

Community Relations Council 102nd Audit and Risk Assurance Committee
Thursday 29th August 2024 11am
Online

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

In attendance: Dr J Irwin (CRC CEO), Mr P Garrity (Finance Manager), Mr R Falls (Cavanagh Kelly) Mr A Allen (NIAO), Ms H George (EA to CEO and Board).

Apologies: Ms S Nicholson & Ms A Ferguson (TEO)

1. Welcome

The Chair welcomed everyone to the 102nd Audit and Risk Assurance Committee and welcomed Ms H George back following her maternity leave.

2. Conflict of Interests

Mr Campbell works at the same firm as CRC's legal advisors, assisting with the NILGOSC pension case set out in the Risk Register. 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.

3. Minutes

The Board reviewed the minutes of the 101st Audit and Risk Assurance Committee, which took place on 20th June 2024.

The Committee agreed that amendments should be made to the name of the Cavanagh Kelly member of staff in the 'attendees' list, Mr Rory Campbell 'thought' rather than 'advised', and item 6 should be 'External Audit' rather than 'Internal Audit'.

The amendments were made during the meeting and the Committee approved the minutes.

4. Matters Arising

The CEO informed the Committee of three matters arising from the previous meeting.

Matter one relates to the updating of the Committee's Terms of Reference. These changes have been made and will be presented later in this meeting.

Matter two relates to a request from NIAO to receive the draft Annual Report and Account 2023-24, which had been sent to Cavanagh Kelly. Mr P Garrity confirmed that the report has now been sent to NIAO.

Matter three relates to official correspondence CRC members are awaiting regarding their terms on CRC's Board. The CEO confirmed that the matter had been raised frequently with TEO but no correspondence has yet been received by Board members and there will be discussion about this issue later in the meeting.

5. Terms of Reference

The CEO presented members with the updated version of the Audit and Risk Committee's Terms of Reference, with the recommended amendments discussed at the last meeting added.

The Committee asked for a further amendment to be made. In the section titled 'Meetings', the Committee asked for the final point to be amended to read 'A meeting to be held once a year between Internal and External Auditors and Committee Members'. The amendments were made during the meeting and the Committee approved this final version of the Terms of Reference.

The Committee agreed that a number of requirements of the Committee set out in the Terms of Reference should now take place, possibly at the next meeting. In relation to regular review of policies, CRC staff should present a log of the policies relevant to the Committee. The Committee should discuss their own performance during the 2023-24 year based on the information provided for the Governance Statement in the Annual Report, and the 2023-24 internal auditors should be invited to the next meeting to speak confidentially with the external auditors and committee board members.

ACTION: The CEO to present the Committee with a log of relevant policies and review dates at the upcoming meeting

ACTION: Ms H George to add 'Review of Committee during 2023-24' to the next meeting's agenda

ACTION: Ms H George to invite Mr B Clerkin (2023-24 Internal Auditors) to a meeting with the external auditors and committee board members at the upcoming Committee meeting.

6. External Audit

Mr A Allen informed the Committee that CRC's Annual Report and Account is currently under review, at an advanced stage. Cavanagh Kelly and NIAO have received a copy of the draft and have shared some minor amendments to be made.

Mr P Garrity and Ms H George will liaise with Cavanagh Kelly and NIAO to agree a provisional date for the Board AGM and Audit Committee meeting.

ACTION: Mr P Garrity and Ms H George to agree a provisional date for the AGM and ARAC meeting in conjunction with the NIAO and Cavanagh Kelly.

7. Internal Audit

The CEO reminded Committee members that ASM's contract as CRC's Internal Auditors has come to an end. CRC will begin the procurement process to appoint a new audit firm.

The CEO informed the Committee that while CRC can begin the procurement process, there may be difficulty in approval of the Purchase Order if CRC Board members have not received their official letter setting out their new appointment terms. The Purchase Order will exceed the authority of the CEO and therefore will therefore normally need Board members sign off.

The Committee members reiterated their concern at the delay in TEO issuing these letters, and discussed the consequences for Board level decision making if this is not resolved soon. The Committee were concerned that, following the end of the Board members terms in June 2024, there may be a risk around whether they can indeed sign off this PO.

