

Libraries NI

Annual Report And Accounts 2017/18

Libraries NI

The Northern Ireland Library Authority

Annual Report and Accounts For the year ended 31 March 2018

Laid before the Northern Ireland Assembly
under Schedule 1, clauses 16 and 17 of the Libraries Act (Northern Ireland) 2008 by
the Department for Communities on 31 October 2018

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This publication is also available on our website at www.librariesni.org.uk.

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Foreword

I am pleased to present this Annual Report and Accounts for the year 2017/18. The Report includes an overview of another successful programme of work to fulfil the Authority's terms of reference, deliver its ambitious Business Plan, and continue to be responsive to the environment in which it operates, at the very heart of Northern Ireland's communities.

It has been yet another challenging financial year, in which uncertainty regarding the amount of money made available by Government was the greatest challenge to our capacity to plan and deliver services. To give a sense of the force of that challenge, the initial budget allocation of £26,647,000 for the year was £1,110,000 less than the initial allocation in 2016/17.

Highlights of an eventful year include the following:

As part of Libraries NI's commitment to address social exclusion across our communities, all branch libraries were tasked with delivering activities that targeted a local area or a group at risk of social exclusion. Overall, there were 9,051 such activities in libraries, with 105,551 instances of participation. Action plans were developed and implemented in relation to specific user groups at risk of social exclusion, including ethnic groups, people affected by dementia, the homeless, rural dwellers, the elderly and people affected by autism.

In 2017/18 there was a total of 402,483 instances of participation (175,854 adults and 226,629 children) in 29,286 core and regular activity sessions during the year with the number of activity sessions being maintained at a similar level when compared to 2016/17. These included activities for children such as class visits and Rhythm and Rhyme sessions, and activities for adults such as Reading Groups, GOT IT, Creative Writing, Knit and Natter, and Tea and Newspapers.

Libraries NI continued the successful partnership with BBC NI which included a major crime writing promotion in October 2017 as part of Bookweek NI along with other promotional activities that saw book and reading-related subjects showcased and supported by events in the library network as well as on radio programmes such as Good Morning Ulster, Blás, Evening Extra, The Arts Show and Kim Lenaghan's show.

The partnership with the Stephen Nolan Show continued to deliver 'The Biggest Book Club in the Country'. The book club has evolved over the last 12 months and features a mix of novels and non-fiction highlighting specific themes with the books selected appearing high in Libraries NI's lists of most borrowed items in both book and eBook formats.

Libraries continued to promote health and wellbeing by providing access to health information and we worked with our partners to deliver a wide range of health events and activities in libraries, including Mindfulness and Healthy Eating sessions, adult health and teenage health fairs and the use of music as a tool to promote better mental health. Take Five Steps to Wellbeing is an example of one successful initiative delivered in local libraries that can contribute to improved health and wellbeing. All libraries continue to provide a large number of social activities

that can help combat loneliness and social isolation which in turn can have so many positive impacts on health and wellbeing.

Recognising the increasing role of digital technologies in today's society, Libraries NI delivered a range of programmes aimed at facilitating digital inclusion and helping people to carry out more day-to-day tasks online, access resources effectively and engage with government departments and bodies through official websites such as nidirect.

During 2017/18 a pilot scheme for Out of Hours libraries was introduced to provide additional access, outside of normal opening hours, to a limited but important range of library services and facilities. This service received funding from the Department of Agriculture, Environment and Rural Affairs and is helping to support online access in rural areas. During 2017/18 the pilot was introduced in three libraries and will be rolled out in a further three libraries in 2018/19.

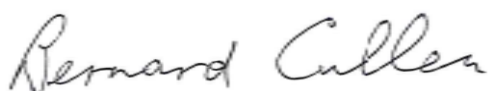
Libraries NI was pleased to participate in the Boardroom Apprentice programme in 2017/18. This is a new and innovative programme which provides individuals who wish to become Board Members, within the public and third sectors, the opportunity to gain practical experience, training and support through a non-voting placement with a host Board.

Aside from these standout activities and achievements, it is important to recognise also the tremendous work carried out by staff across the service on a daily basis, and against a backdrop of pervasive uncertainty, which is set out in some more detail in the 'Performance Report: Analysis' section. All staff are to be commended for their continued commitment, professionalism and consistently high levels of achievement.

I am ever conscious that the success of our service to our communities depends also on the continuing co-operation with our many partner organisations within the public, community, voluntary and trade union sectors. In particular, I wish to thank Departmental officials, whose co-operation was vital in enabling the Authority to operate so successfully, in such a difficult environment, during the year under review.

The principal staffing issue of the year was the appointment in January 2018 of Jim O'Hagan as Chief Executive. I would like to pay special tribute to Helen Osborn in her role as Acting Chief Executive, in the extended period prior to Jim's appointment, and in particular for her leadership and contribution to the many achievements and the high standards of service maintained during 2017/18.

Finally, I would once more like to record my gratitude to my fellow Board Members for their continued support and their dedication to the work of the public library service.



Professor Bernard Cullen
Chairperson

Date: 11 October 2018

Performance Report: Overview

Chief Executive's Statement

The financial year 2017/18 was challenging, not least because of the continuing reduction in budgets. The initial budget allocation for the year of £26,647,000 was £1,110,000 less than the initial allocation in 2016/17. Savings Delivery Plans were developed in relation to reduced expenditure on stock, reduced planned and response maintenance, miscellaneous savings and a reduction in summer opening hours. The financial situation eased in the later part of the year, with additional funding for stock and property maintenance being made available.

In 2017/18 recurrent net expenditure was £29,066,000 after subtracting non-cash expenditure and other expenditure not scoring against budget from net expenditure after interest of £37,108,000. The allocated budget was £29,148,000. Capital expenditure was £2,230,000 within an allocated budget of £2,245,000.

The limited capital allocation allowed the refurbishment and extension of Lisburn Road Library to be completed and work to commence on the redevelopment of Coleraine Library, together with a small number of other minor works projects. The absence of longer term capital funding makes planning difficult, but work has continued during the year to develop and gain approval for business cases for a number of projects.

The implementation of 10 voluntary redundancies in-year contributed to the required savings in 2017/18 and will deliver savings in 2018/19 and subsequent years. Because of budget pressures, Libraries NI has implemented a voluntary redundancy programme each year since it was established in 2009, leading to a significant loss of staff knowledge and expertise and resulting in lean staffing levels in parts of the organisation. This makes it more difficult to undertake development work, to respond quickly and flexibly to initiatives and to maintain the standard and extent of service provision.

Despite the difficulties and pressures created by the funding situation, staff across the organisation have continued to work hard to maintain a high standard of service to customers. The fact that the majority of Key Performance Indicators (KPIs) were achieved, and in many cases exceeded, is testimony to the professionalism and commitment of staff. I want to place on record my sincere appreciation to staff across the service, in both frontline and support services, for the contribution that they have made to the delivery of the 2017/18 Business Plan and for their continued support in difficult and uncertain times.

This Annual Report gives a flavour of the range of programmes, activities and development which have taken place during the year to support our corporate objectives and six key service priorities (Children and Young People, Cultural Heritage, Digital Inclusion, Support for Health and Wellbeing, Community Relations and Cultural Diversity and Reading and Reader Development).

As part of Libraries NI's work to address social exclusion all branch libraries were set a target of delivering at least one activity which targeted a local area or group at risk of social exclusion. Many libraries exceeded this target. Overall there were 9,051

activities in libraries with 105,551 participants. Action plans were developed and implemented in relation to customer groups at risk of social exclusion including ethnic groups, people affected by dementia, the homeless, rural dwellers, the elderly and people affected by autism.

Recognising that the most significant opportunities to improve life opportunities exist in the form of early interventions, activities aimed at children and young people are a key element of Libraries NI's approach to tackling social exclusion. Rhythm and Rhyme sessions designed to help develop pre-literacy and early learning skills continued to be the most popular programme, attracting substantial numbers of children and their parents and carers. Rub-a-Dub-Hub, an online resource providing tools, tips and fun learning activities to give parents and carers increased confidence to support their young children with the early stages of reading and emotional development was developed further. Class visits aimed at pupils in Year 4 and Year 6 complement the Northern Ireland Curriculum. Storytimes, reading groups and the annual Summer Reading Challenge, which attracted 38,954 children, encourage reading for pleasure, which, research shows, is linked to improved educational outcomes.

Work continued during the year to build on existing partnerships with other organisations. As a statutory partner in the Community Planning process, Libraries NI engaged actively with each of the new Councils on identifying the long term objectives for their respective areas and on developing plans to tackle cross-cutting issues that require a collaborative approach for the benefit of citizens.

Supporting literacy and promoting a love of reading remains at the core of our work. In 2017/18 we spent £3.905 million on stock in a variety of formats across a range of genres and in many different languages, reflecting the multi-cultural background of library users. eBooks continue to grow in popularity as did the use of eMagazines.

This Annual Report reflects Libraries NI's second year of operation under the Department for Communities (DfC). Increasingly, opportunities are emerging for the public library service to make a significant contribution to the Department as a local access point to many of the services being delivered both by it and other Departments, thus helping to facilitate joined-up approaches to service delivery in all communities, particularly in the context of the draft Programme for Government. A key focus of our Corporate Plan 2016-2020 is the contribution that libraries make to social, community and economic wellbeing as community hubs where people can access a wide variety of learning, information and social resources that make a difference to their quality of life in both the short and long term.

I am grateful to the Chairperson and Board of Libraries NI for their continued interest in, and support for, the public library service over the past year. There is no doubt that the next few years will continue to be challenging with projected reductions in public sector funding, and like all public bodies, Libraries NI needs to continue to change, improve and become more efficient in what we do. I am confident that we are well-placed to meet the challenges that are ahead.

Our Purpose

The Northern Ireland Library Authority, known as Libraries NI, was established as a body corporate on 1 April 2009 as a result of the Review of Public Administration. Its functions are laid down in The Libraries Act (Northern Ireland) 2008. The primary duty of Libraries NI is to provide a comprehensive and efficient public library service for persons living, working or studying in Northern Ireland. In doing so the organisation is required to:

- secure that facilities are available for the borrowing of, or reference to, library materials sufficient in number, range and quality to meet the general requirements of adults and children (whether by keeping adequate stocks, by arrangements with other bodies concerned with library services or by any other means)
- have regard to the desirability of:
 - encouraging both adults and children to make full use of the library service
 - providing advice as to the use of the library service and making available such bibliographical and other information as may be required by persons using the service
 - promoting literacy and lifelong learning
 - maintaining a collection of library materials relevant to the cultural heritage of Northern Ireland
 - making library premises available for cultural and community activities
 - meeting any special requirements of adults and children by any appropriate means.

Our Corporate Goals

Our corporate goals for the period 2016–2020 are as follows:

- support literacy and promote a love of reading
- contribute to social and community wellbeing
- promote economic wellbeing
- support and develop our people
- deliver high quality services.

In order to help achieve these corporate goals our work in 2017/18 was focused on six key service priorities, delivered through the network of 96 branch libraries, two heritage libraries and 16 mobile libraries as well as through outreach and online services. The key service priorities were as follows:

- **Children and Young People**

The most significant opportunities to improve people's health, wellbeing and

life opportunities exist in the form of early interventions, particularly, though not exclusively, designed for children and young people. Children's and young people's services and programmes are a key element in Libraries NI's approach to tackling poverty and social exclusion. Libraries NI also provides support and guidance for parents of young children through dedicated family learning programmes.

- **Cultural Heritage**

Libraries have a long tradition of collecting and preserving material which relates to our cultural heritage. Access to this cultural heritage, both local and national, enriches society by nurturing creativity, imagination, a sense of place and a sense of pride. It is of central importance in supporting and extending a community's understanding, not only of its local identity, but also of its past and its role in shaping the present.

