

**Community Relations Council 82<sup>nd</sup> Audit and Risk Assurance Committee**  
**Friday 29<sup>th</sup> October 10am 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), Ms J McGuckin (ASM), Ms K Doey (NIAO), Ms S Nicholson (TEO).

**Apologies:** None

**1. Conflicts of Interest**

None

**2. Minutes**

The minutes of the 81<sup>st</sup> Audit and Risk Assurance Committee, which took place on the 26<sup>th</sup> August, were reviewed and agreed.

**3. Matters Arising**

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

**4. External Audit**

i) CRC Annual Report and Accounts 2020/21

Mr G McKeown presented the Committee with CRC's 2020/21 audited Annual Report and Accounts.

He added that the Annual Report and Accounts were prepared to satisfy company, charity, and departmental guidance. He drew the Committee's attention to a number of items within the Report, including: The Governance Statement; The Directors Report; Organisational Structure; list of Board members; Statement of Grant Making Policies; Future plans; Statement of Accounting Officer; Governance Statement; Governance Framework; Governance of the Board and Committees; overview of Board attendance; Internal Control and Risks; and Internal Audit Report.

He added that the Report shows that there were no data loses during the year, one complaint was received, and three Freedom of Information Requests were made over this period. One significant issue was identified in the Annual Report and Accounts; this relates to the 'Compliance with DoF Guidance FD (DFP) 08/14, 09/18 '.

The Audit and Risk Assurance Committee recommended the approval of the Annual Report and Accounts by the Board.

ii) Report to Those Charged with Governance

Ms K Doey, NI Audit Office, presented the Committee with CRC's Report to Those Charged with Governance.

Ms K Doey drew the Committee's attention to page 4 of the Report which sets out the significant risk that is tested during the audit of every organisation, relating to fraud arising from management override controls. This review found no evidence of this risk present at CRC.

The auditor found one priority one issue. This relates to Guidance FD (DFP) 08/14, 09/18 and outstanding Pay Remits. Due to the salary adjustments for historical differences in the level of employee contributions to pension schemes, this has resulted in a potential irregular expenditure of £17,519 in the 2020-21 accounts. The Auditor assured the Committee that CRC have done all they can to progress this issue, and the power to resolve this currently sits with The Executive Office.

Ms S Nicholson, TEO, stated that the Department are reviewing whether other Arm's Length Bodies are affected by this issue. TEO have asked the Department of Finance to explore an overall agreement to resolve this issue.

Due to the adjustment of claims throughout the year following the vouching process, the auditor reported an immaterial adjustment to the Financial Statement of £1,767.

The Committee thanked the Northern Ireland Audit Office for presenting, commended CRC on the positive report, and thanked Mr G McKeown, Ms T Wilson and the team for their work.

The CEO added that, as the Accounting Officer, the report was reassuring that CRC's systems are working well. She thanked the Audit Office, Mr G McKeown, Ms T Wilson, and the team for their work

## **5. Internal Audit**

Ms J McGukin informed the Committee that CRC's 2021/22 internal audit is scheduled to begin in February 2022.

The Terms of Reference have been drafted and issued to CRC for approval.

The Committee thanked Ms J McGukin for this update.

## **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. Mr G McKeown informed the Committee that all outstanding Pay Remits have been submitted to The Executive Office, and all queries have been responded to. CRC await TEO's sign off of the 2018/19, 2019/20, 2020/21, and 2021/22 Pay Remits. The Committee agreed that this risk should remain rated 'red'.

Risk two relates to staff morale. The Board have regularly received updates on how CRC are mitigating this risk. The Chair recently met with all non-management staff at CRC, to discuss

staff morale and the Dignity at Work Policy. Mr G McKeown added that a team building session will be held in due course, and a staff survey will be issued to review the implementation process. 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 Continuation Plan continues to work well. CRC had developed a draft Agile Working Policy, however, due to the emerging of The NI Civil Service's draft Hybrid Working Policy, the CRC draft will be reviewed for consistency and alignment. 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. The Committee agreed that this risk should remain rated 'amber'.

Risk five related to the recent FO on the Bonfire Report. Mr G McKeown informed the Committee that CRC have received correspondence from The Information Commissioners Office stating that a complaint has been lodged, relating to CRC's FOI response. The Information Commissioner will appoint an investigating Officer and request evidence from CRC relating to the decision that was made.

The CEO added that CRC will begin putting the evidence together and will continue to seek legal advice around this issue. The Committee agreed that this risk should remain rated 'amber'.

The Committee asked for more detail to be added to future Risk Registers, on the impact ratings by adding a description of the five impacts: Critical; Major; Significant; Moderate; and Minor.

**ACTION:** Mr G McKeown to add more detail to the Risk Register section on the five impacts, adding a description for each impact.

Mr G McKeown then presented the Committee with the full risk depository, which identifies 20 other potential risks including; Political – rated green; Economy – rated green; Socio-cultural – rated green; and Environmental – rated green.

The Committee thanked Mr G McKeown for presenting the Risk Register and Depository, and noted the report.

## **7. Audit Investigations into Funded Groups**

Mr G McKeown informed the Committee that there are currently no 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 updated and noted the report.

## **9. Department of Finance Guidance**

Ms T Wilson presented the Committee with six pieces of Department of Finance guidance:

- Contracts Register – This guidance requires ALBs to draft a register of all businesses the organisation have contracts with, and track the expiry dates. Ms T Wilson assured the Committee that CRC have had a Contracts Register in place for a number of years and continue to monitor the expiry dates.
- Revised Policy/Guidance on Project Engagement with Gateway/Assurance Review Process – This policy is not relevant to CRC.
- Guidance on Conflicts of Interest – CRC will review this policy and adopt a number of proposals including the declaration of interests at initiation stage of procurement and the declaration of an interest at any stage of the recruitment process.
- Department Delegations/Requirements for DoF approval – this policy is not relevant to CRC
- Review of Financial Processes – this policy related to the alignment of financial processes with the Department, to allow accounts to be transposed into the Department’s accounts.
- Annual Theft and Fraud Return – Nothing to report

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

## **10. Direct Awards**

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

## **11. Small Purchases without a Price Check**

Ms T Wilson informed the Committee that CRC made two purchases which did not require a price check:

- Information Commissioner Annual Fee - £35.00
- Xerox Photocopier Quarterly Charge - £0.24

## **12. Any Other Business**

None

## **13. Date of Next Meeting**

25<sup>th</sup> November 11am 2021