LIBRARIES NI

AUDIT AND RISK ASSURANCE COMMITTEE

21 January 2015

Minutes of a Meeting of the Audit and Risk Assurance Committee held in Lisburn City Library on Wednesday 21 January 2015 at 1:30 pm

PRESENT

Alderman Jim Rodgers  Chairperson
Mrs Deirdre Kenny  Vice-Chairperson
Ms Judith Andrews
Professor Bernard Cullen
Councillor Charlie Casey
Councillor Seán McGuigan

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  Audit Manager, Northern Ireland Audit Office
Mr Ciarán Mee  Libraries Branch, Department of Culture, Arts and Leisure

1. APOLOGIES FOR NON ATTENDANCE

Councillor Mrs Evelyne Robinson
Mr Tomas Wilkinson, Director, 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. CHAIRPERSON’S BUSINESS

3.1 The Chairperson welcomed Professor B Cullen, Chairperson of the Board of Libraries NI, to his first meeting of the Libraries NI Audit and Risk Assurance Committee.
6. MATTERS ARISING FROM THE MINUTES OF THE MEETING OF THE
AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 15 OCTOBER
2014
ARAC 02.01.14

6.1 The Chief Executive drew attention to the schedule which had been
circulated, detailing actions taken as a result of discussions at, and
recommendations made by, the Committee at the previous meeting.

Item 6.3: Matters Arising from the minutes of the meeting of the Audit and
Risk Assurance Committee held on 15 October 2014

6.2 Members were informed that the former Ligoniel Library building had been
auctioned on 21 November 2014 and was ‘sold’ on the day at a reserve price
of £35,000. However, immediately following the auction it became apparent
that the successful bidder did not have the funds available to pay the
auctioneer’s fees or place the required deposit on the property. Also as he
was bidding on behalf of a third party, he did not have suitable power of
attorney to allow him to sign a contract on their behalf. Following advice from
the Libraries NI legal representative and the auctioneer, the bidder was
granted an extension until 25 November 2014 to allow funds to be secured
and the power of attorney documentation to be produced. The bidder failed
to attend the pre-arranged meeting with the auctioneer on that day and
therefore was considered to have defaulted on the sale. The auctioneer has
approached the under bidders to ascertain if they are still interested in
purchasing the building and Land and Property Services have been
contacted to seek their advice on the way forward.

6.3 Members noted that the former Oldpark Library building is also still for sale
on the open market.

6.4 In response to a question from Mr C Mee, Libraries Branch, DCAL, the Chief
Executive confirmed that no further interest had been shown in the property
by Belfast City Council.

Item 18.3: Audit Committee Checklist

6.5 The Head of Internal Audit confirmed that a copy of the completed Audit
Committee Checklist had been forwarded to DCAL for information and an
acknowledgement had been received.

7. INTERNAL AUDIT ACTIVITY REPORT
ARAC 03.01.15

7.1 The Head of Internal Audit reported on the seven audits which had been
completed since the last meeting of the Audit and Risk Assurance
Committee, held on 15 October 2014. He reported that of the seven audits
completed, six had received a Satisfactory level of assurance and one a
Limited level of assurance. Members noted the commitment of managers to
implement the recommendations made. The relevant audits are noted in
the table below.
Audit and Risk Assurance Committee in October 2014, of the 47 recommendations that were outstanding, 42 had now been cleared leaving five to be resolved.

8.2 Members noted that there was one outstanding Priority One recommendation which related to the purchase of evacuation chairs. The Director of Business Support confirmed that the procurement phase had been completed and delivery was awaited.

8.3 Members noted the update.

9. INTERNAL AUDIT ANNUAL PLAN 2014/15: PROGRESS REPORT
ARAC 05.01.15

9.1 The Head of Internal Audit updated Members on progress in implementing the 2014/15 Internal Audit Plan. He stated that the Plan called for the completion of 29 audit assignments during the year and at present 21 had been completed. He added that he was reasonably confident that five more audits would be completed before the year end which would be sufficient to enable him to provide the Chief Executive, as Accounting Officer, with an opinion on the effectiveness of risk management and internal controls to inform the governance statement.

