

Community Relations Council 63rd Audit and Risk Assurance Committee
Thursday 17th October 2019 11:00am
CRC Offices, Equality House, Shaftesbury Square, Belfast

1. **In attendance:** Chair of Committee Mr R Campbell, Mr J McCallister, Mr M McDonnell
2. **Present:** Mr G McKeown (DFAP), Ms T Wilson (Finance), Ms A McMaw (ASM Internal Auditors), Ms E Norwood (TEO), Mr A Jarman (NIAO), Ms H George (PA to CEO & Board).
3. **Apologies:** Ms J Irwin (CEO)
4. **Minutes**

The minutes of the 19th September 2019 ARAC meeting were agreed.

5. Matters Arising

i) Internal Audit Strategy

The Committee were presented with the 19/20 Audit Strategy. Ms A McMaw explained that this strategy would be revisited at the beginning of 2020/21. A discussion followed regarding adding internal management controls to the next audit. However, it was explained that, as this is included in the Northern Ireland Audit Office's review, it would be a duplication of work if ASM also carried out a review of this. It was agreed that the number of audit field days and the number of planning and follow up days would be reviewed before the next audit year.

ii) Risk Workshop

The Risk Workshop will be revisited following the Strategic Plan drafting process.

6. Northern Ireland Audit Office Report

i) Final Report to Those Charged with Governance

Mr A Jarman presented the Committee with the Final Report to Those Charged with Governance, explaining that the only change made to the report was amending the wording to read as past tense. He added that the priority three issue related to the superannuation.

The Committee thanked Mr A Jarman and the Audit Office for their work on this.

7. Internal Audit

Ms A McMaw informed Committee members that ASM and CRC are in the process of agreeing dates for the delivery of the 19/20 audits.

8. Internal Investigations into Funded Groups.

Mr G McKeown presented Committee members with an update on the investigation into a group previously funded by CRC. He stated that the group had now supplied the documents CRC requested, and that Mr P Jordan and Ms T Wilson will be meeting to review the material and vouch the expenditure this week.

9. Risk Register

Mr G McKeown presented the Committee with the Risk Register, highlighting that at the last Audit and Risk Committee, members recommended that the 'Political' risk remain red, that the 'Resources' risk take on the 'staffing issues which were contained in the 'Policies' risk and that this remains amber, and that the 'Policies' risk be downgraded to green. This proposal was taken to the Board and agreed.

Mr M McDonnell noted that 'Resources' is amber in CRC's Risk Register, but is a part of this risk is a Priority 1 in NIAO's report. He added that this could be discussed at the future Risk Workshop. Mr G McKeown stated that the amber risk also refers to potential insufficient resources to deliver CRC's Business and Strategic Plans. He added that CRC have mitigations in place and have been working with TEO and DoF to resolve them.

The Committee discussed these risks and agreed that they should remain as there are. The Chair noted that the pay remit has not progressed and that the 'Resources' risk would remain amber, but would be monitored closely.

10. Register of Audit (Internal and External Recommendations)

Mr G McKeown presented the Committee with the updated Register of Audit Report, highlighting the following points:

- Revised Delegated Authority – This was a recommendation following CRC's Board review. It was held up due to the delay in appointing a new Board. Now that a new Board is in place CRC are working with TEO on revising the MSFM. This should then allow the Board to make and implement delegations.

The Committee asked what the timeline is for completion of this, to which Mr G McKeown stated he would consult with TEO and come back to the Committee.

ACTION: Mr G McKeown to speak to TEO regarding the timeline for amendment CRC's MSFM and making the delegation changes.

- Finance Risks – This relates to the implementation of DoF Pay Remit and Approval process guidance. Firstly regarding the approval of outstanding 2016/17 and 2017/18 Pay Remits. These are currently with DoF who have three weeks to turn this around.

In addition, the guidance relates to the implementation of No Better/No Worse guidance and Equal Pay guidance. CRC and TEO have rebranded the Business Case to put the emphasis on equal pay, as some staff employed after 2014 do not receive this 6% uplift. Once TEO have agreed this Business Case, it will proceed to other TEO colleagues and then to DoF. DoF have stated that the Pay Remits will be completed by March 2020.

- Contract Management Procedure – This recommended the removal of expired contracts from the register, and to align policy and practice. Mr G McKeown stated that this has been completed, and will now be removed from the Register of Audit.
- Projections – This point related to the accuracy of monthly projections. Mr G McKeown stated that with the implementation of the new Grant Management System the projections would be more accurate.

Mr R Campbell noted that, while his firm act on behalf of the organisation awarded the contract to develop CRC’s grant management system, he himself was not actively involved in their account.

ACTION: Mr G McKeown compare application received during first six month of 2018/19 compared with 2019/20.

- Subject Access Requests – CRC will be performing a simulated data access and data breach test by the end of the year.

11. Potential Conflict of Interests

Mr G McKeown presented the Committee with a paper on conflicts of interest and the controls in place.

The Audit and Risk Assurance Committee agreed that this paper should be taken to the next Board meeting for discussion and decision.

ACTION: The paper on ‘Potential Conflict of Interests’ to be taken to the next Board meeting.

12. Department of Finance Guidance

Ms T Wilson presented the Committee with a document setting out the Department of Finance Guidance, recently published. This included the 'Remuneration of Chairmen and Members of Public Bodies'. She explained that there would be a 1.25% increase in pay effective in August 2019.

13. Direct Awards

Ms T Wilson stated that there were no Direct Awards to report.

14. Small Purchases without a Price Check

Ms T Wilson presented the Committee with a list of purchases that did not receive a price check. This included the hire of Girdwood Community Hub for a TBUC Forum. She explained that this did not require a price check as it was booked at the request of TEO.

CRC also made a purchase from Pitney Bowes that did not require a price check, as they are CRC's franking machine providers and the only organisation from which postage top up can be attained.

15. Any Other Business

None

16. Date of Next Meeting

25th November 3pm

9th January 11am