

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 17 June 2026 at 10:30 am

PRESENT

(IP) Councillor A Cathcart	Chairperson
(VL) Councillor Martin McRandal	
(VL) Mrs Wendy Osborne OBE	
(IP) Ms Andrea Quail	

IN ATTENDANCE

(IP) Dr Jim O'Hagan	Chief Executive
(IP) Mr Desi Miskelly	Director of Business Support
(IP) Mrs Leona Kerr	Head of Internal Audit
(IP) Ms Rita McNamee	Finance Manager
(VL) Mr Curtis Fleming	Northern Ireland Audit Office
(VL) Ms Fionnuala Elliott	Department for Communities
(IP) Ms Christine Hagan	Sumer NI

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

1. APOLOGIES FOR NON ATTENDANCE

Ms Bonnie Anley	Chairperson of the Board
Ms Ursula O'Hare	Vice-Chairperson

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 The Chairperson also welcomed the following to the meeting:

- Ms F Elliott, Department for Communities (DfC)

- Mr C Fleming, Northern Ireland Audit Office (NIAO)
 - Ms C Hagan, Sumer NI
- 3.2 There being no further Chairperson's Business, the Committee moved to the next Agenda item.
- 4. CHIEF EXECUTIVE'S BUSINESS ARAC 00.06.26**
- 4.1 The Chief Executive drew attention to the following matters and correspondence:
- FD (DoF) 03/26 - Guidance on the Format of the Remuneration Report 2025/26 which supplements guidance in Chapter 6 of the 2025/26 Government Financial Reporting Manual (FReM) regarding the format of the Remuneration Report and cancels both FD (DoF) 02/25 and DAO (DFP) 04/08.
 - FD (DoF) 04/26 - Laying of Annual Reports and Accounts in the Northern Ireland Assembly – which clarifies the arrangements for laying and publishing departmental, agency and Non-Departmental Public Body (NDPB) Annual Reports and Accounts.
 - DAO (DoF) 04/26 - Publication of Annual Theft and Fraud Report 2022/23 and 2023/24 – provides advice to departments of the publication of the Annual Theft and Fraud Report for 2022/23 and 2023/24.
- 4.2 Members noted the correspondence.
- 5. MINUTES OF THE MEETING OF THE AUDIT AND RISK ASSURANCE COMMITTEE HELD ON 22 APRIL 2026 ARAC 01.06.26**
- 5.1 On a proposal by the Committee Chairperson, Councillor A Cathcart seconded by Ms A Quail, the minutes of the meeting of the Audit and Risk Assurance Committee held on 22 April 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 22 APRIL 2026 ARAC 02.06.26**
- 6.1 There were no matters arising from the meeting of the Audit and Risk Assurance Committee held on 22 April 2026.

7. INTERNAL AUDIT PROGRESS REPORT

ARAC 03.06.26

- 7.1 The Head of Internal Audit drew attention to the Internal Audit Progress Report noting that three audit reports had been issued since the last meeting of the Committee in April 2026.
- 7.2 She drew attention to the 2025/26 Findings and Recommendations Thematic Summary a review of the recommendations and findings made in prior year, identifying recurring themes in relation to compliance with best practice requirements. The Head of Internal Audit confirmed that actions were being taken to address the highlighted issues.
- 7.3 The Head of Internal Audit confirmed that since the last meeting of the Committee in April the following activities had been undertaken:
- two compliance audits had been completed under the new approach i.e. libraries were notified in advance of the scheduled month they would be reviewed but the exact date within that month was not confirmed, to preserve the integrity and independence of the audit process
 - research, planning and scheduling of systems audits had commenced
 - training has been completed with the District Managers in relation to "What is Internal Audit and What are Compliance Audits".
- 7.4 Members were informed that the Audit Assistant was currently absent due to sick leave. Given the small size of the Internal Audit Unit this has the potential to impact on the Internal Audit Plan. The Head of Internal Audit will continue to manage and monitor the situation and Members would be kept informed.
- 7.5 Members noted the report.

8. INTERNAL AUDIT CHARTER (ANNUAL REVIEW)

ARAC 04.06.26

- 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 confirmed that the Internal Audit Charter remains fit for purpose and no substantive revisions were proposed, where appropriate terminology, dates, version numbers had been updated to reflect the passage of time and a review having taken place.
- 8.3 On a proposal by Mrs W Osborne, seconded by Councillor M McRandal, the Committee recommended the Internal Audit Charter to the Board for adoption.

9. OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

ARAC 05.06.26

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 reported that 29 recommendations had been carried forward from the last meeting in April 2026 advising that the current position was as follows:

- a total of 5 recommendations had been added
- a total of 10 recommendations had been implemented
- a total of 24 recommendations were outstanding and would 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 2025/26

ARAC 06.06.26

10.1 The Head of Internal Audit drew attention to the draft Annual Report of the Audit and Risk Assurance Committee 2025/26 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 2026 meeting to coincide with consideration of and approval of the audited 2025/26 Annual Accounts.

10.3 On a proposal by the Committee Chairperson, Councillor A Cathcart, seconded by Mrs W Osborne, Members approved and adopted the draft 2025/26 Report of the Audit and Risk Assurance Committee.

11. LIBRARIES NI DRAFT ANNUAL REPORT AND ACCOUNTS 2025/26

ARAC 07.06.26

11.1 The Chief Executive presented the Draft Annual Report 2025/26 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 2025/26. The final audited Annual Report and Accounts would be brought back to the Committee and to the Board in October 2026 for approval, prior to certification by the Comptroller and Auditor General.

- 11.2 The Finance Manager presented the draft Accounts for 2025/26 noting that they had been prepared in accordance with the Government Financial Reporting Manual (FReM) 2025/26 and in line with the format outlined in 'NDPB Green' both issued by the Department of Finance (DoF) and that the Remuneration Report had been prepared in accordance with guidance also issued by DoF, and noted changes to the valuation of intangible assets introduced by the FReM.
- 11.3 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 2024/25 figures. She drew attention to the outworkings of the five-yearly full revaluation of the estate, conducted by Land and Property Services as at 31 March 2026, the triennial valuation of the pension fund, conducted by NILGOSC's actuaries as at 31 March 2025 and the annual valuation of part of the Heritage Assets collections. She advised Members that there had been no significant changes to the accounts to date since this draft had been prepared and reminded Members that the Statements will be audited during August / September and will remain in draft form until signed and approved at the Board Meeting in October.
- 11.4 On a proposal by Mrs W Osborne, seconded by Councillor M McRandal, Members recommended to the Board that the Annual Report and Accounts 2025/26 be submitted to the NIAO for audit.

12. RISK MANAGEMENT REPORT AND REVIEW

ARAC 08.06.26

- 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 14 May 2026.
- 12.2 He then drew attention to the Corporate Risk Register noting changes which had been made since it was last seen by Members at the April meeting of the Committee. The changes related in particular to Risk 5: Resources and Risk 6: Planning and were as a result of an interim three-month funding allocation being received and the absence of clarity on when annual allocations might be confirmed.
- 12.3 Members expressed their concern as to the challenges and potential risks the short-term interim funding approach had for the organisation and the delivery of public library services.
- 12.4 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 Section 4: Staff Age Profile had been updated, and a new risk had been added to reflect the increasing prevalence of Artificial Intelligence (AI) based systems.

- 12.5 On a proposal by Mrs W Osborne, seconded by Ms A Quail, Members approved and recommended the Corporate Risk Register to the Board for adoption.

13. SCHEDULE OF MISSION CRITICAL PROJECT **ARAC 09.06.26**

- 13.1 The Director of Business Support presented a report on the current status of the remaining Mission Critical Project i.e. Belfast Central Library. He reported that there had been no significant movement in relation to the development of the project due to the budget situation. He confirmed that engagement with DfC on this matter would continue.

- 13.2 The Committee noted that pending decisions on annual and/or project specific funding allocations being taken an internal review process had commenced to inform thinking and begin development of a programme of work focused initially on the existing Victorian WH Lynn building to help improve the fabric and aesthetic of the building in the short to medium term while taking cognisance of the proposed large scale and long-term redevelopment project.

- 13.3 Members noted the report.

14. DIRECT AWARD CONTRACTS **ARAC 10.06.26**

- 14.1 The Director of Business Support referred to the report and confirmed that no Direct Award Contract expenditure falling within the scope of the Accounting Officer's delegated authority (£1,000 or over but less than £30,000) had been authorised by the Accounting Officer during the reporting period 1 April 2026 to 20 May 2026.

