

**Community Relations Council 68<sup>th</sup> Audit and Risk Assurance Committee**

**Thursday 23<sup>rd</sup> May 2019 10am**

**CRC Offices, Equality House, 7-9 Shaftsbury Square, Belfast**

**1. In attendance:** Mr R Campbell (Chair), Ms D Close (Board Member), Mr D MacKay.

**2. Present:** Mr G McKeown (CRC DFAP), Ms Tracey Wilson (CRC), Ms A McMaw (ASM), Ms E Norwood (TEO).

**3. Apologies:** Ms J Irwin (CRC CEO).

**4. Welcome**

The Chair welcomed and thanked everyone for attending this meeting, and thanked all those the Audit and Risk Assurance Committee had worked with over the years. He thanked the Board Members for their work on the Committee.

In addition, he welcomed Ms E Norwood, TEO, to her first CRC ARAC meeting.

**5. Minutes**

**Appendix 1**

The minutes of the 67<sup>th</sup> Audit and Risk Assurance Committee, which took place on 11<sup>th</sup> April, were reviewed, and the following corrections were recommended:

- pg 5 – Ms A McMaw’s name to be corrected at the top of the page.
- pg 6 – Killyhevlin Hotel name to be corrected at the top of the page.

On the completion of these corrections, the Committee agreed that the minutes were a true and accurate reflection of the meeting.

**6. Matters Arising**

Any matters arising will be addressed in other areas of the agenda.

**7. Audit Investigations into Funded Groups**

**Appendix 2**

Mr G McKeown informed Committee members that Mr P Jordan met with the group under investigation, to better understand the financial information they provided. CRC will work with TEO and the Audit Office to vouch their claim. CRC have not yet received an update on the GFIS report from TEO.

## 8. Risk Register

## Appendix 3

Mr G McKeown presented to the Committee the May 2019 Risk Register. The Risk Ratings have not changed, and remain as follows:

- Political – Red – This risk takes note of the lack of assembly, and the constitutional uncertainty brought by Brexit.
- Resources – Amber – The 2019 budget has been confirmed, and CRC have made an application for additional resources through the June Monitoring Round.
- Policy – Amber – Mr G McKeown explained that the Governance Review made recommendations for any new CRC Board members to be appointed by TEO. The Board met and approved changes to CRC's Articles of Association. These changes were submitted to Company's House, and are now in place.

The Committee considered the rating of each risk and agreed that no change should be made at this point, as the issues are still relevant today.

The Committee then discussed what they could do in terms of transitioning to a new Board. Ms A McMaw suggested that the current Chair of ARAC meet with the next Chair, to brief them on the work of the Committee. The Chair welcomed this suggestion, and added that he would be happy to sit on the new Audit and Risk Assurance Committee for continuity for a period while new members become acquainted with the work.

## 9. Internal Audit

### i) Annual Assurance Statement

### Appendix 4

Ms A McMaw presented to the Committee, CRC's Annual Assurance Statement. She made the Committee aware of the following points:

- Page 2 – this is a recap of the work undertaken in the year.
- Page 2 paragraph 7 – CRC received a 'Satisfactory' overall rating for 2018/2019.
- Page 3 sets out ASMs internal KPIs – each of which was fully achieved.

The Chair thanked Mr G McKeown, Ms T Wilson, Ms J Adamson, and Mr P Jordan for their work on this.

### ii) Internal Audit Plan

### Appendix 5

Ms A McMaw explained that the CEO has not yet signed off on the Internal Audit Plan. Once agreed by the CEO, the Plan would be brought to the next meeting of the Audit Committee.

## 10. GDPR

There were no matters to update the Committee on.

## 11. Register of Audit Recommendations

## Appendix 6

Mr G McKeown presented the Committee with the May Register of Audit. He made particular reference to the following

- i) Pending review of MSFM – This cannot be completed until a new Board is in place
- ii) 6% uplift to pensions – A business case was presented to TEO, and has been with the Finance Branch of TEO for two months. No review comments or questions have been received.

The Chair asked what effect the delay on settling the pay remit has had on staff morale. Mr G McKeown explained that the outstanding Pay Remits has affected staff morale. He added that at a recent staff meeting a colleague asked for the Chair to write to Mr M Browne, TEO. Mr M Browne's response reiterates that the 6% impediment has been removed, and that those Pay Remits which continue to be outstanding will be completed in the normal way.

Mr G McKeown added that Unite the Union contacted CRC a number of weeks ago to state that they would no longer cooperate with CRC's policy alignment process while the Pay Remits are outstanding.

The Chair thanked Mr G McKeown for this update, and added that the Pay Remit will be an area of focus for the next few months.

- iii) Actuary Report – CRC have received the Actuary Report, Ms. T Wilson has completed a review of this report thereby implementing the recommendation

Mr G McKeown concluded by stating that the remaining recommendations are all 'priority 3' and are either implemented or CRC are developing an implementation plan.

## 12. Department of Finance Guidance

## Appendix 7

Mr T Wilson drew to Committee Members attention three pieces of Guidance.

- i. Engagement with HM Treasury – Shows the appropriate channels for organisations to contact HM Treasury

- ii. Guidance on the Format of Remuneration Report – This sets out the format that all public bodies should use for Remuneration Reports.
- iii. Departmental Annual Reports And Accounts 2018-19: Guidance In Relation To The UK Leaving The EU

### **13. Direct Awards**

None

### **14. Small Purchases without a Price Check**

**Appendix 8**

Mr T Wilson informed Committee Members that CRC had made one purchase without a price check. This was a top up of postage on CRC's franking machine, through Pitney Bowes.

### **15. AOB**

In the CEO's absence TEO delegated the Accounting Officer role to Mr G McKeown, until Ms J Irwin's return.

### **16. Conclusion of final ARAC meeting, with current CRC Board**

The Chair thanked Committee Members for attending the final meeting of CRC's Audit and Risk Assurance Committee, with its current membership