

**Community Relations Council 93<sup>rd</sup> Audit and Risk Assurance Committee**  
**Thursday 15<sup>th</sup> June 11:30am 2023**  
**Held online**

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

**In attendance:** Dr J Irwin (CRC CEO), Mr A Allen (NIAO), Ms J McGuckin (ASM), Ms H George (CRC PA).

**Apologies:** Ms S Nicholson (TEO), Mr P Garrity (CRC Finance Manager).

**1. Welcome**

The Chair welcomed Board members, Staff and colleagues to the 93<sup>rd</sup> Audit and Risk Assurance Committee.

**2. Declaration of Interests**

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 Board reviewed the minutes of the 92<sup>nd</sup> Audit and Risk Assurance Committee, which took place on 23<sup>rd</sup> March 2023.

The minutes were approved by the Committee.

**4. Matters Arising**

The CEO informed the Committee that, following feedback at the last meeting, reference has now been added to the second Audit Recommendation to include the review of the grant management system.

The Committee noted this update.

**5. External Audit**

Mr A Allen presented the Board with the Northern Ireland Audit Office Letter of Understanding. This letter sets out the roles and responsibilities of the different parties involved in the audit.

He highlighted that this year's Letter of Understanding contains details of the NICS Review of Financial Processes, which required CRC to provide detailed end of year finances to include within The Executive Office's own accounts.

Mr A Allen assured the Committee that this would not affect the timing of CRC's own audit.

The Committee thanked Mr A Allen for presenting and noted the letter.

## **6. Internal Audit**

Ms J McGuckin reminded the Committee that the internal Audit Plan for 2023/23 was approved at the previous meeting. The schedule will be agreed with CRC and presented at a future meeting.

The Committee noted this update.

## **7. Risk Register**

The CEO presented the Committee with the Risk Register. The Committee reviewed the Register and agreed the risk ratings.

The first risk 'Implementation of DoF guidance' remains rated red. TEO contacted CRC in April to request a meeting to discuss progressing this issue. The CEO and Finance Manager attended this meeting on 19<sup>th</sup> May. TEO asked CRC to provide an update on the superannuation figure for 2022/23, which is £15,302. The number of affected staff members was 9 in 2022/23 and has already reduced to 8 in 2023/24 due to the resignation of the Funding Director.

Risk two 'Staffing' remains rated red. CRC's temporary Finance Manager is working well and due to previous experience is very familiar with the reporting requirements on Arms Length Bodies. The DFAP Director is now working three days a week until September when she will start working full time. This arrangement was approved by the Chair on behalf of the Board and will be reported at the next Finance and General Purposes Committee meeting.

With regards CRC's Director of Funding, Mr P Jordan's final day was 19<sup>th</sup> May 2023. The Board agreed at the last meeting that the recruitment should begin as soon as possible. The HR Manager and CEO have reviewed the Job Description and Personal Specification and will present a recruitment timeline to the Finance and General Purposes Committee in July. In the interim the CEO has been leading the Team and all work is being covered.

The third risk 'NIAO Audit Fee Increase' remains rated amber. CRC's 2022/23 audit fee increased by 8% on the previous year.

In relation to the NIAO the CEO informed the Committee that CRC had received correspondence from NIAO informing that a tender exercise had taken place and a third party accountancy firm had been appointed to carry out CRC's 2023/24 audit. NIAO asked if there were any potential conflicts of interest with the awarded accountants. CRC responded to inform NIAO that the winner of the tender had compiled CRC's 2021/22 Annual Report and Accounts.

CRC's fourth risk 'Resource 2023/24' remains rated amber. CRC have not yet received the final budget, however, continues to work on the assumption of a 10% cut as indicated in correspondence from TEO at the beginning of the financial year. The budget letter is due in June. CRC cannot make first payments on 2023/24 grants until the budget letter has been received.

The Committee asked that the score and trend on the resource risk should be added.

**ACTION:** CEO and Ms H George to review and updated the rating and trend analysis of the 'Resource' risk

## **8. Investigations into Funded Groups**

The CEO informed the Committee that there are currently no ongoing investigations into funded groups.

## **9. Register of Audit Recommendations**

The CEO presented the Committee with CRC's Register of Audit Recommendations and highlighted the updates.

The first audit recommendation relates to the implementation of DoF pension guidance and the committee was updated on this earlier in the meeting during the discussion on the risk register.

The implementation of recommendation related to the quality of CRC's accounts is ongoing. CRC's finance procedures were reviewed by the internal auditors in March 2023, and was found to be 'satisfactory'. The Finance Manager and DFAP Director are working on the drafting of CRC's 2022/23 Accounts and this recommendation will be reviewed again following the NIAO audit.

The implementation of the recommendation related to the upgrade of accountancy software and the grant management system is ongoing. The DFAP Director has conducted a review of the grant management system and will present her recommendations to the Management Team in due course. The Finance Manager will be exploring the accountancy software upgrade when the preparation for audit of the Annual Report and Accounts is complete.

Three recommendations related to the review of CRC policies. The Engagement policies and Staff Handbook will be reviewed in July 2023, and the DFAP Governance policies will be reviewed in September 2023.

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

## **10. Department of Finance Guidance**

Ms H George presented the Committee with a paper setting out a number of new Department of Finance Guidance letters.

The first item is the 2020-21 Annual Theft and Fraud Report, which sets out the fraud and suspected fraud in Government Departments and all organisations using public money for the year 2021/22.

The second piece of guidance relates to the 2023/24 pay remit approval process. It sets out the approach being taken in relation to the public sector pay remit implementation.

The final piece of guidance sets out the process for laying Annual Reports and Accounts for the year 2022/23. The temporary arrangements in place during the Covid-19 pandemic have been extended for another year, therefore allowing Accounts to be submitted electronically.

The Committee thanked Ms H George for this update.

## **11. Direct Awards**

Ms H George presented the Committee with a paper setting out one Direct Award that CRC made in quarter one of 2023/24.

She explained that CRC's grant management system contract was due to end in 2023. The contract contained an allowance of two one-year extensions.

CRC sought the advice of TEO and Central Procurement Department on extending this contract for one year. They both approved this decision in May 2023 and therefore a one-year direct award was made.

Ms H George assured the Committee that all of the appropriate approvals were received, and a Business Case and Direct Award Form were completed by CRC.

The extension of this contract for a year will allow CRC to investigate the issues with the system and work on a solution with an aim to draft a new business case later this year.

The Committee noted this report.

## **12. Purchases without a Price Check**

Ms H George presented the Committee with a paper setting out the purchases that were made in May/June 2023 that did not require a price check.

£0.04 was paid for CRC's Xerox photocopier in the first quarter of 2023/24.

£738 was paid for CRC's Chief Executive's Forum 2023/24 membership.

£176 was paid for CRC's HR Manager's CIPD Membership.

The Committee noted this paper.

## **13. Any Other Business**

None

## **14. Date of Next Meeting**

31<sup>st</sup> August 2023 11am