9.2 The Chief Executive briefed the Committee on the scope of an investigation that she had initiated, as a result of complaints received from a member of staff regarding HR matters. Given the nature of the complaints, it was not appropriate to involve the HR Department in the investigation and therefore she had asked the Head of Internal Audit to undertake this work. The Committee would be kept informed of progress in relation to the investigation and any impact that it might have on the final number of audit assignments completed within the 2014/15 year.

9.3 Members noted the report.

10. FINAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2013/14
ARAC 06.01.15

10.1 The Director of Business Support drew attention to the Final Report to Those Charged with Governance 2013/14 and informed Members that the Annual Accounts 2013/14 had been certified on 31 October 2014. He drew attention, in particular to Section 1 of the Report and the NIAO findings in relation to the two significant risks identified in the Audit Strategy. Members noted that the limitation of scope qualification in respect of the valuation and completeness of the Heritage Assets continued, but the NIAO had recognised that progress had been made in relation to this matter. Members noted also that the report had identified no issues in relation to the e2 project during their audit work.
14. RISK MANAGEMENT REPORT AND REVIEW ARAC 10.01.15

14.1 The Director of Business Support introduced the papers on the Risk Management Report and Review and referred Members to the minutes of the Risk Management Group held on 15 December 2014.

14.2 He drew attention to the Corporate Risk Register which had been reviewed by the Risk Management Group, highlighting the changes which had been made.

14.3 Members noted that as a result of the in-year budget cuts most of the risks shown in the Summary Corporate Risk Register were red, and that three risks had now been closed and one additional risk relating to the benefits of e2 not being realised had been identified.

14.4 Members noted the changes that had been made to the Corporate Risk Register.

15. SCHEDULE OF MISSION CRITICAL PROJECTS ARAC 11.01.15

15.1 The Director of Business Support introduced the Schedule of Mission Critical Projects.

15.2 He referred Members to the report which recommended that three projects should be closed as follows:

- IS/IT Programme – the Mission Critical Project was the e2 Project which has now been implemented and the Information Systems Committee, set up to take responsibility for overseeing the procurement and implementation phases, has now ceased to operate. On-going business in relation to the IS/IT Programme and e2 will be dealt with by the Business Support Committee and the Services Committee
- Strategic Review of Library Provision – this covered the implementation of Stage 2 of the Strategic Review. The Progress Report brought to the Services Committee on 18 November 2014 recommended that the remaining two relevant libraries, Killyleagh and Greystone should be monitored in line with other libraries and this recommendation was agreed by the Board in December 2014
- Savings Delivery Plans (SDPs) – this covered the reduced opening hours implemented in June 2012 and the SDPs in place for the period 2012 – 2015. Both these have now been superseded by the in-year emergency reduction in opening hours and revised SDPs for 2015/16.

15.3 Members noted that two Mission Critical Projects remained, i.e. Stock Asset Project and Belfast Central Library and noted updates on both projects as follows:
previous Director, Ms D Carville for all her help whilst dealing with the Libraries NI audit.

19. **ANY OTHER NOTIFIED BUSINESS**

19.1 There was no other notified business.

20. **DATE OF NEXT MEETING**

20.1 The next meeting of the Audit and Risk Assurance Committee will take place on Wednesday 15 April 2015 at 10.30 am in Lisburn City Library.

20.2 The Vice-Chairperson of the Committee, Mrs D Kenny, on behalf of Members thanked the Chairperson, Alderman J Rodgers, for his diligence in chairing the Committee and wished him well for the future.

21. **MEMBERS ARRIVAL AND DEPARTURE TIMES**

21.1 The meeting ended at 2.30 pm.

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

Signed: [Signature]

Date: 15 April 2015