

Community Relations Council 106th Audit and Risk Assurance Committee

Thursday 24th April 2025 11am

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 (CEO), Mr P Garrity (Finance Manager), Mr A Allen (NIAO), Mr C Telford (SCC), Ms H George (Governance Manager), Ms A Mealey (TEO).

Apologies: None

1. Welcome

The Chair of the Committee, Mr J McCallister welcomed everyone to today's meeting.

2. Conflicts of Interest

Mr R Campbell works at the same firm as CRC's legal advisors, assisting with the NILGOSC pension case and pre-action to judicial review, 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 J McCallister informed the Committee that he and Mr R Campbell attended CRC's Core Decision meeting where the outcome of the eligibility check appeal was discussed. There is no conflict, however, Mr J McCallister is declaring this for transparency.

3. Minutes

The minutes of the 105th 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

Mr R Falls from Cavanagh Kelly, who will be completing this audit on behalf of the NI Audit Office, informed the meeting that the external audit will begin their review of grants award income in the next few weeks. Mr A Allen stressed the importance of meeting all external audit deadlines.

Mr P Garrity informed the Committee that the 2024/25 Financial Accounts have been compiled and submitted to TEO as part of the Whole of Government Exercise. The only piece of work outstanding is CRC's pension report, produced by AON. Once this report has been received the full accounts can be drafted.

The CEO and Committee thanked Mr R Falls for this update, and Mr P Garrity for his work on the accounts.

6. Internal Audit

Mr C Telford presented the Committee with the 'Grants Management and Administration' review report. This audit received a satisfactory rating with no recommendations. The Internal Auditors had suggested that, once the TBUC Review has been completed, the Funding Team consider how to better structure their grant management documentation.

A review is currently underway looking at CRC's Corporate Governance and Risk Management. Mr C Telford will be meeting with the CEO, the Chair of the Audit Committee and Ms H George in early May to discuss the review.

The review of Engagement teams work will begin in May, and will look at the Good Relations Award governance process.

Following the completion of these reviews the Committee will be presented with the annual Assurance Statement.

Mr C Telford informed the Committee that SCC will be undertaking their internal audit quality assurance report at the end of this year, and external quality assurance assessment in due course.

The CEO thanked Mr C Telford for this report and the assurance that it provides. She welcomed the suggestion around updating the grant management documentation and noted that this will be considered once CRC receive the outcome of the TBUC Review and any implications for its grant schemes.

The Committee thanked Mr C Telford and noted the report.

7. Risk Register

The CEO presented the Committee with the updated Risk Register.

Risk one 'Implementation of DoF Guidance' remains rated red. CRC received correspondence from TEO recommending CRC look into the use of agency staff to complete the Business Case. The HR Manager contacted a framework agency firm seeking a temporary worker. CRC have two interviews lined up this week to speak to potential agency workers.

Risk two 'Staffing' remains rated red. Following the F&GP Committee and Board's approval of the temporary DFAP structure changes one staff member submitted an application and was appointed to the position, starting 1st April. The CEO suggested that

it was too soon to reduce the risk rating from red, as the staff member has only been in place for a few weeks. The Committee agreed that this risk should remain red.

Risk three 'NILGOSC Pension Scheme' remains rated amber as there has been no update on this case.

Risk four '2024/25 & 2025/26 Resource' remains rated amber. CRC's 2024/25 Annual Accounts are currently being prepared and will be presented to the F&GP Committee then the audit and Board at the Annual General Meeting later in the year. CRC received the 2025/26 opening budget from TEO, which included a £60k increase on the 2024/25 opening budget. However, this is still significantly below CRC's 2024/25 closing position. CRC will bid into the Monitoring Rounds for additional resources. Mr P Garrity added that while TEO have stated that the increased National Insurance Contributions will be provided for in the next Monitoring Round, it will not be fully provided for, and CRC will still be required to bid for it, along with the funding for the Pathfinder grant, which TEO has advised it will provide funding for in the June monitoring round.

