

Community Relations Council 101st Audit and Risk Assurance Committee
Thursday 20th June 11AM 2024
Online

Present: Mr John McCallister, (Chair of CRC Audit and Risk Assurance Committee), Mr R Campbell (Board Member)

In attendance: Dr J Irwin (CRC CEO), Mr P Garrity (Finance Manager), Ms N Woodside (Temporary EA), Ms K Lucas (Cavanagh Kelly) Mr A Allen (NIAO) Ms A Ferguson (TEO)

Apologies: Mr M McDonnell (Board Member)

1. Welcome

The Chair welcomed everyone to the 101st Audit and Risk Assurance Committee. The Chair welcomed Kristina Lucas from Cavanagh Kelly.

2. Conflict of Interests

Mr Campbell works at the same firm as CRC's legal advisors, assisting with the FOI set out in the Risk Register and the tribunal case. There is no conflict as Mr R Campbell was not involved in the procurement process and is not involved in these legal matters.

Mr McCallister previously informed the Committee that, in relation to the pension risk on the Risk Register, he was a member of the NI Assembly and sat on the Finance Committee when the piece of legislation related to this issue was tabled. There is no current conflict, however the Chair is highlighting this issue for transparency.

In relation to the IT risk on the Risk Register Mr McCallister also previously reminded the committee that he is an Equality Commissioner.

3. Minutes

The Board reviewed the minutes of the 100th Audit and Risk Assurance Committee, which took place on 9th May 2024.

The minutes were approved by the Committee.

4. Matters Arising

Nothing other than the documented agenda items.

5. Terms of Reference

The Terms of Reference for the Committee were circulated with the papers for the meeting. The Chair asked if committee members had any comments on the current Terms of Reference. The CEO advised the numbering is not in sequence so this needs to be amended and there are 2 items on the current Terms of reference in relation to monitoring delivery of the organisational plan that are monitored by the Finance and General Purposes Committee. The CEO recommended they be removed from the Audit and Risk Committee Terms of reference. This was agreed.

The CEO also noted that the document refers to OFM and DFM, this should be updated to read 'The Executive Office'. The document also refers to the draft accounts and governance statement, all of which are included in our ARA and the first draft goes to the Finance and General Purposes Committee, then the normal process is that it goes to the Board for review when the Report to those Charged with Governance has been received and reviewed by the Audit and Risk Assurance Committee.

The Chair thanked the CEO for the input. The Committee approved the proposed changes and the Terms of Reference will be updated accordingly.

The CEO advised that the revised document will be brought to the committee again for final approval and signing as it was signed by the last Chair of the committee. The Chair agreed to sign the document the next time he is at the office.

ACTION: The CEO to update the document and present to the next meeting of the Committee. The new document to be signed by the Chair of the Committee.

6. External Audit

Mr A Allen advised the external audit is due to commence during the summer 2024 as set out in the strategy. The certification isn't due until October 2024. Cavanagh Kelly has been assisting with some interim work and all is satisfactory at this stage. Mr Allen extended his thanks to Cavanagh Kelly.

Ms Kristina Lucas noted that the draft Annual Report and Accounts (ARA) had been received. Mr P Garrity advised he had issued a first draft of the ARA to Cavanagh Kelly in advance of the deadline.

Mr P Garrity advised he will forward what he has issued to Cavanagh Kelly to Mr A Allen.

The Chair thanked all for their work in relation to this year's audit.

ACTION: Mr Garrity to issue first draft of ARA which was sent to Cavanagh Kelly to NIAO.

7. Internal Audit

The CEO reminded members that CRC has completed the internal audit cycle for last year and that brought us to the end of our contract with ASM. CRC will be going back out to tender for new internal audit providers.

8. Risk Register

The CEO advised she was not clear on what decisions CRC can take regarding larger expenditure, as the organisation is still awaiting the correspondence from TEO in relation to Board members' term of office. The CEO noted that she had reach out to Mr A Allen for some advice on this prior to the meeting. Mr A Allen advised he was unaware of similar situation but could enquire with his colleagues if necessary.

The CEO enquired with committee members whether as they have not been asked to resign and CRC has been advised by TEO officials that the recommendation to Ministers is to reappoint, could it be assumed they still committee members, at minimum in relation to their role as company board members and charity trustees.

Mr R Campbell thought the members are still board members and charitable trustees as they have not resigned or been asked to resign (as they are appointed by the government) but he would need to review our governance document. Mr R Campbell advised he may create some correspondence to express any concern around this. The CEO welcomed any clarification or guidance on this.

The CEO advised that she was particularly concerned about authorisation to spend above her level. She had already raised this matter with Gareth Johnson at the last T:BUC Forum. She had been advised that if an item of expenditure goes beyond the CEO's authority to spend, such cases could be passed on to the department for clearance until this matter is resolved. The CEO advised by doing this she hopes the expenditure authorisation risk for CRC during this period is covered.

