

**MINUTES OF THE COMMUNITY RELATION COUNCIL'S 53RD AUDIT
AND RISK ASSURANCE COMMITTEE HELD ON THURSDAY 13TH APRIL
2017 @ 11.00AM IN COMMUNITY RELATION COUNCIL, EQUALITY
HOUSE, 7-9 SHAFTSBURY'S SQUARE, BELFAST BT2 7DP.**

Present: Rory Campbell (Chair), Mr D McKay

Internal Attendees: Ms Jacqueline Irwin (CEO), Tracey Wilson (Finance Officer), Gerard McKeown (DFAP Director)

External Attendees: Jonathan Buick (ASM), Kathy Doey (NIAO), Jamie Warnock (The Executive Office)

1. **Apologies:** Rosin McGlone

2. **Minutes (Appendix1):**

Minutes were taken as read.

3. **Matters Arising:**

Ms J Irwin advised members all matters arising would be picked up in the items in the agenda.

4. **Investigation into Funded groups (Appendix 2):**

Group 1-

Ms J Irwin updated members on the ongoing Investigation into funded groups. Mr McKeown advised members that of the accrual reverse strategy would be looked at separately.

Ms J Irwin said TEO had contacted CRC regarding correspondence that had taken place between a previously funded group and CRC in relation to previous funding given to the group. She added that CRC is currently reviewing the original audit report and will be providing a response to these queries.

Ms J Irwin also reminded members that CRCs scope of audit was narrow and for CRCs purposes within that scope CRC can provide information to other funders with the consent of the auditors. Ms J Irwin will continue to update ARAC.

Group 2-

Ms J Irwin informed members that on 12/04/2017 formal notification was received from the Administrator that a meeting had been scheduled for 26/05/2017 to discuss all relevant information.

Mr R Campbell stated the need for CRC to constantly urge the administrators for access to the relevant files to verify grant expenditure.

5. Risk Register- (Appendix 3):

Members received a copy of the full risk register in their papers for the meeting. Ms J Irwin reported on matters of high level risk - two Red risks and one Amber. A substantial discussion took place on escalating the two Amber risks to Red.

Ms J Irwin informed the members that with the political uncertainty there has been no further development on appointment of First and Deputy First Minister meaning no progress on the appointment of a new board, approval of the operational plan and the budget.

A discussion took place around resources. Ms J Irwin updated members on the status of the budget, which presently cannot be cleared. She added that the department has put a plan in place to release four months cash; however CRC's cash allocation may fall short of what we need for the period and will be renewed again with TEO at the end of April. Ms J Irwin stated that the department will have a formal review of cash in May. She advised that money can now be released for the core funded groups.

Members were advised that this cash allocation was not the same as the budget for the year which has yet to be agreed.

Mr D McKay asked why the priority red was being used and suggested this be changed. After discussion, Mr R Campbell said he felt it should be kept at red as he didn't see sufficient mitigating factors to allow downgrading. Mr D McKay agreed. Members confirmed the priority rating as red.

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

The Audit and Risk Assurance Committee received an update from Mr G McKeown on the progress on the implementation of the audit recommendations.

Mr R Campbell queried whether "on target" should be identified within the register as green as he felt that green should only be used for completed actions. Mr G McKeown agreed to review the colour coding.

In relation to recommendation RTTCWG 14/1501 Mr G McKeown updated the members on the definition of '*no better and no worse off*' and provided some background to the pension's guidance.

A discussion followed on preparation of the business case and the cost of implementing various options. Members were advised that these would have to be worked out by the actuary. The CEO added that there would be ongoing consultation with staff members when there was information with which to proceed.

A discussion took place on the '*No better and no worse off*' issue. Ms J Irwin stated the guidance really needs to be reviewed as the principle of fairness was accepted but the practicalities of implementation were very unclear. Members agreed.

7. Internal Audit Update:

Mr J Buick, ASM, informed members that the internal audit on grants has now been marked as completed and will be reported at the next meeting.

8. NIAO Audit Update:

Ms K Doey, NIAO, stated that NIAO is not clear as to when it will start planning for its audit. She added that Ms E Calvert is due back to work in May and therefore hoped to have the audit strategy for the next meeting. She said she anticipated the audit commencing in July as was the case last year.

9. Increase in pension costs:

In respect of the increase in pension contributions, Ms J Irwin informed members that NILGOSC had significantly increased pension costs having asked for a letter of guarantee from the department which the Department of Finance was not prepared to provide on a case by case basis.

10. National Fraud Initiative:

Ms T Wilson updated members with the relevant information as to why this exercise takes place. Staff members are made aware of the process prior to it taking place. Ms T Wilson stated that this exercise is as much to detect error as to detect fraud.

11. Department of Finance Guidance (Appendix 5):

DAO Letters

DAO (DoF) 01/17 Accounts Directions for 2016/14

FD Letters

FD (DoF) 03/17 Departmental Annual Report and Accounts 2016/17

12. Direct Awards:

None

13. Small purchases without price check (Appendix 6):

Xerox - £22.49

Translink - £90.00

Employers for Childcare - £61.24

Canon - £212.75

Ms T Wilson informed the group that anything under £5000 is not defined as a Direct Award Contract and therefore CRC reports these “without price check” purchases to the ARAC for reasons of transparency.

14. AOB:

None

15. Date of next meeting:

Thursday 25th May 2017 @ 11.00am