

Community Relations Council 110th Audit and Risk Assurance Committee
Wednesday 25th February 2026 11am
Online

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

In attendance: Mr P Garrity (Finance Manager), Mr C Laird (NIAO), Mr R Falls (Cooper Parry), Mr C Telford (SCC), Mr N Lynas (TEO), Ms A Galbraith (TEO) Ms H George (Governance Manager).

Apologies: Mr R Campbell (Board Member), Dr J Irwin (CEO), Mr A Allen (NIAO).

1. Welcome

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

2. Conflict of Interests

None

3. Minutes

The Minutes of the 109th Audit and Risk Assurance Committee were reviewed and approved.

4. Matters Arising

None

5. External Audit

Ms C Laird and Mr R Falls presented the Committee with a number of papers

i) Notice of Change of Director

Ms C Laird explained that due to the rotation policy at NIAO, Ms S Jones will no longer be the Director overseeing CRC's 2025/26 audit. Mr P Barr will be the Director on this audit. Mr A Allen remains the Audit Manager, and Mr R Falls will lead the Cooper Parry team through their review of CRC's 2025/26 Annual Report and Accounts.

The Committee noted the response, included in the papers.

ii) 2025/26 Audit Strategy

Mr R Falls presented the Committee with CRC's Audit Strategy for 2025/26.

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

Materiality would be set at £65,100. The error reporting threshold for this audit is £3,255.

This audit will be conducted on behalf of NIAO by Cooper Parry. The fee for this year's audit is £23,300.

The audit will begin on 18th May with certification planned for October. Mr P Garrity informed Ms Laird that the Report may not be complete by the 18th May as CRC expect the Pension Report to come in mid to late May.

The Committee noted the Strategy and thanked Mr R Falls for presenting.

iii) Letter of Understanding

The Committee noted the letter, included in the papers.

6. Internal Audit

Mr C Telford presented the Committee with a number of updates:

i) IT Controls Audit

Mr C Telford met with Ms H George, Ms E Tomasso, and Ms J Adamson to discuss the upcoming IT Controls review. The Terms of Reference are now with CRC for review, and will come to the Committee in due course.

Work on this review will begin in March.

ii) Financial Controls Review

Mr C Telford presented the Committee with the outcome of the review of CRC's Financial Controls. The report lists all aspects of finance that were reviewed, along with the following two recommendations:

- Priority 3 – We recommend that CRC streamline the purchasing process. To include, but not limited to, the introduction of a single electronic transaction file for each payment to consolidate documentation.
- Priority 2 – We recommend that CRC strengthen their workforce resilience by formalising finance-related training for staff involved in financial processes and improving knowledge-sharing within the finance function (including documented procedures, structured handovers, and consideration of contingency arrangements).

Mr P Garrity thanked Mr C Telford for his work on this audit, and Ms H George for her assistance. The Committee discussed an implementation date for the second recommendation and agreed that 31st July would be acceptable.

iii) Internal Audit Progress Report

Mr C Telford presented the Committee with a Progress Report, showing the completed and upcoming internal audits.

The Committee noted the report and thanked Mr C Telford.

7. Cyber Security Risk

Ms H George presented the Committee with a report on the Cyber Security Risk at CRC.

The Report set out the Cyber Security wider landscape, the arrangements within CRC, and the reporting requirements at CRC.

Ms H George highlighted that the risk is well mitigated due to the oversight of Cyber Security NI, Ms E Tomasso, and Ms J Adamson.

A report on this risk will be regularly brought to the Committee, and if the rating changes it will be added to the Risk Register.

IT Controls will be reviewed as part of the next Internal Audit, beginning in March.

Mr C Telford noted that, preliminary conversations with the staff team and review of relevant documents, ahead of the audit, reveal a very robust cyber security management system, including the high level of certification by the service providers, the oversight of the quarterly Operational Board, and the regular updates to staff and human error testing.

The Committee thanked Ms H George for this report, and welcomed the upcoming internal audit. The Committee asked that at the next meeting the papers supplied at Operational Board meetings be shared with members.

ACTION: At next ARAC meeting, papers from IT Cyber Security Operational Board meeting to be included in the Committee pack.

