

Community Relations Council 64th Audit and Risk Assurance Committee

Thursday 6th December 2018 @11am

Board Room, CRC Offices, Equality House

Present: Rory Campbell (Chair), Don MacKay (Board Member).

In Attendance: Ms J Irwin (CEO), Mr G McKeown (Director of Finance), Ms E Bolton (NIAO), Brian Clerkin (ASM), Ms K Moylan (TEO), Ms T Wilson (Finance Officer).

1. **Apologies:** Ms D Close (Board Member)

2. **Minutes**

(Appendix 1)

The minutes of the Audit and Risk Assurance Committee 31st October 2018 were agreed as being true and accurate.

3. **Matters Arising**

i) Data Controller

At the previous ARAC meeting, Mr R Campbell suggested that, rather than Mr G McKeown being a data controller, the organisation is the data controller.

Mr G McKeown reviewed the guidance and found that in the earlier version it stated that the DPO should report to the Board but could not be a data controller. However, he explained, in the most recent guidance the issue is less clear. Mr G McKeown added that from CRC's own internal management point of view, it is useful to delegate data controller duties down to a member of staff. He stated that DFAP have tried to mitigate this by drafting up any instances he has advised members of staff as a DPO, which will be presented to this committee.

The Chair stated that CRC are doing more than necessary, he does not believe that Mr G McKeown is a data controller.

The CEO added that CRC is the data controller but in day to day proceedings, this is delegated to members of staff who make decision on personal data.

4. **Audit Investigation info Funded Groups**

(Appendix 2)

The CEO stated that there has been an update on TEO's investigation into an organisation previously funded by CRC. TEO are awaiting a response from the group regarding their correspondence with HMRC.

The CEO presented the Audit and Risk Assurance Committee with the latest Risk Register. She made particular reference to the following:

Page 3 – Political

The Committee previously agreed that the Political Risk should remain red, for all of the reasons stated before. The Committee agreed that this point would be returned to when Ms K Moylan (TEO) arrives at the meeting.

The Chair explained that CRC have looked at this risk on the basis of political certainty, and would consider changing the status, if they see clear reason for predicting Govt policy. At this point, the ARAC members agreed to keep this risk as red.

The CEO added that the distinction TEO makes is a corporate one. They believe it is a managed risk. The Chair stated that CRC have no clear indication of what will happen when the three Board Members come to the end of their terms next year.

Page 5 – Risk Management Action Plan

The CEO explained that the 15/16 Pay Remit is currently with TEO. TEO are in discussion with DoF. Mr G McKeown added that in terms of the 15/16 Pay Remit, the first draft was sent to TEO in June.

Having considered CRC email highlighting that treatment of ALBs in respect of No Better/No Worse Off was inconsistent. TEO responded stating that they are content to continue with the Pay Remit, but they could not set 'No Better off, No Worse Off' guidance aside. Following this, TEO finance branch re-started their review of the 15/16 Pay Remit. TEO's finance branch sent CRC a number of queries on the 28th November, to which CRC promptly responded.

Mr G McKeown and the CEO worked on a revised business case on progressing Pay Remits. It considered the costs, the non-monetary benefits and costs, and the risks. The preferred option coming out of the business case was to treat CRC consistently with other ALBs.

TEO have shared this business case with DoF who have sent it on to their pension branch to consider.

The Chair asked if there was a risk if CRC carried on under the 'No Better, No Worse' guidance, it would be unnecessarily using public money. Mr G McKeown explained that consistent treatment is the cheapest option as the cost of the 6% uplift is more than offset by savings in HR advice, fees, and legal fees.

Mr G McKeown added that the most straightforward and cost effective way of resolving this issue would be to freeze the uplift, remove from future contracts, and let the issue resolve itself through natural staff turnover.

Kim Moylan joined the meeting

The Chair asked why CRC have not been treated like the other ALBs, is it a constitutional issue. Mr G McKeown explained that CRC's staff contracts are not like the other ALBs, whoever TEO were unable to share why. Ms K Moylan added that TEO do not have access to this information, it has come directly from DoF.

Ms G McKeown reminded Committee members of this pension issue. He stated that CRC top-up the salaries of staff employed before 2015, and from that the employees make the contribution to their pensions. This is consistent with NILGOSC and HMRC regulations. Other organisations make this top-up payment directly to NILGOSC, which is inconsistent with NILGOSC and HMRC regulations. A number of ALBs in a similar situation to CRC have had the 'No Better, No Worse' guidance set aside.

Page 5 – Pension

The CEO stated that CRC require a letter of guarantee from TEO in relation s to management and mitigation of proposed NILGOSC pension cost.

Ms K Moylan stated that she is reasonably sure that CRC will receive this guarantee.

Page 6 – Staffing Review

CEO explained that the review is complete and the Board would be considering a paper on the implementation at the next meeting.

Page 8 – Grants database

The CEO informed Committee members that TEO have approved CRC's grant database business case and that it is likely to meet its deadline at the end of the year.

The Chair stated that his firm have dealings with the organisation awarded CRC's grants database contact. He added that he will not be acting for this client, rather his firm is, therefore there was no conflict of interest.

Page 9 – Articles of Association

The CEO stated that Mr G McKeown has been liaising with CRC's solicitors regarding the query on the wording of one aspect of the Articles of Association.

Page 3 – Political

- i) Use of MailChimp – As the server is based outside of the EU, CRC have updated their Privacy Notice and made the contract manager aware of updated privacy notice.
- ii) Use of images taken at events – Mr G McKeown confirmed that CRC can use images of adults attending events if Privacy Notices have been circulated to attendees.
- iii) Wording of emails – CRC collecting mailing list following shared education week events. Mr G McKeown revised the wording ensuring that ‘Public Task’ applies and that a link to CRC’s Privacy Notice is included.

The Chair highlighted an error in the first entry, stating that it should read ‘outside the EU’ rather than ‘within the EU’.

The Chair asked if an image is personal data, to which Mr G McKeown stated that CRC had taken advice and found that an individual’s face with other information is an identifier.

8. Department of Finance Guidance

(Appendix 6)

Ms T Wilson presented to the Committee a piece of Guidance by the DAO of DoF relating to fraud proofing. It provides a fraud proofing checklist so that any fraud risks can be identified early.

9. Direct Awards

No direct awards to report to the Committee.

10. Small Purchases Without a Price Check

(Appendix 7)

Ms T Wilson presented to the Committee a list of purchases CRC made with did not require a price check:

- AON Hewitt – fees for audit queries
- Pitney Bowes – Franking machine top up and fees
- Lien Hall – Room Hire for World Health Organisation Conference – The price check and procurement was conducted by the conference organisers.
- Xerox – normal maintenance costs

11. AOB

Ms K Moylan informed the meeting that this would likely be her final CRC ARAC meeting. She stated that she is moving on to a NICS job setting up the Cyber Security Centre in NI. She added that Mr J Warnock would be leaving TEO on 19th December to join the RHI unit.

The Chair thanked Mr K Moylan and congratulated her on her new position.

12. Date of Next Meeting

17th January 2019 11am

28th February 2019 11am
11th April 2019 11am