

Community Relations Council 81st Audit and Risk Assurance Committee
Thursday 26th August 11am, 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 H George (CRC PA), Mr B Clerkin (ASM), Ms S Nicholson (TEO).

Apologies: None

1. Conflicts of Interest

None

2. Minutes

The minutes of the 80th Audit and Risk Assurance Committee, which took place on the 20th May 2021, were reviewed and agreed.

3. Matters Arising

The Chair informed the Committee that, at the previous meeting the issue of CRC's external audit fee increase was raised. He stated that this issue was raised with the full Board during a meeting in July 2021.

4. External Audit

Mr G McKeown informed the Committee that the Northern Ireland Audit Office are currently carrying out their audit of CRC's Annual Report and Accounts 2020/21.

The Committee thanked Mr G McKeown for this update.

5. Internal Audit

Mr B Clerkin informed the Committee that the auditors will meet with Mr G McKeown in due course, to discuss the upcoming internal audit and agree a timeline.

The field work for the upcoming audits will likely begin in mid-February 2022.

The Committee thanked Mr B Clerking for this update.

6. Risk Register

Mr G McKeown presented the Audit and Risk Assurance Committee with an updated Risk Register.

The first risk in the register relates to CRC's compliance with DoF Guidance. CRC have received notice from TEO that they are engaging with DoF on how this matter is affecting other Arm's Length Bodies. In addition TEO have confirmed the 2020/21 and 2021/22 Pay Scales and shared the template for completing the Pay Remit. Mr G McKeown will be populating the template and send on to TEO in due course. The 2018/19 and 2019/20 Pay Remits have been submitted to TEO for processing. The Committee agreed that 'Implementation of DoF Guidance' should remain red.

The Committee reviewed the 'Staff Morale' risk and 'Covid-19 Emergency' risk and agreed that they should remain amber.

Two new risks have been added to the register.

The first relates to a recent Freedom of Information Request CRC received. The Board reviewed and issued a response to the requesters appeal. The risk now relates to relational issues and legal compliance. The Committee agreed to add this item to the Risk Register and that it should be categorised as amber.

The Committee asked that, in the future, any risk related to an FOI is raised with the Audit and Risk Committee chair in a timely manner. Not all FOIs will need to be added to the Register, but the Chair should be informed and be consulted on whether to raise the issue with the Committee.

The final risk on the register is 'CRC's move to cloud based services'. CRC are undergoing a migration to cloud based servers and software. While this risk is mitigated, it does pose risks around the complexity of the migration. The Committee agreed to add this item to the Risk Register and that it should be categorised as amber.

The Committee thanked Mr G McKeown for this update.

7. Audit Investigation into Funded Groups.

Ms G McKeown informed the Committee that there are currently no live investigations into funded groups being conducted by the Community Relations Council.

8. Register of Audit Recommendations

Mr G McKeown presented the Audit and Risk Assurance Committee with the updated Register of Audit Recommendations.

There are currently only two active recommendations on CRC's Register, which are still in progress.

CRC's recommendation to resolve the outstanding issues around the implementation of DoF guidance is still ongoing. An update was provided to Committee members previously in the meeting.

CRC's recommendation to ensure the grant Letters of Offer are reviewed and ensure that they accurately reflect actual payment profiles is ongoing. A review will take place in 2022, ahead of the 2022/23 grant period.

A final recommendation related to the Register of Interest is now complete. The Register of Board members Interests has now been added to CRC's website.

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

9. National Fraud Initiative Exercise

Ms T Wilson informed the Committee that the Comptroller and Auditor General for Northern Ireland complete a review every two years, conducting a data matching exercise to determine if any fraud has occurred in organisations across Northern Ireland.

The exercise reviewed CRC's payroll; creditors' history; and creditors standing details against other records held by the same or other bodies to see if there is a match.

The National Fraud Initiative 2020/21 review of payroll records; creditors; and creditors payment history produced 34 matches. Ms T Wilson reassured the Committee that all matches were investigated and are explainable with no issues arising.

The Committee thanked Ms T Wilson and noted this report.

10. Department of Finance Guidance

Ms T Wilson presented the Committee with guidance from the Department of Finance.

The first piece of guidance provides details of the audit process for Arm's Length Bodies and departments on how to prepare for PAC scrutiny.

A second piece of guidance provides information on the extension of previous guidance on the payment of grants during the Covid-19 response period.

Three pieces of guidance related to the preparation of the Annual Report and Accounts.

The final piece of guidance comes from the National Audit Office on climate change risks, providing a good practice guide for Audit and Risk Assurance Committees.

The Committee thanked Ms T Wilson for this update and noted the paper.

11. Direct Awards

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

12. Small Purchases Without a Price Check

Ms T Wilson presented the Committee with a paper setting out purchases made by CRC between May 2021 to August 2021 which did not require a price check.

Items purchased include:

- Photocopier and printer costs
- Membership of professional bodies
- National Audit Office Fraud Initiative payment
- Finance training for CRC's Chair

The Committee thanked Ms T Wilson for this update and noted the paper.

13. Any Other Business

None

14. Date of Next Meeting

14th October 2021 11am

Mr G McKeown informed the Committee that the date of the next Audit and Risk Assurance Committee is dependent on the completion of CRC's external audit. The Annual Report and Accounts will be presented to the Audit Committee and the Board on the same day, and therefore, the date of the meeting may change.