

LIBRARIES NI
AUDIT AND RISK ASSURANCE COMMITTEE

15 January 2025

Minutes of a meeting of the Audit and Risk Assurance Committee held on
Wednesday 15 January 2025 at 10.30 am in Lisburn City Library and by remote
video link (Zoom)

PRESENT

Mrs Wendy Osborne OBE (IP)	Chairperson
Councillor Martin McRandal (VL)	
Ms Andrea Quail (IP)	Co-opted Member
Councillor Gareth Sharvin (IP)	

IN ATTENDANCE

Dr Jim O'Hagan (IP)	Chief Executive
Mr Desi Miskelly (IP)	Director of Business Support
Mrs Michelle Anderson (IP)	Head of Internal Audit
Ms Fionnuala Elliott (VL)	Department for Communities
Mr Conor Shields (IP)	Northern Ireland Audit Office
Ms Helen Dodds (VL)	ASM
Ms Heather Gardiner (VL)	Data Protection Officer
Ms Bonnie Anley (VL)	Chairperson of the Board

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

1. APOLOGIES FOR NON ATTENDANCE

Ms Ursula O'Hare

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.
- 2.2 During a discussion at Item 15: Schedule of Mission Critical Projects on the transition to Azure/Cloud storage (a Microsoft product), Councillor G Sharvin highlighted that he works with Microsoft but added that he did not consider this a conflict of interest as the project was now completed.

3. EXTENSION TO THE TERM OF CHAIRPERSON AND VICE-CHAIRPERSON OF THE AUDIT AND RISK ASSURANCE COMMITTEE
ARAC 01.01.25

- 3.1 The Chief Executive reminded Members that in accordance with Standing Orders, the two-year term of office for the Committee Chairperson (Mrs W Osborne) and Vice-Chairperson (Councillor A Cathcart) had been due to expire in October 2024. A number of new members had recently been appointed to the Audit and Risk Assurance Committee and there had been changes in current members' roles in other Committees, with further changes anticipated. With this high level of change, it was proposed that the term of office for the Audit and Risk Assurance Committee Chairperson and Vice-Chairperson be extended for one year. This would enable new Members to gain experience of the Committee and provide for a more stable position when the next election of Chairperson and Vice-Chairperson took place.
- 3.2 On a proposal by Ms A Quail, seconded by Councillor M McRandal the Committee approved that Mrs W Osborne's term as Chairperson of the Audit and Risk Assurance Committee is extended for one year until January 2026.
- 3.3 On a proposal by Ms A Quail, seconded by Councillor M McRandal the Committee approved that Councillor A Cathcart's term as Vice-Chairperson of the Audit and Risk Assurance Committee is extended for one year until January 2026.
- 3.4 The Chief Executive congratulated Mrs W Osborne and Councillor A Cathcart on their re-appointments as Chairperson and Vice-Chairperson of the Audit and Risk Assurance Committee.

4. CHAIRPERSON'S BUSINESS

- 4.1 The Chairperson congratulated Ms U O'Hare and Councillor G Sharvin on their appointment to the Audit and Risk Assurance Committee and welcomed Councillor Sharvin to his first meeting of the Committee.
- 4.2 She also welcomed the following to the meeting:
- Mr C Shields representing the Northern Ireland Audit Office (NIAO)
 - Ms H Dodds representing ASM
 - Ms F Elliott representing the Department for Communities (DfC)
- 4.3 She reminded Members that as part of the Leadership Development Plan it had been agreed that some staff should attend Board and Committee meetings as part of their personal development and in that capacity welcomed Ms H Gardiner, Data Protection Officer.

- 4.4 On behalf of Committee members and Officers the Chairperson congratulated Councillor A Cathcart on the occasion of his marriage which had taken place on 1 January 2025.

5. CHIEF EXECUTIVE'S BUSINESS

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

- DAO (DoF) 03/24 - Guidance on Responding to Northern Ireland Audit Office Public Reports
- Annual Theft and Fraud Report 2021-22
- FD (DoF) 10/24 - Annual Theft and Fraud Return to DoF 2023-24
FD (DoF) 11/24 - Government Financial Reporting Manual (FReM) 2024-25

- 5.2 Members noted the report.

6. MINUTES OF THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 16 OCTOBER 2024 **ARAC 02.01.25**

- 6.1 On a proposal by Councillor M McRandal, seconded by Ms A Quail, the minutes of the meeting of the Audit and Risk Assurance Committee held on 16 October 2024 were approved as a correct record of the meeting.

