

**Community Relations Council 73<sup>rd</sup> Audit and Risk Assurance Committee**  
**Tuesday 13<sup>th</sup> April 2pm, held online**

**Present:** Mr J McCallister (Chair of CRC Audit and Risk Assurance Committee), Mr M McDonnell (Board Member), Mr R Campbell (Board Member)

**In attendance:** Ms J Irwin (CRC CEO), Ms T Wilson (CRC Finance), Ms H George (CRC PA), Mr B Clerkin (ASM), Ms K Doey (NIAO),

1. **Apologies:** Mr G McKeown (CRC Director of Finance), Ms S Nicholson (TEO).

**2. Conflict of Interest**

None

**3. Minutes**

The Audit and Risk Assurance Committee reviewed the minutes of the 72<sup>nd</sup> ARAC meeting, which took place on the 25<sup>th</sup> February 2021.

The Committee agreed the minutes as being a true and accurate reflection of the meeting.

**4. Matters Arising**

The CEO informed the Committee that all matters arising will be dealt with in other areas of the agenda.

The CEO thanked Mr R Campbell, the outgoing Audit and Risk Assurance Committee Chair, for his work over the years.

The CEO thanked Mr J McCallister for agreeing to become the new Chair of this Committee.

**5. External Audit**

Nothing to report.

**6. Internal Audit**

Mr B Clerking informed the Audit and Risk Assurance Committee that the final 2020/21 audits field work is complete. The results of these audits will be presented at the next Committee meeting.

The Internal Auditors have begun working on the strategy for the 2021/22 audit. They have met with the incoming and outgoing Chairs, Mr P Day, Mr G McKeown, and are due to meet with Mr P Jordan and the CEO next week. This strategy will be presented at the next Committee meeting.

Mr R Campbell informed the Committee that, during his and the Chair's meeting with the internal auditors, the following points were raised: the Board's involvement in operational issues; the return to the office; staff morale; and IT security.

The Committee thanked Mr B Clerking for this update.

## **7. Covid-19 Arrangements**

Ms T Wilson informed the Committee that CRC's Covid-19 Business Continuity arrangements continue to work well.

CRC continue to provide a service to the funded groups and continue to liaise with stakeholders. Grants continue to be made, and meetings and events are being held online.

The Management Team meet weekly, Directorate Teams meet weekly, the full staff team meets once a month. The Engagement Team continue to produce a weekly newsletter, to which Directors and staff all contribute.

On the anniversary of CRC working from home, staff got together for an online informal catch up.

The Senior Management Team continue to be mindful of staff's caring and home-schooling responsibilities, and the HR Manager checks in with staff weekly.

The DFAP Team are reviewing policies, developing plans, and updating these procedures for blended working.

The HR Manager is liaising with a mental health organisation on issues that may arise when staff return to the office.

The Committee thanked Ms T Wilson for this update.

## **8. Risk Register**

The CEO presented the Audit Committee with an updated Risk Register.

The Register contains three ongoing risks, and one new risk.

The first risk relates to the implementation of DOF's pay remit guidance. The CEO informed the Committee that she and the Chair met with two new members of TEO's team: Mr C Stewart, and Mr R Cushnie. This issue was raised, however, no progress has been made, and therefore she recommended that it remain rated red. The Committee agreed, and stated that this risk should remain rated red.

The second risk relates to staff morale. This area is well mitigated, but it was agreed that the rating should remain amber until staff are back in the office and there is a reasonable opportunity for staff's morale to be reviewed.

The third risk relates to the Covid-19 environment. The CEO stated that this is an inherent issue and that CRC have a number of mitigations in place. While staff continue to work well from home, she suggested that this risk should remain amber as Covid-19 restrictions are still in place. The Committee agreed that this risk should remain amber.

The CEO presented the Committee with the new risk '2021/22 Budget Allocation'. CRC requested, and received a letter from The Executive Office permitting the organisation to incur inescapable expenditure, however, a full budget has not yet been shared. Due to this mitigation the CEO proposed that this risk should be rated amber.

The CEO added that no grants payments will need to be made during the next month, and if CRC have not received a budget by the time payments need to be made, TEO will be notified. All grant awardees have been notified, in their letters of offer, that their awards are subject to the budget.

Ms T Wilson added that all other expenditure is contractual, including salaries, rent, and IT costs.

The Committee agreed that this risk should be categorised as 'amber'.