- **Digital Inclusion**

Libraries have a critical role to play in helping to promote greater equality of access to the skills, confidence, technology and connectivity necessary to operate in an increasingly online world. Libraries provide free local access to broadband, Wi-Fi and hardware. More importantly, library staff can support customers in accessing online services and have the skills to understand customer needs to help them navigate through, and make sense of, the myriad of resources that are available. The development of people's digital and information literacy skills remains a key priority for the service.

- **Support for Health and Wellbeing**

Libraries promote health literacy through the provision of accessible health related information, in online and hard copy formats, through partnerships, events and programmes. The health and wellbeing benefits of reading and of social programmes such as Libraries NI's Knit and Natter sessions are well documented. The library network provides welcoming, locally accessible and stigma-free environments for health promoting activities. Libraries NI's support for health and wellbeing is aligned with the widely used 'Five Steps to Wellbeing'.

- **Community Relations and Cultural Diversity**

Libraries as neutral trusted venues are ideally placed within local communities to provide a shared safe social space where individuals and communities can explore different cultural traditions and backgrounds. They, and the resources within them, lend themselves to the provision of inclusive activities to promote respect and increase understanding. In addition, as a statutory partner, we have engaged with local councils across Northern Ireland as part of the Community Planning process.

- **Reading and Reader Development**

The value of reading stretches far beyond the benefits to the individual. Reading is an essential life skill and a gateway to learning and information. It is also a source of pleasure, enjoyment, inspiration and relaxation. Research demonstrates that developing a love of reading is important for children's life chances and is one of the most effective ways of leveraging social change. Reading expands knowledge and vocabulary and can help improve analytical and thinking skills, focus, concentration, and writing skills. Research also shows that reading and taking part in social reading activities such as reading groups has a beneficial effect on health and wellbeing, including mental health, self-esteem, confidence and stress reduction.

Key Issues and Risks

The level of and uncertainty about funding was a major risk to the achievement of objectives and targets during 2017/18. The financial year 2017/18 was challenging, not least because of the continuing reduction in budgets. The initial budget allocation for the year of £26,647,000 was £1,110,000 less than the initial allocation in 2016/17. Savings Delivery Plans were developed in relation to reduced expenditure on stock, reduced planned and response maintenance, miscellaneous savings and a reduction in summer opening hours. The financial situation eased in the later part of the year, with additional funding for stock and property maintenance being made available.

A further risk related to the impact of successive rounds of voluntary severance, compounded by staffing changes at a Senior Management level.

Going Concern

Libraries NI was established by statute under the Libraries Act (NI) 2008, as an Executive Non-Departmental Public Body, sponsored by the then Department of Culture, Arts and Leisure (DCAL). As a result of a reduction in the number of government departments, the former DCAL ceased to exist with effect from 9 May 2016, and responsibility for Libraries NI transferred to DfC. Libraries NI received its core resource and capital funding from the DfC during 2017/18. Libraries NI is not aware of any events which would impact upon the entity's status as a going concern. For these reasons Libraries NI has adopted the going concern basis in preparing the annual report and accounts.

Performance Summary

Target	Outcome
<p>Contribute to social and community wellbeing Achieve the following levels of participation in branch libraries</p> <ul style="list-style-type: none"> • 4,950,000 Issues/renewals (including eBooks and eMagazines) • 290,000 active members • 1,035,000 PAT/Wi-Fi sessions • 320,000 instances of participation in core and regular programmes. 	<p>Achieved</p> <p>Issues/renewals/eBooks 106.78% of target</p> <p>Active members 99.93% of target</p> <p>PAT use/Wi-Fi 99.92% of target</p> <p>Core and regular Programmes 125.78% of target</p>
<p>Support literacy and promote a love of reading Rhythm and Rhyme in 90% of libraries. Class visits in 70% of libraries. 900 adult reader group sessions.</p>	<p>Achieved</p> <p>99% of branch libraries</p> <p>93% of branch libraries</p> <p>1,320 sessions</p>
<p>Promote economic wellbeing 90% of libraries will deliver/facilitate one to one assistance and/or organised events to support digital inclusion.</p>	<p>Achieved</p> <p>100% of libraries</p> <p>4,996 instances of participation</p>
<p>Deliver high quality services Meet financial targets for resource and capital spend and minimise underspend.</p>	<p>Achieved</p> <p>Resource budget: £29,148,000</p> <p>Spend: £29,066,000 (0.3% underspend)</p> <p>Capital budget: £2,245,000</p> <p>Spend: £2,230,000 (0.7%.underspend)</p>
<p>All Priority One Internal Audit recommendations implemented within four months of the agreed date.</p>	<p>Achieved</p>

Performance Report: Analysis

How we measure performance

The performance management framework consists of:

- the Corporate Plan which sets out the corporate objectives linked to relevant priorities in the draft Programme for Government and the Department's strategies for the public library service
- an annual Business Plan which sets out the actions to be taken and the associated targets
- Key Performance Indicators which are used to report quarterly at Board level and to the Department on progress.

During the year, a statistician, seconded from the Northern Ireland Statistics and Research Agency (NISRA), worked closely with senior management to fulfil the obligations placed on the organisation as a result of being listed as a producer of Official Statistics. The fourth Libraries NI Official Statistics publication, entitled *Participation in Core and Regular Library Activities in Northern Ireland 2016/17*, was released on 31 August 2017, showing a total of 413,076 participants (173,064 adults and 240,012 children) engaged in 29,196 core and regular activity sessions (i.e. Class visits, Genealogy, Got IT, Go On, Job Clubs, Knit and Natter Groups, Reading Groups, Rhythm and Rhyme and Storytime). This was a 21% increase in participation and a 29% increase in the number of activity sessions since 2015-16.

Official statistics relating to 2017/18 were published on 27 September 2018 and relevant information from these statistics is reflected in the KPIs shown below. The statistics show that there was a total of 402,483 instances of participation (175,854 adults and 226,629 children) in 29,286 core and regular activity sessions during the year. This represents a 3% decrease in participation and no percentage change in the number of activity sessions since 2016/17.

Further information is available in the Statistical Bulletin *Participation in Core and Regular Library Activities in Northern Ireland 2017/18* available on the Libraries NI website at <https://www.librariesni.org.uk/AboutUs/OurOrg/Statistics-Documents-2017/18/Participation-in-Core-and-Regular-Library-Activities-2017/18-Report.pdf>

The statistics reported in the publication are produced from the Libraries NI Activity Database which is maintained by the statistician. Management information produced from the database is used to monitor progress against corporate objectives and targets.

Financial information is taken from the audited Financial Statements. Other management information is extracted from information systems which are subject to regular internal audit.

Key Performance Indicators

Target	Outcome
<p>Overall Participation Levels Achieve the following levels of participation in branch libraries</p> <ul style="list-style-type: none"> • 4,950,000 Issues/renewals (including eBooks and eMagazines) • 290,000 active members • 1,035,000 PAT/Wi-Fi sessions • 320,000 instances of participation in core and regular programmes 	<p>Achieved</p> <p>Issues/renewals/eBooks 106.78%</p> <p>Active members 99.93%</p> <p>PAT use/Wi-Fi 99.92%</p> <p>Core and regular programmes 125.78%</p>
<p>Mobile Library Services Achieve mobile library usage at 75% of 2016/17 levels i.e. 370,000 loans/renewals</p>	<p>Achieved Target exceeded by 18.28%</p>
<p>Participation in Programmes <u>Rhythm and Rhyme</u></p> <ul style="list-style-type: none"> • 90% of libraries will deliver regular public Rhythm and Rhyme sessions for pre-school children 	<p>Achieved Number of branch libraries: 95 (99%) Instances of participation 155,653</p>
<p><u>Class visits</u></p> <ul style="list-style-type: none"> • 70% of libraries will deliver a structured class visits programme for primary-age children 	<p>Achieved Number of branch libraries: 89 (93%) Instances of participation 29,236</p>
<p><u>Adult Reading</u></p> <ul style="list-style-type: none"> • Deliver 900 adult reader group sessions by March 2018 	<p>Achieved Number of sessions 1,320 Instances of participation 9,665</p>
<p><u>Got IT and Go On</u></p> <ul style="list-style-type: none"> • 90% of libraries will deliver/facilitate one to one assistance and/or organised events to support digital inclusion 	<p>Achieved Number of branch libraries: 96 (100%) Instances of participation 4,724</p>
<p><u>Health and Wellbeing</u></p> <ul style="list-style-type: none"> • All libraries to deliver Health and Wellbeing activities and provide health information 	<p>Achieved Number of events: 13,163 Instances of participation 96,634</p>

<p>Heritage</p> <ul style="list-style-type: none"> • Deliver or host 200 cultural heritage events 	<p>Achieved</p> <p>Number of events/activities 686</p> <p>Instances of participation 8,967</p>
<p>Website Traffic</p> <ul style="list-style-type: none"> • Achieve total website traffic visits of 1,600,000 	<p>Not achieved</p> <p>1,521,924 (95%)</p>
<p>Sickness Absence</p> <ul style="list-style-type: none"> • Reduce overall sickness absence by 3% compared to the 2016 calendar year 	<p>Not achieved</p> <p>Composite average FTE days lost 11.32 (against target of 9.82 days)</p>
<p>e2</p> <ul style="list-style-type: none"> • Meet all e2 contract standards for 2017/18 	<p>Achieved</p>
<p>Deliver high quality services</p> <p>Meet financial targets for resource and capital spend and minimise underspend</p>	<p>Achieved</p> <p>Resource budget: £29,148,000</p> <p>Spend: £29,066,000 (0.3% underspend)</p> <p>Capital budget: £2,245,000</p> <p>Spend: £2,230,000 (0.7%.underspend)</p>
<p>All Priority One Internal Audit recommendations implemented within four months of the agreed date</p>	<p>Achieved</p>

Development and Performance

Tackling Poverty and Social Exclusion

Libraries NI continued to target resources at the 15 libraries serving people in the 10% most deprived Super Output Areas, as determined by the Northern Ireland Multiple Deprivation Measures (NIMDM) 2010 and Urban Village areas with a view to addressing inequalities and reducing barriers to library use. Library staff attended information and networking forums to work collaboratively with other agencies and contribute to initiatives under the Together: Building a United Community (T:BUC) strategy. A programme of activities and community engagement targeted ethnic groups, cross community and lesbian, gay, bisexual and transgender (LGBT) groups. Developing partnership opportunities is a key strand in the Targeting Social Exclusion (TSE) service delivery. Examples include storytelling at Women's Aid refuges, a Reading Group with Survivors of Trauma and the Arts for Older People reading and creativity project.

Additionally all libraries delivered at least two activities to vulnerable groups at risk of isolation including engaging with the homeless, rural dwellers and older people.

As part of Refugee Week a number of libraries hosted photographic exhibitions by individual refugees and dance performances by Beyond Skin and Du dance. In partnership with Oxfam the 'Make them Visible' and 'Write to Refuge' exhibitions helped to raise awareness of the refugee situation while the Welcome Wall project involved libraries producing welcoming messages and cards for Syrian families arriving at the Refugee Centre.

Good Relations and Cultural Diversity

Good Relations focused on planning and delivering a range of inclusive activities to promote respect, improve access to opportunities, celebrate diversity and create a greater understanding of our shared history and communities. Libraries as neutral trusted venues are ideally placed locations within communities, providing a shared social place where individuals and communities can meet together to interact and learn about different cultural traditions and backgrounds.

Community Relations and Cultural Awareness Week took place in September 2017 with the theme of Safe Space, Shared Place. Libraries featured strongly and played a leading role in supporting and facilitating the programme hosting 48 exhibitions and events in over 30 libraries, including multicultural storytelling for adults and children, musical recitals, reminiscence and historical reflections. For the first time libraries exhibited creative work produced by prisoners from the three facilities in Northern Ireland.

Facilitating and hosting exhibitions and events from a range of partners and statutory organisations allows libraries to promote awareness of cultural diversity in welcoming shared spaces. These include the well-established week long Nasca festival in Holywood which offers bi-lingual storytelling and talks in the Irish language. In partnership with National Museums Northern Ireland (NMNI) three touring exhibitions were hosted in libraries making the collections accessible to the wider public and

promoting awareness of culture and identity. These included 'Facing the Past' - portraits drawn from times, places and social classes across Ireland.

