

Community Relations Council 97th Audit and Risk Assurance Committee
Thursday 22nd February 11:00am 2024
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. B Clerkin, (ASM), Ms N Woodside (Temporary EA), Ms U Kelly (Director of Finance Administration & Personnel) Ms E Tommaso (Admin Officer) Mr R Falls, (Cavanagh Kelly) Mr A Allen (NIAO), Ms A. Ferguson (TEO)

Apologies: Mr P Garrity (Finance Manager)

1. Welcome

The Chair welcomed everyone to the 97th Audit and Risk Assurance Committee.

2. Conflict of Interests

Mr 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.

Mr McCallister previously informed the Committee that, in relation to the pension risk on the Risk Register, he was a member of the NI Assembly and sat on the Finance Committee when the piece of legislation related to this issue was tabled. There is no current conflict, however the Chair is highlighting this issue for transparency.

In relation to the IT risk on the Risk Register Mr McCallister also reminded the committee that he is an Equality Commissioner.

3. Minutes

The Board reviewed the minutes of the 97th Audit and Risk Assurance Committee, which took place on 11th January 2024.

The minutes were approved by the Committee.

4. Matters Arising

None

5. External Audit

Annual Report and Accounts 2023/24:

The Chair welcomed Mr Falls, Cavanagh Kelly.

Mr Falls introduced himself and provided some background to the role of Cavanagh Kelly in the 23/24 audit of the Community Relations Council's Annual Report and Accounts, He then presented the NICRC Audit Strategy, including the level of materiality and the timetable for completion of the audit.

The audit strategy was agreed, and the Chair thanked Mr Falls for his presentation.

6. Internal Audit

Mr Clerkin (ASM) reminded members that this year's internal audits would cover Grant Administration, a review of the work of the Finance and General Purposes Committee and the normal follow-up on previous internal audit recommendations. He presented the Terms of Reference for the three audits which had been agreed with the CRC staff. Mr. Clerkin noted that the audits are scheduled to take place during the weeks commencing 4th and 11th March.

No issues were raised in relation to the Terms of Reference for the internal audits and the Chair thanked Mr Clerkin.

7. Risk Register

Ms. Kelly took committee members through the risk register which had been circulated. The committee agreed the following:

Risk 1 – Pay Remit– Current status red: no change

Ms Kelly advised that the pension sup group is meeting 29th February 2024. In this meeting they will discuss TEO feedback on January submission. The feedback hasn't yet been reviewed as we have been waiting to meet as a group to discuss this in detail. Comments actions and next steps will be provided when available.

Risk 2- Staffing – Current status red: no change

Members were advised that Staffing is still red on the risk register.

A new Verification Officer has been appointed and will be joining CRC in March 2024. The post of Core Fund Officer has been advertised this week.

In relation to the Finance Manager position, Mr. Garrity is still in place and Ms Kelly is confident he will continue the role. Ms Woodside is still covering the maternity leave of Ms. H George .

Ms Kelly informed ARAC committee she will be leaving CRC at the end of March 2024 as she has a new post in Department for Infrastructure in Omagh. Ms Kelly advised HR is working with her a on recruitment for her post and she is preparing a handover at present. Ms Kelly advised staffing on the risk register will be updated to record that she is leaving.

Risk 3- NILGOSC Pension Scheme–Current status Amber: no change
Ms Kelly reports no further change on the pension scheme.

Risk 4- Resources– Current status Amber: no change
The budget position cannot be reviewed yet due to Paul Garrity being on leave. Once he has returns we can look at the possibility of transferring funds into grands and having discussions around releasing some more funds into our smaller groups. This could be done as a cost-of-living payment

Risk 5 – IT Current status Red: no change.
Ms Kelly advises that since the papers for the committee had been issued the situation had improved and this could potentially be brought down to amber. The IT support contract with ECNI was at risk due to the fact that the two members of their IT staff were leaving. However, in the last week ECNI have been working on mitigations. It has been confirmed that IT assist is not “on boarding” at present and are not likely to be for at least another 9 months. ECNI has arrived at a solution based on a Direct Award Contract which has been discussed with Central Procurement Directorate. This will provide continuity of IT support services for a year.

ECNI is carrying out the work of the business case and the details for the direct award on behalf of all the Arm’s Length Bodies in Equality House.

CEO advised it may be prudent to leave this as a red risk at present until everything is in place. This was agreed.

The Chair and Board members thanked Ms Kelly for presenting the risk register and congratulated her on her new role. The Chair advised CRC will be very sorry to be losing someone who was making a real impact with the company. He wished her every success in her new role.

In relation to the risk register Mr Campbell noted that he had raised a concern on grant virement requests from funded groups with Mr B McDonald (Director of Funding and Development).

