

LIBRARIES NI
AUDIT AND RISK ASSURANCE COMMITTEE

16 April 2025

Minutes of a meeting of the Audit and Risk Assurance Committee held on
Wednesday 16 April 2025 at 10.45 am in Lisburn City Library and by remote video
link (Zoom)

PRESENT

(IP) Councillor Alistair Cathcart	Vice-Chairperson
(VL) Ms Bonnie Anley	Chairperson of the Board
(IP) Ms Ursula O'Hare	
(VL) Councillor Martin McRandal	
(IP) Councillor Gareth Sharvin	
(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
(VL) Mr Cameron McCauley	e3 Project Support Officer
(VL) Mr Conor Shields	Northern Ireland Audit Office
(VL) Ms Holly Mahood	Northern Ireland Audit Office
(IP) Ms Christine Hagan	Sumer NI
(VL) Ms Fionnuala Elliott	Department for Communities

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

1. APOLOGIES FOR NON ATTENDANCE

Mrs Wendy Osborne OBE	Chairperson
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2. MEMBERS' DECLARATION OF POTENTIAL CONFLICTS OF INTEREST

- 2.1 In the absence of the Committee Chairperson, Mrs W Osborne the Vice-Chairperson, Councillor A Cathcart chaired the Committee. He 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 Vice-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. He 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. He reported that the Head of Internal Audit had informed Members of her intention to retire at the end of June 2025. On behalf of Committee Members he wished Mrs Anderson well in her retirement.
- 3.2 The Chairperson welcomed to the meeting:
- Ms F Elliott, Department for Communities (DfC)
 - Mr C Shields and Ms H Mahood, Northern Ireland Audit Office (NIAO)
 - Ms Christine Hagan, Sumer NI
- 3.3 He 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 Mr C McCauley, e3 Project Support Officer to the meeting.

4. CHIEF EXECUTIVE'S BUSINESS

LNI 00.04.25

- 4.1 The Chief Executive updated Members on correspondence received since the last meeting as follows:
- DAO (DoF) 01/25 - Accounts Directions for 2024-25
 - DAO (DoF) 03/25 - Introduction of new Global Internal Audit Standards in the UK Public Sector
 - DAO (DoF) 02/25 Corporate governance in central government departments: Code of good practice NI (2025)
 - correspondence from the Department seeking a response to two recommendations arising from a review of Partnership Arrangements within Culture ALB Sponsorship Branch, undertaken by the Department's Internal Audit team and the Chief Executive's response.
- 4.2 Members noted the report.

5. MINUTES OF THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 15 JANUARY 2025 ARAC 01.04.25

- 5.1 On a proposal by Councillor G Sharvin, seconded by Councillor M McRandal, the minutes of the meeting of the Audit and Risk Assurance Committee held on 15 January 2025 were approved as a correct record of the meeting.

6. MATTERS ARISING FROM THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 15 JANUARY 2025 ARAC 02.04.25

- 6.1 The Chief Executive reported that there were no matters arising from the Committee meeting held on 15 January 2025.
- 6.2 In response to a question from Ms U O'Hare, the Director of Business Support advised that the property maintenance Service Level Agreement (SLA) with the Education Authority (EA) is still outstanding pending the conclusion of the EA procurement exercise. The Director of Business Support also advised that in relation to the Omagh Library lease, the Council has agreed to reassess the lease and this is currently with Land and Property Service for consideration.

7. INTERNAL AUDIT PROGRESS REPORT ARAC 03.04.25

- 7.1 The Head of Internal Audit reported on the audits completed since the last meeting of the Committee held on 15 January 2025. She noted that the audits of Colin Glen Library and Falls Road Library had resulted in a 'limited' audit opinion. A follow-up review of the Falls Road Library had been carried out in April to ensure that all recommendations had been implemented and as a result the audit opinion had been raised to 'satisfactory'. A follow-up review of Colin Glen Library had also taken place in April and while there is evidence of improvement it was decided that the audit opinion should remain as 'limited' due to vacancies at Branch Library Manager and District Manager. A further review would be carried out in June 2025.
- 7.2 Mrs Anderson provided additional information on the controls governing the use of public access computers and advised that this was an area which would be subject to further review in 2025/26.
- 7.3 Members noted the report.

8. OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS ARAC 04.04.25

- 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 as follows:
- sixteen recommendations had been carried forward since the last meeting of the Committee held on 15 January 2025

- ten recommendations had since been added
- nineteen recommendations have been implemented
- seven recommendations have not yet reached their implementation date and will be carried forward to the next meeting.

8.2 Members thanked the Head of Internal Audit for the update noting that there were no Priority One recommendations outstanding.

9. INTERNAL AUDIT ANNUAL REPORT 2024/25 ARAC 05.04.25

9.1 The Head of Internal Audit drew attention to the Internal Audit Annual Report and Opinion 2024/25. She reminded Members that Global Internal Audit Standards required her to provide 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 independence and conformance to the Standards.

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 – the opinion in relation to Colin Glen would remain limited and would be reported in the draft Governance Statement. If a further follow-up review confirms that the opinion can be raised, this will be reflected in the final 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 2024/25 peer review concluded that the reviews examined demonstrated compliance with the Public Sector Internal Audit Standards.

9.3 The Head of Internal Audit reminded members that during the year a total of nine system and consulting reviews had been completed together with an investigation of issues raised under the Libraries NI Raising Concerns arrangements which resulted in the deferral of two audit assignments into the 2025/26 financial year.

9.4 The Head of Internal Audit referred to the new Global Internal Audit Standards which replaced the Public Sector Internal Audit Standards (PSIAS) from 1 April 2025. She reminded Members of the 'gap analysis' which was completed in January 2025 and which identified that Libraries NI is substantially compliant with the requirements but noted that there were a number of actions to be implemented to demonstrate compliance. An 'Action Plan' had been prepared and she confirmed that it would be completed before she retired at the end of

June. She noted that the forthcoming external quality review of the Internal Audit service due to be completed by March 2026 would be based on the new standards.

9.5 Members noted the report.

10. BI-ANNUAL ASSURANCE STATEMENT (FOR THE PERIOD ENDED 31 MARCH 2025) ARAC 06.04.25

10.1 The Chief Executive presented the Bi-Annual Assurance Statement for the period ended 31 March 2025 and referred in particular to:

- Section 2: Board and Committees noting that as part of its review of effectiveness the Board had identified a need to complete an externally facilitated review of effectiveness in line with the Partnership Agreement. The Chairperson and Chief Executive have been in contact with the Department on this matter
- 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 representations to DfC will continue in order to secure timely and adequate funding allocations or a reliable longer term funding profile, to secure funding for library book stock and to establish reliable, sufficient and timely capital funding programmes.

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 thanked the Chief Executive for the succinct and clear summation of the challenges faced by Libraries NI. She asked that a minor amendment be made to Point 5 on page 4 i.e. the removal of the words 'appears to be'.

10.5 Following discussion of the Statement and subject to the amendment at paragraph 10.4 above, on a proposal by Ms U O'Hare, seconded by Councillor M McRandal, Members agreed to recommend the Bi-Annual Assurance Statement for the period ended 31 March 2025 to the Board for approval.

- 11. RISK MANAGEMENT REPORT AND REVIEW ARAC 07.04.25**
- 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 19 March 2025.
- 11.2 He also drew attention to the Corporate Risk Horizon Scanning document which had been reviewed at the March meeting of the Risk Management Group noting that no amendments had been made.
- 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 the Corporate Risk Register reflected a relatively 'stable' position as at year end.
- 11.4 In response to a question from Councillor G Sharvin, the Director of Business Support agreed to provide him with the current percentage of vacancies within the organisation.
- 11.5 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 2024/25 ARAC 08.04.25**
- 12.1 The Chief Executive presented the draft Governance Statement 2024/25 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 2024/25, 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 2024/25.
- 13. ANNUAL BOARD ASSURANCE STATEMENT 2024/25 ARAC 09.04.25**
- 13.1 The Chairperson of the Board presented the Annual Board Assurance Statement for the year ended 31 March 2025. 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 17 April 2025.
- 13.2 On a proposal by Councillor G Sharvin, seconded by Councillor M McRandal, Members agreed the Annual Board Assurance Statement 2024/25 and recommended it to the Board for approval.