7. MATTERS ARISING FROM THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 16 OCTOBER 2024 **ARAC 03.01.25**

- 7.1 There were no matters arising from the meeting of 16 October 2024.
- 7.2 The Director of Business Support reminded Members that at the April 2024 meeting of the Committee he had provided an update on the progress on the implementation of the recommendations as detailed in the Final Report to Those Charged with Governance 2022/23. Members had requested that a review of any outstanding issues be carried out before the end of the financial year and that an updated progress report be provided.
- 7.3 He then drew attention to the report which summarised progress made and actions taken as at December 2024 noting that the majority of recommendations had been implemented with only two still to be resolved i.e. Leases (Omagh) and the Service Level Agreement (SLA) with the Education Authority (EA). He added that work was on-going to progress both matters.
- 7.4 Following discussion it was agreed that the Director of Business Support would once again correspond with the EA with a view to signing the SLA. If

progress was not forthcoming the Chief Executive would raise the issue with the Chief Executive of the EA Mr R Pengelly. It was also agreed that this matter would be added to the agenda for the next meeting of the Board to be held on 13 February 2025. An update would be brought to the next meeting of the Committee.

7.5 Members thanked the Director of Business Support for the report.

8. FINAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2023/24
ARAC 04.01.25

8.1 The Chief Executive referred to the Final Report to Those Charged with Governance 2023/24 which contained the opinion from the NIAO on the audit of Libraries NI's 2023/24 Annual Report and Accounts. He reminded Members that the draft report had been scrutinised at the last meeting of the Committee held on 16 October 2024.

8.2 Ms H Dodds, ASM confirmed that the Libraries NI Annual Report and Accounts 2023/24 had been certified on 29 October 2024 and thanked all those involved in the audit process.

8.3 Members noted the report.

9. INTERNAL AUDIT PROGRESS REPORT
ARAC 05.01.25

9.1 The Head of Internal Audit drew attention to the Internal Audit Progress Report and reported that five assignments had been completed since the last meeting of the Committee held on 16 October 2024, advising that there had been no Priority One findings.

9.2 She drew attention to the audit of Colin Glenn Library which had been carried out following an investigation. It was noted that a full branch library audit of non-financial issues had taken place which resulted in a 'limited' assurance rating with only one Priority Two recommendation.

9.3 She informed the Committee that an individual had written to the Chairperson of Libraries NI and the DfC Minister regarding an issue which would fall under the scope of the Libraries NI Raising Concerns (Whistleblowing) Policy and an update would be provided to Members at a later stage in the meeting.

9.4 The Head of Internal Audit reported that time had not been allocated in the Annual Plan for ad hoc investigations. In order to address the resource shortfall arising from the new Raising Concerns case, it was proposed that the reviews of IT Governance and Learning and Development were deferred until the first quarter of 2025/26. She confirmed that subject to this proposal the Annual Plan was on track for completion by 31 March 2025.

- 9.5 On a proposal by Ms A Quail, seconded by Councillor G Sharvin, Members approved the proposed changes to the Annual Audit Plan and recommended it to the Board for approval.

10. OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS ARAC 06.01.25

- 10.1 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 noted that 37 recommendations had been carried forward from the last meeting of the Committee held in October 2024 and updated Members as follows:

- a follow-up review of the fleet management recommendations confirmed that 14 of the 16 outstanding recommendations had now been implemented resulting in the audit assurance rating being amended to 'satisfactory'
- a total of nine other recommendations have been implemented
- a total of 14 recommendations have not yet reached their implementation date
- two recommendations have been added since the October 2024 meeting resulting in a total of 16 recommendations carried forward.

- 10.2 Members thanked the Head of Internal Audit for the report.

11. NEW INTERNAL AUDIT STANDARDS PRESENTATION

- 11.1 The Head of Internal Audit gave a presentation on the new Internal Audit Standards which had been implemented in 2024.
- 11.2 The presentation highlighted the changes, in particular Board responsibilities for Internal Audit oversight and the provisions made for smaller Internal Audit functions.
- 11.3 It was suggested that the presentation on Board responsibilities would be useful for the whole Board. The Head of Internal Audit noted that she meets with the Board annually in April to present the Annual Report and Opinion and could incorporate this information into that presentation.
- 11.4 Members thanked the Head of Internal Audit for the informative presentation.

12. RISK MANAGEMENT REPORT AND REVIEW ARAC 07.01.25

- 12.1 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 16 December 2024.

