

Community Relations Council 91st Audit and Risk Assurance Committee
Thursday 23rd March 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), Mr A Allen (NIAO), Mr B Clerkin (ASM), Mr P Garrity (CRC Finance Manager) , Ms H George (CRC PA).

Apologies: Ms S Nicholson (TEO)

1. Welcome

The Chair and Committee welcomed Mr P Garrity, CRC'S new temporary Finance Manager, to this meeting. Mr P Garrity introduced himself to members and outlined his background and the work he is completing at CRC.

The Chair also welcomed Mr A Allen to his first meeting. Mr A Allen will be leading CRC's external audit with the Northern Ireland Audit Office this year.

2. 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.

3. Minutes

The minutes of the 90th Audit and Risk Assurance Committee, which took place on 10th February 2023 were reviewed. The Committee approved the minutes of this meeting.

4. Matters Arising

No matters arising discussed.

5. External Audit

Mr A Allen informed the Committee that he would be meeting with the CRC Finance Team on 19th April to discuss the upcoming 2022/23 audit. An Audit Plan will then be presented at the next Audit and Risk Assurance Committee in May.

The Committee thanked Mr A Allen for this update.

6. Internal Audit

Mr B Clerkin presented the Committee with three internal audits conducted in February and March 2023.

i) IT and Business Continuity Planning

Mr B Clerkin presented the Committee with the findings of the review into CRC's IT and Business Continuity Planning.

The review looked at the policies and procedures in place, the network access controls, and the Business Continuity Plan.

The internal auditors made 3 priority three recommendations.

Recommendation one advises that CRC document the processes, roles and responsibilities already in place for the management and maintenance of IT asset.

Recommendation two advises that the Data Protection Policy, Records Management Policy, and Document Retention Policy be subject to a review.

Recommendation three advises that CRC develop an IT leavers form to ensure that requests to remove employee access to the network are appropriately authorised.

This audit is rated as 'satisfactory'.

ii) Financial Systems and Complaints Handling

Mr B Clerkin presented the Committee with the findings of the review into CRC's Financial Systems and Complaints Handling.

The review looked at the roles and responsibilities in relation to the budget, the process of preparation of monthly management accounts, the salary procedures, procurement exercises, and complaints handling.

The internal auditors made 2 priority three recommendations.

Recommendation one advise that CRC document the contingency arrangements in place for each financial process in the absence of key finance personnel.

Recommendation two advises that CRC update the Contracts Register to reflect the status of those contracts.

This audit is rated as 'satisfactory'.

iii) Grants Administration and Distribution

Mr B Clerkin presented the Committee with the findings of the review into CRC's grants administration and distribution.

The review looked at the policies and procedures relating to grants, the grant application decision process, the delegation limits, the Letters of Offer, and the verification processes.

The internal auditors made 1 priority three recommendations.

This recommendation advised that notes of verification visits be uploaded to the Flexi-Grant system.

This audit is rated as ‘satisfactory’.

All audit recommendations were accepted by CRC. The Annual Assurance Report will be presented at the next Audit Committee meeting.

The CEO and the Committee thanked Mr B Clerkin and his colleagues for their work on this audit. The CEO thanked the DFAP Team and the Funding Team for their work reflected in the ‘satisfactory’ rating.

7. Risk Register

The CEO presented to the Committee an updated Risk Register. The Committee discussed the Risk and agreed the following ratings.

“Implementation of DOF Guidance” risk to remain rated red as there has been no further progress.

“Staff Morale” risk to be downgraded to a green rating. The Committee agreed that this risk was well mitigated and staff have many opportunities to raise issues with the CEO, HR Manager, and the Dignity at Work Champion.

“Bonfire Report FOI” can now be downgraded to a green rating as the case has been resolved informally and is therefore closed.

The Committee welcomed the news of the new DFAP Director commencing work at CRC, and the recruitment of a temporary Finance Manager. However, a new resignation in the wider team informed the Committee’s decision to amend the name of the “DFAP Staff Team Departures” risk to ‘Staffing Issues’, and to leave rated red.

“NIAO Audit Fee” remains rated amber as there has been no further development on this issue.

The Committee agreed that a new risk titled “2023/24 Resource” should be added to the register, considering the potential cuts that CRC’s budget might face in the next financial year. It was agreed that this risk would be rated amber. The Committee awaits correspondence from the Department on the opening budget position for 2023/24.

The NILGOSC Pension Tribunal case remains on the register rated amber as there has been no change.

8. Investigations Into Funded Groups

The CEO informed the Committee that CRC have no current ongoing investigations into groups receiving funding.

9. Register of Audit Recommendations

The CEO presented the Committee with an update on the recommendations made during CRC's internal and external audits.

Recommendation one relates to the implementation of DOF Pension Guidance. CRC have received no further correspondence from TEO on this, and therefore this item remains on the register.

Recommendation two relates to the quality of CRC's Accounts. CRC have recruited a DFAP Director and a temporary Finance Manager who both hold accountancy qualifications, and will work on the compilation of CRC's 2022/23 Accounts.

Recommendation three relates to the upgrade of accounting software. The upgrade had been commenced prior to the departure of the previous Finance Manager. The CEO explained that the close of the financial year is the current priority, and the upgrading of software will be returned to in the new financial year with the assistance of the new DFAP Director.

Recommendation four relates to the CRC's Government Procurement Credit Card. The CEO informed the Committee that this recommendation is now complete as CRC have received a new card in the name of a current staff member.

Recommendation five and six relate to the review of HR Handbook and the Engagement policies. The next review of these policies is due to take place in July 2023.

The Committee asked that the implementation dates be updated. All new recommendations coming out of the internal audit will now be added to the Register.

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

10. Department of Finance Guidance

Ms H George presented the Committee with one piece of Department of Finance Guidance.

'Departmental Annual Report and Accounts 2022-23' sets out the timeline for submitting Departmental Accounts for 2022-23. This guidance does not directly relate to CRC, however, some items are relevant to ALB sponsor bodies.

Ms H George presented the Committee with a new piece of Guidance from the Northern Ireland Audit Office titled 'Planning Fraud Risk'. This guidance sets out the potential risk of fraud in Northern Ireland's planning system.

The Committee noted this report.

11. Direct Awards

Ms H George informed members that no direct awards have been made following the previous Committee meeting.

12. Small Purchases Without a Price Check

Ms H George presented the Committee with a paper setting out the small purchases made by CRC which did not require a price check.

The first item is the Northern Ireland Audit Office's National Fraud Initiative Fee of £1,319.

While not a small purchase, Ms H George informed the Committee of the Northern Ireland Audit Office 2021/22 audit fee of £23,000 which was paid in March 2023. This fee was presented to the Audit Committee in May 2022, and the Purchase Order was approved by the Board at their meeting in February 2023.

The Committee noted the report.

13. Any Other Business

None

14. Date of Next Meeting

4th May 2023 11am.