14. INTERNAL AUDIT STRATEGY AND ANNUAL PLAN 2025/26

ARAC 10.04.25

- 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 2025/26 which had been developed incorporating requirements contained in the Global Internal Audit Standards (GIAS).
- 14.2 She drew attention to paragraph 1.4 which outlined the challenges for a small internal audit function (defined as a team of three or less) which make it difficult to fully conform with all requirements. She reported that the Strategy highlights areas which are affected by the size of the Internal Audit team and outlines the approach to be taken and whether there is any impact on the service.
- 14.3 On a proposal by Councillor G Sharvin, seconded by Councillor M McRandal, the Committee approved the Internal Audit Strategy and Annual Plan 2025/26 and recommended it to the Board for adoption.

15. EXTERNAL AUDIT STRATEGY

ARAC 11.04.25

- 15.1 Ms C Hagan, Engagement Director, Sumer NI explained the Audit Strategy 2024/25 and drew attention to the roles and responsibilities of the Northern Ireland Audit Office (NIAO) and Sumer NI and the actions for the Audit and Risk Assurance Committee. The timetable for completion of the annual accounts was duly noted. She also drew attention to Appendix 3: Prior Period Misstatements.
- 15.2 In line with the Audit Strategy 2024/25, 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 audit 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 Sumer NI to move forward with the 2024/25 Audit Strategy.

16. DIRECT AWARD CONTRACTS **ARAC 12.04.25**

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 2024 to 31 March 2025. It was noted that two expenditures had occurred during this period.

16.2 Members noted the report.

17. SCHEDULE OF MISSION CRITICAL PROJECTS **ARAC 13.04.25**

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:

17.2 e3
The e3 programme continues to progress and remains within time and cost parameters. The transition to Azure/Cloud storage solutions has now been completed and the focus of activities has moved to implementing system and process enhancements. A hardware refresh of all corporate and public access computers will commence shortly.

17.3 Belfast Central Library
With no improvement in the capital funding outlook the project development remains stalled. An 'Innovation Lab' consisting of stakeholders, 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 will take place in early May.

17.4 Members noted the update.

18. CHAIRPERSON'S REGISTER OF GIFTS AND HOSPITALITY (FOR THE PERIOD ENDED 31 MARCH 2025) **ARAC 14.04.25**

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 2025.

19. NIAO UPDATE

19.1 Mr C Shields informed the Committee that he would be on parental leave for a year and that the Libraries NI contact in the NIAO would be notified in due course. He took the opportunity to wish the Head of Internal Audit well for her retirement.

20. ANY OTHER NOTIFIED BUSINESS

20.1 There was no other notified business.

21. RAISING CONCERNS REPORT (ARAC MEMBERS ONLY)

ARAC 15.04.25

21.1 All staff and observers withdrew from the meeting.

21.2 On a proposal by Ms A Quail, seconded by Councillor M McRandal, Members agreed to go into Committee.

21.3 On a proposal by Councillor G Sharvin, seconded by Ms U O'Hare, Members agreed to come out of Committee.

21.4 The Vice-Chairperson reported that while in Committee, the Head of Internal Audit had updated Members on the outcome 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.

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 18 June 2025 at 10.30 am in Lisburn City Library.


23. MEMBERS ARRIVAL AND DEPARTURE TIMES

23.1 The meeting ended at 1:40 pm.

23.2 All Members arrived for the commencement of the meeting and remained until it ended with the exception of the following:

Ms Bonnie Anley left at 1:15.pm

Signed:


Chairperson - Mrs Wendy Osborne OBE

Date:

