

Community Relations Council 107th Audit and Risk Assurance Committee

Monday 22nd September 2025 12noon

Ante-Room, Equality House

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

In attendance: Dr J Irwin (CEO), Mr P Garrity (Finance Manager), Mr A Allen (NIAO), Mr R Falls (Cavanagh Kelly), Mr S Cavanagh (SCC), Mr N Lynas (TEO), Ms H George (Governance Manager).

Apologies: None

1. Welcome

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

2. Conflict of Interests

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 107th Audit and Risk Assurance Committee were reviewed and approved.

4. Matters Arising

No matters arising to review.

5. External Audit

i) 2024/25 Annual Report and Accounts

The CEO presented the Committee with CRC's Annual Report and Accounts for 2023/24. The Finance and General Purposes Committee approved the first draft presented in July 2025 prior to the audit. Since then no substantial changes had occurred to the draft during the audit. She highlighted the various narrative sections of the report, including the Governance Report, Directors Report, and Performance

Overview. She noted that most of the contents would be familiar to committee members due to the various routine papers to the Board during the year, including the Operational Plan and delivery updates.

Mr P Garrity took the Committee through the financial aspects of the report. CRC operated a resource budget of £3,198,000, and a capital spend of £9,909. The organisation's restricted reserve at 31st March 2025 was a deficit of £289,617. The valuation of the pension scheme at 31st March was fully restricted to zero.

The CEO thanked CRC staff for preparing the Annual Report and Accounts and assisting the auditors during the audit. She also thanked the Audit Office and Cavanagh Kelly for their work on the audit. .

The Audit and Risk Assurance Committee also thanked the Audit Office and Cavanagh Kelly and it was noted that the Annual Report and Accounts would be presented later in the day at the Annual General meeting.

ii) Report to Those Charged with Governance

Mr R Falls, Cavanagh Kelly, presented the Committee with the Report to Those Charged with Governance.

Mr R Falls drew the Committee's attention to page 5 which sets out the significant risks that is tested during the audit of every organisation, related to fraud arising from management controls. The review found no evidence of this risk at CRC.

The Auditor found one priority one issue, related to Guidance (DFP) 08/14, 09/18 due to salary adjustments for historical differences in the level of employee contributions to the pension scheme, this has resulted in a potential irregular expenditure of £17,401. The Auditors recommend CRC continue to work with TEO to resolve this issue.

One point that the Auditors noted was CRC's continued reliance on a temporary agency worker as Finance Manager.

The audit was certified with an unqualified opinion, without modification.

Mr A Allen and Mr R Falls thanked CRC for their work on this. The CEO thanked NIAO and Cavanagh Kelly colleagues for their presentation to the committee and their audit of the Annual Report and Accounts.

6. Internal Audit

i) Internal Audit Charter

Mr S Cavanagh presented the Committee with an Internal Audit Charter, which has been drafted to meet the new Global Internal Audit Standards.

The Committee reviewed the Charter and asked for KPI on 'Delivery of Draft Reports within 5 days of Exit Meeting' be increased from 90% to 100%.

With that amendment made, the Committee approved the Charter.

ii) 2025/26 Audit Plan

Mr S Cavanagh presented the Committee with the draft Audit Plan for 2025/26. This Audit Plan was presented to and agreed by CRC's Senior Management Team in August.

Grants Management is due to be reviewed in March 2026, IT Controls to be reviewed in January 2025, and Finance Controls in October 2025.

The Committee thanked Mr S Cavanagh for presenting and approved the Plan.

7. Risk Strategy

The CEO presented the Committee with CRC's Risk Strategy. This Strategy is subject to annual review. Updates have been made to the Strategy to align with TEO's own recent amendments to their strategy, which was precipitated by the updates to the HM Orange Book.

Updates include the addition of a document control table, update to the Risk and Risk Management definitions, details of the Three Lines Model, Risk Matrices added, details of when the strategy is reviewed, updated outdated language, and a number of appendices added.

The CEO thanked Ms H George for her work updating this draft. The Committee approved the draft. It was noted that the updated Risk Strategy will now be taken to the Board AGM for review.

A Board member asked if staff would review the ARAC Terms of Reference to ensure there is no misalignment due to these changes in the risk strategy.

ACTION: Ms H George to review ARAC ToR to ensure no misalignment due to Risk Strategy updates.

