

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

**24 April 2024**

Minutes of a meeting of the Audit and Risk Assurance Committee held on  
Wednesday 24 April 2024 at 10.45 am in Lisburn City Library and by remote video  
link (Zoom)

**PRESENT**

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

**IN ATTENDANCE**

(IP) Mr Jim O'Hagan	Chief Executive
(IP) Mr Desi Miskelly	Director of Business Support
(IP) Ms Michelle Anderson	Head of Internal Audit
(IP) Mr Conor Shields	Northern Ireland Audit Office
(IP) Ms Christine Hagan	ASM
(VL) Ms Fionnuala Elliott	Department for Communities
(VL) Ms Deborah Evans	Department for Communities
(VL) Ms Julie Campbell	Marketing Officer
(VL) Mr Matthew Dickinson	Assets Officer

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

**1. APOLOGIES FOR NON ATTENDANCE**

Mr Gary Craig	Department for Communities
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**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 On behalf of Members the Chairperson welcomed Ms B Anley, Chairperson of the Board to her first meeting of the Libraries NI Audit and Risk Assurance Committee.
- 3.2 The Chairperson reported that, prior to the Committee meeting, the annual bi-lateral meeting had been held with the Head of Internal Audit to discuss risk, control and governance. She confirmed that the Head of Internal Audit had given the Committee her assurance on these matters and had confirmed that there had been no impairment to the independence of Internal Audit and that appropriate resources and support were in place to facilitate Internal Audit to carry out its responsibilities. She added that the Internal Audit approach to identifying process improvements was working well and had added value to the service.
- 3.3 The Chairperson welcomed to the meeting:
- Ms F Elliott and Ms D Evans, Department for Communities (DfC)
  - Mr C Shields, Northern Ireland Audit Office (NIAO)
  - Ms Christine Hagan, ASM
- 3.4 She reminded Members that as part of the Leadership Development Plan it had been agreed that some staff should attend and observe at Board and Committee meetings as part of their personal development and welcomed the following staff:
- Mr M Dickinson, Assets Officer
  - Mrs J Campbell, Marketing Officer

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

**LNI 00.04.24**

- 4.1 The Chief Executive updated Members on correspondence received since the last meeting as follows:
- DAO (DoF) 01/24 - Accounts Directions for 2023-24
  - FD (DoF) 04/24 - Approval of Pay Remits Relating to 2023 24 - update to FD (DoF) 05/23
  - FD (DoF) 03/24 - Departmental Annual Reports and Accounts 2023-24
  - FD (DoF) 02/24 - New Developments to Business Case Guidance
- 4.2 Members noted the report.

**5. MINUTES OF THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 17 JANUARY 2024 ARAC 01.04.24**

- 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 17 January 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 17 JANUARY 2024 ARAC 02.04.24**

- 6.1 The Chief Executive drew attention to the circulated paper detailing action taken as a result of discussion at, and decisions of, the Committee at the previous meeting.

Items 7.2: Final Report To Those Charged with Governance 2022/23

- 6.2 The Director of Business Support updated Members on progress to date on the implementation of the recommendations as detailed in the Final Report to Those Charged with Governance 2022/23. It was agreed that another review of any outstanding issues would be carried out before the end of the year.

**7. INTERNAL AUDIT PROGRESS REPORT ARAC 03.04.24**

- 7.1 The Head of Internal Audit reported on the six audits completed since the last meeting of the Committee held on 17 January 2024. Each audit reported a satisfactory opinion and there were no Priority One findings.
- 7.2 The Head of Internal Audit reminded Members that two branch library compliance audits were completed before audits were paused due to the Branch Library Manager (BLM) industrial action. It was agreed at the last meeting of the Committee that Internal Audit would review the areas of finance, property maintenance and statutory maintenance using an off-site approach. The review concluded that there is evidence of 'satisfactory' compliance with current best practice requirements in the areas tested.
- 7.3 The Head of Internal Audit reported that Internal Audit are carrying out a review of issues raised under the Libraries NI Raising Concerns arrangements which necessitated the deferral of two audit assignments until next year.
- 7.4 Members noted that a Self-Assessment Evaluation had been undertaken and had concluded that the Libraries NI Internal Audit service 'generally conforms' with the requirements of the Public Sector Internal Audit Standards. As a result of feedback from the survey issued to staff four improvement suggestions would be made to the Internal Audit Charter.
- 7.5 Members noted the report.

