

**LIBRARIES NI**  
**AUDIT AND RISK ASSURANCE COMMITTEE**

**16 October 2024**

Minutes of a meeting of the Audit and Risk Assurance Committee held in  
Lisburn City Library and via remote video link (Zoom)  
on Wednesday 16 October 2024 at 10:45 am

**PRESENT**

|                                   |                          |
|-----------------------------------|--------------------------|
| Mrs Wendy Osborne OBE (IP)        | Chairperson              |
| Councillor Alastair Cathcart (VL) | Vice-Chairperson         |
| Ms Bonnie Anley (VL)              | Chairperson of the Board |
| Councillor Martin McRandal (VL)   |                          |
| Ms Andrea Quail (IP)              |                          |

**IN ATTENDANCE**

|                           |                                      |
|---------------------------|--------------------------------------|
| Mr Jim O'Hagan (IP)       | Chief Executive                      |
| Mr Desi Miskelly (IP)     | Director of Business Support         |
| Ms Michelle Anderson (IP) | Head of Internal Audit               |
| Mrs Rita McNamee (IP)     | Finance Manager                      |
| Ms Fionnuala Elliott (VL) | Department for Communities           |
| Mr Barry Mitchell (IP)    | Northern Ireland Audit Office (NIAO) |
| Ms Holly Mahood (IP)      | Northern Ireland Audit Office (NIAO) |
| Ms Helen Dodds (IP)       | Sumer NI                             |

Note: IP denotes 'in-person' attendance, VL denotes 'virtual' attendance.

**1. APOLOGIES FOR NON ATTENDANCE**

Ms Christine Hagan, Sumer NI

**2. MEMBERS' DECLARATION OF POTENTIAL CONFLICTS 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 the following to the meeting:

- Mr B Mitchell and Ms H Mahood, Northern Ireland Audit Office (NIAO)
- Ms H Dodds, Sumer NI
- Ms F Elliott, Department for Communities (DfC)
- Mrs R McNamee, Finance Manager

3.2 The Chairperson reported that prior to the Committee meeting, the annual bi-lateral meeting had been held with representatives from the NIAO and Sumer NI to discuss the conduct of the audit. She added that Members had been assured that the NIAO and Sumer NI had received all the co-operation and access necessary to carry out their audit. Information had been well presented with appropriate evidence available if required.

### **4. CHIEF EXECUTIVE'S BUSINESS**

**00.10.24**

4.1 The Chief Executive drew attention to correspondence received since the last meeting as follows:

- Public Sector Pay and Pay Remit Approvals (2024-25)
- FD(DoF)0824 – a return to the Department to include cases of suspected and proven fraud (including attempted fraud) in 2022/23, where public funds are involved. NIL return submitted for Libraries NI
- FD (DoF) 09/24 - Remuneration of Chairpersons and Members of Public Bodies and other Fee Rates - Daily rates with effect from 1 August 2023
- National Fraud Initiative (NFI) in Northern Ireland: Data Matching Exercise 2024-25 to commence from 1 October 2024
- 2024 Survey of Audited Bodies – results of an NIAO survey of audited bodies.

4.2 Members noted the correspondence.

### **5. MINUTES OF THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 12 JUNE 2024**

**ARAC.01.10.24**

5.1 On a proposal by Ms A Quail, seconded by Councillor M McRandal, the minutes of the meeting of the Audit and Risk Assurance Committee held on 12 June 2024 were approved as a correct record of the meeting.

**6. MATTERS ARISING FROM THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 12 JUNE 2024 ARAC.02.10.24**

6.1 There were no matters arising from this meeting.

**7. DRAFT REPORT TO THOSE CHARGED WITH GOVERNANCE 2023/24 ARAC.03.10.24**

7.1 The Chairperson referred to the draft Report to Those Charged with Governance 2023/24 and invited Ms H Dodds, Sumer NI to present it to the Committee. Ms Dodds drew attention to the report and advised that the Report contained a number of Priority 2 and 3 recommendations and only one presumed significant risk in relation to the Management Override of Controls for which no issues had been identified. She reported that the audit opinion for Libraries NI was positive and that no significant irregularity or impropriety issues had been identified during the audit and that the Annual Report was consistent with the financial statements and had been properly prepared. The Committee noted that the Comptroller and Auditor General (C&AG) is proposing to certify the 2023/24 financial statements with an unqualified audit opinion without modification.