The Committee agreed that CRC should begin the procurement process, and if the official letters have not been received by the time the tender process has been completed, then it will be necessary for CRC to escalate it further with TEO.

The CEO shared Committee members' frustration and concern about the delay in receiving their letters of reappointment. She added that the matter will continue to be raised with TEO at Accountability and Liaison meetings and all other opportunities.

Committee members advised that they would discuss this further at the next Board meeting if correspondence has not been received by then.

8. Risk Register

The CEO presented attendees with the latest updates to the Risk Register.

Risk one relates to CRC's longstanding pension issue and remains red on the register. A business case was shared with TEO and a meeting was held with the Union. Queries shared by the union were responded too. TEO recommended CRC

procure a consultant to finalise the Business Case. However, as the cost would be above the CEO's sign off authority level, Board members would be required to approve any Purchase Order. Again, an obstacle to this would be the Board members terms of office having expired, and no official letters reinstating their terms having been sent by TEO. The suggestion from TEO will be raised at the next Board meeting.

The second risk relates to CRC's staffing levels. This risk remains red, as there has been no developments. However, CRC will begin recruitment for the Finance Manager role at the beginning of September, and Mr P Garrity continues to provide excellent temporary cover in this role. The CEO added that Ms H George will return to CRC on Tuesday 3rd September, and Ms N Woodside would be leaving on Friday 30th August. The Committee and CEO expressed their thanks to Ms N Woodside for her work over the last few months and wished her well for the future.

Risk three, relating to the NILGOSC pension scheme/McCloud remedy remains rated amber, as there has been no further developments on this. Mr P Garrity and Ms J Adamson provided NILGOSC with complex information they requested in July 2024.

Risk four relates to CRC's resource for 2024/25. The CEO confirmed that CRC had now received the 2024/25 budget from TEO, and the outcome of the June Monitoring Round. An application to the October Monitoring Round has been made. The CEO recommended that this Risk now be reduced to an amber rating.

Risk Five, Board members' terms of office, remains red on the register as no further communication from TEO has been received by Board members. This remains a risk for CRC in terms of decision making, set out earlier in the meeting.

The Committee agreed that a new risk should be added to the register, on the procurement of internal audit services. This risk can remain green while a tender exercise is ongoing, however, it will be reviewed again at the upcoming Audit Committee meeting and escalated to a red rating if the Board terms issue has not been resolved by then.

The Committee approved the risk ratings and thanked the CEO for this update.

ACTION: CEO to add 'Procurement of Internal Audit' to the Risk Register with a green rating, and Committee to review at next meeting.

9. Register of Audit Recommendations

The CEO presented the Committee with CRC's Register of Audit Recommendations.

Recommendation one relates to CRC's pension issue. An update on this was provided earlier in the meeting. The Committee asked that the implementation

date for this recommendation be extended again to 31st December 2024. This was actioned during the meeting.

Recommendation two relates to the review of CRC's Finance and General Purposes Committee's Terms of Reference. The CEO confirmed that this review has now been completed and was presented during July's F&GP Committee meeting. This recommendation can now be removed from the register.

The committee thanked the CEO for the update.

10. Investigations into Funded Groups

The CEO informed the Committee that there are currently no investigations into funded groups.

11. Department of Finance Guidance.

Mr P Garrity presented the Committee with two pieces of Department of Finance guidance.

Guidance one relates to the remuneration of Chairpersons.

Guidance two relates to the annual theft and fraud return for the 2022-23 year.

The Committee thanked Mr P Garrity for this update and noted the guidance.

12. Direct Awards

Mr P Garrity informed the Committee that there had been no recent direct awards made by CRC.

13. Small Purchases without a Price Check

Mr P Garrity presented the Committee with details of two recent small purchases that did not require a price check.

£600 was paid for the CEO to attend the British Irish Association's annual conference.

£225.66 was paid to Selective Travel for the CEO's travel to this conference. The CEO added that this item was purchased through a business on the government framework, through which CRC are required to organise any travel, and therefore is not a purchase without a price check, but has been included for transparency.

The Committee thanked Mr P Garrity and the CEO for this update and noted these purchases.

14. AOB

None.

15. Date of Next Meeting

The next meeting will be CRC's AGM. Ms H George will be in touch with members in due course to agree a date.