LIBRARIES NI

AUDIT AND RISK ASSURANCE COMMITTEE

Minutes of a meeting of the Audit and Risk Assurance Committee held in Lisburn City Library and via remote video link (Zoom) on Wednesday 18 June 2025 at 10:30 am

PRESENT

(IP) Mrs Wendy Osborne OBE	Chairperson
(VL) Councillor Martin McRandal	
(VL) Ms Ursula O'Hare	
(IP) Ms Andrea Quail	
(VL) Ms Bonnie Anley	Chairperson of the Board

IN ATTENDANCE

(IP) Dr Jim O'Hagan	Chief Executive
(IP) Mr Desi Miskelly	Director of Business Support
(IP) Mrs Michelle Anderson	Out-going Head of Internal Audit
(IP) Mrs Leona Kerr (Observer)	In-coming Head of Internal Audit
(IP) Ms Rita McNamee	Finance Manager
(VL) Mr Curtis Fleming	Northern Ireland Audit Office
(VL) Ms Helen Dodds	Sumer NI
(VL) Ms Deborah Evans	Department for Communities

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

1. APOLOGIES FOR NON ATTENDANCE

Councillor Alistair Cathcart	Vice-Chairperson
Councillor Gareth Sharvin	
Ms Fionnuala Elliott	Department for Communities
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.

2.2 The Chairperson welcomed Ms L Kerr, the new Head of Internal Audit to her first meeting of the Libraries NI Audit and Risk Assurance Committee. In the interests of openness and transparency she informed Members that Ms Kerr had previously worked for Sumer NI who are involved in the external audit of

Libraries NI's Annual Accounts and confirmed that Ms Kerr had not worked on, or been involved in, the audit of Libraries NI's Annual Accounts and therefore, while no conflict of interest arises, it is appropriate to note Ms Kerr's previous employment at this, her first meeting. She invited the external auditors from the Northern Ireland Audit Office (NIAO) and Sumer NI to indicate that they were content with this approach. The representatives from both organisations confirmed that they were content.

2.3 No other interests were declared.

3. CHAIRPERSON'S BUSINESS

3.1 Members noted that for purposes of this meeting the out-going Head of Internal Audit, Mrs M Anderson would present the Committee papers.

3.2 The Chairperson also welcomed the following to the meeting:

- Ms D Evans, Department for Communities (DfC)
- Curtis Fleming, Northern Ireland Audit Office (NIAO)
- Helen Dodds, Sumer NI

3.3 The Chairperson reminded members that she had been unable to attend the last meeting of the Committee and thanked the out-going Head of Internal Audit, Mrs M Anderson for her hard work over the last three years and wished her well for the future.

4. CHIEF EXECUTIVE'S BUSINESS ARAC 00.06.25

4.1 The Chief Executive drew attention to the following matters and correspondence:

- the NIAO Good Practice Guide: Effective Audit and Risk Assurance Committees which brings available Audit and Risk Assurance Committee guidance into one document
- FD (DoF) 02/25 - Guidance on the Format of the Remuneration Report 2024-25
- FD (DoF) 03/25 - Laying of Annual Reports and Accounts in the Northern Ireland Assembly
- FD (DoF) 04/25 - Public Sector Pay and Pay Remit Approvals 2025-26

4.2 The Chairperson referred to the NIAO Good Practice Guide which was recently issued and encouraged Committee members to read the guidance. She explained that the guidance contained a self-assessment checklist which would be used by the Committee going forward, adding that a presentation on

the new guidance, by the NIAO, would be useful at a future Committee meeting.

4.3 The Chief Executive reported that a 'light touch' review of the Partnership Agreement was currently taking place. No substantive changes were anticipated and it was hoped to bring the revised document to members at the October meeting of the Committee.

4.4 Members noted the correspondence.

5. MINUTES OF THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 16 APRIL 2025 ARAC 01.06.25

5.1 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 April 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 16 APRIL 2025 ARAC 02.06.25

6.1 There were no matters arising from the meeting of the Audit and Risk Assurance Committee held on 16 April 2025.

7. INTERNAL AUDIT PROGRESS REPORT ARAC 03.06.25

7.1 The Head of Internal Audit reported on the audit activity since the last meeting of the Committee in April 2025 and provided an overview of the audit of Recruitment.

7.2 She reminded members that an audit of Colin Glen Library had been completed in December 2024 which had resulted in a 'limited' audit opinion. A follow-up review had been carried out in June and a permanent Branch Library Manager was now in post and was being supported by an experienced Branch Library Manager with the Area Manager regularly visiting the branch and as a result the audit opinion had been raised to 'satisfactory'.

7.3 Members noted that an update on the Raising Concerns review would be provided 'In Committee' at a later stage in the meeting.

7.4 Ms Anderson reported that there had been some slippage in completing the system audits scheduled for the first quarter of the year as a result of prioritising Head of Internal Audit activities in advance of the change of staff. The in-coming Head of Internal Audit, Ms L Kerr, would review the position and, if required, bring forward a revised plan to the October meeting of the Committee.