**8. INTERNAL AUDIT ACTIVITY REPORT - OUTSTANDING RECOMMENDATIONS ARAC 04.04.24**

- 8.1 The Head of Internal Audit drew attention to the report showing progress on the implementation of outstanding audit recommendations from previous Internal Audit Reports. She reported that two recommendations had been carried forward since the last meeting of the Committee held on 17 January 2024 and 29 recommendations had since been added resulting in a total of 31 outstanding recommendations. Members noted that one of the outstanding recommendations had been implemented and 30 had not yet reached their implementation date. Internal Audit will carry out a follow-up review to confirm that the Fleet Management recommendations have been implemented effectively. There were no Priority One recommendations outstanding.
- 8.2 Members thanked the Head of Internal Audit for the update.

**9. INTERNAL AUDIT ANNUAL REPORT 2023/24 ARAC 05.04.24**

- 9.1 The Head of Internal Audit drew attention to the Internal Audit Annual Report 2023/24. She reminded Members that Public Sector Internal Audit Standards (PSIAS) required her to present a formal annual report giving her opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control arrangements to inform the Governance Statement. It must also include a statement on Internal Audit's conformance with PSIAS and the results of the quality assurance and improvement programme.
- 9.2 She drew attention in particular to the following:
- Section 2: Overall Opinion – a 'satisfactory' assurance rating has been given
  - Section 3: Significant Internal Control Issues Identified – during the year two limited audit opinions were applied in relation to Fleet Management and Homecall Service. The audit opinion for the Homecall Service has since been amended to 'satisfactory' however the audit opinion for Fleet Management remains at 'limited' and it is recommended that this is included in the Governance Statement
  - Section 7.2: Quality Assurance – an agreement is in place with the NICS Group Internal Audit Service to carry out a peer review of a sample of audits completed by the Libraries NI Head of Internal Audit. The 2023/24 peer review concluded that the reviews examined demonstrated compliance with the Public Sector Internal Audit Standards (PSIAS).
- 9.3 The Committee Chairperson reported that Internal Audit is involved in a review of issues raised under the Libraries NI Raising Concerns arrangements. This investigation is almost complete and to date no substantive concerns had been raised. She added that the outcome of the review would be reported at the June Committee meeting.
- 9.4 Members noted the report.

**10. BI-ANNUAL ASSURANCE STATEMENT (FOR THE PERIOD ENDED 31 MARCH 2024) ARAC 06.04.24**

- 10.1 The Chief Executive presented the Bi-Annual Assurance Statement for the period ended 31 March 2024 and referred in particular to:
- Section 2: Board and Committees noting that during 2023/24 the Libraries NI Board has been reduced in numbers from 18 plus an independent Chairperson to seven members plus the Chairperson. This is making it difficult to ensure Committees have adequate membership in order to function effectively in line with Standing Orders and Schemes of Delegation. The Department is aware of the situation and a recruitment process is underway to appoint five members to the Libraries NI Board
  - Section 3: Risk Management which outlined existing risks within the organisation and new risks which had been identified during the reporting period with a particular emphasis on financial risk, sustainability and investment in the service
  - Section 5: Financial Planning and Monitoring noting that although internal budget setting processes are well established, increasingly budgeting is being driven by inadequate and late resource allocations rather than the needs of the service. Delays in budget setting, approvals and / or appropriate authority to spend increases the risk of technical breaches of expenditure guidelines.
- 10.2 The Chief Executive also drew attention to those areas of the Statement which had been marked 'Working towards Compliance'.
- 10.3 Members noted that a draft copy of the Bi-Annual Assurance Statement had been submitted to the Department to inform its end of year processes. Following a review by the Audit and Risk Assurance Committee and the Board, a final approved copy incorporating any amendments would be submitted to the Department.
- 10.4 The Chairperson of the Board Ms B Anley, reported that a meeting had taken place with DfC at the beginning of April to discuss the process for filling Board vacancies. The Department had confirmed that the vacancies would be advertised in May with interviews arranged for July 2024. She added that it was hoped that the new Board Members would be in place for the Board Planning Day on 12 September 2024.
- 10.5 Ms Anley thanked the Chief Executive for the succinct and clear summation of the challenges faced by Libraries NI and how the organisation has maintained compliance in a difficult situation. She added that Libraries NI need to be very clear about the challenges which lie ahead.
- 10.6 Following discussion of the Statement, on a proposal by Ms A Quail, seconded by Councillor M McRandal, Members agreed to recommend the Bi-Annual Assurance Statement for the period ended 31 March 2024 to the Board for approval.