7.2 Members noted the report.

**8. AUDIT AND RISK ASSURANCE COMMITTEE ANNUAL REPORT 2023/24 ARAC.04.10.24**

8.1 The Head of Internal Audit drew attention to this report which had been considered in draft at the June 2024 meeting of the Committee, pending completion by the NIAO of the audit of Libraries NI's Annual Accounts for 2023/24 and receipt by the Committee of the Report to Those Charged with Governance from the Comptroller and Auditor General. As the NIAO audit is now complete the report has been updated to reflect the Committee's discussion of the Annual Report and Accounts at the June meeting and the results of the NIAO audit which have been inserted at paragraphs 8.2 and 8.3 and paragraphs 9.4 to 9.12.

8.2 On a proposal by Ms A Quail seconded by Councillor M McRandal, the Committee agreed to recommend the approval of the Audit and Risk Assurance Committee's Annual Report 2023/24 to the Board.

**9. LIBRARIES NI DRAFT ANNUAL REPORT AND ACCOUNTS 2023/24 ARAC 05.10.24**

9.1 The Chief Executive drew Members' attention to the draft Libraries NI Annual Report and Accounts 2023/24 noting that no significant changes had been made to the document since it was last reviewed by the Committee. He referred to the improved appearance of the report explaining that the use of

graphics, tables and charts had made the document more 'user friendly' and thanked all staff involved in the production of the document particularly the Graphic Designer, Ms H Mallon. The Chief Executive highlighted the content of the Performance Report which provided an excellent reference to the quantum and quality of work undertaken over the course of the 2023/24 year.

- 9.2 The Finance Manager presented the draft Annual Accounts 2023/24 and confirmed that no substantial changes had been made since the Committee had reviewed the Annual Accounts in June 2024, other than a £90,000 increase in provision for a public liability claim, as reported in the draft Report to Those Charged with Governance. She also confirmed that no subsequent events had taken place which would require adjustment or disclosure in the Annual Accounts.
- 9.3 On a proposal by Councillor M McRandal, seconded by Councillor A Cathcart, the Committee agreed to recommend the approval of Libraries NI's Annual Report and Accounts 2023/24 to the Board and their subsequent submission for certification.

## **10. LETTER OF REPRESENTATION ARAC.06.10.24**

- 10.1 The Chief Executive drew attention to the Letter of Representation which he would sign as Accounting Officer and submit to the NIAO with the Annual Report and Accounts 2023/24. He reported that the document attested to the accuracy of the financial statements and confirmed that all information relevant to the financial statements has been disclosed to the NIAO.
- 10.2 Members noted the Letter of Representation.

## **11. INTERNAL AUDIT PROGRESS REPORT ARAC.07.10.24**

- 11.1 The Head of Internal Audit presented the Internal Audit Progress Report noting that three final reports had been issued since the last meeting of the Committee held on 12 June 2024. All had received a 'Satisfactory' audit opinion with no Priority One recommendations reported.
- 11.2 She reported on the audit activity since the last meeting noting that Internal Audit had provided training for District Managers and Area Managers in relation to their finance and governance management checks. She also noted that a review of the Best Practice Self-Assessment was being undertaken in advance of it issuing in 2025/26. As part of the review, Internal Audit staff intend to spend time 'working' in a branch library to gain a deeper understanding of library systems and to establish a working group of BLMs and District Managers to obtain their input to the review.
- 11.3 The Head of Internal Audit referred to the Internal Audit review of concerns raised which was reported to the Committee in June 2024 and informed Members that an update would be provided separately at the meeting. She

also informed the Committee an investigation undertaken by Internal Audit following the identification of a sum of cash missing from income received in a branch library which would also be reported on separately.