- 14.2 Members noted the report.

15. NATIONAL FRAUD INITIATIVE UPDATE **ARAC 11.06.26**

- 15.1 The Finance Manager reminded Members that the National Fraud Initiative (NFI) was a bi-annual data matching exercise which assisted in the prevention and detection of fraud and error. Participating organisations submitted the required datasets to a secure NFI website. The NFI team subsequently identified any relevant data matches which were returned to the organisation for investigation. Libraries NI reported on two datasets i.e. Payroll and Finance. The Finance Manager confirmed that the outcome of the exercise had been that all data matches had been investigated and no fraud or error had been identified through this process.

- 15.2 Members noted the Report.

16. ANTI-BRIBERY POLICY (REVIEWED) ARAC 12.06.26

- 16.1 The Director of Business Support presented the Anti-Bribery Policy to the Committee noting that it had last been reviewed in June 2023. The policy and associated equality screening and rural needs impact assessments had been reviewed in line with best practice and were considered to remain fit for purpose. No substantive revisions were made although minor amendments had been incorporated to take account of changes in terminology and dates to reflect the passage of time and a review having taken place.
- 16.2 On a proposal by the Committee Chairperson, Councillor A Cathcart seconded by Ms A Quail, Members approved the Anti-Bribery Policy (Reviewed) and recommended to the Board for adoption.

17. RAISING CONCERNS (WHISTLEBLOWING) POLICY REVIEW ARAC 13.06.26

- 17.1 The Director of Business Support drew attention to the review of the Raising Concerns (Whistleblowing) Policy and reminded Members that the Policy and the associated equality screening and rural needs impact assessments had been extensively reviewed and revised in June 2023 in line with updated best practice guidance provided by the Department for Communities. At that time and to aid in providing clarity the procedural detail was removed from the Policy document and incorporated within separate supporting guidance.
- 17.2 The Director of Business Support confirmed that following review the policy was considered to remain fit for purpose and no substantive revisions had been proposed. Minor amendments had been incorporated to take account of changes in terminology and dates to reflect the passage of time and a review having taken place.
- 17.3 On a proposal by Mrs W Osborne, seconded by Councillor M McRandal, Members approved the Raising Concerns (Whistleblowing) Policy Review and recommended to the Board for adoption.

18. ARAC REVIEW OF EFFECTIVENESS – GOOD PRACTICE SECTION 2 ARAC 14.06.26

- 18.1 The Committee Chairperson reminded Members that at the January 2026 meeting of the Committee, the Essential Requirements questions in all sections of the NIAO: 'Effective Audit and Risk Committee' questionnaire had been completed. Members reviewed and considered the Good Practice Questions Section 1: Membership, Independence, Objectivity and Understanding and Section 2: Skills and Experience.
- 18.2 Members noted that although the Chairperson of the Board, Ms B Anley had been unable to attend the meeting she had confirmed that she had reviewed the questionnaire and was content to answer 'Yes' to each question.

18.3 Members considered and agreed the results for each of the questions. Where further clarification was required an explanatory note had been added namely at Questions 1.21, 1.22, 2.19, 2.21 and 2.24.

18.4 Members agreed that the Good Practice questions for Section 4 – 6 would be completed at the Committee Meeting to be held in October 2026.

19. NIAO ISSUES

19.1 Mr C Fleming, NIAO confirmed that the fieldwork for the audit of the Annual Accounts 2025/26 would commence in August 2026.

20. ANY OTHER NOTIFIED BUSINESS

20.1 There was no other notified business.

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 14 October 2026, at 10:30 am in Lisburn City Library.

22. MEMBERS ARRIVAL AND DEPARTURE TIMES

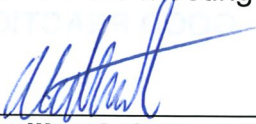
22.1 The meeting ended at 12:35 pm.

22.2 Members arrived for the commencement of the meeting and remained until it ended with the following exceptions:

Councillor M McRandal left the meeting at 12: 29 pm

Ms C Hagan left the meeting at 12:30 pm

Signed:



Councillor A Cathcart
Chairperson

Date:



14/10/26