Mr Campbell reported that he was seeking assurance around the procedure for the use of written procedures to approve virements. As a member of the ARAC committee if we are approving things outside of the Board meetings, we need to understand the need, and it is important everyone is reminded of the parameters when there is a need to make quick decisions. Mr. Campbell felt it might be time to review the protocol on what we can and cannot approve.

Mr Cambell intends to I raise this with the Chair Mr. M McDonald at the next Board meeting. Mr. Campbell added that it was important to stress this is not criticism of anything that has happened to date, we just need to be careful in this financially volatile year for funded groups.

Ms. Kelly advised that this matter had been discussed at the SMT meeting on Tuesday 20th February 2024.

The issue in this case was the timing of the next Board meeting. She noted that we are approaching the end of March, and we need to ensure the allocation of funds to the greatest extent possible. She gave assurance that no changes or additional payments to Core Funded groups have or will be made without the necessary Board approval being in place.

The CEO reassured the committee that we have existing criteria around when this happens, and this will be discussed with the Board.

The CEO advised that in line with Mr Campbell speaking to the Chair of the Board on this, it will be an item on the agenda for the next Board meeting.

The CEO confirmed that the Board has always needed to use written procedure when the timing of Board meetings did not allow for a timely decision in relation to grant management. However, it is used at the Board's discretion and the circumstances in which it is used can strengthen to give reassurance if necessary.

Mr Campbell thanked the CEO.

In relation to the IT service agreement Mr Campbell reported that he was assured by the fact that we are in contract with ECNI, and we have protection in the service level agreement on availability on IT. We also have a separate grant administration package so this reduces the number of things that can go wrong.

The CEO reminded members that most records and information are now on Cloud Services instead of the ECNI servers. This was originally to assist with hybrid working and ensure staff had access to all relevant information, regardless of where they were working.

Mr McDonnell stressed the importance of not having any gap in support or service at this time. The CEO confirmed there isn't at the moment and none is anticipated at present.

Mr McDonnell then asked the CEO for her thoughts and comments on the staffing and resourcing issues.

The CEO thanked Mr M McDonnell for the opportunity to provide further clarity on this. She summarised the current staffing situation in relation to vacancies, maternity cover and the related challenges currently facing the Funding and Development team. She noted the welcome appointment of

the new Vouching and Verification officer.

The CEO reported she would be sad to see Ms Kelly leave CRC. She reassured the committee Ms Kelly's decision to leave was down to job location.

In terms of the DFAP Director post she reminded members that the post had been filled on a 1 day per week basis for most of last year until September 2023 when Ms Kelly moved to working full time. The day-to-day financial work was undertaken by Mr Garrity who is working as Senior Finance Manager. The CRO advised member that Mr. Garrity was very capable and has good experience with public sector accounts. This was evident in the quality of last

year's Annual Report and Accounts. The CEO was hopeful that with the help of Mr. Garrity the work of the Finance, Admin and Personnel Department would continue and she would

step back in to supporting this team again, providing day to day line management support as was the case last year.

The recruitment process will commence and will be reported at Board meetings. Any emerging risks will be reported in the normal way to the Audit and Risk Assurance Committee.

The CEO highlighted that CRC was not the only ALB experiencing staffing difficulties at this time.

Mr McDonnell thanked the CEO and asked whether CRC had temporary support before Ms Kelly was appointed and whether there was an opportunity for a secondment.

The CEO noted that it was not a good time to lose Ms Kelly, especially not at this stage of the year. She reminded members that in previous years the organisation had used external agency support however by this time last year Mr. Garrity was in place which had secured the organisation's financial management processes.

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The Chair and Mr McDonnell thanked CEO for her response.

The Chair reminded the committee that Mr. Garrity did not wish to take up permanent employment, so it remains a concern that CRC will be relying on temporary staff so much in the coming months and therefore the need to maintain this risk at red was clear.

8. Register of Audit Recommendations

The Chair advised members that there was now only one remaining recommendation. Ms Kelly reported the pension issue is ongoing, it has been updated to reflect the updated business case has been submitted and TEO feedback has been received and the pension sub-group is due to meet next week.

9. Investigations into Funded Groups

There are no current investigations.

10. Department of Finance Guidance

None received this month.

11. Direct Awards

None

12. Purchases Without a Price Check

The Chair advised there was one item – NI Leadership and Governance Conference.

13. Any Other Business

None

14. Date of Next Meeting

Mr McDonnell reminded members that he wouldn't be attending meeting on 20th June 2024 due to annual leave. It was agreed that if the other committee members are available the date of this meeting should not be changed.

The Chair advised that the next meeting is set for 4th April however its Easter week. The Chair asked if everyone was content to move the meeting to 11th April.

Committee members agreed however the time of the meeting was changed to 2.00pm.

The Chair confirmed next meeting 11th April 2PM Online.
Chair thanked all for attending.