7.5 Members noted the report.

8. INTERNAL AUDIT CHARTER (ANNUAL REVIEW) ARAC 04.06.25

8.1 The Head of Internal Audit presented the Internal Audit Charter to the Committee noting that an annual review of the Charter was recommended.

8.2 She explained that the Internal Audit Charter has been reviewed to incorporate the requirements of the Global Internal Audit Standards (GIAS) which came into effect on 1 April 2025. She explained that although the Standards did not change the role and responsibilities of Internal Audit, the Audit Charter was reviewed and updated to provide evidence of compliance with the requirements outlined in the Standards.

8.3 On a proposal by Councillor M McRandal, seconded by Ms A Quail, the Committee recommended the Internal Audit Charter to the Board for approval.

9. OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS ARAC 05.06.25

9.1 The Head of Internal Audit presented the report showing progress on the implementation of outstanding audit recommendations from previous Internal Audit Reports. She confirmed that seven recommendations had been carried forward from the last meeting in April 2025 advising that the current position is as follows:

- 31 recommendations have been added
- 18 recommendations have been implemented
- 20 recommendations have not yet reached their implementation date and will be carried forward to the next meeting

9.2 Members thanked the Head of Internal Audit for the update.

10. AUDIT AND RISK ASSURANCE COMMITTEE DRAFT ANNUAL REPORT 2024/25 ARAC 06.06.25

10.1 The Head of Internal Audit drew attention to the draft Annual Report of the Audit and Risk Assurance Committee 2024/25 which summarised the Committee's work during the year and presented the Committee's opinion on the effectiveness of governance, risk management and control within Libraries NI. The report also provided the Committee's view on the assurances available to the organisation.

10.2 She reminded Members that the report would remain in draft pending completion of the audit of the Annual Accounts by the NIAO and receipt by the Committee of the Report to Those Charged with Governance from the

Comptroller and Auditor General. The report would be finalised for submission to the Board at its October 2025 meeting to coincide with consideration of approval of the audited 2024/25 Annual Accounts.

10.3 Members noted the draft report of the Audit and Risk Assurance Committee 2024/25.

11. LIBRARIES NI DRAFT ANNUAL REPORT AND ACCOUNTS 2024/25 ARAC 07.06.25

11.1 The Chief Executive presented the Draft Annual Report 2024/25 which sets out in detail, information on Libraries NI's activity and work during the year. He highlighted to members key sections of the report noting that it is in draft pending completion of the audit by the NIAO of the Annual Accounts 2024/25. The final audited Annual Report and Accounts would be brought back to the Committee and to the Board in October 2025 for approval, prior to certification by the Comptroller and Auditor General.

11.2 The Finance Manager presented the draft Accounts for 2024/25 noting that they had been prepared in accordance with the Government Financial Reporting Manual (FReM) 2024/25 and in line with the format outlined in 'NDPB Green' issued by the Department of Finance (DoF). She drew attention to the four key statements i.e. the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity and explained variations with the 2023/24 figures. She drew attention to the Pension asset which was not recognised this year and also noted that a PFI figure may change prior to audit, pending further advice from DfC.

11.3 On a proposal by Ms U O'Hare, seconded by Councillor M McRandal, Members recommended to the Board that the Annual Report and Accounts 2024/25 be submitted to the NIAO for audit.

12. RISK MANAGEMENT REPORT AND REVIEW ARAC 08.06.25

12.1 The Director of Business Support introduced the Risk Management Report and Review, noting in particular the minutes of the Risk Management Group held on 19 May 2025. He reminded members that the membership of the group rotated and that Mrs M Bell had stepped down and had been replaced by Ms K Keys.

12.2 He then drew attention to the Corporate Risk Register noting that there had been no significant change since it was last seen by Members at the April meeting of the Committee. He explained that the 2025/26 financial year had commenced with an interim three month funding allocation. On 19 May 2025 Libraries NI had been informed of an indicative full year allocation but as this information had been embargoed and the announcement further delayed until the end of May he had been unable to provide the detail of the allocation to

the group. Therefore, the review of the Corporate Risk Register had been carried out on the basis that a sufficient allocation would be received to enable a comprehensive public library service to be delivered. He confirmed that the Corporate Risk Register reflected a smooth transition had taken place moving from one financial year to another and currently showed a relatively stable position. He also confirmed that he had submitted bids to the June Monitoring round for additional funding for stock.

12.3 The Director of Business Support then presented the Corporate Risk Horizon Scanning document which highlights emerging challenges and threats which had the potential to impact on the risk profile of the organisation in the future. He noted that no new issues had been added and that it had been updated to reflect the current position regarding progress to review and refresh the Delivering Tomorrow's Libraries Policy and the on-going challenging outlook for the public sector in relation to funding which impedes the ability to effectively plan and deliver sustainable public library services.

12.4 In response to a query from the Committee Chairperson regarding the Public Library Policy, Ms D Evans, DfC agreed to seek an update on this matter.