- 12.2 He also drew attention to the Corporate Risk Horizon Scanning document highlighting the changes since it was last seen by Members in relation to the new Library Policy, the problems faced when purchasing book stock due to constrained funding and the limited number of available suppliers and the on-going challenges faced in delivering public library services due to concerns regarding financial sustainability and longer term funding.
- 12.3 He referred to the Corporate Risk Register discussing each of the risks in turn, noting that there had been very little change since last seen by Members except for Risk 5: Resources, which had seen a reduction in the residual risk due to additional resource and capital funding being received as a result of the October 2024 and January 2025 monitoring rounds to address pressures.
- 12.4 On a proposal by Councillor G Sharvin, seconded by Ms A Quail, Members agreed to recommend the Corporate Risk Register to the Board for approval.

13. ARAC ANNUAL WORK PROGRAMME ARAC 08.01.25

- 13.1 The Head of Internal Audit presented a proposed programme of work for the Committee for the 2025/26 year. It was noted that the programme includes routine business agenda items, standing items for each Committee meeting and sets out the timing of other key Committee business such as consideration of the Annual Report and Accounts. Policies which have been reviewed and updated would be presented at the June and January meetings of the Committee.
- 13.2 Members noted the report.

**14. CHAIRPERSON'S REGISTER OF GIFTS AND HOSPITALITY 2024/25
QUARTER 3 (1 OCTOBER – 31 DECEMBER 2024) ARAC 09.01.25**

- 14.1 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.
- 14.2 Members noted the Board Chairperson's Register of Gifts and Hospitality for the period 1 October to 31 December 2024.

15. SCHEDULE OF MISSION CRITICAL PROJECTS ARAC 10.01.25

- 15.1 The Director of Business Support presented a report on the current status of the existing two Mission Critical Projects and updated Members as follows:
- e3
- 15.2 The e3 programme continues to progress and remained within time and cost parameters. The transition to Azure/Cloud storage solutions has completed

and former data centres have been decommissioned. Work to refresh system hardware is progressing well with the Out of Hours hardware refresh and the RFID/self-service equipment upgrade completed.

- 15.3 A number of activities were planned for the period January to March 2025 including the completion of implementation of card payment functionality across the service, and the commencement of the programme for hardware refresh of all corporate and public access computers.

- 15.4 It was noted that the Information Systems Committee was formally stood down by the Board at its October 2024 meeting.

Belfast Central Library

- 15.5 The Director of Business Support informed Members that although the capital funding position had not improved sufficiently to allow further development work and the updating of the project Outline Business Case (OBC) to be progressed, on-going engagement with DfC has led to a proposal from the Department to facilitate a strategic workshop and an 'Innovation Lab' drawing together stakeholder, Libraries NI and other public sector organisations with a view to refreshing the strategic context of the project, and gathering views to inform the project's objectives in the future.

- 15.6 No specific timescale for the strategic workshop has been set as yet however it is now a 'live' issue for the Department and one which it is anticipated would be taken forward early in the 2025/26 financial year.

16. DIRECT AWARD CONTRACTS ARAC 11.01.25

- 16.1 The Director of Business Support confirmed that no Direct Award Contracts valued between £1,000 and £30,000 were authorised by the Accounting Officer during the period 1 October to 13 December 2024.

17. CONFLICTS OF INTEREST POLICY – REVIEW ARAC 12.01.25

- 17.1 The Director of Business Support presented the Conflicts of Interest Policy in line with the policy review cycle. He reminded Members that the policy provides a framework for the management of conflicts of interest in a consistent and transparent manner and reinforced the integrity of Libraries NI's decision-making processes. He confirmed that there were no substantive changes to the Policy. Minor revisions had been made to update terminology and references.

- 17.2 On a proposal by Ms A Quail, seconded by Councillor M McRandal, the Committee approved the Conflicts of Interest Policy and recommend it to the Board for approval.

18. CODE OF CONDUCT FOR BOARD MEMBERS (REVISED) ARAC 13.01.25

- 18.1 The Director of Business Support drew attention to the revised Code of Conduct for Board Members, the purpose of which is to provide a clear framework within which Libraries NI's Board Members are expected to conduct themselves. He reported that the document was presented to the Committee in line with the policy review cycle and that there were no substantive changes. Minor revisions had been made to the Policy to update terminology and references.
- 18.2 On a proposal by Councillor G Sharvin, seconded by Ms A Quail, Members recommended the revised Code of Conduct for Board Members to the Board for approval.

19. IMPLEMENTATION OF PARTNERSHIP AGREEMENT ARAC 14.01.25

- 19.1 The Chief Executive reminded Members that the Partnership Agreement between Libraries NI and the Department for Communities came into effect in May 2024.
- 19.2 He reported that although there were some changes e.g. to delegated financial limits the new partnership agreement had not as yet resulted in a significant change in the relationship with the Department or ways of working with the Department. He added that the Department had made noticeable efforts to operate the new arrangements in the spirit of 'partnership' as there was now a more engaged approach to be more involved in communication and liaison outside the formal meeting structures and to working together on issues such as the revision of the Public Library Policy.
- 19.3 The Committee noted that the Agreement has not been in operation long enough to make a full assessment of the benefits to date. The first formal review with the Department will take place in March/April and will provide the opportunity to evaluate the revised arrangements in more depth.
- 19.4 In response to a question from the Committee Chairperson regarding the evaluation framework for the review of the Partnership Agreement, Ms F Elliott, DfC agreed to consult with colleagues and respond to the Chief Executive.

