. She added that considerably more work was done to review CRC's 2021/22 Accounts, the cost of which was not passed on to the organisation.

The risk on ‘North Belfast Grant Resource’ has now been included in CRC’s budget, and therefore the risk is rated green and will be removed from the Register.

The final risk on the register is ‘NILGOSC Pension Scheme’. This risk is rated amber and relates to a joint tribunal case with NIPSA members. CRC sought legal advice, submitted a response, and no further correspondence has been received on this issue.

The Committee thanked the CEO for presenting this Register.

7. Financial Processes Assurance Report

The CEO presented the Committee with a paper setting out the financial procedures CRC are working under in the current financial year. The Committee had asked for an update on this at the last Audit Committee meeting.

The timing of the internal audit of financial procedures has been brought forward to provide further assurances to the Committee.

The report highlights CRC’s various financial policies and procedures, reporting schedules, internal and external monitoring.

The CEO added that in the absence of a DFAP Director separation of responsibilities has been maintained across the financial processes.

The CEO thanked Ms George for her assistance in compiling the information in the paper.

The Committee thanked the CEO for presenting the paper and noted the report.

8. Investigation into Funded Groups

The CEO presented the Committee with a paper updating on a live investigation TEO are conducting of a funded group.

TEO recently wrote to CRC to confirm that the investigation has concluded with no further action required by CRC, therefore funding that was suspended can now resume. Funding payments to this group will now be made.

The Committee thanked the CEO for the update and TEO for the conclusion of the investigation.

9. Register of Audit Recommendations

The CEO presented the Committee with the register setting out the recommendations from CRC’s internal and external audits.

The first recommendation relates to the pension issue, which is ongoing.

The second recommendation relates to CRC’s accounting software. The CEO informed members that work had begun on upgrading the SAGE package but may now be slightly delayed with the recent staff departure.

The third recommendation relates to CRC's credit card. A new card has been received in the name of a current member of staff. This recommendation will now be marked as complete, and will be removed from the register.

The fourth and fifth recommendation relate to the review of HR Handbook and Engagement Policies. Schedules have been put in place to complete these reviews.

The Committee noted the report.

10. Finance Guidance

Ms H George presented the Committee with two pieces of recent Departmental Guidance.

The first piece of guidance relates to the compiling of 2022/23 accounts. The letter contains a list of affected organisations, of which CRC is not one. This guidance is for information.

The second piece of guidance sets out a number of changes made to the Government Financial Reporting Manual.

The Committee thanks Ms H George and noted the report.

11. Direct Awards

Ms H George informed the Committee that no direct awards had been made in this period.

12. Purchases Without a Price Check

Ms H George informed the Committee that there had only been one purchase made in this period which did not require a price check. This was £21.64 for CRC's Canon printer costs.

The Committee noted this report.

13. Any Other Business

None

14. Date of Next Meeting

23rd March 2023 11am