

3. CHAIRPERSON'S BUSINESS

3.1 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. 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.

3.2 The Chairperson welcomed to the meeting:

- Ms F Elliott, Department for Communities (DfC)
- Mr C Fleming, Northern Ireland Audit Office (NIAO)
- Ms Christine Hagan, Sumer NI
- Mr S Mungavin, Integritas Consultancy and Training

4. CHIEF EXECUTIVE'S BUSINESS

LNI 00.04.26

4.1 The Chief Executive reported that the Chairperson of the Board, Ms B Anley was unable to attend the meeting as it coincided with the DfC ALB Senior Leaders Forum to which he had also been invited. As this was the first meeting chaired by the new DfC Permanent Secretary, Ms G Long it had been decided that the Chairperson of the Board would attend to represent Libraries NI.

4.2 The Chief Executive updated Members on correspondence received since the last meeting as follows:

- Change of Audit Manager – Mr R J Van der Schuit will be the new external Audit Manager from Sumer NI
- FD (DoF) 01/26 - Departmental Annual Reports and Accounts 2025-26 - guidance to support departments in the preparation of their Annual Report and Accounts.
- FD (DoF) 02/26 Non-Departmental Public Bodies (NDPBs) - Employer's Liability Insurance:
- DAO (DoF) 01/26 - Accounts Directions for 2025-26 -
- DAO (DoF) 02/26 - Use and Approval of Confidentiality Clauses/Agreements
- DAO (DoF) 03/36 - Northern Ireland Sustainability Reporting Guidance for NICS Departments-

4.3 Members noted the report.

5. MINUTES OF THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 21 JANUARY 2026 ARAC 01.04.26

- 5.1 On a proposal by Ms A Quail, seconded by the Committee Chairperson, Councillor A Cathcart, the minutes of the meeting of the Audit and Risk Assurance Committee held on 21 January 2026 were approved as a correct record of the meeting.

6. MATTERS ARISING FROM THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 21 JANUARY 2026 ARAC 02.04.26

6.1 Item 11.4: Risk Management Report and Review

It was noted that as part of the enhanced reporting regime relating to information and cyber security an 'Information Security Annual Report 2025/26' had been presented to the March 2026 Business Support Committee. In addition, information/cyber security was embedded as a routine reporting matter in the Information Systems e3 Programme update reports which are a standing item on the Business Support Committee's agenda.

6.2 Item 16.4: Gifts and Hospitality Policy – Review

Members noted that this item was completed and that additional clarification regarding paragraphs 3.9: Gifts received in recognition of work done and 5.10: Awards or Prizes had been provided to Members.

6.3 Item 19.5: ARAC Review of Effectiveness

It was noted that this item had been completed and a schedule had been circulated to Members proposing dates of Committee meetings when the remaining Good Practice Sections of the NIAO Questionnaire would be completed.

7. EXTERNAL QUALITY ASSESSMENT ARAC03.04.26

- 7.1 Mr S Mungavin, Integritas Consultancy & Training thanked Members for the opportunity to attend the meeting and present his report on the External Quality Assessment (EQA) of the Libraries NI Internal Audit Service. He drew attention to the report noting that the assessment had been carried out against the Global Internal Audit Standards (GIAS) and additional requirements as set out by the Chartered Institute of Public Finance & Accountancy (CIPFA).

- 7.2 In his report Mr Mungavin concluded that Libraries NI fully conformed with GIAS Standards and the CIPFA public sector application note. He noted that the Libraries NI Internal Audit service was a 'competent, professional and well regarded team that conducts its work to the required ethical standards'. Mr Mungavin confirmed that the report contained no recommendations but there were some suggested improvements that Libraries NI should consider.

- 7.3 Members thanked Mr Mungavin for his report and the reassurance it provided. Members also congratulated the Internal Audit staff on the outcome of the External Quality Assessment (EQA).

8. INTERNAL AUDIT PROGRESS REPORT

ARAC 04.04.26

- 8.1 The Head of Internal Audit drew attention to the Internal Audit Progress Report noting that seven audit reports had been issued since the last meeting of the Committee held on 21 January 2026.
- 8.2 She referred to the audit assignment on the Provision of Internet Services ICU/ICT and reported that following initial scoping work which had not identified any immediate concerns, it was agreed that the assignment be reclassified from an assurance audit to advisory engagement. She reported that the establishment of a working group had been recommended to define, agree and formalise operational processes which were supported by the technical arrangements within ICU/ICT. Once these arrangements had been formally established and embedded Internal Audit would be able to undertake a further assurance review to assess the operating effectiveness of the agreed controls.
- 8.3 The Head of Internal Audit drew attention to an additional report on the District Managers Cross Checking Management Letter. She reported that a Task and Finish Group had been established to review the issues identified and that guidance is in the process of being issued to staff.
- 8.4 She then referred to the report by Mr S Mungavin in relation to the External Quality Assessment of the Libraries NI Internal Audit Service and drew attention to the suggested improvements identified in the report and steps being taken to consider them.
- 8.5 Members noted the report and that the Internal Audit Plan 2025/26 had now been completed.

9. OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

ARAC 05.04.26

- 9.1 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 40 recommendations had been carried forward from the last meeting of the Committee in January 2026 and noted the current position as follows:
- a total of 14 recommendations have been added
 - a total of 25 recommendations have been implemented
 - a total of 29 recommendations are outstanding and will be carried forward to the next meeting.
- 9.2 Members thanked the Head of Internal Audit for the update noting that there were no Priority One recommendations outstanding.

10. INTERNAL AUDIT ANNUAL REPORT AND OPINION 2025/26

ARAC 06.04.26

10.1 The Head of Internal Audit drew attention to the Internal Audit Annual Report and Opinion 2025/26. She reminded Members that Global Internal Audit Standards (GIAS) 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.

10.2 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 no limited or unacceptable audit opinions were reported and there were no priority one recommendations, therefore, no significant internal control issues were highlighted for inclusion in the Governance Statement. It was noted that the audit opinion for Colin Glen Library had been raised to 'satisfactory' following a further review carried out in June 2025
- Section 5: Fraud, Concerns and Ethics – one matter of suspected fraud had been reported during the year and a matter had been considered under the Raising a Concern Policy
- 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 2025/26 peer review concluded that the reviews examined demonstrated compliance with the Global Internal Audit Standards. An external review to measure compliance with Global Internal Audit Standards, was completed in 2026 and it was concluded Libraries NI fully conforms.

10.3 Members noted the report and the final position regarding the completion of the Internal Audit Plan 2025/26.

11. BI-ANNUAL ASSURANCE STATEMENT (FOR THE PERIOD ENDED 31 MARCH 2026)

ARAC 07.04.26

11.1 The Chief Executive presented the Bi-Annual Assurance Statement for the period ended 31 March 2026 and referred in particular to:

- Section 2: Board and Committees noting that the process to appoint a new Councillor Board Member was progressing and that the external review of Board Effectiveness had been completed with the outcome of the review to be formally noted at the April meeting of the 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 representations to DfC would continue in order to secure timely and adequate funding allocations and / or a reliable longer term funding profile, and to provide evidence to the Department of service needs and requirements for a sustainable approach to resourcing the public library service
- Section 9: Fraud and Raising Concerns (Whistleblowing) – noting that one incident of fraud had been notified to DfC and one matter had been considered under the Raising a Concern Policy
- Section 10: Internal and External Audit – an External Quality Assurance (EQA) had been completed during 2025/26 which confirmed that Libraries NI's Internal Audit function fully conformed to the Global Internal Audit Standards (GIAS)
- Other Issues – two matters were noted i.e. an Internal Audit review of Safeguarding which was completed in 2025/26 resulting in a 'satisfactory' audit opinion and how increased demands for reporting information without any additional resource was placing additional demands on staff resources.

11.2 The Chief Executive also drew attention to those areas of the Statement which had been marked 'Working towards Compliance'.

11.3 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.

11.4 Following discussion of the Statement on a proposal by Councillor A Cathcart, seconded by Ms A Quail, Members agreed to recommend the Bi-Annual Assurance Statement for the period ended 31 March 2026 to the Board for approval.

12. RISK MANAGEMENT REPORT AND REVIEW ARAC 08.04.26

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 23 March 2026.

12.2 He referred Members to the Corporate Risk Register as at March 2026 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 financial and resource position as at year end and that the overall level of risk had not changed since the register was last reviewed in December 2025.

12.3 The Director of Business Support then drew attention to the Corporate Risk Horizon Scanning document which had been reviewed at the March meeting of the Risk Management Group noting the document had been updated to take account of progress in relation to the Public Libraries Policy and the recent global geopolitical instability.

12.4 On a proposal by the Committee Chairperson, Councillor A Cathcart seconded by Ms A Quail, Members recommended the Corporate Risk Register as at March 2026 to the Board for approval.

13. DRAFT GOVERNANCE STATEMENT 2025/26 ARAC 09.04.26

13.1 The Chief Executive presented the draft Governance Statement 2025/26 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 2025/26, and again on completion of the external audit of the Accounts.