**11. RISK MANAGEMENT REPORT AND REVIEW ARAC 07.04.24**

- 11.1 The Director of Business Support drew attention to the Risk Management Report and Review noting in particular the minutes of the Risk Management Group held on 26 March 2024.
- 11.2 He also drew attention to the Corporate Risk Horizon Scanning document noting that it had been updated to take account of discussion at the last meeting of the Audit and Risk Assurance Committee held on 17 January 2024 and the Board Meeting held on 8 February 2024. Members noted that two items had been deleted and incorporated into one potential risk at Item 3: Longer Term Funding, Financial Sustainability.
- 11.3 The Director of Business Support then referred Members to the Corporate Risk Register and discussed each risk in turn explaining the difficulties and challenges faced by the organisation and the resulting risk rating. He noted that there had been very little change in the risk register profile as at the end of March 2024 as the business environment had not substantially changed. He also noted that indications were that the 2024/25 year may present similar resourcing challenges.
- 11.4 The Director of Business Support updated Members on the current position regarding action being taken to resolve the on-going dispute with Branch Library Managers. He reported that Management Side were actively engaged with the Labour Relations Agency and Trade Unions in a facilitated conciliation process.
- 11.5 In response to a suggestion by the Chairperson of the Board, Ms B Anley that the current title of Risk 8 'Business Continuity' be amended to 'Business Continuity Planning', Officers agreed that this suggestion be brought to the next meeting of the Risk Management Group to be held on 21 May 2024.
- 11.6 On a suggestion by the Committee Chairperson, Mrs W Osborne, it was agreed that the recently reviewed Business Continuity Framework be added to the Agenda for the next Audit and Risk Assurance Committee meeting to be held on 12 June 2024.
- 11.7 On a proposal by Ms A Quail, seconded by Councillor M McRandal, Members recommended the Corporate Risk Register to the Board for approval.

**12. DRAFT GOVERNANCE STATEMENT 2023/24 ARAC 08.04.24**

- 12.1 The Chief Executive presented the draft Governance Statement 2023/24 and reported that the draft statement would be reviewed and amended as necessary prior to its inclusion in the draft Libraries NI Annual Report and Accounts 2023/24, and again on completion of the external audit of the Accounts.

12.2 The Chief Executive drew attention in particular to the 'Governance Framework' section within the document and the section on 'Internal Governance Divergences'.

12.3 The Committee noted the draft Governance Statement 2023/24.

### **13. ANNUAL BOARD ASSURANCE STATEMENT 2023/24 ARAC 09.04.24**

13.1 The Chairperson of the Board presented the Annual Board Assurance Statement for the year ended 31 March 2024 and confirmed that Libraries NI is compliant on all matters raised in the document. She added that the footnotes relate to resources as raised by the Chief Executive in the Bi-Annual Assurance Statement. She thanked the Chief Executive for his assistance in the preparation of the Annual Board Assurance Statement and added that she is content with the Statement and would present it at the Board Meeting to be held on 25 April 2024.

13.2 On a proposal by Ms A Quail, seconded by Councillor M McRandal, Members agreed the Annual Board Assurance Statement 2023/24 and recommended it to the Board for approval.

### **14. INTERNAL AUDIT STRATEGY ANNUAL PLAN 2024/25 ARAC 10.04.24**

14.1 The Head of Internal Audit drew attention to the document and reminded Members that she is required to establish risk-based plans to determine the priorities for internal audit activity which is consistent with the organisation's goals. She then briefed the Committee on the proposed Internal Audit Strategy and Plan 2024/25 which had been developed incorporating requirements contained in the Public Sector Internal Audit Standards (PSIAS).

14.2 She explained to Members the approach in determining the audit plan for the forthcoming year, i.e. that a balance of risk based, consulting and compliance assignments would be undertaken. The Head of Internal Audit advised that she was satisfied that the range of assignments contained in the audit plan would enable her to provide the required assurance to the Accounting Officer and the Board.