- 11.4 The Head of Internal Audit referred to the Annual Audit Plan 2023/24 noting that time had not been allocated for ad hoc investigations. In order to undertake the cash theft investigation it was proposed that the Review of Organisational Structure is deferred. She confirmed that she had discussions with the Director of Library Services who indicated that it would be preferable to complete this review in the 2025/26 year. The Head of Internal Audit confirmed that the Annual Audit Plan 2024/25 is on track for completion.
- 11.5 On a proposal by Councillor M McRandal, seconded by Ms B Anley, the Committee approved the deferral of the Review of the Organisational Structure to the 2025/26 year.

## **12. OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS**

**ARAC.08.10.24**

- 12.1 The Head of Internal Audit presented the report showing progress on the implementation of outstanding audit recommendations from previous Internal Audit reports. She noted that 28 recommendations had been carried forward from the last meeting of the Committee held in June 2024 and updated Members as follows:
- one recommendation in relation to Safeguarding had now been implemented
  - a follow-up review of the Fleet Management recommendations confirmed that three of the 20 outstanding recommendations had been implemented and one recommendation had been removed. It is anticipated that most of the outstanding recommendations would be completed by the next meeting of the Committee in January 2025
  - seven recommendations in relation to the Out of Hours Service have not yet reached their implementation date.
- 12.2 Members noted that a total of 14 recommendations had been added since the June 2024 meeting and staff were working to progress these issues.
- 12.3 Members thanked the Head of Internal Audit for the report.

## **13. BI-ANNUAL ASSURANCE STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

**ARAC.09.10.24**

- 13.1 The Chief Executive drew attention to the Bi-Annual Assurance Statement (Bi-AAS) for the period ended 30 September 2024. He discussed each section highlighting areas indicated as 'Working towards Compliance' and explained, where applicable, actions being taken to remedy the situation.

- 13.2 Taking account of a discussion regarding Item 8: Policy Implementation and Development the Chief Executive agreed to amend the Bi-AAS response regarding staff's awareness of Health and Safety policies from 'Working towards Compliance' to 'Yes'.
- 13.3 A discussion took place regarding whether the Corporate Risk Register adequately captured the issues highlighted in the Bi-AAS related to longer term funding / capital investment. It was noted the Risk Management Group had identified this as an issue which would be kept under close review.
- 13.4 On a proposal by Ms A Quail, seconded by Ms B Anley, the Audit and Risk Assurance Committee agreed to recommend approval of the Bi-Annual Assurance Statement for the period ended 30 September 2024 to the Board to include the amendment at paragraph, see 13.2 above.

**14. MINUTES OF THE PARTNERSHIP MEETING HELD ON 19 JUNE 2024  
ARAC.10.10.24**

- 14.1 The Chief Executive presented the minutes of the Partnership Meeting held with DfC on 19 June 2024.
- 14.2 He drew attention to key areas discussed such as the funding position, the Libraries Policy/Strategy and key capital projects which are being taken forward and the work to progress business cases for Newtownards Library and Belfast Central Library. Members noted that DfC had suggested that a workshop be organised with other interested organisations to explore how the project could be progressed.
- 14.3 The Chief Executive reported that in line with the new Partnership Agreement Partnership meetings would now take place twice yearly. However, a number of informal meetings had been arranged with the Department.
- 14.4 Members noted the Minutes and that the next Partnership meeting would be held on 7 November 2024.

**15. RISK MANAGEMENT REPORT AND REVIEW ARAC.11.10.24**

- 15.1 The Director of Business Support drew attention to the Risk Management Report and Review and referred Members to the minutes of the Risk Management Group held on 16 September 2024.
- 15.2 He then referred Members to the Corporate Risk Register noting that the risks had remained static or had reduced slightly due to the end of the BLM industrial action and that the organisation was operating in a stable and steady financial environment i.e. a full year allocation had been received in reasonable time so that planning could be undertaken. He emphasised that although the Corporate Risk Register reflected a more stable outlook

challenges still existed for the organisation in relation to the quantum of funding allocated.