All risks will be reviewed again at the next Audit and Risk Assurance Committee meeting.

## **9. Audit Investigation into Funded Groups**

Ms T Wilson presented the Committee with an update into the investigation into a group previously awarded a CRC grant.

She reminded attendees that at the last Committee meeting the DFAP team were asked to establish whether the group were still operating and whether the terms of the letter of offer had now expired.

Ms T Wilson stated that Mr P Jordan contacted the Chair of the group, who confirmed that the group were no longer operating. Ms T Wilson reviewed the Charity Commission Register and the Company's House register, and found that the organisation was no longer registered with either, and therefore is no longer operational.

In terms of the Letter of Offer, Ms T Wilson stated that the terms include conditions on which the grant will lapse: the Council does not receive a completed agreement form within 8 weeks of the date of the letter; or the remaining balance of grant aid is not claimed within 6 months of the date of this letter. The group await a response from HMRC, are unable to move forward until the liability issue is settled and are not in a position to claim the grant. Ms T Wilson recommended that the grant and investigation now be closed.

The Committee agreed to mark this investigation as closed. They thanked Ms T Wilson and the team for their work on this investigation.

## **10. Register of Audit Recommendations**

Ms T Wilson presented the Committee with an update to CRC's Register of Audit Recommendations.

The first recommendation relates to the implementation of DOF Pay Remit Guidance. The Recommendation stated that CRC should continue to liaise with TEO to resolve this issue. The Chair and CEO met with TEO twice in March, and this issue was raised, however, no further progress has been made. The date of completion of this recommendation has now been updated to the 31<sup>st</sup> March 2022.

The second recommendation relates to the funding information sharing agreements. The internal auditors found one Agreement form without the signature of the Director. The Funding Team reviewed and updated all forms, and will continue to do so throughout the year. This recommendation is now closed and will be removed from the Register.

The third recommendation relates to the use of VPNs. CRC maintain a register of VPN, and have provided training to all staff. TEO have now approved a Business Case for the procurement of Office 365, which will dispense of the use of VPN. This recommendation is now closed and will be removed from the Register.

The fourth recommendation asks for a review of CRC's IT policies and procedures during Covid-19. The review found that the temporary controls continue to work well, and CRC's Information Security Policy has been update with an appendix, setting out these procedures. This recommendation is now closed and will be removed from the Register.

The Committee noted that CRC continue to work hard to address the pay remit and pension issue, and the NIAO and ASM are assured that CRC are doing all they can to progress this recommendation.

The Committee thanked Ms T Wilson for this update.

## **11. Department of Finance Guidance**

Ms T Wilson presented the Committee with three pieces of Department of Finance Guidance.

Guidance one relates to the Department's own Annual Report and Accounts, and is not applicable to CRC.

Guidance two provides details of the 2021/22 Pay Policy, and the increase of 1% in the Pay Remits.

Guidance three is the annual accounts direction for 2020/21 and is not applicable to CRC.

The Committee noted the guidance.

## **12. Direct Awards**

Ms T Wilson informed the Committee that CRC have made no direct awards following the last meeting.

## **13. Small Purchases Without a Price Check**

Ms T Wilson informed the Committee that there were two purchases made which did not require a price check, following the previous meeting.

The first was two Chartered Accountant professional annual fees subscription for Mr G McKeown and Ms T Wilson.

The second was a purchase of Adobe Creative, used by the Engagement Team for graphic design.

The Committee noted this report.

Mr B Clerkin left the meeting.

#### **14. Any Other Business**

i) Internal Audit

Ms T Wilson reminded the Committee that at the previous meeting they discussed the lack of applications for CRC's internal audit tender. The Committee asked the DFAP Team to speak to the organisations who received a notice of tender, to discover why they did not make a bids.

Ms T Wilson spoke to the organisations and they provided two reasons why bids were not made: the contract is too small; and that the organisation did not have an internal audit function.

The Committee noted this update.

The CEO asked the Committee, when the internal audit goes out to tender again, to recommend any other organisations that CRC could invite to submit a bid.

ii) Verbal update at Board Meetings

The CEO reminded the new Chair that he will be providing a verbal update on this meeting to the Board next week. She stated that he will be provided with a written note of the key points, to feedback to the Board, prior to the meeting.

#### **15. Date of Next Meeting**

20<sup>th</sup> May 2021 11am