

Community Relations Council 84th Audit and Risk Assurance Committee
Thursday 13th January 11am 2022, 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), Mr G McKeown (CRC DFAP Director), Ms T Wilson (Finance Officer), Ms H George (CRC PA), Mr B Clerkin (ASM), Ms C Burns (NIAO).

Apologies: Ms S Nicholson (TEO).

1. Conflicts of Interest

None

2. Minutes

The minutes of the 83rd Audit and Risk Assurance Committee, which took place on the 25th November 2021, were reviewed. The Committee approved the minutes following the addition of one amendment related to the attendees list.

3. Matters Arising

All matters arising will be dealt with under other agenda items.

4. External Audit

No items to discuss.

5. Internal Audit

Mr B Clerkin informed the Committee that CRC's Engagement, Human Resources, and Grants audits will begin in March 2022. CRC had asked for the Human Resources and Grant audits to be brought forward, however, the internal auditors were unable to facilitate this.

Mr G McKeown added that CRC asked for these audits to be brought forward as he will be leaving CRC at the end of February, and wanted to be able to close these audits before departing.

The Committee thanked Mr B Clerking and Mr G McKeown for this update.

6. Quarter Three Assurance Statement

Mr G McKeown informed the Committee that, as part of a new process implemented by The Executive Office, CRC's Assurance Statement will now need to be signed off by Accounting Officer, the Chair and then presented to the Audit Committee and the full Board.

Mr G McKeown presented the Committee with this Statement for 2021/22 quarter three, which has already received approval from the Accounting Officer and the Chair of the Board.

The Committee asked that reference to CRC's ongoing audit investigation into a funded group be added to the first section of the Statement. The Statement could briefly outline the issue, and explain that CRC have complied with all fraud procedures and the actions have been in line with the Fraud Response Plan.

ACTION: Mr G McKeown to amend the Assurance Statement to add reference to CRC's ongoing audit investigation into a funded group. The Statement will then be shared with the Accounting Officer and the Chair for approval. The final version will be send to TEO and then presented to the Board at the next meeting.

The Committee approved the document, with the addition of the proposed amendment.

7. Risk Register

Mr G McKeown presented CRC's Risk Register to Committee members. He reminded the Committee that at the previous meeting the definitions of the levels of impact were approved. This has had an effect on the rating of the current risks. Mr G McKeown presented the current risks to the Committee, highlighting the changes to the ratings.

The Committee discussed the proposed changes and agreed the following ratings.

Risk one, relating to the implementation of DoF Guidance FD (DFP) 08/14, 09/18, has progressed no further, and still appears as a significant concern in CRC's accounts. The Committee agreed that this risk should remain rated as red.

Risk two, relating to staff morale, remains rated amber. CRC are awaiting further team building training and a follow up staff survey.

Risk three, relating to the Covid-19 emergency, remains rated amber. CRC's Continuity Plan continues to work well. Staff remain working from home. Mr G McKeown assured the Committee that CRC's Delivery Plan is on target to be completed in this financial year, and grants continued to be paid. 85% of CRC's budget is on target to be spend entirely on grants and good relations engagement.

Risk four, relating to the implementation of cloud based services, was downgrade to a green rating. Mr G McKeown recommended this rating following the receipt of further assurances from colleagues at ECNI that data protection policies will continue to be implemented during the process. Controls are in place and continue to work well.

Risk five, relating to the Freedom of Information request, remains rated amber. There has been no further correspondence from the Information Commissioner, from whom CRC are awaiting notification of the appointment of a case officer.

Risk Six relates to CRC's recruitment of a temporary Policy Officer and the resignation of the Director of Finance. A number of factors have contributed to the unsuccessful recruitment

campaign to fill the Policy Officer position. Similar factors may also effect the recruitment of a Director of Finance.

Mr G McKeown added that CRC have begun working with a recruitment agency to fill the Policy Officer position, and have the resource to bring in a temporary agency worker to assist with the transition following the Director of Finance's resignation.

The Committee asked for more detail about the risks associated the resignation of the Director of Finance, the transition period, and the concern around a delay in appointing someone to this role, to be added to this risk.

ACTION: Mr G McKeown to add more detail to the 'Recruitment and Retention of Staff' risk relating to the resignation and recruitment of a Director of Finance.

The Committee asked for another Risk to be added to the Register. This new risk relates to the outstanding Pay Remints and salary issues, which have a direct impact on the recruitment and retention of staff, as well as staff morale.

ACTION: Mr G McKeown to add another risk to the Register, titled 'Outstanding Pay Remits and Salary Issue'.

The Committee approved the amendments to the Risk Register and thanked Mr G McKeown for this report.

8. Investigations into Funded Groups

The Chair informed the Committee that CRC currently have two live investigations into funded groups. The Chair of the Audit Committee was contact by Mr G McKeown who informed him of the investigations. The Chair then informed the other Committee members.

Mr G McKeown presented the Committee with an update on one investigation. TEO have been informed of the issue. On Tuesday 21st December TEOs Group Fraud Investigation service confirmed that they did not think this was a case for investigation

CRC are awaiting a response from the Whistle-blower who made the organisation aware of the issue.

CRC have another audit investigation ongoing, which will be discussed in a closed session at the end of this meeting.

The Committee noted this report.

9. Register of Audit Recommendations

Mr G McKeown presented the Committee with the two ongoing audit recommendations.

Recommendation one relates to the implementation of DoF Guidance FD (DFP) 08/14, 09/18 which is out of CRC's control. TEO had previously indicated that they would be in contact

with CRC on this issue in August 2021, however, CRC have not received any follow up correspondence from TEO. CRC have submitted all Pay Remits to TEO for processing.

The second recommendation asks CRC to review the grant Letters of Officer ahead of the 2022/23 grant period. Mr G McKeown assured the Committee that the Letters of Offer will be reviewed annually.

The Committee thanked Mr G McKeown for this update and noted the report.

10. Department of Finance Guidance

Ms T Wilson informed the Committee that there has been no guidance published by the Department of Finance, following the previous meeting.

11. Direct Awards

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

12. Purchases without a Price Check

Ms T Wilson informed the Committee that there have been no purchase made that not require a price check, following the last meeting.

13. Any Other Business

Mr G McKeown informed the Committee that this would be his final Audit meeting, before moving on to another job in February. He thanked the Committee for their assistance over the last few years.

The Committee congratulated Mr G McKeown, and wished him all the best in his new role.

14. Date of Next Meeting

24th February 2022 11am

15. Closed Session

The Audit and Risk Assurance Committee asked for members of CRC's staff to leave the meeting, so that a confidential issue could be discussed.