LIBRARIES NI

AUDIT AND RISK ASSURANCE COMMITTEE

12 October 2016

Minutes of a Special Meeting of the Audit and Risk Assurance Committee held in Lisburn City Library on Wednesday 12 October 2016 at 10:43 am

PRESENT

Mrs Deirdre Kenny  
Chairperson

Councillor Seán McGuigan  
Vice-Chairperson

Professor Bernard Cullen

Ms Nuala McAuley

IN ATTENDANCE

Ms Irene Knox  
Chief Executive

Mr Desi Miskelly  
Director of Business Support

Mr Brian Doherty  
Head of Internal Audit

Mrs Rita McNamee  
Finance Manager

Ms Sarah Heenan  
Northern Ireland Audit Office

Ms Catherine O’Hagan  
Northern Ireland Audit Office

1. APOLOGIES FOR NON ATTENDANCE

Alderman S Martin

Mr Denver Lynn  
Northern Ireland Audit Office

Mr Gary Curran  
Department for Communities

2. MEMBERS’ DECLARATION OF POTENTIAL CONFLICT 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 reported that, prior to the start of today’s meeting, the Committee had met with the Northern Ireland Audit Office (NIAO) representatives who had assured Members that they had received all the cooperation and access necessary to carry out their audit. Ms O’Hagan thanked the Finance Manager and her staff for their assistance during the
audit and paid tribute to Mr T Heron, Director of Business Support who had
turned on 30 September 2016. Ms O'Hagan confirmed that a good working
relationship existed with Libraries NI.

3.2 The Chairperson reported that she had held the annual bi-lateral meeting
with the Accounting Officer on 28 September 2016 and confirmed that there
were no issues arising from that meeting.

4. CHIEF EXECUTIVE'S BUSINESS

4.1 The Chief Executive confirmed that she had no business.

5. PROVISIONAL REPORT TO THOSE CHARGED WITH GOVERNANCE
   ARAC 01.10.16

5.1 The Chairperson invited Ms C O'Hagan, NIAO to present the Provisional
Report to those Charged with Governance 2015/16.

5.2 Ms O'Hagan expressed her thanks to all Libraries NI staff for their assistance
in the audit of the Annual Report and Accounts 2015/16.

5.3 She advised Members that Libraries NI had de-recognised Heritage Assets
valued at £655,000 (namely periodicals and 'rest of shelf' items) on the basis
that it was satisfied beyond reasonable doubt that these assets did not meet
the definition of Heritage Assets. She explained that as Libraries NI was
unable to provide adequate evidence as to the valuation of these assets the
Comptroller and Auditor General had qualified his audit opinion in this
respect. She advised Members that it would seem that all remaining
Heritage Assets had now been valued and, if this were the case, this would
be the final year of the qualification.

5.4 Ms O'Hagan confirmed that the report contained no audit findings other than
the finding arising out of the Heritage Assets qualification.

5.5 The Chief Executive thanked Ms O'Hagan for her report and for the helpful
manner in which the audit had been undertaken. Committee Members
expressed their thanks to staff and in particular the Finance and Internal
Audit staff, for their work which had resulted in a positive Provisional Report
to Those Charged with Governance. The Committee noted the Report.

6. LIBRARIES NI DRAFT ANNUAL REPORT AND ACCOUNTS 2015/16
   ARAC 02.10.16

6.1 The Chief Executive drew Members' attention to minor drafting changes
made to the Annual Report, in particular to the Governance Statement, since
the draft was last reviewed by the Committee.
6.2 The Finance Manager presented the Annual Accounts 2015/16 highlighting a number of minor amendments which had been made since the Accounts had last been seen by Members. She advised that any amendments made to the Annual Accounts had required no action to be taken by the NIAO.

6.3 Following discussion and having considered the Provisional Report to those Charged with Governance, on a proposal by Ms D Kenny, seconded by Councillor S McGuigan, the Committee recommended the Libraries NI Annual Report and Accounts 2015/16 to the Board for approval.