8. Risk Register and Full Risk Repository

The CEO presented the Committee with CRC's Risk Register and Full Risk Repository, which includes all risks rated green, amber, and red.

Risk one 'Implementation of DoF Guidance' remains rated red. CRC await an update from TEO on their proposal to procure the assistance of the Strategic Investment Board. A request for an update was sent to TEO in early September, however, no update was provided.

Risk two 'Staffing' remains rated red. A recruitment exercise was conducted in May and no applications were made. CRC will advertise again once the Pay Remits have been implemented and CRC staff pay is in line with NICS. CRC's Pay Remits have been submitted and Mr P Garrity is working through a number of enquiries related to this.

Risk three 'NILGOSC Pension Scheme' remains rated amber as there has been no change.

Risk four '2024/25 & 2025/26 Resource' remains rated amber. The 2024/25 Accounts have now been audited and closed and will therefore be removed from this risk. CRC have now received the revised budget for 2025/26 and the 45% cap has been lifted. CRC has not yet received the outcome of the October Monitoring Round, which requests additional resource for grants and for assistance to complete the Pension Business Case. It was therefore recommended that the risk remain amber.

Risk Five 'Board Members Terms of Office' remains rated red. Those due to leave at the end of 2025 have all agreed to stay on until the recruitment is complete, however no official notification has been received from TEO. TEO confirmed that they are pursuing a meeting with HR Connect to begin this recruitment, and that letters have been drafted regarding this further extension and are currently with Ministers for approval.

Risk Six 'Pre Action to Judicial Review' has now been deescalated to a green rating. CRC's legal advisors suggested that the case be kept open over the summer, though the deadline had passed. They now recommend closing this case. In relation to the potential Pathfinder application, this group have not been in contact with CRC. This risk will therefore now be removed from the register.

The Committee thanked the CEO for presenting and members approved the risk ratings. The Committee expressed their concern that a formal letter has not yet been received regarding these further term extensions.

9. ARAC Policies

Ms H George presented attendees with an update on CRC'S policies related to the Audit and Risk Committee, and their status.

Ms H George worked with the DFAP Team and CEO to complete the annual review of these policies and to update them based on current practice and Government Policy amendments.

Ms H George noted that the updated policies have been presented to the Finance and General Purposes Committee throughout the year for review and approval.

The Committee thanked Ms H George and noted the report.

10. Register of Audit Recommendations

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

Recommendation one relates to the outstanding Pension issue. An update on this was provided earlier in the meeting.

Recommendation two relates to the staffing issues in the FDAP Team. An update on this was provided earlier in the meeting.

Recommendation three relates to the completion of the pension report request form. With the audit of the 2024/25 Annual Report and Accounts complete, this recommendation has now been implemented and will be removed from the Register.

Recommendation four suggests CRC staff and Board take part in refresher training on risk. The CEO confirmed that staff have undertaken this training. Board members will undertake this training when new Board members are recruited in 2026. However, if this is delayed any further, then CRC will consider bringing this timeline forward for all current members to participate.

Recommendation five proposes that a document be compiled setting out the Good Relations Award process. The Engagement Team have begun work on this and it is due to be completed before the end of quarter two.

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

11. Investigations into Funded Groups

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

12. Department of Finance Guidance

Ms H George presented the Committee with the latest Department of Finance Guidance.

One item of guidance was presented to the Committee, relating to the remuneration of Board members and Chairpersons. Ms H George assured the Committee that CRC's Board and Chair remuneration Pay Remits were approved by TEO earlier this year and have been implemented. There are no outstanding Board and Chair Pay Remits.

13. Direct Awards

Ms H George informed the Committee that there have been no Direct Awards in 2025/26 to date.

14. Small Purchases without a Price Check

Ms H George presented the Committee with a report on the recent purchases which did not require a price check. These were:

Belfast YMCA - £225.15

Hallmark Solutions - £900
Canon - £42.16

The Committee noted this report.

15. Date of Next Meeting

Due to this meeting being brought forward, the future dates of ARAC meetings are out of sync. Ms H George will be in touch with members with potential new dates.

16. Any Other Business

The Chair informed the Committee that Board members now have a confidential issue to discuss.

Mr A Allen, Mr R Falls, Mr N Lynas, and Mr S Cavanagh left the meeting.

The CEO presented the Committee with a paper for consideration. The Committee agreed with a recommendation made and will now take it to the Board meeting for approval.