

Community Relations Council
Finance and General Purposes Committee
28th June 2022 10am
Via online video software

1. **Present:** Mr M McDonald (Chair of CRC Board), Ms A Simpson (Board Member), Ms N Tandon (Board Member)
 2. **In Attendance:** Dr J Irwin (CEO), Ms H George (PA to CEO and Board), Ms S McMenamin (Finance Manager), Mr B McDonald (CRC Vouching and Verification Officer).
 3. **Apologies:** Mr M McDonnell (Board Member), Ms J Adamson (HR Manager)
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4. **Minutes**

The Minutes of the 20th January 2022 Finance and General Purposes Committee were reviewed and approved.

5. **Matter Arising**

All matters arising will be dealt with under other agenda items.

6. **Conflicts of Interest**

No conflicts of interest were raised.

7. **Annual Report and Accounts**

The CEO presented the Committee with CRC's draft 2021/22 Annual Report and Accounts.

She highlighted that the report contains two sections: the Performance and Governance Report and the Accounts.

The Accounts section of the report was prepared by Ms S McMenamin and independent accountants Cavanagh Kelly. The CEO thanked Ms McMenamin and Cavanagh Kelly for their work on the accounts. She also thanked Ms George for compiling the other contributions to the Annual Report.

The CEO presented the Committee with a number of sections within the report including: The Chair's forward; The CEO's Comment; The Strategic Plan; The Going Concerns; The Performance Summary; Key Achievements; Detailed Analysis of Achievements; Breakdowns of Funding Paid, Break Down of Achievements in each Directorate; Overview of the Business Plan achievements; Detailed Financial Summary; Strategic Report; Governance Statements; Data Protection, FOI, and Complaints.

The Audit Office and Controller will insert CRC's audit report to page 54 of the Annual Report and Accounts, once it has been signed off.

The CEO highlighted to Committee members that the report takes account of the implementation of all outstanding pay remits, which took place in March 2022. The report also sets out CRC's current pension deficit of £3,213,00. The CEO reminded the Committee that CRC received assurance from TEO, in the form of a pension guarantee to cover these pension liabilities should CRC dissolve.

All financial statements were completed in line with Charity reporting guidance, Department guidance, and Company House guidance.

The Committee thanked the CEO for presenting the accounts. They thanked Cavanagh Kelly, Ms S McMenamin, Ms H George, and all staff at CRC for their work on the accounts and their work reflected in the Report.

The CEO informed the Committee that this draft will be sent to the Audit Office on 15th July for their review. The final version will then be presented to the Audit and Risk Assurance Committee before it goes to the full Board in October during the Annual General Meeting.

8. Quarter Four Delivery Report

The CEO presented the Committee with CRC's Delivery Report for the final quarter of 2021/22.

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

9. Management Accounts

Ms S McMenamin presented the Committee with CRC's Management Accounts for April and May 2022.

She highlighted a number of points from the accounts and explained that it currently shows an underspend in grants for 2021/22. This is due to the closing down of the previous financial year, and will be reconciled in the coming months. Operating expenditure is also showing an underspend. This is due to the DFAP Director post being unfilled.

The CEO reminded the Committee that CRC has been basing spending on the previous year's funding as requested by TEO.

The CEO added that CRC will need to review the budget once the staff team is at full complement, as the pay remit processes are now up to date and staff are all on their correct scales.

The Committee thanked Ms S McMenamin and the CEO for this update and noted the Accounts.

10. Online Banking

Mr B McDonald presented the Committee with a paper setting out CRC's current online banking procedures. Due to recent staffing changes, Mr B McDonald proposed a number of amendments to the procedures, to ensure that there are no single points of failure in the payment process.

The Committee reviewed the proposals and agreed the following:

- One Board member would be added to the authorisers list. The Committee suggested that CRC would ask Mr M McDonnell to become this 'Authoriser', and if he is unable to, then the Chair would accept this role.
- The IT Officer would be added as a 'Creator' on the account.
- The Vouching and Verification Officer and the Finance Manager would be added as 'General Users' on the account.

ACTION: All the agreed actions in relation to Banking on Line to be implemented.

The Committee thanked Mr B McDonald for his work on this paper.

11. Solvency and Liquidity Report

Ms S McMenamin presented the Committee with a Report on CRC's Solvency and Liquidity.

As of 31st March 2022 CRC's restricted income funds sits at negative 599,529 and restricted pension reserves sits at negative 2,386,000.

The CEO reminded the Committee that as in previous years CRC's funds appear in the negative for two reasons: the accounts are based on accruals and the pension report.. She reminded attendees that TEO have provided CRC with a letter of assurance relating to the pension liability.

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

12. Correspondence Regarding a Previous Grant

The CEO provided the Committee with background related to correspondence received about a capital grant administered by CRC on behalf of the SEUPB Peace II programme. Peace grants are no longer administered by CRC, having been transferred back to SEUPB in 2012 along with all of the grant files.