Touring exhibitions were developed in partnership with organisations such as The Royal College of Speech and Language Therapists, Oxfam and the BBC. Exhibition highlights included:

- 'Wrens of HMS Caroline' to celebrate the centenary year of the formation of the Women's Royal Navy Service (WRNS)
- 'My Journey My Voice' – Royal College of Speech and Language Therapists to promote awareness of communication difficulties
- 'A Picture Paints a Thousand Words' art project with older people.

Library Services in Rural Areas

The network of branch and mobile libraries, continued to provide services to rural dwellers. An analysis of Libraries NI's customer base was undertaken which showed that all libraries have some rural dwellers amongst their customers. This ranges from 1.1% for Shankill Road Library to 97.65% for Kilrea Library. Libraries NI has 29 libraries based in villages with a population of 5,000 or less. In addition, 17 libraries based in larger villages or towns have a customer base including at least 40% rural dwellers.

Libraries NI continued to work in partnership with the Department of Agriculture, Environment and Rural Affairs (DAERA) to deliver actions arising from the agreed Memorandum of Understanding. This has led to major promotions of library services in rural areas and closer relationships with the Local Rural Support Networks. Working with DAERA, steps were taken towards a pilot of the Out Of Hours Libraries approach in six rural libraries with a view to increasing access to broadband in rural areas. This service was introduced in three libraries in 2017/18 and will be progressed further in 2018/19.

The Rural Needs Act (Northern Ireland) 2016 includes Libraries NI in the schedule of bodies which must 'have due regard to rural needs'. This takes effect in June 2018 and Libraries NI has undertaken preparations for this.

Children and Young People's Services

The Children and Young People's Services Team continued to provide support to enable frontline staff to deliver core and regular activities. Staff also gave talks to outside groups on various aspects of books and reading including storytelling techniques and making and using story sacks as a means of supporting parents to develop a lifelong love of reading within their families.

Rhythm and Rhyme sessions were once again a popular event in all libraries and attracted substantial numbers of children, accompanied by their parents and carers. These sessions help to develop pre-literacy skills in 0-4 year olds as well as providing an opportunity for parents and carers to build a strong and loving bond with their children. An addition to Rhythm and Rhyme sessions was a Rhythm and Rhyme Challenge which began in October 2017. The challenge invites children who

attend library based Rhythm and Rhyme sessions to sing/recite and if possible learn one designated rhyme each month, for eight months. Participants receive a certificate at the end of the challenge.

Libraries NI once again worked in partnership with BookTrust during National Bookstart Week. The theme was 'Let's Explore Outdoors!' and a launch event was held at Streamvale Farm with an invited pre-school audience. Themed Rhythm and Rhyme sessions were held in libraries during National Bookstart Week.

Libraries NI also supported Year Two of the Getting Ready to Learn strand of the Early Intervention Transformation Programme (EITP).

The Children and Young People's pages on the Libraries NI website were re-designed into three categories; Rub-a Dub Hub, Kids' Hub and Teen Hub. These pages are regularly updated with quizzes, book recommendations and activity sheets.

The promotion of reading for pleasure is a vital element of the work of Libraries NI. This is delivered in a number of ways including regular programmes in libraries such as story times and children's reading groups and one-off initiatives such as the Big Summer Read.

The Big Summer Read with a theme of Travel and Transport was offered in all libraries and mobile libraries throughout July and August 2017. The Big Summer Read aims to keep children reading over the holidays to redress the reading 'dip' which can occur during the long summer break. We greatly exceeded our target to read 238,855 books to take us to the moon when every book read was equivalent to one mile. The Big Summer Read was supplemented with many events. On Saturday 2 September a Family Day was held at the Armagh Planetarium with activities which included entrance to the *Perfect Little Planet* show, three storytelling sessions with Steve Lally and on-going craft sessions throughout the day. Children who were successful as part of the National Museums Northern Ireland (NMNI) draw received a family ticket to enjoy either the Ulster Folk and Transport Museum or the Ulster American Folk Park on a date of their choosing.

Class visits are an important means of introducing children to the range of resources available in their local library and encouraging library use. Of particular note is the Class Visits' programme aimed at pupils in Year 4 and Year 6 which complements the Northern Ireland Curriculum. This consists of either a one-off or a set of three visits to the library, during which children are introduced to the range of stock available including digital resources and are helped to develop information literacy skills. Book exchange and storytelling visits are available to other school classes.

For the first time Libraries NI held a series of events in partnership with the Northern Ireland Science Festival from 15 - 25 February. These included storytelling sessions, micro: bit workshops and two science books' activity days in Lisburn City Library and Strabane Library which featured books shortlisted for the Royal Society Young People's Book Prize 2017.

Libraries NI hosted the British Library Harry Potter: A History of Magic touring exhibition in Lisburn City Library, Bangor Carnegie Library, Belfast Central Library,

Derry Central Library and Newry City Library. Four science magic workshops with Science Starz were held to accompany the exhibition.

Support for Health and Wellbeing

Libraries continued to promote health and wellbeing by providing access to health information in hard copy, electronically, through partnerships, events and activities.

Health workshops and health events were held in 21 libraries during the year. These included Mindfulness and Healthy Eating sessions as well as adult health and teenage health fairs. Blues performer Kaz Hawkins, ambassador at Aware NI, undertook a tour of libraries showing how music can be used as a mental health tool.

To ensure people are better informed about health matters libraries continued to provide a range of information in different formats and signposted people to other health information sources. For example, Libraries NI continued to work with Macmillan Cancer Support to provide information to support people and their families affected by cancer. This Macmillan information is available in all libraries.

Take Five Steps to Wellbeing is based on the Five Ways to Wellbeing developed by the New Economics Foundation (NEF) and further designed by the Belfast Strategic Partnership. It is a set of evidence-based health messages which, if practiced regularly, will improve wellbeing. Libraries NI adapted this to, Take Five Steps to Wellbeing in your Local Library to demonstrate how libraries can contribute to improved health and wellbeing.

All libraries continued to provide a large number of social activities that helped combat loneliness and social isolation which in turn can impact on health and wellbeing. These range from Knit and Natter and Tea and Newspapers to conversation circles and chess clubs. A twice monthly Dementia café was established in partnership with Alzheimer's NI in Carrickfergus Library for people with dementia and their carers. This was one of a number of steps taken to ensure that Libraries NI becomes more dementia-friendly.

A Memorandum of Understanding was signed with the Patient and Client Council (PCC). The PCC used the library network extensively during 2017/18 to engage and consult with the public on health and social care issues. This partnership promotes and enhances access to health information and advice and also facilitates engagement and involvement in neutral, stigma free venues.

Culture and Creative Development

Libraries NI delivered and hosted a range of cultural activities, events and exhibitions designed to widen access to the creative arts and increase understanding of the value of culture in improving community wellbeing.

Programming included storytelling, poetry, creative writing, dance, Irish language classes, music clubs and 'Lift the Lid' piano sessions. Libraries NI worked in partnership with other organisations and professional actors, storytellers and

musicians to raise the profile of these activities, to exploit our resources and to enhance the skills and abilities of participants.

Creativity Month was celebrated during March 2018 with a programme of events aimed at promoting awareness of career choices in the creative industries of Television and Film. Writer in Residence for Television, Nuala McKeever, delivered creative writing workshops, talks and clinics, and industry professionals engaged with post primary students in a series of “Creative Conversations” outlining creative career pathways. Funded by DfC, the programme engaged with 604 participants at 21 events across Northern Ireland. Regular creative activities in libraries were showcased as part of the Get Creative Festival in partnership with Voluntary Arts Ireland/BBC.

This was the second successful year of the Libraries NI Storyteller in Residence, Liz Weir, funded through ‘Tullycarnet Storytelling - the Peg and Jim Armstrong Bursary’. Aiming to promote and preserve the creative art of the oral storytelling tradition, the extensive programme included workshops and training to develop emerging storytellers and enhance the storytelling skills and confidence of library staff and the public. The Bursary continued to support the monthly Tullycarnet Yarnspinners programme and held over 180 storytelling and reminiscence events reaching over 6,000 people in libraries, primary schools, residential homes and memory cafés.

Libraries with gallery spaces continued to host art and photographic exhibitions from amateur to professional. A number of libraries with display cases exhibited a range of crafts, showcasing a wealth of creativity.

Cultural Heritage

Libraries NI’s main Cultural Heritage collections are located in Armagh City, Ballymena Central, Belfast Central, Derry Central, Downpatrick, Enniskillen, Newry City, and Omagh Libraries as well as the Mellon Centre for Migration Studies (located at the Ulster American Folk Park, Omagh). Cultural Heritage staff are responsible for developing and exploiting the collections, delivering talks, workshops and other events and working with partner organisations on projects and initiatives.

During 2017/18 the collections were accessed by a wide range of customers including historians, researchers, school children, students, community groups and anyone with an interest in Irish history, literature and genealogy. Cultural Heritage staff based in these locations guided users through the wealth of resources to meet their information requirements, and offered advice about how to continue their research in other collections.

Significant anniversaries relating to the Decade of Commemorations, which featured in Heritage programming, included women’s suffrage, and the ‘Representation of the People Act’.

The 500 year anniversary of the Reformation was marked by the creation of a joint exhibition produced by Libraries NI and the Public Record Office of Northern Ireland (PRONI). Entitled ‘From the Medieval to the Modern: Reformation, Transformation

and Continuity' the exhibition travelled around several libraries and other venues. The exhibition represented the first joint project since the signing of a Memorandum of Understanding between the two organisations in September 2017.

In March 2018 an official event took place in the Guildhall in Derry to mark the receipt of the Peter Moloney Archive and the signing of a Memorandum of Understanding between the partner organisations. This archive includes over 40,000 items relating to the history of the 'Troubles' in Northern Ireland and responsibility for developing programming to exploit this unique collection is shared between the partners, Libraries NI, Derry City and Strabane Council and the Museum of Free Derry.

'Hidden Treasures' is an initiative in which Libraries NI Board Members are invited to select items from archives and the Fine Book Room, as a way to promote these unique collections. The first selection was made by Dr Margaret Ward in February 2018, and the contents, entitled 'Some glimpses of women in history, politics, arts and music' was presented on the Libraries NI website.

Events celebrating Irish and Ulster Scots recognising and reflecting cultural diversity and shared history contributed to activities in libraries.

Libraries NI continued to work effectively with partners and stakeholders. Examples include events and activities delivered with PRONI, Northern Ireland Screen, the Federation of Ulster and Local Studies, Ulster Scots Agency and, at a more local level, with councils.

Social media featured in the marking of significant events and anniversaries, with Facebook posts highlighting the unique historical resources of Libraries NI.

Information and Learning Services

Access to, and delivery of information and learning are key priorities of the services and activities provided by Libraries NI. Events held in libraries throughout 2017/18 provided people with information relevant to their needs with a particular focus on digital inclusion, health, employability and business. Many of the learning opportunities were delivered in partnership with other organisations, including the Royal National Institute of Blind People (RNIB), The Consumer Council, the Department of Finance (DoF) and DfC.

Employability

During the year libraries continued to play a role in supporting people seeking employment to find jobs, prepare curriculum vitae and make online applications through free Internet access and Wi-Fi. In partnership with colleagues from DfC, young people and adults continued to attend Job Club sessions in libraries. There were 727 job club sessions held in libraries during 2017/18.

Business Information Service

Libraries NI Business Information Service provides a wide range of online and print resources: market research reports; company information; business start-up advice; Intellectual Property information and standards; business and financial newspapers; periodicals; and specialist book stock. A specialist collection including print resources and books is held in Belfast Central Library where specialist staff can provide assistance.

