

Community Relations Council 83rd Audit and Risk Assurance Committee
Thursday 25th November 11am 2021, 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), Ms S Nicholson (TEO).

Apologies: None

1. Conflicts of Interest

None

2. Minutes

The minutes of the 82nd Audit and Risk Assurance Committee, which took place on the 29th October 2021, were reviewed and agreed.

3. Matters Arising

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

4. External Audit

Ms C Burns presented the Committee with the final version of CRC's Report to Those Charged with Governance.

The draft Report was presented and approved by the Committee during October's meeting. Ms C Burns highlighted that this version now includes the management responses from CRC.

The Committee noted this report and thanked Ms C Burns for presenting.

Ms G McKeown informed the Committee that CRC's Annual Report and Accounts 2020/21 have now been laid at the NI Assembly. Procurement is currently taking place for the design of the Report. It will be filed with Companies House and the Charities Commission in early December.

Ms C Burns reminded Mr G McKeown that the Audit Office will need to approve the Printers Proof of the Report, to ensure that it meets their specifications.

ACTION: Mr G McKeown to arrange for Annual Report and Accounts to be filed with Companies House and the Charities Commission

ACTION: Mr G McKeown to share the printer's proof of the Annual Report and Accounts with the Audit Office for approval.

5. Internal Audit

Mr B Clerkin provided the Committee with papers, setting out the terms of reference for the upcoming Audits:

- i) Follow Up Review Audit
- ii) Grants Administration audit
- iii) Human Resources Audit
- iv) Communications and Engagement Audit

Mr B Clerkin reminded the Committee that these Terms of Reference were drafted following the approval of the Audit Strategy by the Committee earlier in the year.

The Committee thanked Mr B Clerkin for presenting, and approved the Terms of Reference for the upcoming audits.

Mr B Clerkin added that the field work will begin in February 2022, and a report will be provided to the Committee by the end of the financial year.

6. Risk Register

Mr G McKeown presented the Audit Committee with CRC's Risk Register and Depository.

Risk one relates to 'Compliance with DoF Guidance FD (DFP) 08/14, 09/18', and CRC's financial projected costs associated with this. In June 2021 The Executive Office agreed to separate the issues of the Pay Remits and the compliance with DoF Guidance FD (DFP) 08/14, 09/18', allowing CRC's Pay Remits to be progressed. Mr G McKeown suggested that reference to the Pay Remits can now be removed from the details of this risk. The Committee agreed with this proposal, and that this risk should remain rated 'red'.

Risk two relates to staff morale. Mr G McKeown informed the meeting that CRC staff were due to attend Team Building session in person in December 2021. However, due to the rising concern for the Covid-19 situation, this session has now been postponed and the matter will be discussed with staff in January 2022. Following the session a staff survey will then be circulated to staff to complete. The outcome of the survey will provide basis to consider assessment of this risk, and the Committee will be briefed on the outcome of the assessment. The Committee agreed that as the policy has not yet been tested in the office environment this risk should remain rated 'amber'.

Risk three relates to Covid-19 and the impact that the restrictions may have on CRC and the funded groups. CRC's Covid-19 Business Continuity Plan continues to work well. CRC have drafted a Hybrid Working Policy and consulted with staff on the contents. Feedback has been generally positive, with suggestions being incorporated into the current draft. The Policy will be presented to the Finance and General Purposes Committee in due course. The Committee agreed that this risk should remain rated 'amber';

Risk four related to the implementation of cloud based systems in CRC. A number of good controls are in place around this risk, however, Mr G McKeown will be doing more work around the information security; compliance with FOI legislation; and GDPR risks. This review will be presented at the next Committee meeting. The Committee agreed that this risk should remain rated 'amber'.

Risk five related to the recent FOI on the Bonfire Report. Following the receipt of correspondence from the Information Commissioners Office, informing CRC that a complaint has been made, CRC met with legal advisors to discuss the list of questions that may be asked. The responses have been drafted, and CRC await further correspondence from The Information Commissioners Office. The Committee agreed that this risk should remain rated amber.

Mr G McKeown reminded the Committee that they had asked for definitions to be added to the impact ratings matrix. He presented the Committee with definitions of how the impacts would affect CRC. These impacts included: Critical; Major; Significant; Moderate; and Minor.

The Committee suggested that a risk with a 'Critical' or 'Major' impact does not have to be just long-term, short-term risks should also be able to be rated as 'major' and 'critical'. The Committee approved the definitions, with the recommendation that 'long-term' in reference to operational matters be removed from the 'Major' and 'Critical' impacts.

7. Audit Investigations into Funded Groups

Mr G McKeown informed the Committee that there are currently no ongoing investigations into groups funded by the Community Relations Council.

8. Register of Audit Recommendations

Mr G McKeown presented the Committee with CRC's Register of Audit Recommendations.

There are currently two recommendations on the register:

- Compliance with DoF Guidance FD (DFP) 08/14, 09/18. CRC are working with TEO to resolve this issue.
- CRC to complete a review of the 22/23 Letters of Offer before issuing to funded groups. This recommendations is on schedule to be completed within the timeframe.

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

9. Department of Finance Guidance

Ms T Wilson presented the Committee with three pieces of Departmental Guidance issued following the last Audit Committee meeting.

Guidance number one relates to the Remuneration of Chairpersons. This is not applicable to CRC.

Guidance two relates to Liability Insurance for non-departmental public bodies. This is not applicable to CRC.

The final guidance comes from the Northern Ireland Audit Office, setting out potential ‘Grant Fraud Risks’.

The CEO stated that this NIAO Grant Fraud Risk Guidance is extremely relevant to CRC. It explores the potential risks that may occur in the grant application and grant making process, and proposes a number of mitigations that organisations can put in place. The CEO assured the Committee that the Senior Management Team have reviewed the guidance and that each Director will be discussing the paper with their Teams. Any recommendations will be brought to the Audit and Risk Assurance Committee in due course.

The Committee thanked Ms T Wilson and the CEO for presenting the papers, and noted the guidance.

10. Direct Awards

Ms T Wilson informed the Committee that no direct awards have been made following the previous Report.

11. Small Purchases without a Price Check

Ms T Wilson presented the Committee with details of one purchase CRC made, following the last Committee meeting, which did not require a price check.

This purchase was £1.26 for the use of CRC’s office photocopier.

The Committee noted this update.

12. Any Other Business

The Chair wished all in attendance a happy Christmas and New Year.

13. Date of Next Meeting

13th January 2021 11am