LIBRARIES NI

AUDIT AND RISK COMMITTEE

24 October 2012

Minutes of a meeting of the Audit and Risk Committee held in Ballymena Regional Admin Centre on Wednesday 24 October 2012 at 1.30 pm.

PRESENT

Councillor J Rodgers Chairperson
Mr N Macartney Chairperson of the Board
Councillor C Casey
Mr Alastair McDowell

IN ATTENDANCE

Ms Irene Knox Chief Executive
Mr Terry Heron Director of Business Support
Mr Brian Doherty Head of Internal Audit
Mr Michael McClean Deputy Finance Manager
Mr Denver Lynn Northern Ireland Audit Office

1. APOLOGIES FOR NON ATTENDANCE

Ms Judith Andrews
Ms H Roulston

Members joined the Chairperson in thanking Mr Alastair McDowell for his hard work and diligence during his service as first Chairperson of the Committee.

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 2011/12

(ARC 01.10.12(S)(T))

3.1 The Director of Business Support presented the tabled Draft Annual Report and Accounts to the Committee, noting that the audit was now in its final stages of completion.
3.2 He reported that only minor changes had been made to the Annual Report section to correct typing and general errors. The changes in the format of the Remuneration Report were highlighted, including the requirement to show the individual remuneration of each Board Member.

3.3 In relation to the Annual Accounts, attention was drawn to the Year End Position in the Financial Target note 29 for both Recurrent and Capital spend showing that these figures had remained unchanged since the previous June draft. The Director of Business Support explained the prior year restatement in relation to impairments and revaluations and that these were now disclosed on the Statement of Comprehensive Net Expenditure.

3.4 The Committee noted the omission of a statement on human trafficking which had been approved by the Board for inclusion in the Annual Report. The Chief Executive apologised and confirmed this was an oversight and the statement would be included.

3.5 Mr D Lynn, Northern Ireland Audit Office, reminded Members of the process which was to be followed in signing off on the Accounts. He stated that the audit of the Accounts was substantially completed but he could not say that it was wholly completed until the Accounts were finalised, approved by the Board, signed by the Accounting Officer and given to the NIAO for certification. Because of the time delay between the Committee meeting and the Board Meeting when the Accounts were due to be approved, it was agreed to hold an additional meeting of the Audit and Risk Committee prior to the next Board Meeting to approve the Annual Report and Accounts.

3.6 Members wished to note their appreciation for the hard work of all staff members involved in the development and completion of the Annual Report and Accounts.

4. PROVISIONAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2011/12 (ARC 02.10.12(S))

4.1 The Chief Executive presented the Provisional Report to those Charged with Governance to the Committee. This report included the management responses to the recommendations made by the Northern Ireland Audit Office. Mr D Lynn agreed that the wording in one observation could be amended to protect information that could compromise the physical security of Libraries NI assets.

4.2 Mr D Lynn reminded Members that this was a provisional report. The report would be considered again in light of the management response and the final version of the Annual Accounts presented for certification. A final version of the Report to Those Charged with Governance would then be issued.

4.3 Members noted the report and the responses.
5. **STATEMENT ON INTERNAL CONTROL**

5.1 The Chief Executive advised Members of the changes made to this document since the draft was issued in April 2012. A number of potential risks which had been flagged up at the year-end had not materialised and had been removed.

5.2 The Committee noted the report.

6. **AUDIT AND RISK COMMITTEE ANNUAL REPORT 2011/12**

6.1 As Chairperson of the Audit and Risk Committee during 2011/12, this report was presented to the Audit and Risk Committee by Mr A McDowell. Mr McDowell advised Members of the additions to the reports since the initial draft was presented to them in June 2012. These additions reflected reports from the Director of Business Support and from the provisional Report to Those Charged with Governance from the NIAO and also included the Committee's opinion on the adequacy and effectiveness of arrangements for internal control.

6.2 Members approved the report.

7. **QUARTERLY ASSURANCE STATEMENT JUNE – SEPTEMBER 2012**

7.1 The Chief Executive briefed the Committee on the Quarterly Assurance Statement June – September 2012. She reminded Members of a number of issues that were highlighted in the statement. These issues included:

- The risk that, after it is established, ESA may not wish to continue providing the services under Service Level Agreements currently provided by the Education and Library Boards.
- That DCAL’s review of ‘Delivering Tomorrow’s Libraries’ may fail to deliver a strategic framework reflective of 21st Century library services.

7.2 In order to manage these risks, the Chief Executive advised Members that:

- She had written to the Chief Executive Designate of ESA to seek clarification on whether ESA would continue to provide services for Libraries NI. A response was awaited.
- Libraries NI was represented on the Project Board tasked with reviewing the policy framework.

7.3 The Chief Executive also advised Members of two risks which had been realised regarding disability access in one branch library and an allegation that a member of the public made inappropriate use of the public access
computers in another branch library. She advised Members of the actions being taken in both cases.

7.4 Members noted the report.

8. ANY OTHER BUSINESS

8.1 There was no other notified business.

9. DATE OF NEXT MEETING

9.1 It was agreed that an additional Special meeting of the Audit and Risk Committee would be held prior to the Board Meeting on Thursday 8 November at 10.00am in Lisburn City Library to recommend approval of the Annual Report and Accounts 2011/12.

10. MEMBERS ARRIVAL AND DEPARTURE TIMES

10.1 The meeting ended at 2.30 pm.

10.2 All present arrived for the commencement of the meeting and remained until it ended.

Signed: [Signature]

Date: 12 December 2012