8. Risk Register

Ms H George presented the Updated Risk Register to the Committee, which shows CRC's amber and red risks.

Risk one 'Implementation of DoF Guidance' remains rated red. At an Accountability and Liaison meeting with TEO on 17th Nov, CRC were informed that following a number of initial positive meetings with Strategic Investment Board, they informed TEO that they would not be able to assist in the current financial year, and wished us well. While the Report presented to the Committee still states this as the current position, Ms H George informed the Committee that TEO had since been in contact to say that the Strategic Investment Board have agreed to assist with the completion of the BC, with an initial meeting with to take place on the 4th March. SIB have designated 7 days of work to take

place in 2025/26 with a further 14 days of work in 2026/27. The details of the fees have just been shared with CRC and provision will be made in the budget to cover these costs.

Risk two 'Staffing' remains rated red. Mr P Garrity responded to all TEO Pay Remit queries. The Pay Remits now sit with TEO, and CRC await their sign off.

Risk three 'NILGOSC' case remains rated amber, as there have been no recent updates.

Risk Four '2025/26 Resource was reviewed by the Committee, who agreed that it should be decreased to a 'green' rating. Following the allocation of additional TEO funds to the CR/CD grant and the Core Fund grant, CRC's financial position has improved. CRC is projected to end the financial year with a £14k underspend, representing 0.4% of the budget, which is well within the 1.5% tolerance.

Risk five 'Board Members Terms' was reviewed remains rated amber. The Committee noted that TEO confirmed that Ministers have now approved the extension of the three members' terms, who were due to leave in November 2025, to April 2026, Official extension letters from TEO were received by these members in December 2025. TEO held a meeting with CRC's Chair on 12th December to discuss the skills profile of the current board, and any gaps that may appear when the members due to end their terms in April leave. At a follow up meeting on 15th January 2026 TEO stated that the Department Special Advisors were considering whether to ask all CRC Board members to complete a full second term. TEO officials asked CRC to go back to the members due to leave in April 2026 to establish if they would consider accepting an additional extension of their terms to 31st May 2027. The CEO wrote to Mr R Campbell, Ms S McClelland, Ms A Simpson, and Mr M McDonnell. All have confirmed that they would be willing to serve a full second term and this has been conveyed to TEO. CRC await the TEO decision on this matter. In the meantime, the Board recruitment has not been advertised by TEO.

The Committee thanked the Ms H George for presenting this report, and approved the risk ratings.

9. Register of Audit Recommendations

Ms H George presented the Committee with an update on CRC's 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 DFAP Team. An update on this was provided earlier in the meeting.

Recommendation three suggests CRC staff and Board take part in refresher governance and risk training. Ms H George confirmed that staff have completed this training. It was

previously agreed that Board members would undertake this training when the recruitment of the four members whose terms were due to expire in November 2025 took place. However, the Committee discussed, and agreed that, if the terms of these members are indeed extended to April 2027, then the training should be organised for the current Board members to take place in 2026/27.

The Committee noted the report.

10. Investigations into Funded Groups

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

11. Department of Finance Guidance

Ms H George presented the Committee with the latest Department of Finance Guidance, along with a number of recently published reports which may be of interest to the Committee.

The first publication is the Government Financial Reporting Manual updates.

The second guidance is the Accounts Direction for 2025-26. These are relevant to organisations listed in the document, which CRC is not one.

Additional publications brought to the Committees attention included the National Audit Office's Cyber Security Report, along with a number of reports compiled by the Northern Ireland Audit Office's on Civil Service staffing, the Local Government Audit Report 2025 and the Comptroller and Auditor General's Report on Financial Audit Findings 2025.

The Committee thanked Ms H George for presenting and noted these reports.

12. Direct Awards

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

13. Purchases Without a Price Check

Ms H George presented the Committee with a paper setting out details of the one purchase CRC made between 19th November 2025 and 11th February 2026 that did not require a price check. This was the annual subscription fee to Vipre Safe Send, an external email protection software, of which there is no equivalent.

The Committee noted this report.

14. Any Other Business

None

15. Date of Next Meeting

15th April 2026

The Committee discussed the May meeting date, and agreed that this session would be moved to June. A date to be circulated in due course.