- 15.3 The Committee discussed Risk 6: Planning in light of the good work that was being done in relation to corporate planning. It was concluded that Risk 6 remains at a high level but that the Risk Management Group should review this risk at the next meeting.
- 15.4 The Director of Business Support then drew attention to the Corporate Risk Horizon Scanning document noting that it had been updated to reflect the work taking place by the Department in relation to the new Libraries Policy and the on-going challenges faced in delivering public library services due to concerns regarding financial sustainability and longer-term funding.
- 15.5 On a proposal by Ms A Quail, seconded by Councillor M McRandal, the Audit and Risk Assurance Committee agreed to recommend approval of the Corporate Risk Register to the Board.

**16. CHAIRPERSON'S REGISTER OF GIFTS AND HOSPITALITY 2024/25**  
**ARAC.12.10.24**

- 16.1 The Chief Executive reminded Members that the Libraries NI Policy on Offers and Acceptance of Gifts and Hospitality stated that the Audit and Risk Assurance Committee would monitor the Chairperson's register on a quarterly basis.

**Period Ended 30 June 2024**

- 16.2 Members noted the Board Chairperson's Register of Gifts and Hospitality (Nil Return) for the period 1 April to 30 June 2024.

**Period Ended 30 September 2024**

- 16.3 Members noted the Board Chairperson's Register of Gifts and Hospitality for the period 1 July to 30 September 2024.

**17. SCHEDULE OF MISSION CRITICAL PROJECTS**  
**ARAC.13.10.24**

- 17.1 The Director of Business Support presented a report on the current status of the existing two Mission Critical Projects.

e3

- 17.2 He reported that the e3 programme remains on track and within time and cost parameters. The major system, software and infrastructure workstreams had been delivered and are operational. Work to refresh system hardware is progressing. Decommissioning of 'local' data centers continues and the transfer of services to the Azure cloud solution is progressing with the switch over scheduled for completion by the end of 2024.

- 17.3 The Director of Business Support reminded members that since February 2021 the Information Systems Committee of the Board had supported the procurement and implementation of the e3 programme, providing an expedient decision making forum and a monitoring function on behalf of the Board. The e3 Project will complete all implementation and technical refresh activities by June 2025 and it is considered the project has reached a stage where any further decisions required can be made within the scheduled Committee and Board meeting programme. As the primary purpose for which the Information Systems Committee was established has been achieved it is proposed to formally stand down the Committee and a recommendation to that effect will be presented to the Board at its October 2024 meeting.

Belfast Central Library

- 17.4 The Director of Business Support informed Members that although financial allocations have now been confirmed for 2024/25 the capital investment portfolio remains under significant pressure with funding only being available to meet existing contractual commitments. With little prospect of improvement through the remainder of the financial year and the continuing absence of a strategic capital investment programme for the library estate we continue to experience significant barriers to progressing this project. With no resource or capital funding allocation confirmed to take forward development work no meaningful progress has been possible and the necessary review of the project Outline Business Case continues to be stalled.

**18. DIRECT AWARD CONTRACTS**

**ARAC.14.10.24**

- 18.1 The Director of Business Support introduced the report detailing Direct Award Contracts valued between £1,000 and £30,000. He reported on the two expenditures over £1,000 authorised by the Accounting Officer during the period 1 June 2024 to 30 September 2024.
- 18.2 Members noted the report.