Belfast Central Library remains a recognised Patent Information Centre. During 2017/18 there were 87 patent enquiries. There were also displays of historical patent displays in eight libraries. Some of the unique collections, including the Andrade collection, featured at the launch of the NI Science Festival held in the Information and Business Department.

Digital Inclusion Activities

Got IT sessions continue to be an important support for people who want to achieve a basic level of competence in using computers and the Internet. People lacking essential IT skills were supported by library staff to begin to use a computer, browse the Internet and send emails. In 2017/18 some 2,404 people were supported by staff.

The Go On NI programme enables participants to build on the skills already gained through the Got IT programme. The sessions facilitate digital inclusion by helping people carry out more day to day tasks online, including using nidirect, the official government website. Courses also include help for those wishing to use the Libraries NI website resources more effectively, bank online, edit digital photographs, explore social networking, find information on health issues, and shop online. The shift to iPad modules continues and now accounts for almost all the overall number of sessions delivered during the year. Android modules are now included in the offer to widen the potential user base. There were 405 Go On sessions during the year.

The Go On NI programme was also extended in 2017/18 to support the development of skills required to access the new system for Universal Credit and other online government services. Go On NI sessions relating specifically to skills required for Universal Credit were offered in 12 branches.

Libraries NI also continued in its support of the Royal National Institute for the Blind (RNIB) Online Today project and received training from the Police Service of Northern Ireland (PSNI) Scamwise team to assist in the development of new material to deliver to the public.

The partnership with DoF enabled Libraries NI to continue the pilot of software providing text to speech and translation options for all websites during the last year. BrowseAloud was installed on computers in nine libraries: Derry Central, Ballyhackamore, Ormeau Road, Lisburn City, Kilkeel, Cookstown, Dungannon, Enniskillen and Portadown.

Silver Surfers' Day took place on Thursday 4 May in partnership with DoF and Business in the Community Northern Ireland. Free IT taster events were delivered by

volunteers from Business in the Community to help people take their first steps in using computers and the Internet. The official launch in Lisburn City Library was well attended and enhanced by information stands from RNIB and Go On NI. In total 24 libraries provided facilities and resources for 272 Silver Surfers to receive one to one help with getting online on the day.

Libraries NI also participated in the Go On NI and Young at Heart events and also Go On NI Spring Online at Belfast City Hall.

Libraries NI delivered a number of events to celebrate a Festival of Learning throughout June 2017. The programme of 95 events took place in 37 branches and there were 874 participants in total. Libraries hosted events offering a diverse range of activities such as Yoga sessions, creative dance and flower arranging workshops.

Identity assurance training was delivered to members of staff in Dungannon and Derry Central Library to explore and prepare for the roll-out of the Northern Ireland Identity Assurance pilot in April 2018.

Reading and Reader Development

Bookweek NI, held on the 9-14 October 2017, was run in partnership with BBC NI and provided an opportunity for a major crime writing promotion. Libraries NI invited borrowers to select their favourite crime novel from a shortlist of 10 titles which had been chosen by staff. The shortlist contained the best examples of classic, British, American and Scandi crime genre and stimulated many dramatic displays in our libraries. Local crime writer Steve Cavanagh and Luca Veste visited three libraries to discuss their work and their favourite novels from the top 10 promotion. They currently produce one of the UK's leading crime blogs "Two crime writers and a microphone".

Bookweek NI also provided an opportunity for library staff to feature on Good Morning Ulster, Blas, Evening Extra, The Arts Show and Kim Lenaghan's show. Book and reading-related subjects were showcased and supported by events in the library network.

The Libraries NI partnership with the Stephen Nolan Show continued to deliver 'The Biggest Book Club in the Country'. This partnership launches a different book each month on the radio show and its website for people to borrow in libraries. The book club has evolved over the last 12 months and features a mixture of novels and non-fiction which can highlight specific themes, such as loss and loneliness. The books selected are regularly among the most borrowed items for that month.

Adult reading groups continued to be successful. A survey showed that participants appreciated the opportunity to read more widely, the social aspect of a reading group and the value of a shared space. In addition participants found that it increased their confidence and cultural awareness.

The use of eBooks has continued to grow reflecting the increasing range and depth of the collection which stands at over 17,000 titles. During this period eBook loans grew by 37.3%. Throughout the year new borrowing totals were broken for the

number of daily and monthly loans. The summer months of July and August are an ideal time to download eBooks and audio books rather than fill your holiday case with books. To meet this increased demand Libraries NI doubled the number of eBooks borrowers could borrow to 18. This resulted in a 46% growth in usage compared to the same period in 2016.

The complementary service of eMagazines has continued to grow in popularity. This service which offers borrowers free access to the current issue of many hobby, household and specialist magazines grew by 9.7% over the 12 months.

Work was undertaken behind the scenes to improve the accuracy of the catalogue for customers to use.

In 2017/18 Libraries NI spent £3,905,000 on stock which equates to £2.09 per capita, based on NISRA 2017 mid-year population estimates.

Marketing and Communications

During the year there was a notable achievement for the Marketing team when the Chartered Institute of Library and Information Professionals (CILIP), Publicity and Public Relations Group awarded a Bronze Marketing Excellence award to Libraries NI for their Two Cities One Book - Belfast Dublin entry. The Chair of the judge's panel emphasised that this year's award winners used good practice marketing techniques and tools to connect with their members. This was an award that acknowledged all of the marketing team's work with public relations, website, design and social media involvement throughout the campaign.

Growth of direct communication with customers continues to be important for Libraries NI and this was reflected in an increase of 23.7% in social media likes and follows during the year. This increase was supported by a short digital advertising campaign in February and March that focused on the promotion of eBooks and eMagazines. During the two months, the largest ever number of virtual users joined the library service to use eBooks and eMagazines. The promotion of eBooks and eMagazines was a central focus for the team throughout the year with nearly 500 promotional social media posts resulting in increased use of both services and a 19% growth in virtual members.

Libraries NI's relationship with the local press and other media outlets continues to be of key importance for the organisation and these were maintained throughout 2017/18 with the generation of a total of 2,377 press clippings. This is particularly pleasing considering the personnel changes in the marketing team.

Customers now obtain information from multiple sources online and work has been carried out to control and manage these information sources when possible. Google pages have been established for each individual library with updated opening hours and contact details available. This helps customers find accurate operational information about the library with one search, improving both service delivery and communication.

Assets

Although funding for maintenance and upgrading of the estate was limited throughout the year a range of projects aimed at enhancing the public library facilities were undertaken, including the following:

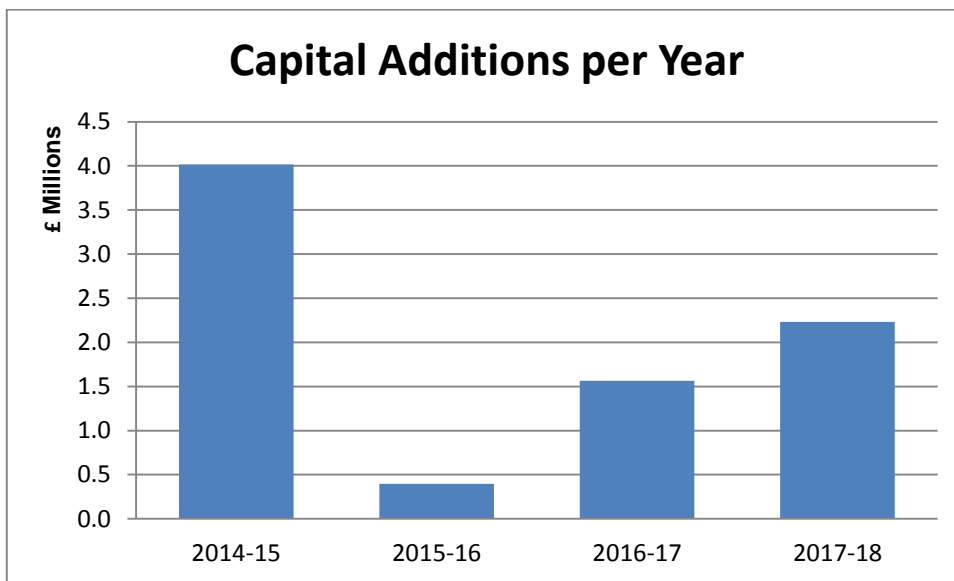
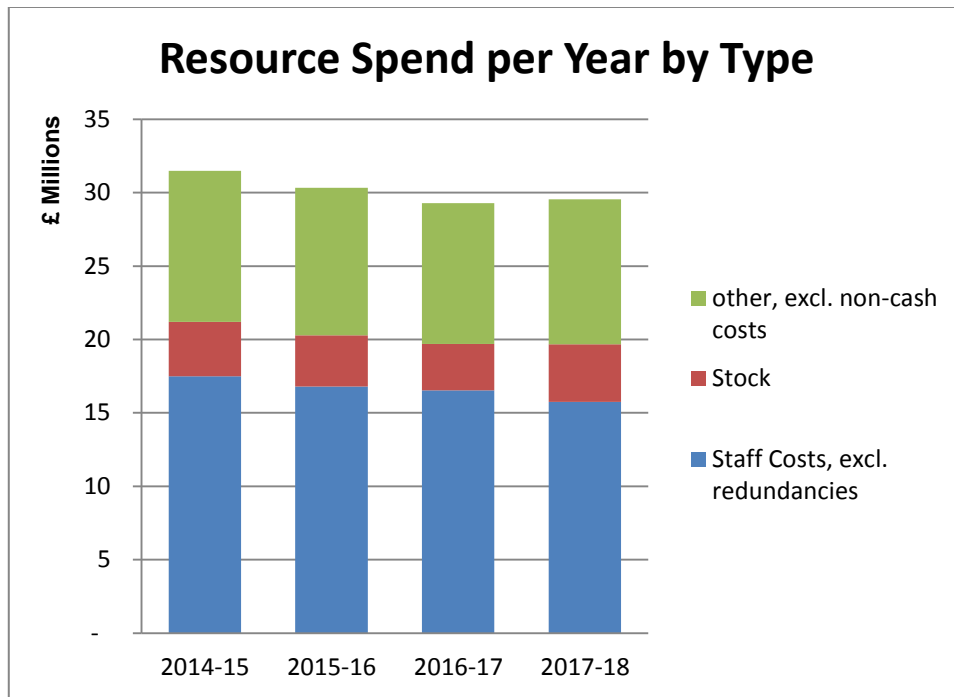
- improved energy efficient measures were installed at a number of library facilities including LED lighting at Ballymena Central, Lurgan, Newry City and Omagh libraries
- upgraded heating controls were fitted at Ballymena Central, Dundonald, Falls Road and Holywood Arches libraries
- heating plant in Carryduff, Colin Glen and Tullycarnet libraries was converted from oil fired to natural gas
- a major refurbishment and extension of Lisburn Road Library was completed in July 2017
- work to upgrade and extend the listed building at Coleraine Library commenced in June 2017
- two new mobile library vehicles were procured and four replacement stock delivery vans were added to the vehicle fleet.

Finance, Payroll and Procurement

Libraries NI is a designated body for the purposes of the Whole of Government Accounts. Results from Libraries NI's draft accounts are consolidated within a single account for Northern Ireland and ultimately for the UK public sector.

One of the major challenges facing Libraries NI in 2017/18 was the achievement of a balanced budget on both capital and resource budgets. After submission of successful bids to the Department, Libraries NI secured additional funding which assisted in meeting key pressures, and the Finance team worked closely with budget managers to ensure financial targets were achieved.

The following tables show the long-term spend trends in relation to resource and capital and reflects the reducing baseline resource budgets available and the variability of capital allocations.



The performance on prompt payment of suppliers remained strong with 98% paid within 30 days and 90% paid within 10 working days.

The Payroll Team continued to provide a high quality service to Libraries NI staff and to the Armagh Observatory and Planetarium (AOP), thus contributing to the shared services agenda.

The Procurement Team continued to work closely with management and Centres of Procurement Excellence (COPEs) in the Education Authority and Central Procurement Directorate, to deliver value for money and propriety in the procurement of goods and services.

