

**Community Relations Council 104<sup>th</sup> Audit and Risk Assurance Committee**  
**Thursday 23<sup>rd</sup> January 2025 11:00am**  
**CRC's Office**

**Present:** Mr John 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 P Garrity (Finance Manager), Mr R Falls (Cavanagh Kelly) Mr A Allen (NIAO), Ms H George (EA to CEO and Board), Ms A Mealey (TEO), Mr C Telford (SCC).

**Apologies:** None

## **1. Welcome**

The Chair of the Committee, Mr J McCallister welcomed Mr C Telford to today's meeting. Mr C Telford, representing SCC, was recently appointed CRC's internal auditors following a second tender exercise.

Attendees introduced themselves and welcomed Mr C Telford to the meeting.

## **2. Conflict of Interests**

Mr Campbell works at the same firm as CRC's legal advisors, assisting with the NILGOSC pension case set out in the Risk Register. 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.

## **3. Minutes**

The Minutes of the 103<sup>rd</sup> Audit and Risk Assurance Committee which took place on 14<sup>th</sup> November 2024.

The Committee agreed that in relation to the closed session only a short line should be included in the minutes setting out that a closed session took place, and details of the session should be omitted from the minutes.

The Committee approved the draft minutes.

## **4. Matters Arising**

All handled in other sections of the meeting.

## **5. External Audit**

Mr A Allen, NIAO, informed the meeting that following the Board and Committee's approval of the Annual Report and Accounts it has received certification from the Comptroller and Auditor General.

The final draft of the Report to Those Charged With Governance was issued, which included CRC's Management Comments on the recommendations.

Mr R Falls added that he and Mr P Garrity met in January to discuss the upcoming 2024/25 audit. A draft audit plan will be presented at the upcoming meeting. The plan will show a proposed timeline of the audit, including certification of the accounts in the Autumn.

The Chair thanked Mr A Allen and Mr R Falls for this update.

## **6. Internal Audit**

Mr C Telford informed the Committee that he met with the CEO, Mr P Garrity and Ms H George on 17<sup>th</sup> January for contract initiation, introductions and background information on the work of CRC.

He presented the Committee with a draft Internal Audit Strategy. The strategy takes a risk-based approach and identified the following key categories of risks relevant to CRC: Operations – Grant Management; Community Relations and Engagement; Corporate Governance; Risk Management; IT & IS Governance; HR, Culture and Talent Management; ESG- Climate Action; Project Management; Health and Safety; Financial Governance. The Committee agreed with the list compiled by SCC.

Two reviews that will take place this year will be of Grant Management and a review of the recommendations made during the previous audit. Mr C Telford will consider a third area to review and include that in the next draft of the Audit Plan.

Mr C Telford informed the Committee that SCC will be conducting an Internal Quality Assessment and he provide details of this to the Committee following the exercise. An External Quality Assessment exercise is due to be carried out every five years, with SCC's due to be completed by 2025/26. The CEO reminded the Committee that an External Quality Assessment is now a compulsory exercise required by TEO of internal audit services. This function used to be provided by central government but responsibility has now been placed on the firms.

The Committee thanked Mr C Telford for this update and the first draft of the Audit Plan.

## **7. Risk Register**

The CEO presented the Committee with the updated Risk Register.

Risk one 'Implementation of DoF Guidance' remains rated red. TEO asked CRC to procure a consultant to assist with the financial aspects of the Pension Business Case. A tender exercise commenced and closed on 6<sup>th</sup> January. No bids were made. Feedback was received from a number of firms and a paper will be presented to the F&GP Committee and the Board to agree the next steps. The feedback from firms was that additional expertise would need to be procured and the current budget would not cover this.

Risk two 'Staffing' remains rated red. A paper was presented to the F&GP Committee in November 2024, where a number of mitigations were agreed. The Committee agreed to continue employing a temporary agency worker to cover the finance manager role. A review was conducted of the DFAP Director and Finance Manager job roles and a paper will be presented at the F&GP Committee today setting out further mitigations.

Risk three 'NILGOSC Pension Scheme' remains rated amber. There has been no further developments on this risk.

Risk four '2024/25 Resource' remains rated amber. The CEO reminded members that this risk sits on the register due to the cut in CRC's budget for the year which comes on top of previous cuts over the years. Since this draft was circulated CRC has learned the outcome of the January Monitoring Round. The £45k bid for CRCD has been approved, along with the £15k bid for the Pension Business Case consultant.

Risk five 'Board Member Terms of Office' remains rated red as no correspondence has been issued this is despite the fact that an update was provided by TEO officials in September that Board members terms had been approved and letter would issue shortly. The CEO informed the Committee that one effect of this delay is that the Departmentally approved increased of Board member attendance allowance cannot be implemented until the letters have been received as advised by TEO.

Risk six 'Procurement of Internal Audit Tender' is now rated green as a firm has accepted CRC's offer of this contract. This will now be removed from the Register.

The Committee thanked the CEO, agreed the ratings of these risks and will continue to keep them under review at all meetings.

## **8. Register of Audit Recommendations**

The CEO presented the Committee with the three current recommendations on CRC's Register.

Recommendation one 'Implementation of DoF Pay Remit/Pension Guidance' is still ongoing. An update has been provided in a previous section of the agenda.

Recommendation two suggested CRC continue to attempt to recruit finance staff and ensure appropriate succession planning. It also recommends appropriate separation of duties and approval at all levels in the finance process. The Committee agreed that the separation of duties aspect of this recommendation has been implemented, but the succession planning aspect was not yet complete. A new implementation date of 31<sup>st</sup> March 2025 has been added to the Register.

Recommendation three states that CRC should review all reports from experts and question any significant changes from the previous report. A note has been added on CRC's Audit File for the 2024/25 review on how to complete the Pension Report form correctly. The Committee agreed that this item will remain on the register until the next Pension Report Form has been submitted to NILGOSC/AON.

The Committee agreed the status of the recommendations.

## **9. Investigations Into Funded Groups**

Ms H George informed the Committee that there are no current investigations into funded groups.

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

Ms H George presented the Committee with one piece of DoF Guidance. The 20<sup>th</sup> Dec 2024 Government Finance Reporting Manual updates the FReM to assist with the completion of the 2024/25 Annual Accounts.

The Committee thanked Ms H George for this update and noted the report.

## **11. Direct Awards**

Ms H George informed the Committee that there were no Direct Awards made since the previous Audit Committee meeting.

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

Ms H George informed the Committee that there have been no purchases without a price check made since the previous Audit Committee meeting.

### **13. Any Other Business**

Ms P Garrity reminded members to submit their Travel and Subsistence forms before the end of the financial year.

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

6<sup>th</sup> March 11am – online

24<sup>th</sup> April 11am – online