LIBRARIES NI

AUDIT AND RISK COMMITTEE

8 November 2012

Minutes of a special meeting of the Audit and Risk Committee held in Lisburn City Library on Thursday 8 November 2012 at 10.00 am.

PRESENT

Councillor J Rodgers Chairperson
Councillor C Casey
Mr Alastair McDowell

Mr N Macartney Chairperson of the Board

IN ATTENDANCE

Ms Irene Knox Chief Executive
Mr Terry Heron Director of Business Support
Mr Brian Doherty Head of Internal Audit
Mr Peter O’Sullivan Northern Ireland Audit Office

1. APOLOGIES FOR NON ATTENDANCE

Ms Judith Andrews
Miss H Roulston

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

3.1 The Director of Business Support informed Members that discussions had continued with the Northern Ireland Audit Office since the documentation had been issued to Board Members and drew attention to 2 minor changes to the Annual Accounts in the version tabled for Members. He also referred Members to the Remuneration Report, noting that the format for disclosing individual Members' Remuneration had changed in line with DFP guidance. The Chief Executive reported that the Annual Report now also included
information on the steps being taken by Libraries NI to highlight the growing problem of human trafficking, as requested by the Board.

3.2 Members considered the Annual Report and Accounts and on a proposal by Mr A McDowell, seconded by Councillor Charlie Casey, agreed to recommend the Libraries NI Draft Annual Report and Accounts 2011/12 to the Board for adoption.

4. PROVISIONAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2011/12  

4.1 Mr P O’Sullivan, Northern Ireland Audit Office informed Members of changes that had been made to the Provisional Report to Those Charged with Governance since it was last seen by Members. He reported that there were 3 Priority 1 findings and indicated that the NIAO was content with the management responses received.

4.2 The Director of Business Support briefed the Committee on an issue that had arisen as a result of the differences between Accounting Standards and Auditing Standards. He confirmed that as a result of guidance contained in Accounting Standards the valuation of Stock Assets had not been amended in the Accounts even though a partial valuation exercise had been undertaken in 2011/12. However the information had been disclosed in a note to the Accounts. He advised Members that the Accounting Standard stated that unless the entire asset (i.e. all stock assets) had been revalued, then the original valuation should remain in the accounts.

4.3 Mr O’Sullivan advised Members that although he did not disagree with this assessment of how the valuation should be treated in the Accounts (as per Accounting Standards), Auditing Standards required that any revaluation of an asset not included in the Accounts should be reported as an unadjusted error.

4.4 In response to a question from Mr A McDowell as to whether the issue would be resolved in time for the audit of the 2012/13 Accounts, the Director of Business Support confirmed that processes were being implemented to complete the valuation of Stock Assets and it was expected that this matter would be resolved before the audit of the 2012/13 Annual Accounts commenced.

4.5 Mr McDowell advised Members that as a result of the changes to Priority 1 findings in the Provisional Report to Those Charged with Governance, an amendment would also be required to the Audit and Risk Committee’s Annual Report. Members agreed to the amendment.

4.6 Members noted the Provisional Report to Those Charged with Governance.
5. DRAFT STATEMENT ON INTERNAL CONTROL

5.1 Members noted that no changes had been made to Statement on Internal Control since last seen by the Committee. On a proposal by Mr A McDowell, seconded by Councillor C Casey, Members agreed the Chief Executive's Statement on Internal Control.

6. ANY OTHER BUSINESS

6.1 There was no other notified business.

7. DATE OF NEXT MEETING

7.1 The meeting ended at 10.12 am.

7.2 Members noted that the next meeting of the Audit and Risk Committee would be held on Wednesday 12 December 2012 at 10.30 am in Lisburn City Library. A pre-meeting would be held with the Northern Ireland Audit Office prior to the Audit and Risk Committee Meeting.

8. MEMBER’S ARRIVAL AND DEPARTURE TIMES

8.1 All Members arrived for the commencement of the meeting and remained until it ended.

Signed

Date: 12 December 2012