The Finance and Payroll teams took part in the National Fraud Initiative, to assist government in identifying potential fraud. Results from the exercise for 2016/17 were investigated during 2017/18. No frauds were identified.

Human Resources (HR)

HR is responsible for providing a wide range of advice, support and guidance on all matters pertaining to employment, management and development of staff in Libraries NI.

Recruitment and Selection

During 2017/18 there were 82 recruitment exercises carried out with a total of 332 application forms received. This compared to 103 recruitment exercises carried out in the previous year when a total of 1,165 applications were received. All appointments were made according to the Libraries NI Code of Procedures on Recruitment and Selection.

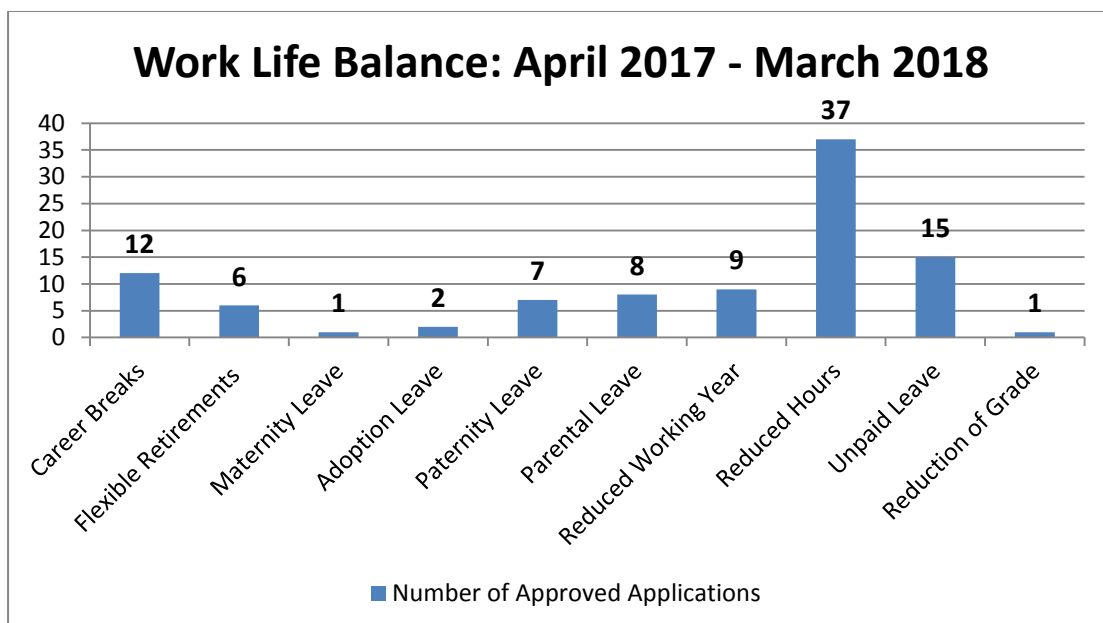
Agency Support

In 2017 Libraries NI acquired access to the Northern Ireland Civil Service (NICS) Temporary Workers contract procured through the Central Procurement Directorate (CPD) on behalf of public bodies subject to the Northern Ireland Public Procurement Policy. CPD established a framework agreement with a number of contractors for the supply of agency workers for a range of job roles listed under the contract.

In 2017/18 HR processed a total of 392 requests for agency workers, equating to 58 full-time posts for the year. Agency workers were used to support short term business needs including sickness cover, project backfill and vacancies. The majority of requests were for frontline posts at basic recruitment grade.

Employee Relations

Libraries NI is committed to providing staff with work life balance opportunities. During 2017/18 there were 103 applications for Work Life Balance adjustments of which 98 were approved. Approved applications by type are shown in the following graph.

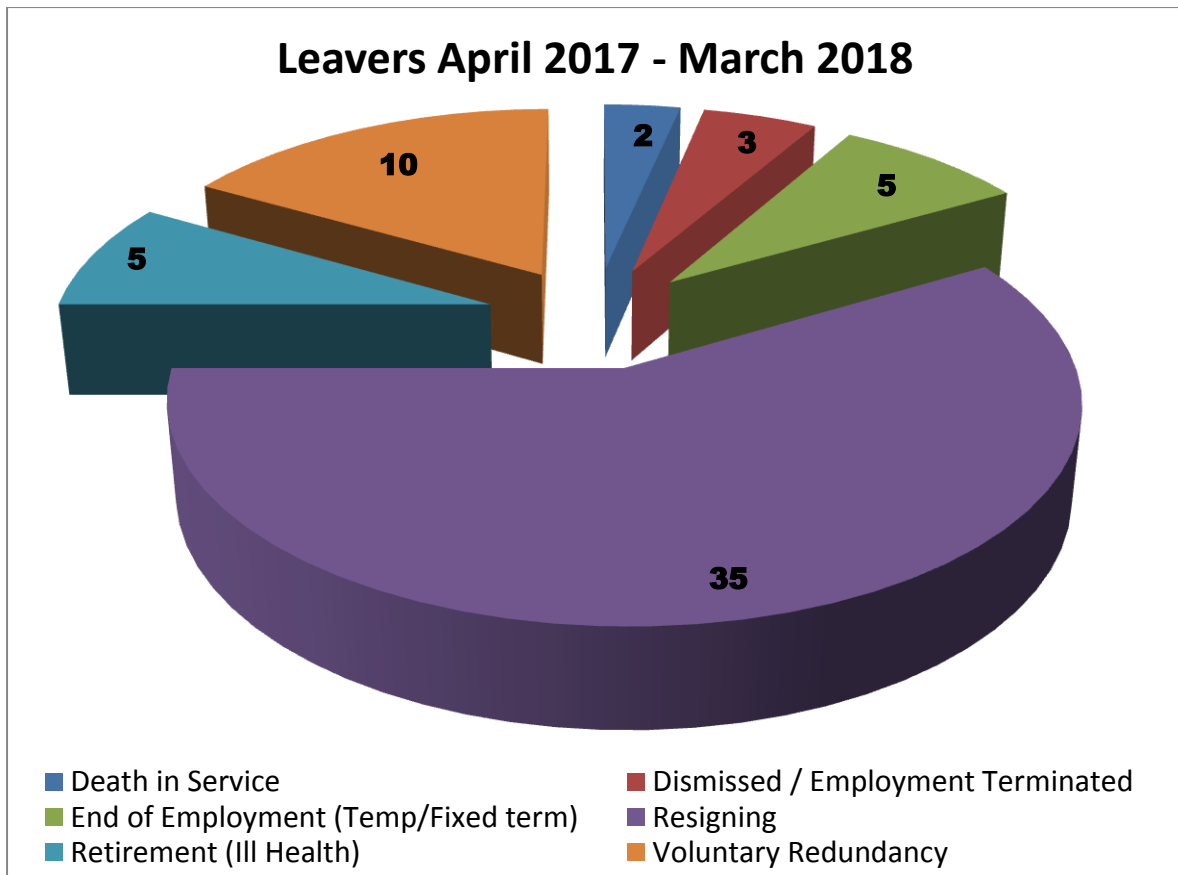


Employee Involvement

During the year the policy of providing employees with information has continued through regular distribution of a monthly update from the Senior Management Team. Regular meetings are held between staff at different levels to allow a free flow of information and ideas. In addition, the Negotiating Committee for Libraries NI (NCLNI), with representation from the recognised trades unions, meets formally each quarter, with working group meetings on specific issues being held more frequently.

Leavers

During 2017/18 60 staff left the employment of Libraries NI. The reasons are shown in the chart overleaf. This was a decrease of 9.09% from 2016/17 when 66 employees left employment with Libraries NI.



Pension

During 2017/18 HR reassessed pension contribution bandings for all staff who were members of the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOS). Following reassessment members were notified of their specific pension contribution rate. This resulted in 44 pension banding changes being processed.

In addition, 19 members returning from authorised absences were notified of their eligibility to apply to pay Additional Pension Contributions (APC) to cover lost pension. 21% of these took up this opportunity.

Health and Wellbeing

During 2017/18 the Health and Wellbeing Team continued its efforts to ensure that all staff were provided with an environment and opportunities that encouraged and enabled them to lead healthy lives and make choices that support their overall wellbeing. A wide range of health and wellbeing information and support material is available to staff on the Intranet. This includes information about employee assistance programmes, support agencies and various initiatives, including material to promote a healthy lifestyle and healthy eating.

HR continues to work collaboratively with managers and trade unions to manage sickness absence effectively and ensure support is available to our employees. As a result of this collaborative working, additional measures to improve contact during

absence and ensure that interventions to support staff return to work were introduced.

In 2017 the confidential counselling service provided by Inspire Workplaces was accessed by staff on 114 occasions. HR facilitated 18 eye tests. In April 2017 a new contract for Occupational Health Services was procured through the Education Authority CoPE. As a result of this a framework for accessing the new Occupational Health Service (OHS) provider was established. During the year 170 medical referrals were attended. Of these 125 employees were absent from work through illness, 45 referrals were for various other reasons. Following medical assessment 38 staff required workplace adjustments (23 on a temporary basis and 15 permanent), 33 were supported through a phased return to work programme. Of the remaining referrals, 68 cases were kept under review by the OHS or dealt with under other management processes such as ill health retirement or redeployment.

Staff Training and Development

A wide range of training and development opportunities were provided to staff in line with the approved Staff Training Plan and budget for 2017/18. These included the on-going delivery of a number of year-on-year training programmes such as Corporate Induction, Safeguarding Children and Vulnerable Adults, Fire Safety Awareness, Driver Certificate of Professional Competence, Powered Pallet Truck, Forklift Driver, Infection Control, Cardio Pulmonary Resuscitation and Automated External Defibrillator, and First Aid at Work.

In 2017/18 funding was provided to enable staff attendance at externally provided courses as well as a number of regional and/or national conferences, seminars and workshops. These included: General Data Protection Regulation (GDPR) seminars and workshops; Mock Employment Tribunals; the Society of Chief Librarians annual seminar; the CIPFA Northern Ireland Annual Conference; Developing a Business Case training; 2017 Employment Law Update; Chartered Institute of Personnel and Development (CIPD) Wellbeing conference; Construction Skills Register (CSR) Safe Pass training; CILIP Ireland; British Computer Society accredited Certificate in Information Security Management Principles training; various Equality Commission seminars and workshops as well as a number of subject specific training programmes required to support individuals continuous professional development needs.

In addition, a number of staff attended training programmes tailored specifically for the needs of Libraries NI. These included: Mental Health Awareness for Line Managers; Emotional Resilience; and iMac functionality.

The Manage First management development programme, which included Appraiser training was delivered to 14 newly appointed first-line managers.

The Part Time Study Scheme was used to support two staff through the Post Graduate Diploma in Library and Information Management. The Scheme was also used to support the Trainee Internal Auditor towards professional qualification.

A number of Board Members attended Governance and Accountability training with

the Chief Executives' Forum.

During this year Libraries NI established a Service Level Agreement with The Centre for Applied Learning (Northern Ireland Civil Service Centralised Training Unit) for the provision of e-learning facilities to all Libraries NI staff via a managed website. By the end of 2017/18, 682 staff had been granted access to the e-learning facility, enabling Libraries NI to roll out several programmes of targeted training appropriate to staff needs. By year end: 609 staff had completed Basic Manual Handling Awareness training; 611 completed Display Screen Equipment Awareness training; 628 completed Health and Safety Awareness for All Staff training; plus 181 line managers completed Health and Safety Awareness for Line Managers training. In addition, 555 staff had completed the Diversity Now module and 436 staff had completed the Responsible for Information – General User module. All training is monitored regularly and arrangements are in place to ensure that staff who are on authorised absence or unpaid leave are given access to the training on their return to work.