14.3 On a proposal by Councillor A Cathcart, seconded by Councillor M McRandal, the Committee approved the Internal Audit Strategy and Annual Plan 2024/25 and recommended it to the Board for adoption.

### **15. EXTERNAL AUDIT STRATEGY ARAC 11.04.24**

15.1 Ms C Hagan, Director ASM explained the Audit Strategy 2023/24 and drew attention to the roles and responsibilities of the Northern Ireland Audit Office (NIAO) and ASM and the actions for the Audit and Risk Assurance Committee. The timetable for completion of the annual accounts was duly noted.

15.2 In line with the Audit Strategy 2023/24, Members confirmed that they were satisfied that:

- the NIAO assessment of the risks of material misstatement to the financial statements is complete
- management has plans in place to address the risks identified by NIAO and that these plans are adequate
- the NIAO's proposed response to address these risks is appropriate
- they had no knowledge of:
  - any actual, suspected or alleged fraud affecting NILA; or
  - instances of non-compliance with laws and regulations that could be expected to have a fundamental effect on the operations of NILA; or
  - actual, suspected or alleged irregularity affecting NILA.

15.3 Members confirmed they were content for ASM to move forward with the 2023/24 Audit Strategy.

**16. DIRECT AWARD CONTRACTS ARAC 12.04.24**

16.1 The Director of Business Support introduced the report on Direct Award Contracts over £1,000 but less than £30,000 authorised by the Accounting Officer during the period 14 December 2023 to 31 March 2024. It was noted that four expenditures had occurred during this period.

16.2 Members noted the report.

**17. SCHEDULE OF MISSION CRITICAL PROJECTS ARAC 13.04.24**

17.1 The Director of Business Support presented a report on the current status of the two Mission Critical Projects and updated Members as follows:

e3  
17.2 He reported that the e3 transition to the Public Sector Shared Network (PSSN) had now been completed and therefore no further reports would be brought to Members on this phase of the project. It was noted that the various workstreams within the project have been delivered or are in the process of being delivered and looking ahead over the next few months the focus of activity would be on more operational matters.

17.3 On behalf of Members the Committee Chairperson congratulated all staff involved in the implementation of the e3 project acknowledging the substantive amount of work involved.



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- 17.4 It was noted that project development continues to be stalled by the absence of resources to support a review and refresh of the Outline Business Case. The current financial climate and pessimistic outlook for 2024/25, particularly for capital funding continues to present significant challenges in taking forward further project development.

- 17.5 Members noted the update.

**18. CHAIRPERSON'S REGISTER OF GIFTS AND HOSPITALITY (FOR THE PERIOD ENDED 31 MARCH 2024) ARAC 14.04.24**

- 18.1 The Chief Executive referred Members to the Libraries NI Policy on Offers and Acceptance of Gifts and Hospitality which states that the Audit and Risk Assurance Committee would monitor the Register of the Chairperson of the Board on a quarterly basis.

- 18.2 Members noted the Chairperson's Register of Gifts and Hospitality for the period ended 31 March 2024.

**19. MINUTES OF THE PARTNERSHIP MEETING HELD ON 19 FEBRUARY 2024 ARAC 15.04.24**

- 19.1 The Chief Executive referred to the minutes of the Partnership Meeting held with DfC on 19 February 2024 and highlighted in particular the discussion on financial planning for 2024/25 and the continued underfunding of the library service over a number of years. The Chief Executive had also drawn attention to the on-going challenges around capital funding and the effect this had on the library estate and investment in the fleet.

- 19.2 Other areas of discussion had included progression of the Partnership Agreement and the arrangements to take forward work on a new Public Libraries Strategy.

- 19.3 Members noted the report.

**20. NIAO UPDATE**

- 20.1 There were no NIAO issues.

**21. ANY OTHER NOTIFIED BUSINESS**

- 21.1 There was no other notified business.

**22. DATE OF NEXT MEETING**

- 22.1 Members noted that the next scheduled meeting of the Audit and Risk Assurance Committee would be held on Wednesday 12 June 2024 at 10.30 am in Lisburn City Library or remotely via video link.

**23. MEMBERS ARRIVAL AND DEPARTURE TIMES**

- 23.1 The meeting ended at 12:55 pm.
- 23.2 All Members arrived for the commencement of the meeting and remained until it ended.

Signed:

Wendy Osborn  
Chairperson - Mrs Wendy Osborne OBE

Date:

12 June 2024