

**Community Relations Council 86<sup>th</sup> Audit and Risk Assurance Committee**  
**Thursday 7<sup>th</sup> April 11am 2022, held online**

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

**In attendance:** Ms J Irwin (CRC CEO), Mr B Clerkin (ASM), Ms C McNutt (NIAO), Ms H George (CRC PA).

**Observer:** Ms E Crothers (CRC Post Graduate Student Mentee)

**Apologies:** Mr M McDonnell (Board Member), Ms S Nicholson (TEO).

The Chair welcomed Ms E Crothers to the meeting. She will be shadowing CRC's Board for the next few months to gain experience in the workings of a board.

**1. Conflicts of Interest**

None

**2. Minutes**

The minutes of the 85<sup>th</sup> Audit and Risk Assurance Committee, which took place on the 24<sup>th</sup> February 2022 were reviewed. The Committee approved the minutes.

**3. Matters Arising**

None

**4. Northern Ireland Audit Office – 2021/22 Audit Strategy**

Ms C McNutt, Northern Ireland Audit Office, presented attendees with CRC's 2021/22 Audit Strategy.

Ms C McNutt noted that the Audit Strategy includes a presumed risk of material misstatement to the accounts due to management override of controls. She confirmed that this risks applies to all bodies being audited.

Materiality would be set at £65K. The error reporting threshold for this audit is £1,300. She explained that any errors below this threshold will not be included in the report, however it will be reported to DFAP and CRC's Accounting Officer.

NIAO audit team members Director Suzanne Walsh and Ms C McNutt will lead CRC's audit.

The audit fee will be £23K. Similar increases have been applied to all audits across the sector.

The audit will begin on 25<sup>th</sup> July.

Ms C McNutt drew the Committees attention to Appendix 1 which sets out a number of good practice guidance.

The Committee expressed their concern at the increase in audit fees with no increase in the level of service CRC are getting.

Ms C McNutt agreed to pass on the Committee's concerns to Ms S Walsh.

The Committee thanked Ms C McNutt for presenting the Audit Strategy and noted the report.

## **5. Internal Audit**

Mr B Clerkin presented the Committee with CRC's three internal audit reports.

A review into Communications and Engagement has now been completed and will be presented at the next meeting of the Audit Committee.

### **i) Grants Administration Audit**

Mr B Clerkin presented the Committee with a report into CRC's Grants Administration and Distribution 2021/22 audit, which takes place every year.

This audit reviewed the administration and distribution of the following CRC grants: Core Funding; Community Relations and Cultural Diversity Scheme; Pathfinder Scheme; Publications Grant Scheme; Media Grant Scheme; North Belfast Scheme.

The Internal Auditors made no recommendations and rated the audit as 'satisfactory'.

### **ii) Human Resources Audit**

Mr B Clerkin presented the Committee with a report into CRC's Human Resources Audit.

The audit reviewed CRC's HR policies and procedures; performance reporting and management; management of staff absences; CRC's recruitment processes; and the work around staff morale.

The Internal Auditors made two priority three recommendations. Recommendation one states that CRC should ensure the policies contained in the NICRC staff Handbook are subject to timely review. Recommendation two states that CRC should ensure that the return to work interview and self-certifications are completed and returned in a timely manner.

This audit is rated as 'Satisfactory'.

### **iii) Follow up Review**

Mr B Clerkin presented the Committee with a review into CRC's implementation of 2020/21 Audit Recommendations.

In 2020/21 5 recommendations were made in the 'Covid-19 Response' audit; one recommendation was made in the 'Board effectiveness' audit; and one recommendation was made in the 'Grant Administration' audit. Mr B Clerkin confirmed that all seven recommendations have been fully implemented.

### **iv) 2022/23 Audit Plan**

Mr B Clerkin informed the Committee that the plan for 2022/23 audit is being drafted and will be presented at a future Audit Committee meeting.

The CEO thanked Mr C Clerkin and his team for their work on this audit, and CRC's staff for their preparatory work.

## **6. CRC Quarter Four Assurance Statement**

The CEO informed the Audit Committee that, as part of the quarterly TEO returns, CRC prepare a Quarterly Assurance Statement, informed by Director's Assurance Statements.

This Assurance Statement has been reviewed and approved by CRC's Chair.

The Committee reviewed the Statement and approved the draft.

