

MINUTES OF THE COMMUNITY RELATIONS COUNCIL'S 60th AUDIT AND RISK ASSURANCE COMMITTEE HELD ON TUESDAY, 12TH APRIL 2018 @ 11.00AM IN EQUALITY HOUSE, 7-9 SHAFTESBURY SQUARE, BELFAST BT2 7DP

Present: Mr Rory Campbell (Chair), Ms Delia Close, Mr Don MacKay, Ms Jacqueline Irwin (CEO), Mr Gerard McKeown (Director of Finance), Ms Tracey Wilson (Finance Officer), Ms Kim Moylan (The Executive Office), Ms Kathy Doey (NIAO), Mr Jonathan Buick (ASM).

1. **Apologies:** Ms Deborah Park (NIAO)

2. **Minutes**

(Appendix 1)

Minutes of the 59th Audit and Risk Assurance Committee 22nd February 2018, were approved.

3. **Matters Arising**

None

4. **Audit Investigations into Funded Groups**

(Appendix 2)

Committee noted the Audit Investigations report. Mr McKeown stated that all information has been provided to TEO.

Ms K Moylan (TEO) stated that this is currently making its way through TEO and DoF processes, and she will be chasing the DoF for a response.

5. **Risk Register**

(Appendix 3)

Ms J Irwin presented the updated CRC Risk register, making particular reference to the following under Resources:

- TEO have notified CRC with the 2018-2019 opening budget allocation. The 2018-19 budget allocation is 3% less than the 2017-18 allocation. However it will result in more resource available than was anticipated.
- The bulk transfer of pension fund resulting from the transfer employees to the Victims and Survivors Services is complete. Ms J Irwin thanked those involved in this work, particularly Mr G McKeown.

Ms K Moylan informed the Committee that, with reference to the 'No better no worse off' pension issue, TEO has received legal advice from DSO and should

have something confirmed in the next few weeks. In addition, TEO have received legal advice regarding the Board Review.

Ms J Irwin continued:

- In year payment to cover increased pension costs – have begun discussions again this year.
- VES – Ms Deirdre MacBride and Ms Dympna McGlade have concluded their time with CRC.
- CRC would be eligible to apply for VES. CRC is discussing how best to take forward a staffing review of non-management staff to inform the development of the VES.
- Correspondence from Union – Chair, CEO, DFAP Director, HR Manager attended meeting with Union. Discussion was very general. Further report to be presented at next Board Meeting.
- GDPR prep continuing
- New Policies – resolution calling for reduction of quorum to be presented at next Board Meeting.

The Chair prompted a discussion around whether there was interest in reducing 'Resources' Risk to Amber.

Ms J Irwin stated that following the Secretary of State's intervention, a budget has been agreed. The only area in 'Resources' that CRC would not be able to mitigate is the 'No Better, No Worse Off' guidance.

Chair, Ms D Close, and Mr D MacKay agreed that 'Resources' Risk should be reduced to Amber.

Ms J Irwin agreed that there have been a number of items under 'Resources' which CRC have recently seen positive progress on; VES; 18/19 Budget; and Victims and Survivors Pensions.

Mr J Buick, ASM, commented that from an audit point of view it was reasonable to reduce 'Resources' to Amber.

Ms K Dooley, NIAO, agreed.

The Committee agreed to adjust Resources' Risk to Amber.

There followed a discussion around the prospect of 'Political' being reduced to Amber as this Risk is out of CRC's control. However it was decided that given Community Relations Council's purpose the political instability would have a greater impact on CRC's work than other organisations, it was agreed that it will remain as 'Red' and continue to be reviewed.

The Chair concluded that the Risk Register, following these alterations, will have 1 Red Risk and 2 Amber Risks.

6. Internal Audit

(Appendix 4)

Mr J Buick updated the meeting on ASM's Internal Audit of CRC, making particular reference to the following:

- IT Controls Review is complete and satisfactory
- Grants Admin and Distribution Review is complete and satisfactory
- Human Resources Review is complete and satisfactory
- Updated Financial Procedures Manual is complete and satisfactory
- Management Accounting & Budgetary Controls Review is in draft format, but was found to be satisfactory
- Implementation of Reducing Bureaucracy Review – fieldwork is complete and draft report to be issued.

Chair suggested that the IT Audit should include mention of CRC's Data Protection.

ACTION: Mr J Buick to speak to auditor and include data protection in final report.

7. NIAO Audit Strategy

(Appendix 5)

Ms K Doey, on behalf of NIAO, presented to the Committee their strategy for CRC's audit.

She made particular reference to the application of 'No Better, No Worse Off' guidance; stating that this has been ongoing for a number of years and it noted that CRC have been trying to resolve the issue. NIAO have not qualified the accounts as a result of this issue in the past and do not expect to now, but will continue to monitor the issue.

Ms Doey then outlined page 5 'Materiality' stating that Materiality is set at £69,000 and that NIAO will report all misstatements above £1,400.

Ms Doey then set out the timetable for audit, with the final report due to be presented on the 8th October 2018. Ms Doey noted that an internal timetable had been agreed with the DFAP Director.

The Committee agreed to move September's ARAC meeting from 6th to the 19th, to allow finalisation of the Report to Those Charged with Governance on the same day as the presentation of the final Annual Report and Accounts to the Board.

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

Mr G McKeown presented to the Committee the updated 'Register of Audit Recommendations', and highlighted the following items:

- How CRC prepare accruals on grants – CRC are preparing a trend analysis as part of the preparation of the 17/18 Annual Report and Accounts. The analysis will be compared with the current approach of accounting for grants based on projected claims and then followed up with ongoing monitoring. The most accurate approach will be then taken.
- Small errors in 2017 accounts – It is expected that new management accounts procedures effective from 1st April 17 will reduce these.
- Loss request has been presented to TEO for consideration.
- Opening of Post and lodgements to be prepared by two members of staff. The implementation of this recommendation will be kept under review and report back to ARAC.

9. GDPR

Mr G McKeown informed the Committee of the implementation of GDPR procedures ahead of its introduction in May 2018. He made particular reference to the following:

- Draft Personal Data Sharing agreement almost finalised – these will be sent out with Letters of Offer to funded groups
- Email send to mailing lists, asking for consent to retain contact details and remain on distribution lists.
- Archiving project in progress
- Third party agreements with Data Processors has been drafted
- DPO training 14th May
- GAP analysis complete following discussions with all directors.
- Revised data protection policy being kept under review until 25th May as ICO guidance is still developing.

Chair congratulated Mr G McKeown and Ms J Irwin for the tremendous progress CRC have made in becoming GDPR compliant.

10. Department of Finance Guidance

(Appendix 7)

Ms T Wilson informed the Committee of a number of Department of Finance guidance docs. Copies of DAO (DoF) 03/18 Issue of Audit and Risk Assurance Committee Handbook (NI) 2018 were provided.

Ms T Wilson explained that 'DoF Letters' refers to financial report and manual, to be used by CRC in prep reports.

Mr McKeown briefed the Committee on new GDPR guidance issued by the Central Procurement Directorate.

ACTION: Mr G McKeown to email Chair a copy of CRD.

11. Direct Awards

There were no Direct Awards to report.

12. Small Purchases without a Price Check

(Appendix 8)

Ms T Wilson presented to the Committee the Small Purchases without a Price Check, making particular reference to the Knowledge Academy training.

ACTION: Mr G McKeown to email Mr D MacKay with details of Knowledge Academy training courses.

13. AOB

None

Date of Next meeting:

24th May 2018 11am

19th September 2018 11am