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

13.3 Following discussion of the statement it was agreed to make the following amendments:

- page 12 the paragraph regarding the one suspected fraud case to be streamlined
- page 13 the paragraph referring to the incident relating to personal data to be amended to reflect the wording in the Bi-Annual Assurance Statement.

13.4 The Committee noted the draft Governance Statement 2025/26 subject to the above amendments.

14. ANNUAL BOARD ASSURANCE STATEMENT 2025/26 ARAC 10.04.26

14.1 In the absence of the Chairperson of the Board, Ms B Anley, the Chief Executive presented the Annual Board Assurance Statement for the year ended 31 March 2026.

14.2 Following discussion of the Statement it was agreed that it be amended as follows:

- page 5 – points 3 and 4 to be transposed to reflect the superscript numbering on Statements 10 and 14
- page 5 – point 4 to be updated to reflect that the external review of Board Effectiveness has now been completed.

14.3 On a proposal by Councillor M McRandal, seconded by Ms A Quail, Members agreed the Annual Board Assurance Statement 2025/26 subject to the amendments at paragraph 14.2 above and recommended it to the Board for approval.

15. INTERNAL AUDIT STRATEGY AND ANNUAL PLAN 2026/27

ARAC 11.04.26

15.1 The Head of Internal Audit drew attention to the document and reminded Members that she was required to establish risk-based plans to determine the priorities for internal audit activity which were consistent with the organisation's goals. She then briefed the Committee on the proposed Internal Audit Strategy and Plan 2026/27 which had been developed incorporating requirements contained in the Global Internal Audit Standards (GIAS) and suggested improvements from the recently completed External Quality Assurance Assessment.

15.2 On a proposal by Ms A Quail, seconded by Councillor M McRandal, the Committee approved the Internal Audit Strategy and Annual Plan 2026/27 and recommended it to the Board for adoption.

16. EXTERNAL AUDIT STRATEGY

ARAC 12.04.26

16.1 Mr C Fleming, NIAO drew attention to the Letter of Understanding which was issued as there had been a change in the NIAO Engagement Director with responsibility for Libraries NI. Members noted that Ms S Jones had taken up the role effective from 1 January 2026. It was also noted that the Chief Executive would sign the Letter of Understanding indicating his agreement to this arrangement and return it to the NIAO. The arrangement would remain effective until it was terminated, amended or superseded.

16.2 Ms C Hagan, Engagement Director, Sumer NI explained the Audit Strategy 2025/26 and drew attention to the roles and responsibilities of the 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.

16.3 In line with the Audit Strategy 2025/26, Members confirmed that they were satisfied that:

- the NIAO assessment of the risks of material misstatement to the financial statements was complete
- management had plans in place to address the risks identified by NIAO and that these plans were adequate
- the NIAO's proposed audit response to address these risks was 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.

16.4 Members confirmed they were content for Sumer NI to move forward on the basis of the 2025/26 Audit Strategy.

17. DIRECT AWARD CONTRACTS ARAC 13.04.26

17.1 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 17 December 2025 to 31 March 2026. It was noted that one expenditure had occurred during this period.

17.2 Members noted the report.

18. SCHEDULE OF MISSION CRITICAL PROJECT ARAC 14.04.26

18.1 The Director of Business Support presented a report on the current status of the single Mission Critical Project and updated Members as follows:

Belfast Central Library

18.2 The outworking of the 2026/27 budgeting process remains unresolved and it has not been possible to identify specific financial resources to support progressing a review and refresh of the project's Outline Business Case. However, officials in the department had briefed the Minister on a range of issues impacting on the current facilities and future development plans. The Minister has agreed that the Department should work with Libraries NI to progress a refreshed, phased five year Business Case setting out the essential short to medium term works required to stabilise and protect the building and that this work should proceed in parallel with, and not delay, wider long term considerations.

18.3 Members noted the update.

19. CHAIRPERSON'S REGISTER OF GIFTS AND HOSPITALITY (FOR THE PERIOD ENDED 31 MARCH 2026) ARAC 15.04.26

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

19.2 Members noted the Chairperson's Register of Gifts and Hospitality for the period ended 31 March 2026.

20. NIAO UPDATE

20.1 There was 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 17 June 2026 at 10.30 am in Lisburn City Library.


23. MEMBERS ARRIVAL AND DEPARTURE TIMES

23.1 The meeting ended at 12:40 pm.

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

Mr S Mungavin left at 11:08 am

Signed:



Councillor A Cathcart
Chairperson

Date:

17-06-26