A number of groups who were funded through this grant have recently been in contact with CRC to ask if the charge which CRC holds on their premises, as a condition of the capital grant, can be lifted.

To assist with consideration of these requested CRC contacted SEUPB to asked if they still held the files on these grants. The organisation advised that the files had been destroyed, in line with their document retention policy.

The Committee discussed the issue and agreed the following steps:

- CRC to contact TEO to ask for any details they may have on PEACE II capital grants administered by CRC that currently have charges on their buildings as part of the grant.
- CRC will then write to TEO and SEUPB informing them that it is CRC's intention to release these charges, setting out the reasons, and giving these two organisations a reasonable amount of time to respond with their agreement or any objections.
- CRC will then write to the affected groups and inform them of the outcome.

13. Vouching and Verification Report

Mr B McDonald presented the Committee with an update on the implementation of the new Vouching and Verification Procedures, including a progress report for the 2021/22 claims.

The Committee thanked Mr B McDonald for this update and noted the report.

14. Vouching and Verification Procedures

Mr B McDonald informed the Committee that, during the implementation of the new Vouching and Verification procedures, it became clear that there were a number of processes and forms in the procedures which were not working as well as they could.

He presented the Committee with two proposed changes to the procedures.

The first proposed change replaces the current automated expenditure profile spreadsheet with the previous version. The new automated version was not fit for purpose and will require further work. In addition the previous version was more user friendly for funded groups.

The second proposed change relates to the verification procedures. Full verification will only be necessary to groups new to the scheme or where financial concerns were raised at a previous vouching and verification process. Groups that have undergone a verification check within the previous financial year will not need to be subject to a further full verification check if the grant is for multiple years, unless concerns have emerged.

The Committee approved these updated procedures and thanked Mr B McDonald for presenting them.

15. Dignity at Work

In the absence of the HR Manager, the CEO updated the Committee on the implementation of the Dignity at Work Plan.

The Chair will be meeting with the non-management staff team in August and then will be meeting with the Management Team to conduct a dignity at work check in, as part of his Dignity at Work Champion role.

The CEO informed the Committee that no issues have been raised with the HR Manager, the Chair, or the CEO.

16. Fair Employment Monitoring Return

The CEO presented the Committee with CRC's annual Fair Employment Monitoring Return, which has been submitted to The Equality Commission in line with requirements.

She highlighted that there were no areas identified where affirmative action was required.

The Committee thanked the CEO for presenting and noted the Return.

17. Sickness Absence Report

The CEO presented the Committee with CRC's Report setting out the sickness and absence statistics for 2021/22 quarter four.

The CEO informed the Committee that there was a higher rate of sickness absence in 2021/22 due to Covid-19, vaccination symptoms, and unfortunately, bereavement leave.

There are currently no staff members off on long term sick leave.

18. Microsoft 365 Implementation

The CEO updated the Committee on the implementation of CRC's new Microsoft 365 system which will assist with CRC's move to agile working.

Phase one, which involved the moving of CRC's emails over to Office 365, is now complete.

Phase two, which involved CRC's telephony system moving over to Microsoft Teams, is now complete.

The timetable for completion of Phase three, which will involve the moving of files into cloud storage, may be affected to some extent by staff shortages.

19. Health and Safety

The CEO informed the Committee that there have been no health and safety incidents and no inspections to report on.

20. Premises Committee

The CEO informed the Committee that the 'Work from Home' guidance has been lifted by the Government, however, Equality House is still following Covid security arrangements. CRC are reviewing the office layout and removing redundant furniture to assist with implementation of hybrid working.

A meeting of the Equality House CEOs is due to take place this week and the Board will be updated in due course.

Mr B McDonald and Ms S McMenamin left the meeting.

21. Staffing Update

The CEO presented the Board with a paper prepared by the HR Manager regarding CRC's current staffing issues. With the unsuccessful recruitment of a new Director of Finance, Admin, and Personnel, this paper proposes CRC's next steps for the two vacant positions.

The Committee reviewed the proposal, and agreed the following next steps:

- The Finance Manager position will be advertised without the requirement for applicants to have an accountancy qualification which will become desirable rather than essential. Wording should read: 'qualified accountant or suitable experience in public sector finance'.
- The DFAP Director criteria on HR, IT, admin support, and facilities management to be moved to 'desirable criteria'.
- The DFAP Director essential criteria will be amended to include experience in voluntary sector governance. This will read: "Essential Criteria 3: Experience of public sector or voluntary sector governance".
- The Finance Manger role to be recruited using more focused channels.
- The DFAP Director role to be recruited using the 'no find-no fee' recruitment agency 'finder's fee' and the more focused methods.

The Committee thanked the CEO for presenting the proposals.

22. Any Other Business

None

23. Date of Next Meeting

October 2022 – Date to be confirmed