12.5 On a proposal by Ms A Quail, seconded by Councillor M McRandal, Members recommended the Corporate Risk Register to the Board for approval.

13. SCHEDULE OF MISSION CRITICAL PROJECTS ARAC 09.06.25

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

e3

13.2 The delivery of the e3 programme continued to progress well and remained within time and cost parameters. The focus of activities has been the enhancement of infrastructure, refresh of hardware and the refinement of service interfaces.

Belfast Central Library

13.3 DfC supported and facilitated by the Department of Finance's Innovation and Consultancy Services (ICS) had progressed a strategic workshop and 'Innovation Lab' proposal. An initial pre-event workshop was held on 12 May 2025 where a small cross sectoral group of key stakeholders came together and worked through a series of exercises to co-design questions that would be considered at a one-day Strategic Insight Lite Lab scheduled for 23 June 2025.

13.4 The Strategic Insight Lite Lab would consider the regeneration of the Belfast Central Library site, explore potential opportunities and identify recommendations to a set of questions that would help inform the future strategic direction for Belfast Central Library.

13.5 Members noted the report on the Schedule of Mission Critical Projects.

14. DIRECT AWARD CONTRACTS ARAC 10.06.25

14.1 The Director of Business Support introduced the report on Direct Award Contract expenditure over £1,000 but less than £30,000 authorised by the Accounting Officer during the period 1 April to 2 June 2025. It was noted that one expenditure had occurred during this period.

14.2 Members noted the report.

15. NATIONAL FRAUD INITIATIVE UPDATE ARAC 11.06.25

15.1 The Finance Manager reminded Members that the National Fraud Initiative (NFI) was a bi-annual data matching exercise which assists in the prevention and detection of fraud and error. Participating organisations submit the required datasets, e.g. payroll, pensions, supplier payments, to a secure NFI website. The NFI team identifies a series of data matches which are returned to the organisation for investigation. Libraries NI report on two datasets i.e. Payroll and Finance. The Finance Manager confirmed that the outcome of the exercise had been that all matches had been investigated and no fraud or error has been identified through this process.

15.2. Members noted the Report.

16. ANTI-FRAUD POLICY (REVIEWED) ARAC 12.06.25

16.1 The Director of Business Support presented the Anti-Fraud Policy to the Committee noting that it had last been reviewed in June 2022. The policy had been reviewed in line with best practice and while the intent and purpose remain unchanged several amendments have been incorporated to take account of changes in terminology and lessons learned from the practical application of the policy.

16.2 Members noted that the policy sets out the responsibilities of all staff in promoting an anti-fraud culture and the specific responsibilities of the Chief Executive, as Accounting Officer, the Director of Business Support, individual managers, Internal Audit and the Audit and Risk Assurance Committee. It was noted that this Policy should be read in conjunction with the Fraud Response Plan and be seen within the context of overall risk management within Libraries NI.

16.3 On a proposal by Ms A Quail, seconded by Councillor M McRandal, Members recommended the Anti-Fraud Policy (Revised) to the Board for approval.

17. FRAUD RESPONSE PLAN (REVIEWED) ARAC 13.06.25

17.1 The Director of Business Support presented the Fraud Response Plan reminding Members that Libraries NI is required to have in place a Fraud

Response Plan to provide detailed guidance on how to proceed in the event of a suspected or actual fraud.

17.2 He confirmed that the Plan was last reviewed in June 2022 and while the intent and purpose remain unchanged several amendments have been incorporated taking account of changes in terminology and reflecting revisions made to the associated Anti-Fraud Policy.

17.3 On a proposal by Ms A Quail, seconded by Councillor M McRandal, Members recommended the Fraud Response Plan (Reviewed) to the Board for approval.

18. NIAO ISSUES

18.1 There were no NIAO issues.

19. ANY OTHER NOTIFIED BUSINESS

19.1 There was no other notified business.

20. UPDATE ON RAISING CONCERNS REVIEW

20.1 Staff with the exception of the Chief Executive and Head of Internal Audit, Ms M Anderson and the in-coming Head of Internal Audit, Ms L Kerr withdrew from the meeting.

20.2 On a proposal by Councillor M McRandal, seconded by Ms U O'Hare, Members agreed to go into Committee

20.3 On a proposal by Ms A Quail, seconded by Ms U O'Hare, Members agreed to come out of Committee.

20.4 The Chairperson reported that while in Committee the Head of Internal Audit updated Members on the final position regarding the investigation into a Raising Concerns case which had been reported to both the Chairperson of Libraries NI and the Minister for Communities.

21. DATE OF NEXT MEETING

21.1 Members noted that the next scheduled meeting of the Audit and Risk Assurance Committee would be held on Wednesday 15 October 2025, at 10:30 am in Lisburn City Library and/or remotely via video link.

22. MEMBERS ARRIVAL AND DEPARTURE TIMES

22.1 The meeting ended at 12:05 pm.

22.2 Members arrived for the commencement of the meeting and remained until it ended.

Signed: Wendy E Osborne

Mrs Wendy Osborne, Chairperson

Date: 15 October 2025