The Chair advised that taking the view that they are Board members until told that they are not, there is a duty to continue to do our best and make decisions.

Mr Campbell agrees that as company directors, they should continue to act this way. The only question this raises is do we have authority to make decisions.

The CEO advises the overall governance situation is the worst she has seen for CRC. The failure of TEO to provide essential governance has been extremely disappointing. She noted that while CRC is waiting for an outcome to this important matter, there is a constant stream of requests for information coming from TEO. CRC is expected to provide information constantly and to meet very demanding deadlines, however little of that urgency is coming back in the other direction. In that context it is hard to see what the Partnership Agreement represents.

Ms A Ferguson advised that she understood the frustration, there are lot of things that are being worked on in TEO and they also are not getting approvals from the private office. She advised that Chris Gardner is trying to get answers, but not receiving responses from any correspondence sent.

Mr R Campbell thanked Ms Ferguson for joining the call. He asked for clarity around the term "private office". Ms Ferguson advised that the private office is the minister's secretary office.

The Chair advised that the election period is bound to add more complications and delays due to recess and holiday periods, coupled with the fact that things require a joint signature to be successfully signed off.

Ms Ferguson apologised on behalf of TEO for the frustration this has caused. The Chair thanked Ms Ferguson for the input on the call.

ACTION: CRC to continue to raise Board members' term of office with TEO.

The CEO took the committee through the other items on the risk register. The long-standing issue on the pension scheme has been kept as red. Members were reminded that the revised business case had gone to TEO with options and CRC has since discussed these options with the union, the union has come back with some technical queries on how calculations are done. There is no update as present but once received it will be shared with the committee. It was agreed that the risk remains red.

The second red item on the risk register related to staffing. The situation has improved from the last time the committee met, and some posts that have now been filled on a permanent or temporary basis. The only vacant post at present is the Director of Finance, Admin and Personnel. A paper about the difficulties in filling this post is going to the Finance and General Purposes Committee on 4th July.

As previously reported all finance matters are being covered by Mr P Garrity. The CEO thanked Mr Garrity for his ongoing assistance with all finance matters. This continues to represent a significant risk as although it is well covered all of this sits with one person who is in a temporary post. It was agreed that this risk remains red.

The NILGOS pension scheme issue related to the McCloud remedy remains on the risk register as amber as the matter is not yet concluded.

Mr Garrity advised that NILGOSC has requested information and it is a very complex complicated piece of work. Mr Garrity has been working with the HR Manager, Ms Adamson on this and advised he aims to respond next week. It was agreed that the risk remain amber.

The CEO advised that the resources item on the risk register amber due to not having received our budget allocation letter for the year. The CEO advised because of this CRC has not been able to issue its letters of offer to successful grant applicants. As we are now well into June the financial pressure on groups is very significant and if the grant allocation letter is not issued to CRC this risk area should be escalated to red.

The Board members terms of office has been added to the risk register with a red status. The CEO recommends this remains as red until there is clarity around this situation.

The Chair and committee approved the risk register with the above recommendations.

The Chair noted that he was supportive of escalating the resource risk and understands the severity of this financial situation for the organisations seeking funds from CRC.

9. Register of Audit Recommendations

The Register of Audit Recommendations was circulated with the papers for the meeting. In relation to the 2 items on the register the CEO advised:

- . the review of the Terms of reference of the Finance and General Purposes committee is on the agenda for its next meeting which is due to take place 4th July.

- . In relation to the pension issue, an update was provided in the previous item discussed at this meeting. On the wider issue of the pay remit, Mr. Garrity noted that the last set of queries that came through from TEO were discussed at length at the last Board meeting. The Chair of the Board, Mr Martin McDonald subsequently wrote to TEO about this process and the delay in notification of the Board members' Term of Office. The response to that correspondence has been included in the papers for the next Board meeting. The response is in very general terms regarding the Board members' term of office which they advised is with ministers at present. In relation to the pay remit process CRC had requested a meeting with TEO but they did not offer one. CRC has again requested a meeting to ensure everything is closed off as soon as possible and in a more efficient way as CRC is receiving very frequent time-consuming drip-feed requests for information from TEO.

The committee thanked the CEO for the update on audit recommendations.

10. Investigations into Funded Groups

None.

11. Department of Finance Guidance.

Mr P Garrity took the committee through the three new pieces of guidance provided by the Department of Finance.

The guidance related to Public Sector pay and pay remit for 2024/2025, the laying of accounts for the NI Assembly and the format of the remuneration report.

No questions were raised by the committee. The Chair thanked Mr P Garrity.

12. Direct Awards

None.

13. Small Purchases without a Price Check

Mr P Garrity took members through the three items.

The first one related to CIPD membership, the second NICVA Membership, and the third Chief Executive Forum membership.

The Committee had no questions and thanked Mr P Garrity.

14. AOB

None.

15. Date of Next Meeting

29th August 2024 11 AM.

Mr John McCallister and Mr R Campbell noted that they are not available for the next Board meeting.