Information Systems

The major information systems maintained and supported during 2017/18 in Libraries NI were:

- a Public Access Network which delivers services to library users and includes:
 - provision of public access computer terminals (public computers), including appropriate technology to facilitate use by people with disabilities
 - wireless (Wi-Fi) access in libraries to support the use of customers' own devices
 - a Virtual Library on a multi-platform basis to enable 24/7 access to library services outside the library environment, including a suite of electronic information resources e.g. eBooks and downloadable audiobooks
 - a Radio Frequency Identification (RFID) enabled Library Management System
 - delivering a more integrated approach to resource management and facilitating greater stock security as well as enabling customers to access services
 - RFID enabled kiosks in selected libraries to enable self-service facilities for library users to release staff to provide added value programmes
- a Corporate Network and series of Business Applications to facilitate the work of the Finance, Human Resources and Assets Management Units
- service wide telephony
- a management Information and business intelligence solution to enable the production of better qualitative data and information to support decision-

making.

All these systems and associated support services are delivered through a managed service contract with Fujitsu, which is administered by the Libraries NI Intelligent Customer Unit to ensure that an extensive list of performance and availability service levels are met each month. During 2017-18 overall performance was good against the contractual service model and all major service levels were met with only very minor exceptions. The success of the services delivered was such that a decision was taken to extend the existing contract with Fujitsu to 30 April 2020 and this was formally signed off in February 2018. In addition to maintaining existing services a programme of upgrades is planned to ensure all systems meet customer needs during the two year extension period.

Given the successful implementation of RFID enabled kiosks and self service facilities in earlier years, a pilot project was initiated to implement an “Out of Hours” service in six rural libraries. This allows these libraries to operate a reduced service in the selected locations with no library staff present. Work is ongoing and the libraries planned for the “Out of Hours” solution being Whitehead; Saintfield; Maghera; Dungiven; Lisnaskea and Irvinestown. Other significant upgrade work during the year included a change to the Library Management System and significant updates to Corporate HR and management information systems. Significant planning and preparation has also been done to ensure the organisation was ready for the introduction of the new General Data Protection Regulations (GDPR) in May 2018.

Sustainability

Sustainable development is based on balancing social, economic and environmental costs and benefits to ensure that human activities do not irreversibly damage the environment. Libraries NI adopted an Environmental Policy statement in May 2009 which has been regularly reviewed. This policy has supported the work undertaken to manage energy consumption and CO₂ emissions and to comply with best practice and statutory requirements as well as seeking to address ‘Everyone’s Involved’ (2010), the Northern Ireland Executive’s Sustainable Development Strategy.

Despite economic pressures and further reductions to recurrent funding, Libraries NI has, where possible, improved energy efficiency measures in its estate in 2017/18. Information on Libraries NI’s approach and achievements in relation to sustainability is shown below:

- CO₂ emissions in 2017/18 increased by 1.4% when compared to 2016/17 due to increased fossil fuel consumption arising from a prolonged and harsher winter period compared to those experienced in previous years. However since management of the estate transferred to Libraries NI in 2009 there continues to be an overall long term reduction in carbon output. The on-going constraints in resourcing the operation of the estate continue to have limited the extent to which further reductions can be achieved
- all new major construction projects received a sustainable design brief with appropriate design parameters and criteria including sustainable and legal

timber sourcing, site waste management plans and promotion of the Achieving Excellence in Construction initiative. New buildings were designed to include measures to minimise energy in construction and in use, eliminate pollution and minimise waste, preserve and enhance biodiversity, conserve water resources and make the best use of local transport links. In line with the Department's policy, all new construction projects are set a target of achieving a Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent' rating to describe the building's environmental performance

- existing general lighting was replaced with energy efficient LED lighting at Ballymena Central, Lurgan, Newry City and Omagh Library
- existing emergency lighting was replaced with energy efficient LED lighting at Greenisland Library
- heating systems in three libraries were converted from Oil to Natural Gas; Carryduff, Colin Glen and Tullycarnet Library. Natural Gas is a cleaner fuel and produces up to 30% less carbon compared to oil fired boilers
- central heating boilers in Carrickfergus and Strabane Library were replaced with modern efficient condensing boilers
- Heating controls were installed or upgraded at Ballymena Central, Dundonald, Holywood Arches and Falls Road library, allowing for greater management and control of heating systems thus enabling further reductions in carbon through effective control and zoned heating
- mobile library and delivery fleet drivers have undergone training to attain a Certificate of Professional Competence (CPC) including efficient driving techniques
- energy assessments were undertaken and Display Energy Certificates, Energy Performance Certificates and Air Conditioning Inspection Certificates were supplied to all appropriate sites with 100% of all applicable properties receiving a non-default rating
- staff are encouraged to make maximum use of IT and electronic media for in-house circulars, minutes of meetings etc. to reduce paper consumption. Where documents require to be printed, staff are encouraged, where possible, to make use of double-sided printing
- paper is sourced from recycled sources where possible
- printed material withdrawn from stock, e.g. because of its physical condition or currency, is recycled where possible
- multifunction printing/scanning equipment has been provided, allowing for greater flexibility in electronic communications and software upgrades have been introduced to facilitate increased electronic communications and seek to reduce the need to travel.



Jim O'Hagan
Chief Executive

Date: 11 October 2018

Accountability Report

Corporate Governance Report

Report of the Board

The Board of Libraries NI, when fully constituted, comprises a Chairperson and 18 Members, of whom a majority are Councillors, within the meaning of the Local Government Act (Northern Ireland) 1972. All Members of the Board are appointed by the Minister of the Sponsor Department.

The following served as Members of the Board during the year:

Professor Bernard Cullen	Chairperson
Alderman Tom Campbell	
Alderman Thomas Burns	
Councillor Dr Janet Gray	
Councillor Garath Keating	Vice-Chairperson
Mrs Deirdre Kenny	
Alderman William Leathem	
Councillor Donal Lyons	
Councillor Cathal Mallaghan	
Alderman Stephen Martin	
Ms Angela Matthews	
Mr Alastair McDowell	
Councillor Séan McGuigan	
Councillor Stephen McIlveen	
Mr Harry Reid	
Alderman Marion Smith	
Dr Margaret Ward	
Councillor Billy Webb	
Ms Jane Williams	

Organisational Structure

In the period covered by this Annual Report, Libraries NI was structured on the basis of the Chief Executive's Department and two Directorates, as detailed below.

Chief Executive's Department

Chief Executive: Helen Osborn (to 10 January 2018), Jim O'Hagan (from 11 January 2018).

The Chief Executive's Department provides services to Board Members, other Departments, libraries and the general public and comprises:

- the Board Secretariat, which provides administrative and secretarial support for the Board and the Audit and Risk Assurance Committee
- Internal Audit, which provides assurance to the Chief Executive, as Accounting Officer, on the adequacy and effectiveness of the organisation's systems of risk management, control and governance.

Library Services Directorate

Director: Helen Osborn

The Director of Library Services is responsible for the leadership, management, development and delivery of high quality, effective and efficient services to the public through:

- the public library network, comprising branch, mobile and heritage libraries and related online and outreach services
- the Key Service Priorities, which are concerned with:
 - encouraging people to read, to read more widely and to get more from their reading
 - providing services and programmes which encourage children to become confident readers who enjoy reading
 - promoting digital inclusion through supported access to computers and Wi-Fi and to skills development opportunities
 - preserving, promoting and improving the accessibility of important material related to our cultural heritage
 - providing and supporting formal and informal learning experiences and opportunities for children and adults
 - providing people with access to current and relevant information in printed and online formats and developing information literacy skills
 - facilitating greater community participation in and access to cultural activities
 - providing access to information and activities which promote health and well-being
- Resources and Bibliographic Services which include the acquisition and cataloguing of stock, the request and inter-library loan service and the exploitation, editing, circulation, promotion and disposal of stock
- Marketing and Communications which is concerned with internal and external communications and promotion, developing the Libraries NI brand and market research.

Business Support Directorate

Director: Desi Miskelly

The Director of Business Support is responsible for the leadership, management,

development and delivery of a range of services which support the provision of high quality public library services:

- the Assets Management Unit is responsible for the management, maintenance and development of the organisation's physical assets including land, property and vehicles and for progressing capital development programmes
- the Finance Unit, consisting of Finance, Payroll and Procurement, is responsible for the provision of quality financial information to support decision-making, with the aim of meeting financial targets and reporting requirements, while complying with corporate governance requirements in relation to financial and procurement matters
- the Human Resources Unit is responsible for advice, support and guidance on employment practices, people management and staff learning and development issues, with the aim of achieving a skilled, motivated, flexible and diverse workforce
- Information Systems comprising:
 - the Intelligent Customer Unit (ICU) which is responsible for managing the delivery of all services relating to electronic library information systems through the e2 contract
 - the Information and Communications Technology (ICT) Unit which is responsible for the support of information systems in Libraries NI
 - Information Governance which ensures that Libraries NI fulfils its responsibilities in respect of the requirements of Freedom of Information and Data Protection legislation and implements best practice in the discipline of records management
 - Business Analysis which ensures that Libraries NI is provided with appropriate management information and produces official statistics.

Register of Interests

None of the Board Members, members of the key management staff or other related parties has undertaken any material transactions with Libraries NI during the year.

A Register of Members' Interests and a Register of Interests of the Chief Executive and Directors has been published on the Libraries NI website (www.librariesni.org.uk) and can be inspected also on application to the Chief Executive's Department.

Personal Data

There were no incidents of data loss which required to be notified to the Information Commissioner.

Corporate Governance Arrangements

Libraries NI, through its Committee structure, maintains and reviews the system of internal control within the organisation by continually monitoring the service being provided to customers to ensure it meets objectives. The Chairperson of the Audit and Risk Assurance Committee reports to the Board on audit activity, including risk management.

The organisation has complied with the terms of current relevant Dear Accounting Officer (DAO) letters issued by DoF. In particular, grant and grant in aid received from the sponsor Department has been used for the purposes intended. There was no novel or contentious expenditure for which relevant Departmental approval was not obtained. All other financial transactions conformed to the authorities which governed them, including delegated authority to commit or incur expenditure and approvals were sought from the Department where required.

Registers of Board Members' and key staff interests are updated on an annual basis. Conflicts of interest relating to Board Members and key staff, actual or potential, are appropriately managed and controlled. A Conflicts of Interest Policy is in place.

An Anti-Fraud Policy, Fraud Response Plan, Fraud Risk Analysis, Anti-Bribery Policy and Whistleblowing Policy are in place. In accordance with agreed procedures all suspected and proven frauds should be notified to the sponsor department and other relevant bodies. There were no suspected frauds reported during 2017/18 and there are no suspected frauds that have not yet been notified.

DfC and all its Arm's-length bodies (ALBs) have a Service Level Agreement (SLA) with the NICS Group Internal Audit and Fraud Investigation Service to conduct fraud investigations. However, guidance has been received from the Department that along with its ALBs it is classified as a 'Low User'. The Department has advised that Libraries NI Internal Audit should continue to conduct any investigations of suspected fraud. If additional resources are required they should request support from the DfC Central Investigations Unit. This support was not required during 2017/18.

An SLA is in place with the Education Authority Internal Audit to provide additional resources if or when required. This resource was also not required in-year. This SLA is currently under review.

Throughout the year, performance was monitored in terms of both business objectives and the effectiveness of internal control arrangements. At 31 March 2018, internal control was adequate to provide reasonable assurance of:

- effective and efficient operations
- integrity and accuracy of management information
- the safeguarding of assets
- compliance with laws and regulations.

The Board of Libraries NI, via the Audit and Risk Assurance Committee, received periodic reports concerning internal control. During the year specific attention was given to the control arrangements relating to mission critical projects.

Four Audit and Risk Assurance Committee meetings were held during the year. The Chief Executive¹, the Director of Business Support and the Head of Internal Audit attended all meetings. Representatives of the Northern Ireland Audit Office (NIAO) and the Department are invited to attend all meetings of the Audit and Risk Assurance Committee and are provided with a full set of papers for each meeting, including copies of all Internal Audit reports.