The Statement will now be submitted to The Executive Office and presented at the next Board meeting.

## **7. Risk Register**

The CEO presented the Committee with CRC's Risk Register.

'Implementation of DoF Pay Remit Guidance' risk has seen no change, and is recommended to remain rated 'red'.

'Impact of delay implementing annual pay awards' risk is recommended to be rated as 'green'. The CEO confirmed that the 2018/19, 2019/20, 2020/21 and 2021/22 Pay Remits have now all been implemented and staff have received their back pay.

'Staff Morale' risk has seen no change, and is recommended to remain rated 'amber'.

'Covid-19' risk has seen no change, and is recommended to remain rated 'amber'.

'Freedom of Information Request' risk has seen no change, and is recommended to remain rated 'amber'.

'Departure of Staff in DFAP Team' risk is recommended to be upgraded to 'red'. The CEO explained that, following the resignation of the Director of Finance, Admin, and Personnel, and the departure of the Finance Manager, CRC brought in temporary members of staff to fill these rolls. Unfortunately, the temporary Director of Finance has since resigned. This poses a risk to CRC's completion of the Annual Report and Accounts.

CRC's temporary Finance Manager remains at CRC and has completed the end of year consumption report and draw down. The CEO thanked Ms S McMenamain for her work over this period.

CRC will procure the assistance of an external accountant to assist with the completion of the annual accounts. The CEO thanked Mr G McKeown and Ms T Wilson for their continued support during this period.

Recruitment of these open positions will begin as soon as possible.

The Committee thanked the CEO for these updates. They expressed their concern for the resignation of the temporary Director of Finance, but congratulated Ms S McMenamain for completing the year end returns.

The Committee agreed the recommended risk ratings.

The Committee asked the CEO for an update on CRC's Hybrid Working Policy.

The CEO informed the Committee that the Hybrid Working policy has been agreed by the Board and staff. CRC are updating office equipment to enable meetings and events to be held in a hybrid format going forward. CRC have already implemented a paperless system, and is moving to Microsoft 365 and Teams. A new telephony system will be coming into operation in May 2022. CRC have seen no downturn in delivery while working from home.

## **8. Audit Investigations**

The CEO presented the Committee with an update on CRC's one live investigation.

Following the last Committee meeting CRC updated and returned the Public Disclosure Form to The Executive Office. This investigation can now be closed down.

The Committee agreed to close this investigation thanked the CEO for this update, and noted the report.

## **9. Register of Audit Recommendations**

The CEO presented the Committee with a report on CRC's implementation of audit recommendations.

All recommendations have been implemented that are within CRC's control. Only one recommendation remains open. This relates to CRC's implementation of DoF Pay Remit Guidance.

The Recommendations following CRC's 2020/21 Audit will now be added to the report for the next financial year.

The Committee thanked the CEO for this update and noted the report.

## **10. Department of Finance Guidance**

Ms H George presented the Committee with a number of Department of Finance Guidance for their information.

DOA Accounts Direction 2021-22. This guidance provides departments and other bodies with directions for the format and content of their resource and other accounts.

DoF Departmental Annual Report and Accounts 2021-23. This guidance sets out the timetable for the preparation of Departmental year end accounts. While this guidance related to Departments only, it does ask Departments to ensure that the Arm's Length Bodies are aware of their own reporting duties.

Ms H George presented the Committee with a piece of Guidance from the Northern Ireland Audit Office.

NIAO 02/22 Internal Fraud Risk Guidance sets out a checklist of organisations to review their own internal fraud risk. CRC Directors have reviewed this guidance within their teams. The CEO added that CRC will be organising a session with the NI Audit Office to receive a presentation on fraud risk.

The Committee noted this report.

#### **11. Direct Awards**

No direct awards were made during this period.

#### **12. Purchases without a Price Check**

The CEO presented the Committee with four items purchased without a price check.

Adobe Creative	Annual subscription	£424.66
Lomart.io	CRC website server yearly subscription	£450.18
Hootsuite	Annual subscription	£234
Lomart.io	Our Peace Our Stories renewal of website domain name	£15.60

These items all relate to the maintenance and design of CRC's websites.

The Committee thanked the CEO for this update and noted the report.

#### **13. Any Other Business**

None

#### **14. Date of Next Meeting**

19<sup>th</sup> May 2022 11am