7. **AUDIT AND RISK ASSURANCE COMMITTEE DRAFT ANNUAL REPORT 2015/16**

    **ARAC 03.10.16**

7.1 The Chairperson of the Audit and Risk Assurance Committee presented the Committee’s Annual Report 2015/16. She drew attention in particular to the following:

- paragraph 11.1: the year-end underspend of £144,000 in respect of recurrent expenditure and £1,000 underspend in respect of capital expenditure
- paragraph 12: the Report from the Comptroller and Auditor General on the audit of the 2015/16 Accounts
- Appendix 3 paragraph 8: in which the Head of Internal Audit provides his assurance to the Accounting Officer that the risk management, control and governance systems within Libraries NI are operating in a satisfactory manner.

7.2 On a suggestion by Members it was agreed to add the word ‘former’ into the final paragraph of 12.1 on page 10. The paragraph will now read as follows:

*The Financial Statements have been properly prepared in accordance with the Libraries Act (NI) 2008 and the former Department of Culture, Arts and Leisure directions which have been issued.*

7.3 On a proposal by Ms N McAuley, seconded by Professor B Cullen, Members recommended the Audit and Risk Assurance Committee’s Annual Report 2015/16 to the Board for approval, subject to the amendment as shown at paragraph 7.2 above.

8 **LETTER OF REPRESENTATION**

    **ARAC 04.10.16**

8.1 The Chairperson of the Committee drew attention to the Letter of Representation which would be signed by the Accounting Officer and submitted to the NIAO with the Annual Report and Accounts 2015/16.

8.2 Members noted that this document attests to the accuracy of the financial statements, and that all information relevant to the financial statements has been disclosed to the NIAO.
9. **BI-ANNUAL ASSURANCE STATEMENT: 1 APRIL TO 30 SEPTEMBER 2016**

9.1 The Chief Executive drew attention to the Bi-Annual Assurance Statement for the period ended 30 September 2016.

9.2 She informed Members that the Department for Communities (DfC) had issued guidance and a revised template for the completion of Assurance Statements.

9.3 Members noted that a copy of the draft Assurance Statement had been forwarded to DfC at their request. Following discussion and review at today’s Audit and Risk Assurance Committee and the Board Meeting on 13 October 2016 a signed version of the document incorporating any changes agreed by Members would be forwarded to DfC.

9.4 The Chief Executive referred to the Assurance Statement and drew attention in particular to Section 3: Risk Management which outlined the risks currently identified within the organisation and new risks which had been identified.

9.5 The Chief Executive reminded Members that DfC had carried out an External Quality Assessment of the Libraries NI Internal Audit function. The final report had just recently been received and Members noted that the Libraries NI Internal Audit Service had been found to be Compliant with the Public Sector Internal Audit Standards (PSIAS). The Chief Executive confirmed that no Priority One recommendations had been made, however some Priority Two recommendations had been suggested and the Head of Internal Audit was working closely with the Chief Executive to implement the recommendations. A report would be brought to the next meeting of the Committee.

9.6 On a suggestion by the Chairperson of the Board, Members agreed to remove the word ‘long-term’ from paragraph 2 on Page 4 of the Assurance Statement.

9.7 Following discussion of the Statement, on a proposal by Mrs D Kenny, seconded by Ms N McAuley, and subject to the amendment at paragraph 9.6 above, Members agreed to recommend the Bi-Annual Assurance Statement for the period ended 30 September 2016 to the Board for approval.

10. **ANY OTHER NOTIFIED BUSINESS**

10.1 There was no other notified business.
11. DATE OF NEXT MEETING

11.1 Members noted that the next scheduled meeting of the Audit and Risk Assurance Committee would be held on Thursday 12 January 2017 at 10.30 am in Lisburn City Library.

12. MEMBERS ARRIVAL AND DEPARTURE TIMES

12.1 The meeting ended at 11.21 am.

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

Signed: 

Date: 18/1/17
### ACTION SCHEDULE FROM THE SPECIAL MEETING OF THE
### AUDIT AND RISK ASSURANCE COMMITTEE

#### 12 October 2016

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<thead>
<tr>
<th>Minutes Ref</th>
<th>Action</th>
<th>By</th>
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<tbody>
<tr>
<td>9.5</td>
<td>The report of the External Quality Assessment of Internal Audit to be brought to the January Audit and Risk Assurance Committee meeting</td>
<td>Chief Executive</td>
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