An Internal Audit function, which is compliant with the Public Sector Internal Audit Standards (PSIAS) is in place within Libraries NI. At each meeting of the Audit and Risk Assurance Committee, the Head of Internal Audit reports on issues arising from internal audit reports and provides an opinion on the adequacy and effectiveness of the systems of risk, control and governance together with recommendations for improvement. The Head of Internal Audit's opinion is a key element of the framework of assurance that the Chief Executive needs to inform the completion of the Governance Statement.

The annual Audit Plan for 2017/18 called for the internal audit resource to be used to conduct assignments in different areas of Libraries NI. Actual usage of the Internal Audit resource is detailed in the table below.

Category of Audit/Allocation of Resource	No. of Days	% of Days
Strategic	10	2%
Support Services	72	16%
Operational	89	20%
Mandatory	9	2%
Location Audits *	108	24%
Consultancy	23	5%
Training **	79	18%
Administration ***	57	13%
Total	447	100%

* includes audits of three Mobile Libraries

** includes receipt of training by Internal Audit staff and provision of training by Internal Audit for other Libraries NI staff

*** includes support for the Audit and Risk Assurance Committee

Essential Contractual Arrangements

¹ The former Interim Chief Executive (Ms Helen Osborn) attended all meetings. The meeting held in January 2018 was also attended by the newly appointed Chief Executive, Mr Jim O'Hagan. Ms Osborn returned to her role as Director of Library Services.

Contracts for the supply of goods and services, and estates-related services are procured either through an appropriately certified Centre of Procurement Excellence (CoPE) or in line with procurement advice provided by a CoPE. All contracts are evaluated on a value for money basis, which in some cases will be at the lowest cost. Larger scale construction related contracts are evaluated on a quality/cost basis with awards being made on an overall best value basis.

For the period under review, Libraries NI was involved in a number of alternative contractual arrangements including the Public-Private Partnership (PPP) which provides Lisburn City Library, and the Belfast Strategic Partnership (BSP) to deliver works in the Belfast area. The BSP ended on 31 March 2018. All contracts awarded by Libraries NI are a matter of public record.

Customer Feedback

Libraries NI welcomes feedback from its customers, including comments, complaints and compliments. Feedback provides the opportunity to identify and repeat what is good and address any problems with the service provided, thereby helping to bring about improvement.

All staff are encouraged to engage with customers and to acknowledge and respond to verbal feedback. All formal feedback is dealt with in accordance with the Customer Feedback Policy and Procedures and is responded to at a senior level in the organisation. Measures are in place to ensure that responses are issued promptly. Where service delivery has not been satisfactory, action is taken, where possible, to enhance the customer experience for the future.

Feedback statistics are provided to Middle and Senior Managers on a monthly basis and to the Senior Management Team and Board Members on a twice-yearly basis. A summary of feedback received during 2017/18 is shown in the table below:

Items of feedback received:	556
Nature of feedback:	
complimentary	240
complaint	167
comment	149
Category of feedback:	
Staff	90
Library Services	356
Online Services	6
Facilities and Buildings	101
Stock	3
Average number of days taken to respond:	5

There were no instances of any response exceeding the response limit (15 days) in 2017/18.

Further information on the customer feedback process is available on the Libraries NI website (www.librariesni.org.uk).

Access to Information

Libraries NI is committed to making information about its business and how it operates available to service users, the public and staff. The specific categories of information that Libraries NI is required to publish under the terms of the Freedom of Information Act 2000 can be viewed in the About Us section of the website (www.librariesni.org.uk). Individuals are permitted, under the Data Protection Act 1998, to request a copy of the personal information that Libraries NI holds about them.

Requests for information can be submitted electronically via the Freedom of Information Mailbox, the Enquiries Mailbox, and the Data Protection Mailbox on the Libraries NI website or by contacting any service point and/or office within the organisation. The majority of requests for information are dealt with routinely as part of normal business. Under the formal access to information regime, 9 requests were received under the Freedom of Information Act 2000 and 27 requests were received under the Data Protection Act 1998.

During 2017/18 the organisation considered the implications of the GDPR introduced in May 2018 and undertook a programme of work to ensure compliance.

Preparation of the Accounts

The Accounts are prepared in accordance with a Departmental Accounts Direction, and comply with the Government Financial Reporting Manual (FReM) 2017/18. They are prepared on an accruals basis and give a true and fair view of the Libraries NI financial position and of its comprehensive net expenditure, changes in taxpayers' equity and cash flows for the financial year.

Public Sector Payment Policy – Measure of Compliance

Libraries NI's payment policy in respect of trade creditors is consistent with the Northern Ireland Executive's commitment to paying suppliers as quickly as possible and we aim to pay 90% of invoices within 10 working days. Libraries NI is bound by the terms of the Late Payment of Commercial Debts (Interest) Act 1998, which allows suppliers to charge interest and costs in respect of undisputed invoices unpaid after 30 days. Libraries NI paid no interest charges in relation to late payment during 2017/18.

Based on invoice date	2017/18		2016/17	
	Invoices Paid	Paid within target	Invoices Paid	Paid within target
Total invoices paid	14,888	-	21,447	-
Paid within 30 days	14,641	98%	20,925	98%
Paid within 10 days	13,389	90%	17,430	81%

Charitable Donations

Libraries NI made no donations for charitable or political purposes during the year.

Statement of Accounting Officer's Responsibilities

The Accounting Officer of the Department for Communities has designated the Chief Executive as Accounting Officer for the Northern Ireland Library Authority (Libraries NI). The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding Libraries NI's assets are set out in Managing Public Money Northern Ireland, issued by the former Department of Finance and Personnel.

Under the Libraries Act (Northern Ireland) 2008 (Paragraph 16), the Department with the consent of DoF has directed Libraries NI to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Libraries NI and its comprehensive net expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the FReM and in particular to:

- observe the Accounts Direction issued by the Department, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state that applicable accounting standards, as set out in the FReM, have been followed and disclose and explain any material departures in the financial statements
- prepare the financial statements on the going concern basis
- confirm that the annual report and accounts as a whole is fair, balanced and understandable
- confirm that he takes personal responsibility for the annual report and accounts and the judgement required for determining that it is fair, balanced and understandable.

As Accounting Officer, the Chief Executive is required to take steps to make himself aware of relevant audit information and to establish that the C&AG is aware of that information.



Jim O'Hagan
Chief Executive

Date: 11 October 2018

Governance Statement

Introduction/Scope of Responsibility

As Accounting Officer for the Northern Ireland Library Authority (hereafter referred to as Libraries NI), I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's statutory duties, aims, objectives and policies, whilst safeguarding the public funds and the assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money (Northern Ireland). My responsibilities as Accounting Officer are also set out in the Libraries NI Management Statement. I assumed these responsibilities part-way through 2017/18 on 11 January 2018.

The 'Corporate Governance in Central Government Departments: Code of Good Practice' was written specifically with government departments in mind. Libraries NI complies with this code to the extent to which it is relevant and meaningful to do so as a Non-Departmental Public Body.

I am required to provide assurance in respect of expenditure incurred by Libraries NI and funded by the sponsor Department, in delivering the agreed objectives and targets set out in the Libraries NI Corporate Plan and annual Business Plan. The Corporate and Business Plans are developed and agreed by the Board of Libraries NI taking into account Departmental priorities, identified through meetings with Departmental officials.

The Corporate and Business Plans are approved by the Department and progress in relation to agreed KPIs incorporated within the annual Business Plan is reported on a quarterly basis to the Board of Libraries NI and discussed at regular Accountability Meetings with Departmental officials.

Compliance with Corporate Governance Best Practice

During 2017/18 the Libraries NI Board completed a review of its effectiveness and compliance, taking into account best practice guidelines in relation to corporate governance, including the 'Corporate Governance in Central Government Departments: Code of Good Practice'. The Code was written specifically with government departments in mind. Libraries NI seeks to comply with this code to the extent to which it is relevant and meaningful to do so as a Non-Departmental Public Body. A substantial level of compliance with the key principles of the Code was established by the review of effectiveness. In order to continue to enhance the Board's effectiveness an action plan will be implemented.

During 2017/18 Internal Audit also undertook reviews of compliance with corporate governance best practice guidance. A review of compliance with guidance on the delivery of an Equality Scheme and a review of the effectiveness of controls in place for Stewardship Reporting were completed. The ensuing reports concluded that controls were operating in a satisfactory manner. No material issues were identified.

Governance Framework

The governance framework of Libraries NI comprises the following elements:

The Chief Executive is the designated **Accounting Officer** and is personally responsible for:

- safeguarding the public funds for which he has charge
- ensuring propriety and regularity in the handling of those public funds
- the day to day operation and management of the organisation, including maintaining administrative structures which enable Libraries NI to discharge its statutory responsibilities efficiently and effectively and for ensuring that all legitimate decisions of the Board are implemented.

The **Board** consists of a non-executive Chairperson and, when fully constituted, 18 other non-executive Members, of whom at any time a majority are Councillors (within the meaning of the Local Government Act (Northern Ireland) 1972). The Chairperson and Board Members are appointed by the Minister of the sponsoring Department.

The Board is a body corporate and its role is set out in the Management Statement (drawn up by the Department in consultation with Libraries NI. This was revised in 2016/17). The Board has corporate responsibility for ensuring that Libraries NI fulfils the aims and objectives set by the Department and approved by the Minister and for promoting the efficient, economic and effective use of staff and other resources by the organisation.

The Board has agreed Standing Orders, setting out the procedures by which it transacts its business and has adopted a Code of Conduct for Board Members. Board Members complete Declarations of Interest which are published on the Libraries NI website. In addition, at each Board and Committee meeting, Board Members are required to declare if they have any actual or potential conflicts of interest associated with any matter being considered at that meeting. There were no conflicts of interest declared during the year.

The Board met on six occasions during 2017/18. One meeting took the form of a workshop at which consideration was given to longer term planning issues. The membership of the Board during 2017/18 was as follows:

- Professor Bernard Cullen (Chairperson)
- Councillor Garath Keating (Vice Chairperson)
- Alderman Thomas Burns
- Alderman Tom Campbell
- Councillor Dr Janet Gray
- Mrs Deirdre Kenny
- Alderman William Leathern
- Councillor Donal Lyons
- Councillor Cathal Mallaghan
- Alderman Stephen Martin
- Ms Angela Matthews
- Mr Alastair McDowell
- Councillor Séan McGuigan
- Councillor Stephen McIlveen
- Mr Harry Reid
- Alderman Marion Smith
- Dr Margaret Ward
- Councillor Billy Webb
- Ms Jane Williams

Key issues considered by the Board during 2017/18 included the following:

- the Annual Report and Accounts 2016/17
- Key Performance Indicators
- a revised Board Operating Framework
- the draft Business Plans for 2017/18 and 2018/19
- the draft budgets for 2017/18 and 2018/19
- spending plan 2017/18
- Board effectiveness and compliance review
- draft Programme for Government
- e2 extension and development of e3
- community planning

Libraries NI participated in 'The Boardroom Apprentice' scheme, hosting Ms Danielle Delahunt in a designated non-voting capacity. The scheme is aimed at providing

opportunity for individuals aspiring to future membership of a Board to develop judgement and decision-making skills as well as the transfer of knowledge such as strategy, governance, audit and risk.

The **Audit and Risk Assurance Committee** is responsible for advising the Board and the Accounting Officer on, and for monitoring processes in relation to, internal control, risk management and corporate governance arrangements for compliance with relevant guidance and best practice. In doing so the Committee reviews on a regular basis:

- the Chief Executive's Assurance Statements
- the minutes of the Chief Executive's Accountability Meetings
- the Corporate Risk Register
- the Internal Audit Strategy and Annual Plan
- internal and external audit reports and management's response to audit recommendations
- relevant policies, processes and procedures including those relating to the Audit and Risk Assurance Committee Scheme of Delegation, the Risk Management Strategy and the Internal Audit Charter.