Risk five 'Board Members Terms of Office' remains rated red as members have received no correspondence beyond the general assurance provided to CRC in September 2024.

Risk six 'Pre Action to Judicial Review' is a new risk. CRC received a Core Funding application from a group for the 2025/26 year, which was unsuccessful at the eligibility stage. The group appealed this decision. An independent review panel was convened on 10th Feb, made up of two individuals outside of CRC. The independent panel upheld the original decision. The group were notified following this meeting. CRC received correspondence on 10th March 2025 from the legal advisors of the group stating that they would be pursuing pre-action to a Judicial Review. CRC's lawyer responded to the Pre-Action Protocol on 28th March. The CEO informed the Committee that the group has advised TEO that it intends to make a bid to CRC's Pathfinder Scheme. The Committee discussed this risk and agreed that it should be rated red, due to the remaining uncertainty and financial costs that would be associated with a legal action.

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

8. Audit Recommendations

The CEO presented the Committee with an updated Audit Recommendations Register.

Recommendation one relates to CRC's pension issue, an update on which has already been provided to the Committee.

Recommendation two relates to CRC's Staffing issues. In addition to the update provided under the Risk Register item, the CEO reminded the Committee that, as part of the recommendation by NIAO, CRC have to continue to make efforts to recruit a permanent Finance Manager. She informed the Committee that a decision will be taken at the upcoming F&GP Committee on advertising this position again and the recruitment pack is ready.

Recommendation three relates to CRC's Pension Report pro forma. This recommendation will be reviewed and marked as complete once the report has been received and incorporated into the Annual Report and Accounts.

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

9. Investigations into Funded Groups

Ms J Irwin informed the Committee that there are currently no ongoing investigations into funded groups.

10. Department of Finance Guidance

Ms H George presented the Committee with two pieces of Guidance.

Guidance one is 'Corporate Governance in Central Government Departments – Code of Good Practice'. Ms H George confirmed that while this code relates to Government Departments, where there are sections relevant to ALBs, CRC is already compliant. For example the Board should meet at least quarterly, board or committees should ensure scrutiny of governance arrangements. However, CRC's Board Code of Practice is due a review anyway as some of the language has been superseded. An updated version of the Code of Practice will be presented to the Board at the next meeting.

The second piece of guidance is titled 'Introduction of new Global Internal Audit Standards in the UK Public Sector. Ms H George presented the Committee with a paper summarising the key update made to the previous public sector internal audit standards. Amendments include updates to the Core Principles, new Code of Ethics, and how to measure compliance with the principles. While the onus on implementing this guidance sits wholly with Internal Auditors, Ms H George proposed an update to the Committee's Terms of Reference, to include the following two items in the responsibilities section of the document:

- Receive the Internal Auditors annual Internal Assurance Assessment. Which provides assurance that the firm are compliant with GIAS.
- Receive, at least every five years, Internal Auditors results of their Independent External Quality Assessment, which will review their compliance with GIAS.

The Committee approved the amendments to the Terms of Reference. They thanked Ms H George for this update and noted the reports.

11. Direct Awards

Ms H George informed the Committee that there have been no direct awards made since the previous meeting.

12. Small Purchases without a Price Check

Ms H George provided the Committee with a report on the purchases occurring since 27th February that did not require a price check. These were:

Social Value Engine - £1,500

Kate Oram – GR Award Sculpture - £2,850

Adobe Cloud - £424.66

NICVA Membership Fee - £425

The Committee asked for detail on the Social Value Engine purchase. Ms H George informed the Committee that this was a fee for a software licence, to enable the Engagement Team to carry out social value reviews. The CEO added that these reviews will look at the Core Fund investment.

13. Any Other Business

None

14. Date of Next Meeting

The Chair informed members that he will not be available on the date the next Committee meeting is scheduled for. Ms H George will work with the Chair to find another date in June for this meeting.