

CONFIRMED
MINUTES OF THE COMMUNITY RELATIONS COUNCIL'S 57TH AUDIT AND RISK ASSURANCE COMMITTEE HELD ON THURSDAY 11TH JANUARY 2018 AT 2PM IN EQUALITY HOUSE, 7-9 SHAFTSBURY SQUARE, BELFAST, BT2 7DP

Present: Mr Rory Campbell (Chair), Mr Don MacKay, Ms Jacqueline Irwin (CEO), Mr Gerard McKeown (Director of Finance), Ms Elaine Allen (The Executive Office), Ms Jonathan Buick (ASM), Ms Eilis Calvert (Northern Ireland Audit Office)

1. Apologies: Ms Delia Close, Ms Tracey Wilson

2. Minutes

Minutes of the 57th Audit and Risk Assurance Committee on the 4th December, were approved by members. **(Appendix 1)**

3. Matters Arising

No matters arising

4. Audit Investigations into funded groups (Appendix 2)

Ms Irwin informed the Committee that a request to treat the remaining expenditure as a loss had been submitted to The Executive Office as was requested by the Committee during their December 2017 meeting.

Mr. McKeown confirm that there had been no further progress on the loss request, made to The Executive Office. The Executive Office wrote to CRC on 4th January 2018 with a number of follow up questions. A response is being drafted.

5. Risk Register (Appendix 3)

Ms Irwin presented to the Committee the updated Risk Register. She stated that there had been no change in status from December's Audit Committee meeting.

Ms Irwin briefed the Committee on a meeting that she and Mr Osborne (CRC Chair) met with Mark Browne, Head of TEO Strategic Policy, Equality & Good

Relations Directorate, in December regarding the budget. Ms Irwin stated that a budget cut was anticipated for the next financial year and that could be followed by further cuts in the 2019/20 financial year.

Mr Mackay asked what effect these cuts might have on CRC. Ms Irwin confirmed that it would be challenge to manage their impact but that the saving from the 2017/18 Voluntary Exit Scheme will hopefully mitigate some of the budget cuts.

Mr McKeown stated that CRC has had year on year cuts since 2013, and that this was managed largely through efficiency savings but that it was unlikely that further material savings could be achieved this may.

Members expressed concern at this, but Ms Irwin pointed out that CRC is facing no greater or smaller budget cuts than any other bodies are facing. Ms Allen from TEO confirmed that this was the case.

Mr McKeown stated that with the North Belfast Strategic Good Relations Fund moving to CRC, this may create opportunities for other schemes to be moved across and, potentially, provide further resources.

Members noted the appointment of the new Secretary of State, Ms Bradley, and expressed their best wishes to the outgoing Secretary of State, Mr Brokenshire, for a speedy recovery in his health.

Ms Irwin stated that she has received notice that the supplier of CRC's grant software wishes to draw this database to a close. Ms Tomasso and Mr McKeown are looking at the options available.

6. Internal Audit

Mr Buick from ASM tabled a briefing paper, updating the Committee on the progress of the Internal Audit Plan. He stated the field work of two audits were completed in January:

- a) Grants Audit: Awaiting management response from CRC. There were very few issues coming out of this audit, and it has been marked as satisfactory with one recommendation.
- b) HR Audit: ASM has received the management response and this has been marked as satisfactory.

Mr Buick confirmed that the final Internal Report for each review will be presented at the next Committee.

Mr Buick stated that the terms of reference for the following two reviews are being drafted; i.e. Management Accounting and Budgetary Controls; and IT Controls (including Security Risk Management Overview).

A brief discussion followed on CRC's preparation to become GDPR compliant. Ms Laird has been working on writing up procedures and processes for CRC on these new regulations. The policies have all been revised and she is close to finishing the final draft, and the data assessments are nearing completion.

The Chair was pleased to hear how far ahead CRC are on GDPR preparation, and asked Ms Calvert (Audit Office) if they are concerned about GDPR and what CRC should be focusing on. Ms Calvert stated she would consult with her colleagues regarding GDPR priorities and get back to CRC.

ACTION: ASM to bring audit reports to next Committee meeting.

7. Register of Audit

(Appendix 4)

Mr McKeown presented a paper on the Register of Audit Recommendations. He spoke specifically to two issues:

- Item 2 - Pay Remit - Pension allowance – The reason this has not progressed further is due to DoF querying pension allowance. Department of Finance requested a letter from TEO DSO to go to DoF explaining this position. Mr McKeown reported that, to the best of his knowledge, this was being taken forward by The Executive Office.
- Item 5 – Loss Request – Loss approval request has been submitted to TEO for consideration.

Mr McKeown stated that there was no further significant progress on audit recommendations since the Committee met in December 2017.

8. Paper on CRC Board Membership Appointment

(Appendix 5)

Ms Irwin presented a paper setting out a number of proposed options for the appointment of Board members in the absence of Ministers. The Board, at the December meeting, requested that this paper be brought to ARAC for review. Ms Irwin informed the meeting that legal opinion had been requested regarding these options, and a response had been received this morning. A discussion followed around the privileged legal advice provided, and the Chair agreed to send Mr McKeown a number of follow up questions to be forwarded on to the legal advisors for response.

This legal advice paper will be presented at the next Board meeting in January.

ACTION: Chair to send follow up questions to Mr McKeown to forward to the legal advisors.

ACTION: Legal advice paper to be discussed at Board meeting.

9. Department of Finance Guidance (Appendix 6)

Mr McKeown presented Department of Finance guidance on 'The Appointment of Accounting Officers'. This follows a Public Accounts Committee review of the appointment of Accounting Officers. In future during the recruitment of CEOs, applicants should be informed that the successful candidate will also act as the Accounting Officer for that ALB.

10. Direct Awards

None

11. Small purchases Without a Price Check.

The 2 small purchases without a price check were noted by the Committee.

12. Any Other Business.

None

Date of Next Meeting

22nd Feb 2018 @2pm

12th April 2018 @11am