20. AUDIT AND RISK ASSURANCE COMMITTEE REVIEW OF EFFECTIVENESS ARAC 15.01.25

- 20.1 Members were reminded that the Audit and Risk Assurance Handbook requires the Committee to consider its own effectiveness. A review is completed annually and is based on NAO guidance. The review comprises 80 'Essentials' questions which are considered annually and 99 'Good Practice' questions. At the January 2024 Committee meeting it was agreed that the Good Practice questions would be considered each year on a cyclical basis.

The 'Good Practice' questions in Part 3 – Roles and Responsibilities will be included in this year's assessment.

- 20.2 Members considered and agreed the scoring for each question. The review concluded that the Committee was meeting the required standard in all areas.
- 20.3 The Committee Chairperson referred to the updated Audit and Risk Assurance Handbook which was issued by HMT in July 2024. No significant changes had been made to the handbook however it did provide clarity in relation to the role of the Board Chairperson on the Audit and Risk Assurance Committee. The Handbook stated that in order 'to retain independence the Chairperson of the Board should not be a member of the Audit and Risk Assurance Committee' therefore it was proposed that the status of the Board Chairperson on the Audit and Risk Assurance Committee be changed from member to attendee.
- 20.4 On a proposal by Ms A Quail, seconded by Councillor M McRandal, the Committee approved the status of the Chairperson of the Board on the Audit and Risk Assurance Committee to be changed from member to attendee.
- 20.5 Members noted that the revised Handbook includes a Self-Assessment Checklist. Members have previously completed the self-assessment checklist provided by the National Audit office (NAO). The HMT Checklist includes more information than the NAO Checklist and is not as detailed. Following a discussion on which checklist is best suited for the Committee, it was noted that the Committee's preferred approach would be to complete the HMT Checklist going forward. It was also agreed that the Chief Executive would seek clarification from the Department of Finance regarding the adoption of the HMT self-assessment checklist.
- 20.6 On a proposal by Ms A Quail, seconded by Councillor G Sharvin, Members recommended the completed NAO Audit and Risk Assurance Committee Effectiveness Checklist to the Board for approval.
- 20.7 It was agreed that the Chairperson would report on the results of the self-assessment at the next meeting of the Board and a copy of the completed document would be made available for review by the NIAO and DfC.

21. MINUTES OF THE PARTNERSHIP MEETING HELD ON 7 NOVEMBER 2024
ARAC 16.01.25

- 21.1 The Chief Executive referred to the minutes of the Partnership Meeting held with DfC on 7 November 2024. Issues discussed at the meeting included Financial Planning and Monitoring to include the Resource and Capital Budgets and the review of the Partnership Agreement.
- 21.2 Members noted the minutes and that the next Partnership Meeting would be held in May 2025.

22. NIAO ISSUES

22.1 There were no NIAO issues.

23. ANY OTHER NOTIFIED BUSINESS

23.1 There was no notified business.

24. DATE OF NEXT MEETING

24.1 Members noted that the next scheduled meeting of the Audit and Risk Assurance Committee would be held on Wednesday 16 April 2025 at 10.30 am in Lisburn City Library.

25. RAISING CONCERNS CASE

- 25.1 All staff members and observers with the exception of the Head of Internal Audit withdrew from the meeting.
- 25.2 On a proposal by Ms A Quail, seconded by Councillor G Sharvin, Members agreed to go into Committee.
- 25.3 On a proposal by Councillor G Sharvin, seconded by Ms A Quail, Members agreed to come out of Committee.
- 25.4 The Chairperson reported that while in Committee, the Head of Internal Audit had updated Members on the progress of an Internal Audit investigation into a Raising Concerns issue which had been reported to both the Chairperson of Libraries NI and the Minister for Communities. Members noted that the investigation is being undertaken in line with the Libraries NI Raising Concerns arrangements.

26. MEMBERS ARRIVAL AND DEPARTURE TIMES

- 26.1 The meeting ended at 1:10 pm.
- 26.2 All Members arrived for the commencement of the meeting and remained until it ended.

Signed:


Vice-Chairperson – Councillor Alistair Cathcart

Date:


16 / 4 / 25