**19. PARTNERSHIP AGREEMENT**

**ARAC.15.10.24**

- 19.1 The Chief Executive reminded Members of the process to implement a new Partnership Agreement between the Department for Communities (DfC) and Libraries NI. This document replaces the Management Statement and Financial Memorandum (MSFM) which previously set out the governance arrangements that Libraries NI operated under. The Partnership Agreement was signed by DfC and Libraries NI on 24 May 2024 and has been in operation since that date.
- 19.2 He explained that the Partnership Agreement is less detailed than the previous governance framework documents and covers four key areas of operations and the relationship with the department.



- 19.3 It was noted that in order for the Partnership Agreement to remain current and to continue to reflect the environment in which Libraries NI and DfC operate, it would be reviewed on a regular basis so that it remains fit for purpose with relevant amendments agreed by both parties.
- 19.4 The Committee Chairperson on behalf of Members welcomed the new document.
- 19.5 Members noted the report and the Partnership Agreement.

## **20. ARAC SELF-ASSESSMENT PROPOSAL**

**ARAC.16.10.24**

- 20.1 The Head of Internal Audit reminded Members that the Audit and Risk Assurance Committee Handbook requires the Committee to consider its own effectiveness. A review is completed annually and is based on revised National Audit Office (NAO) guidance. The revised NAO evaluation process comprises six sections containing two types of questions i.e. Essential and Good Practice.
- 20.2 The NAO recommends that the 'Essential' questions are used to carry out an annual assessment and suggests that the 'Good Practice' questions could be addressed on a cyclical basis.
- 20.3 During the January 2024 evaluation, the good practice questions in Part 1 - Membership, Independence, Objectivity and Understanding and Part 5 - Communication and Reporting were considered. It is proposed that the remaining sections are reviewed in a three year cycle.
- 20.4 Members discussed the process and agreed that the remaining sections are reviewed as follows:
- January 2025 – Roles and Responsibilities (Part 3)
  - January 2026 – Scope (Part 4)
  - January 2027 – Skills & Experience (Part 2) and Continual Improvement (Part 6)

## **21. NIAO ISSUES**

- 21.1 Mr B Mitchell, NIAO, thanked Sumer NI for their assistance in completing the recent audit, adding that there were a few matters which would be kept under review for 2024/25.

## **22. ANY OTHER NOTIFIED BUSINESS**

- 22.1 There was no other notified business.

## **23. DATE OF NEXT MEETING**

- 23.1 It was noted that the next meeting of the Audit and Risk Assurance Committee would take place on Wednesday 15 January 2025 at 10:30 am in Lisburn City Library or remotely via video link.

## **24. RAISING CONCERNS / FRAUD UPDATE**

**ARAC.17.10.24**


- 24.1 The Head of Internal Audit informed Members that a member of staff had admitted to having taken a sum of money from a branch library till with the intention of returning it; the money was returned the next day. Internal Audit carried out an investigation to determine if there was any money missing from the branch and concluded that a total of £26.60 could not be accounted for. In light of the small value it was decided not to refer the matter to the Police but to take it forward as a disciplinary issue.
- 24.2 The Head of Internal Audit explained she was confident that sufficient controls were in place to ensure money received was lodged, however, was considering further controls to ensure that money could not be 'borrowed' from the till.
- 24.3 Members noted the report.
- 24.4 Ms R McNamee, Finance Manager withdrew from the meeting.
- 24.5 On a proposal by Ms A Quail, seconded by Councillor M McRandal, Members agreed to go into Committee.
- 24.6 On a proposal by Ms A Quail, seconded by Councillor A Cathcart, Members agreed to come out of Committee.
- 24.7 The Chairperson reported that while in Committee the Head of Internal Audit had updated Members on the progress of the Internal Audit investigation into the Raising Concerns issue which had been discussed at the June meeting of the Committee.

## **25. MEMBERS ARRIVAL AND DEPARTURE TIMES**

- 25.1 The meeting ended at 12:56 pm.
- 25.2 All Members arrived for the commencement of the meeting and remained until it ended, with the exception of the following:

Ms B Anley joined the meeting at 10:54 am

Signed:

  
Mrs Wendy Osborne, Chairperson

Date:

15 January 2025