

Community Relations Council 105th Audit and Risk Assurance Committee
Thursday 6th March 2025 11:00am
Online

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), Ms C Laird (NIAO), Mr C Telford (SCC), Ms H George (EA to CEO and Board).

Apologies: Ms A Mealey (TEO)

1. Welcome

The Chair of the Committee, Mr J McCallister welcomed everyone to today's meeting, and welcomed Ms C Laird who will be representing NIAO.

2. Conflict of Interests

Mr R 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.

3. Minutes

The minutes of the 104th Audit and Risk Assurance Committee were reviewed and approved.

4. Matters Arising

No matters arising to review.

5. NI Audit Office

i) 2024/25 Audit Strategy

Ms C Laird presented the Committee with CRC's Audit Strategy for 2024/25.

She highlighted that the Audit Strategy includes a presumed risk of material misstatement to the accounts due to management override of controls. She assured the Committee that this risk applies to all bodies being audited.

Materiality would be set at £62,218. The error reporting threshold for this audit is £3,111.

This audit will be conducted on behalf of NIAO by Cavanagh Kelly. The fee for this years audit is £22,400, which is an increase of 2.3%.

The audit will begin on 23rd May with certification planned for October.

Mr P Garrity informed Ms Laird that 23rd May would not work as he will be on leave. He asked if she could communicate to Cavanagh Kelly that the Monday 26th May would suit him for the beginning of this work.

The Committee discussed the audit fee and were content that the increase was in line with inflation.

The Committee noted the Strategy and thanked Ms Laird for presenting.

6. Internal Audit

i) 2024/25 Audit Strategy

Following a meeting with the Senior Management Team, hearing about the Core objectives of the organisation and the key risks, SCC drafted an updated Internal Audit Plan and Mr C Telford presented it to the Committee.

The 2024/25 internal audit areas of focus will be: Grant Management; Corporate Governance and Risk Management; and Programme Review of Engagement.

Mr C Telford will be meeting with the Directors in the next few weeks to provide details of the areas of review and begin the work. The work will be completed in March and April 2025 and reported to the Committee by July 2025.

Mr P Garrity assured the Committee that provision has been made in the 2024/25 budget to accrue payment for this work.

The Committee thanked Mr C Telford and approved the Plan.

7. Risk Register

The CEO presented the Committee with the updated Risk Register.

Risk one 'Implementation of DoF Guidance' remains rated red. The Chair wrote to TEO on 31st January to inform them of the outcome of the recent procurement exercise and ask for advice on next steps. A response to this correspondence has not yet been received. The CEO raised this at the recent Accountability and Liaison meeting and will do so again at the upcoming Board meeting, at which Mr C Gardner will be in attendance.

Risk two 'Staffing' remains rated red. The F&GP Committee met in two closed sessions in December 2024 and January 2025 to review the staffing situation. They

approved a temporary staffing structure which creates a role that separates the governance from the finance in the DFAP team. They agreed that the DFAP Director position would remain unfilled. This is a temporary arrangement as CRC have no insight into the longer-term resourcing of the organisation or the outcome of the TBUC Review. A review will take place once the structure has been in place for one year. An internal trawl has begun and will close to applications on 10th March. In addition, The CEO continues to raise the staff grading issue with TEO and is awaiting guidance on the grading review process.

Risk three 'NILGOSC Pension Scheme' remains rated amber as there has been no further development. Cases continue to go through the Tribunal Service, however, CRC's is not one of them.

Risk four '2024/25 Resource' remains rated amber. CRC continue to remain on budget and there are no anticipated issues with year end. However, this item remains in the register as CRC have just recently received the 2025/26 indicative budget. This budget does include a £60k increase on 2024/25's opening budget, but this is well below the finishing position of 2024/25. While we can manage on this budget CRC will rely on in year monitoring rounds for additional resource and may have to suspend some outcomes in the Operational Plan.

Risk five 'Board Members Terms of Office' remains rated red as no official letters have been received. The Committee agreed that Mr C Gardner's attendance at the upcoming Board meeting will be an opportunity to raise this issue.

The Committee agreed the risk ratings and thanked the CEO for presenting.

8. Register of Audit Recommendations

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

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 suggests CRC work on a succession plan for the Finance Manager role, including separation of duties. The Committee agreed that the update provided on Staffing Risk covers part of this recommendation. It will continue to be reviewed while the new staffing structure is implemented.

Recommendation three relates to CRC's AON pension report pro forma. The CEO informed the Committee that the pro forma for 2024/25 has been drafted and submitted. This item will be reviewed again once the final report has been received.

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

9. Investigations into Funded Groups

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

10. Department of Finance Guidance

Ms H George presented the Committee with two pieces of Guidance published by the Department of Finance.

The first guidance relates to the timeline and preparation of the 2024/25 Annual Report and Accounts by Government Departments.

The second piece of guidance provides departments with statutory directions for the format and content of their Accounts for 2024/25.

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

11. Direct Awards

Ms H George informed the Committee that there have been no Direct Awards made since the last meeting.

12. Purchases Without a Price Check

Ms H George presented a paper setting out the one purchase that did not require a price check.

Meeting room and catering costs for a North Belfast Strategic Good Relations Grant Group session, totalling £112.50. This cost did not require a price check as CRC are required to hold these meetings at the venue of one of the funded groups.

13. Date of Next Meeting

24th April 2025 11am