

**MINUTES OF THE COMMUNITY RELATIONS COUNCIL'S
45th AUDIT & RISK ASSURANCE COMMITTEE HELD ON TUESDAY 8TH
MARCH 2016 @ 11.00AM IN CRC'S SEMINAR ROOM, 1st FLOOR,
GLENDINNING HOUSE, 6 MURRAY STREET, BELFAST BT1 6DN.**

Present: Mr R Campbell (Chair), Mr N McKenna, Mr D Mackay, Ms R McGlone

Internal attendees: Ms T Wilson (Finance Officer), Ms T Gibson (Admin Officer).

External attendees: Mr B Clerkin (ASM), Ms E Allen (OFMdFM)

1 **Apologies:** Mr J Law, Mr P Dean, Ms J Irwin, NIAO Representative

2 **Minutes [Appendix 1]:**

Minutes of the 12th November Audit and Risk Committee meeting were agreed. Written approval was obtained from Ms L Keyes who had attended the ARC meeting in November 2015.

Minutes from the Audit and Risk Committee meeting on 13th January 2016 having been circulated were taken as read. There were no amendments noted.

3 **Matters Arising:**

Mr R Campbell updated members on the current situation regarding the Department's request for a member of the Audit and Risk Committee to have "recent and relevant financial experience". Mr Campbell said that Mr D Mackay had provided CRC with his certificates to demonstrate that he is two thirds part qualified in accountancy. This information has been forwarded to the Department's Finance branch.

4 **Audit Investigations into funded groups [Appendix 2]**

1. Ms Wilson, Finance Officer, said that CRC are waiting on sign off from the Ministers in relation to writing off the debt.
2. Ms Wilson said that CRC are waiting to hear back from the Fraud Investigation and Oversight Group in relation to whether or not further investigation is required.

5 Risk Register Paper [Red and Amber Only - Appendix 3a / Full Risk Register - Appendix 3b]

Ms Wilson, Finance Officer, highlighted 2 changes to the Risk Register:

- Insertion of 3x3 matrix in Pg.2
- Reviewing assessments of inherent and residual risk using 3x3 matrix

Ms Wilson said the residual risks were revised as a result of a few anomalies with the grading of the risks that had been highlighted by ASM. Mr B Clerkin, ASM, said that it was best practice to look at risks assuming no controls are in place and then look at the controls and determine what the residual risks would be having those controls in place. Ms Irwin had taken this into account and had updated the Risk Register accordingly.

Ms Wilson asked members of the Audit and Risk Committee to consider de-escalating the economic risk from amber to green until the 31st March 2016. Ms Wilson said this would be revised for 2016/17 and will be re-visited again at the next ARC meeting.

Members were content for the risk to be changed to green until 31st March 2016.

6 2015/16 Internal Audit Exercise Update [Appendix 4a / 4b]:

Mr B Clerkin, ASM, reported on the findings of the Internal Audit exercise carried out in relation to the review of Development Programmes.

He gave a brief outline of the background, scope and findings of the exercise. He said that 3 out of the 4 recommendations were in place and that overall a satisfactory rating was achieved.

Mr Clerkin said a satisfactory rating had also been achieved in relation to Risk Management and Complaints Handling. He briefly outlined the findings and recommendations associated with the operational procedures and stakeholder engagement aspects of the audit exercise.

7 Approval Assurance Report & ASM Key Performance Indicator Analysis [Appendix 5]:

Mr Clerkin went through the Annual Assurance Report with members explaining that it summarised the work for the year. He reiterated that CRC had received a satisfactory rating and that there were no significant issues. He said that all recommendations were either fully addressed or were currently in the process of being addressed.

8 Proposed Internal Audit Plan 2016-17 [Appendix 6]:

Mr Clerkin presented the proposed Audit Plan for 2016/17. Members agreed the plan in principle but it will have to go to the Board and the Department for final approval.

9 Prior Year Progress Report 2015-16 [Appendix 7]:

This report was included in the Annual Assurance Report.

10 Update on Internal Audit 2014/15 [Appendix 8]:

Ms Wilson said the updated guidance on DACS from CPD is still in progress.

11 Update on Internal Audit 2015/16 [Appendix 9]:

Ms Wilson advised that the recommendations in relation to the IT Security and Business Continuity Planning were accepted and that progress was being made. She said the two of the recommendations would be addressed when the IT support contract would be re-tendered later in the year.

12 Report to those Charged with Government – Management Responses Update [Appendix 10]:

Ms Wilson explained to members that correspondence had been received from the Department on 9th February 2016 in relation to the Pay Remit. CRC are to submit a business case that will present viable options for removing the current pay differentials resulting from the historical pension contributions' pay uplift. Appropriate legal advice is to be obtained and included in the business case. The business case is to be submitted by 9th May 2016.

Ms Wilson asked members for their approval to remove the checking of source data for Pension figures from the Audit Recommendations Register as this has been actioned. Members agreed.

Ms Wilson said the problem with the SAGE accounting package was now fixed and the Trial Balance now balances. Ms Wilson asked members for their approval to remove this item from the Audit Recommendations Register

Ms Wilson advised that the Management Accounts Controls would be considered when the new Finance Director is in place.

13 DFP Financial Processes Report – Management Responses Update [Appendix 11]:

Ms Wilson reported that there were no changes with regard to the outstanding issues.

14 AFMD Guidance [Appendix 12]:

Ms Wilson provided members with a list of all the guidance since January 2016. She highlighted the DAO (DFP) 04/16 The Annual Theft and Fraud Report 2014/15 as being the one most applicable to ARC members.

15 Direct Awards:

None

16 Government Procurement:

None

17 AOB:

Mr N McKenna, Board Member, expressed his thanks to Ms Wilson for her work in the Finance Department and in the Audit and Risk Committee. Mr R Campbell concurred.

18 Date of Next Meeting:

12th May 2016 @ 11am in Equality House