LIBRARIES NI

AUDIT AND RISK COMMITTEE

26 October 2011

Minutes of a special meeting of the Audit and Risk Committee held in Lisburn City Library on Wednesday 26 October 2011 at 12.10 pm.

PRESENT

Mr Alastair McDowell                Chairperson
Councillor J Rodgers                 Vice Chairperson
Councillor C Casey
Ms H Roulston

Mr N Macartney
Mr R Dixon
Councillor Mrs E Robinson

IN ATTENDANCE

Ms Irene Knox                        Chief Executive
Mr Terry Heron                       Director of Business Support
Mr Brian Doherty                     Head of Internal Audit
Mrs Rita McNamee                     Finance Manager
Ms Pauline Gilmore                   Northern Ireland Audit Office
Ms Laura McCullough                  Northern Ireland Audit Office
Mr David Polley                      DCAL

1. APOLOGIES FOR NON ATTENDANCE

Ms Judith Andrews
Mr Alastair Hughes                  Head of Libraries Branch, Department of
                                     Culture, Arts and Leisure
Mr Denver Lynn                      Northern Ireland Audit Office
Mr Peter O'Sullivan                  Northern Ireland Audit Office

2. DECLARATIONS OF INTEREST

2.1 The Chairperson reminded Members and Officers of the need to declare any actual, potential or perceived conflicts of interest associated with any item on the agenda either now or at the relevant stage during the meeting. No interests were declared.
3. **LIBRARIES NI DRAFT ANNUAL REPORT AND ACCOUNTS 2010/11** (ARC 01.10.11)

3.1 The Director of Business Support informed Members that a number of minor changes had been made to the Draft Annual Report since it was last presented to the Committee in July 2011. These changes included amendments to the list of Board Members as some Members had not been reappointed to the Libraries NI Board following the local Government Elections in May 2011 and the resignation of Dr Elliott as Chairperson of the Board. Other changes included an update to the Statement on Internal Control and some minor grammatical errors had been corrected. Mr Heron reported that Mr N Macartney, the Interim Chairperson, would sign the Chairperson’s Statement.

3.2 Mrs R McNamee, the Finance Manager reported that 3 main changes had been made to the Annual Accounts since they were last presented to Members. These were:

- the removal of the cost of capital charge which is no longer required to be in the Annual Accounts
- a revised valuation received from Land and Property Services for Dunmurry Library and
- the revision of the accounting treatment in relation to the impairment of assets.

The Finance Manager also drew Member’s attention to Note 32 on Page 89 regarding the budgetary situation and confirmed that no changes had been made to the draft version.

3.3 Following discussion and consideration of the reports from the Director of Business Support and the Finance Manager Members agreed to recommend the Annual Report and Accounts 2010/11 to the Authority and to the Chairperson and Chief Executive for signature prior to submission to DCAL.

3.4 The Chairperson thanked the Director of Business Support, the Finance Manager and all of her staff for the hard work involved in the preparation of the Annual Report and Accounts and commended the document to the Board.

4. **REPORT TO THOSE CHARGED WITH GOVERNANCE** (ARC 02.10.11)

4.1 Ms P Gilmore (Northern Ireland Audit Office) presented the Report to those Charged with Governance, explaining that it was the provisional version awaiting approval by the Board. She reported on each of the key risk areas and drew attention to Annex B (The Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly) and Annex C (Report of the Comptroller and Auditor General:
Northern Ireland Library Authority 2010 -2011). She indicated that, with the exception of the limitation of scope qualification relating to Stock Assets which had been carried forward from the previous year, the Accounts were satisfactory.

4.2 Ms Gilmore thanked the Director of Business Support and his staff for enabling the audit to be carried out smoothly and confirmed that the NIAO were on target to certify them on the agreed date.

4.3 In response to questions from Members the Director of Business Support:

- agreed to review the wording in the Management Response regarding Board Members' Declaration of Interest forms
- reported on procedures for security tagging stock
- confirmed that the tender for the valuation of stock assets had closed and that 2 tenders had been received.

4.4 Members noted the Report to those Charged with Governance. The Chairperson indicated that progress in addressing the recommendations would be monitored by the Committee.

5. **STATEMENT ON INTERNAL CONTROL 2010/11 (ARC 03.10.11)**

5.1 The Chief Executive reported on revisions to the Statement on Internal Control, noting that:

- references to potential risks identified in the first draft which had not materialised, had been removed.
- the issues identified in the Report to those Charged with Governance had been included
- action taken to address issues identified by the NIAO in the previous Report to those Charged with Governance had been included.

5.2 Members agreed an amendment to the last sentence of the Statement on Internal Control relating to the potential perceived conflict of interest. The Northern Ireland Audit Office confirmed they were content with the amendment.

5.3 The Committee noted the Statement on Internal Control.

6. **AUDIT AND RISK COMMITTEE ANNUAL REPORT 2010/11 (ARC 04.10.11)**

6.1 The Chairperson referred Members to the revised Audit and Risk Committee Annual Report which had been circulated. Members of the Committee confirmed that they were content with the revised report.
6.2 The Head of Internal Audit reported that he would be carrying out a review of Members' Gifts and Hospitality and Declaration of Interests Registers in the forthcoming year.

6.3 The Head of Internal Audit also advised Members that he had recently completed a draft report on 'Validation of Performance Targets'. This audit focussed on the attainment or otherwise of targets established in the 2010/11 Business Plan. He advised Members that he had provided a 'Substantial' level of assurance as to the accuracy of the information on targets included in the Annual Report.

7. ANY OTHER NOTIFIED BUSINESS

7.1 There was no other notified business.

8. DATE OF NEXT MEETING

8.1 Members noted that the next meeting of the Audit and Risk Committee would take place on Wednesday 18 January 2012 at 10.30 am in Lisburn City Library.

9. MEMBERS ARRIVAL AND DEPARTURE TIMES

9.1 All Members arrived for the commencement of the meeting and remained until it ended with the following exception:

Councillor J Rodgers left at 12.26 pm

Signed: 

Dated: 7th December 2011