

**Community Relations Council 65<sup>th</sup> Audit and Risk Assurance Committee**  
**Thursday 17<sup>th</sup> January 2019 @11am**  
**Board Room, CRC Offices, Equality House**

**Present:** Rory Campbell (Chair), Don MacKay (Board Member), Delia Close (Board Member).

**In Attendance:** Ms J Irwin (CEO), Mr G McKeown (Director of Finance), Mr A Jarmon (NIAO), Brian Clerkin (ASM), Ms E Allen (TEO)

**1. Apologies**

None

**2. Minutes**

**(Appendix 1)**

The minutes of the Audit and Risk Assurance Committee 6<sup>th</sup> December 2019 were agreed as being true and accurate.

**3. Matters Arising**

None

**4. Audit Investigation into funded groups**

**(Appendix 2)**

The CEO updated Audit Committee members on the investigation into a group previously funded by CRC. She explained that the Department is still awaiting a response from HMRC regarding the fraud investigation.

Ms E Allen informed the Committee that Susan Nicholson has filled the position left by Ms K Moylan at TEO. She added that Mr J Warnock's position remains unfilled.

**5. Risk Register**

**(Appendix 3)**

The CEO presented to the committee the latest Risk Register. She drew the committee's attention to the following sections:

- Page 3 – Political – No change in political risks, however, the CEO acknowledges that TEO does not share CRC's rating, marking it themselves as 'amber'.
- Page 6 – Resources – The Board approved the Staffing Review Implementation plan, following the second staffing review. No opportunities for VES are anticipated this year.
- Page 6 – Grants Database – CEO informed the Committee that the department approved CRC's business case and request for funding of a new grants management database. CRC have completed the procurement process, identified potential suppliers through the G Cloud mechanism, and appointed a Belfast based supplier.

The Chair declared that in a separate role from CRC his firm acts as lawyers for the appointed supplier.

Mr G McKeown added that the initial contract meeting has taken place, and a discovery day is planned for 21<sup>st</sup> January. Following this CRC will have a clear timetable and implementation date. It is scheduled to go live by 31<sup>st</sup> March.

- Page 7 - New Policies – Board Recruitment  
No update. The Board are to meet in 6 weeks time, and the Risk Rating for this item will be reviewed then.

The Committee returned to the 'Political' Red risk. The Chair stated that he takes on board TEO's position but there is still uncertainty around this item, and the political situation has not gotten any clearer. The CEO added that Brexit adds another layer of political uncertainty, and that community relations work will continue to be necessary. The Chair asked if there could be any direct impact on funding following Brexit. The CEO stated that as our funding is provided by TEO, no impact is anticipated, however, there could potentially be an impact to groups CRC fund.

The Committee agreed for 'Political' to remain red.

## **6. Register of Audit (Internal and External) Recommendations (Appendix 4)**

Mr G McKeown presented the Committee with an update on the Register of Audit Recommendations. He spoke to each of the recommendations:

- i) Number of delegation limits in place - this is set out within the MSFM, and will be considered following the appointment of a new Board.
- ii) No better, no worse off – CRC are currently working on drafting a business case and seeking legal advice on this. CRC have also been talking to other ALBs who are similarly affected.
- iii) Recommendations from Audit Office re: grants – Mr G McKeown explained that Mr P Jordan has recently conducted two reviews of funding files. An internal audit will be carried out in January, and this recommendation may be removed from the register following this.
- iv) Drawing down cash in advance of need – Mr G McKeown stated that DFAP have reviewed this issue. The review showed that consistently over the last 3-4 months CRC's bank balance sat between 40k-60k and that the procedure is more embedded and understood.

The Chair added that the drawn down occurred due to uncertainty. Mr G McKeown explained why this uncertainty occurs; that a funded group may be due payment in one month; CRC will draw this payment down from TEO. However, sometimes groups do not submit complete claim forms, and therefore the payment will be delayed until all information is received. This leaves this drawn down in CRC's account.

- v) Actuary Report - A detailed review will be completed as part of the 2018/19 Annual Report and Accounts preparation process.

## **7. Business Continuity Plan**

**(Appendix 5)**

Mr G McKeown stated that the Business Continuity Plan was tested in October. The alternative sites were visited, the servers were brought down as a test, and the back-up serves in the Human Rights Commission were brought up.

The Chair asked if the Business Continuity Plan includes how CRC would respond to a hack. Mr G McKeown explained that would be included in CRC's Internet Security Policy, however, the Business Continuity Plan would come into operation if there was a hack.

## **8. GDPR**

Mr G McKeown informed Committee members that there has been no change to the GDPR Data Protection Officer's log.

The Chair stated that a number of his clients had received letters regarding GDPR if the UK leaves the EU. The CEO stated that she would expect any guidelines on this to come to CRC through the Civil Service and TEO.

## **9. Department of Finance Guidance**

**(Appendix 6)**

Mr G McKeown presented to the Committee two pieces of Department of Finance Guidance:

- 1) 2017/18 Pay Remit – as the Department does every year, they have circulated details of the latest pay remit.
- 2) HR in public procurement – this is similar to guidance on bringing environmental and social clauses into contracts.

## **10. Direct Awards**

Mr G McKeown informed the Committee that there have been no direct awards.

## **11. Small Purchases Without a Price Check**

**(Appendix 7)**

Mr G McKeown stated that there had been one purchase without a price check since the last ARAC meeting, that is the renewal of CRC's TV licence.

## **12. AOB**

**i) Pension guarantee**

Ms E Allen, TEO, informed the Committee that the Department of Finance have agreed that a guarantee can be provided to CRC. It would first have to be laid in the Assembly Business Office for 14 days. Mr G McKeown explained that this guarantee would mean there would be no annual additional pension charges and CRC would return to the regular group.

The Chair thanked Ms E Allen for this update.

**ii) Internal Audit**

Ms B Clerkin reminded the Committee that ASM will begin CRC's internal audit on Monday 21<sup>st</sup> January. ASM hope to have a report completed for inclusion in the next Audit and Risk Assurance Committee.

**13. Date of Next Meeting**

A number of member of the Committee stated that Thursday 28<sup>th</sup> February is no longer suitable for the next ARAC meeting. The Committee agreed to hold the meeting on Friday 1<sup>st</sup> March, instead.