The Committee provides the Board and the Accounting Officer with an annual report summarising its conclusions from the work that it has carried out during the year and providing assurance regarding the governance framework.

Membership of the Committee during 2017/18 was as follows:

- Councillor Séan McGuigan (Chairperson from June 2017 previously vice-chair)
- Mrs Deirdre Kenny (Vice-Chairperson from June 2017, previously Chairperson)
- Professor Bernard Cullen
- Ms Nuala McAuley (Co-opted Member)
- Alderman Stephen Martin
- Councillor Stephen McIlveen²

The Chief Executive³, the Director of Business Support and the Head of Internal Audit attended all meetings of the Audit and Risk Assurance Committee. Representatives of the Northern Ireland Audit Office (NIAO) and the Department are invited to attend all meetings of the Audit and Risk Assurance Committee and are provided with a full set of papers for each meeting, including copies of all Internal Audit reports.

² It should be noted that as well as being a member of the Board and the Audit and Risk Assurance Committee Councillor McIlveen is also a member of the Services Committee.

³ The former Interim Chief Executive (Ms Helen Osborn) attended all meetings. The meeting held in January 2018 was also attended by the then newly appointed Chief Executive, Mr Jim O'Hagan. Ms Osborn returned to her role as Director of Library Services.

During 2017/18 the Audit and Risk Assurance Committee considered and reported to the Board on the following:

- the annual and assignment specific reports from Internal Audit with assurance levels provided
- reports of the Risk Management Group and its own review of the Corporate Risk Register
- reports from the Chief Executive and Senior Management Team on procedures for monitoring Mission Critical Projects
- reports from Senior Managers on the implementation of internal audit recommendations
- its review of the Assurance Statements completed by the Accounting Officer and forwarded to the Department
- the Accounting Officer's Governance Statement for 2016/17
- the Annual Report and Accounts and the Comptroller & Auditor General's Report to those Charged with Governance for 2016/17
- revisions and updates to various corporate governance policies and documents, including the Fraud Response Plan, the Board Operating Framework, the Anti-Fraud Policy, the Risk Management Strategy, the Code of Conduct for Board Members, the Conflicts of Interest Policy, the Whistleblowing Policy, the Anti-Bribery Policy and the Gifts and Hospitality Policy.

During the year the Committee carried out a review of its terms of reference and its effectiveness, using the National Audit Office (NAO) Self-Assessment Checklist, and determined that it was effective and had added value to corporate governance and control systems.

The **Business Support Committee** makes recommendations to the Board of Libraries NI in relation to a range of issues including:

- financial matters, including the robustness of the process for setting the budget, reporting and monitoring arrangements
- internal and external financial statements, including reviewing the annual accounts prior to, and on completion of, the external audit
- procurement and tendering arrangements, including Single Tender Actions
- staffing policies, procedures and processes
- capital strategies and planned maintenance programmes
- management information requirements and information governance arrangements.

The membership of the Business Support Committee during 2017/18 was as follows:

- Alderman Marion Smith (Chairperson)
- Mr. Alastair McDowell (Vice Chairperson)

- Alderman Thomas Burns
- Alderman Tom Campbell
- Councillor Garath Keating
- Ms Angela Matthews
- Councillor Billy Webb
- Professor Bernard Cullen

During the year the Committee considered and reported to the Board on a range of matters within its remit including the following:

Finance

- capital and recurrent budget plans and monitoring reports 2017/18
- the spending and savings delivery plans 2018/19
- the voluntary exit funding bids
- the Annual Report and Accounts 2016/17
- the NIAO Report to Those Charged with Governance 2016/17
- prompt payment targets and performance
- procurement and Single Tender Actions
- budget planning 2017/18 and 2018/19
- fees and charges 2018/19
- public and employer liability claims

Human Resources

- absence management monitoring reports
- the Annual Progress Report on Equality
- policies and reviews on Student Work Placement, Capability, Career Break, Parental Leave, Customer Feedback and the Engagement of Agency Workers
- Code of Conduct for Staff

Assets

- capital works 2017/18
- Belfast Central Library Redevelopment Project
- the estate maintenance programme 2017/18
- tender reports for the appointment of contractors for the refurbishment of Irvinestown Library and access improvement works at Saintfield Library
- policies and procedures in relation to Health and Safety, Environment, Vehicle Management and Privately Owned Vehicles for Business Purposes

- the Health and Safety Annual Report
- Post Project Evaluations Lessons Learned Report
- a report on litigations
- use of the Libraries NI seal

ICU/ICT

- extension of the e2 managed services contract
- the Strategic Outline Case for e3
- policies and procedures in relation to GDPR and the use of CCTV
- Revised Disposal and Retention of Records Schedule

The Committee reviewed and monitored the Service Plan relating to the work of the Business Support Directorate (i.e. Assets, Finance, Human Resources and ICT/ICU) and reviewed the related Risk Register. It also carried out an Effectiveness and Compliance review of its functions.

The **Services Committee** advises the Board on strategy and policy in relation to library provision and makes recommendations to the Board on a range of matters including:

- its statutory duty to provide a comprehensive and efficient public library service
- the facilities that should be available for the provision of a library service
- the acquisition, exploitation, retention and disposal of library stock
- encouraging full use of the library service and its facilities
- the development and implementation of the Key Service Priorities
- strategic marketing and communications.

The membership of the Services Committee during 2017/18 was as follows:

- Councillor Dr Janet Gray MBE (Chairperson from May 2017)
- Dr Margaret Ward (Vice-Chairperson from May 2017)
- Professor Bernard Cullen
- Alderman William Leathem (Joined May 2017)
- Councillor Donal Lyons (Joined May 2017)
- Councillor Cathal Mallaghan
- Councillor Stephen McIlveen
- Mr Harry Reid
- Ms Jane Williams

During the year the Committee considered and reported to the Board on a range of

matters within its remit including the following:

- policies for Information and Learning, Loan and Use of Heritage and other Assets, Managing Unacceptable Behaviour, Volunteering, Opening Hours, Media handling, Digitisation
- how library services contribute to the draft Programme for Government
- customer feedback
- cultural heritage
- working with people affected by autism
- domestic violence
- extending access to facilities
- the effectiveness and compliance review
- privacy
- public views on libraries
- libraries and Urban Villages
- the 'Every Customer Counts' initiative
- summer opening hours

The Committee received presentations on a number of topics including:

- Bookweek NI
- children's services
- digital inclusion
- health

The Committee also reviewed and monitored the Services Plans relating to the work of the Services Directorate and reviewed the related Risk Registers.

The Committee met in four libraries, Grove, Lisburn City, Lisburn Road and Suffolk.

The **Remuneration Committee** is responsible for monitoring the annual performance objectives of the Chief Executive and Directors and for determining the appropriate levels of performance related pay to be awarded annually to the Chief Executive and Directors in accordance with their terms and conditions of employment and the agreed performance related pay scheme. Any such award must be within the limits set by the Department of Finance and approved by the sponsor Department.

During 2017/18 three new members joined the **Remuneration Committee**.

Membership was as follows:

- Professor Bernard Cullen (Chairperson)
- Councillor Garath Keating* (Vice Chairperson)
- Alderman Marion Smith (Chairperson, Business Support Committee)
- Councillor Sean McGuigan* (Chairperson, Audit and Risk Assurance Committee)
- Councillor Dr Janet Gray* (Chairperson, Services Committee)

*New member in 2017/18

During 2017/18 the Committee considered the following matters:

- the proposed new Performance Related Pay and Remuneration for First and Second Tier Officers and related correspondence
- Chief Executive Appointment
- a report from the Chairperson on the performance of the Chief Executive in 2016/17 and targets set for 2017/18
- a report from the Chief Executive on the performance of Directors in 2016/17
- Remuneration Committee Effectiveness Review including the Scheme Specifying the Duties and Responsibilities to be Discharged and the Procedure to be followed by the Remuneration Committee
- Senior management staffing item and related documentation

The **Belfast Central Library Committee** was established in July 2016 with delegated Board powers in relation to the redevelopment of Belfast Central Library. As a result of the lack of available funding for the project no progress was made during 2017/18 and the Committee did not meet.

Attendance at Board and Committee Meetings

	Board	Audit and Risk Assurance Committee	Services Committee	Business Support Committee	Remuneration Committee
Number of Meetings Held	6	4	5	5	2
Professor Bernard Cullen (Chairperson)	6	3	3	2	2
Councillor Garath Keating (Vice Chairperson)	2			4	2
Alderman Thomas Burns	6			4	
Alderman Tom Campbell	3			4	
Councillor Dr Janet Gray	4		5		1
Mrs Deirdre Kenny	6	4			1*
Alderman William Leathern	4		4		
Councillor Donal Lyons	4		3		
Councillor Cathal Mallaghan	3		3		
Alderman Stephen Martin	4	3			
Ms Angela Matthews	4			4	
Mr Alastair McDowell	6			5	
Councillor Séan McGuigan*	5	4			1*
Councillor Stephen McIlveen	3	1	1		
Mr Harry Reid	3		5		
Alderman Marion Smith	5			3	2
Dr Margaret Ward	6		4		
Councillor Billy Webb	4			3	
Ms Jane Williams	6		5		
Ms Nuala McAuley Co-opted Member		3			

* Councillor Séan McGuigan attends the Remuneration Committee in his role as Chairperson of the Audit and Risk Assurance Committee (ARAC). One meeting of the Remuneration Committee was attended on his behalf by the Vice-Chairperson of the ARAC, Mrs Deirdre Kenny.

The **Senior Management Team** normally comprises the Chief Executive, the Director of Business Support and the Director of Library Services. As of 1 March 2017 until 11

January 2018 the Senior Management Team was comprised of the Acting Chief Executive, the Director of Business Support and an Assistant Director representing the Services Directorate. On 11 January 2018 the new Chief Executive, Mr Jim O'Hagan took up his post and the Senior Management Team reverted to its usual composition.

Other elements of the corporate governance structure include:

- an agreed **Organisational Structure** with detailed job descriptions for staff at all levels and associated processes, including a staff appraisal scheme, to ensure that all members of staff are clear about their respective roles and responsibilities
- a **Corporate Plan** for the period 2016-2020
- an annual **Business Plan**, approved by the Department, setting out, among other things, the vision, mission, aims and corporate objectives of Libraries NI as well as key activities and targets
- a **Board Operating Framework** which sets out the role and responsibilities of the Accounting Officer, the Board and its Committees, including matters reserved to the Board for decision-making, those delegated to Committees and the Chief Executive as Accounting Officer
- a range of **policies, strategies and procedures**, which guide the work of the organisation and are regularly reviewed
- a **Risk Management Framework**, incorporating a Risk Management Strategy, endorsed by the Accounting Officer and the Board, through the Audit and Risk Assurance Committee. The Strategy specifies the risk management process within Libraries NI and sets out the roles and responsibilities of Members of the Board and officers
- an **Internal Audit Section**, which provides assurance to the Accounting Officer and the Board on the adequacy and effectiveness of governance arrangements
- **Assurance Statements**, completed bi-annually by the Accounting Officer based on similar stewardship statements from the Directors, who in turn receive assurances from the managers who report to them. The Accounting Officer's Assurance Statements are scrutinised by the Audit and Risk Assurance Committee and the Board. When the Board has satisfied itself as to the assurances provided in the Assurance Statement it is submitted to the Department
- an **Annual Board Assurance Statement** completed by the Chairperson and agreed by the Board, providing assurance about the exercise of his responsibilities as Chairperson and those of the Board itself.

Business Planning and Risk Management and Assurance

Business Planning

Within Libraries NI, business planning is an iterative process involving a number of stages including the following:

- consideration of relevant priorities in the Programme for Government, the

Department's Corporate and Business Plans and 'Delivering Tomorrow's Libraries' as well as the statutory responsibilities placed on Libraries NI by relevant legislation

- Board review of the high-level corporate objectives for continued relevance
- Senior Management Team review of performance against the previous year's targets and KPIs, identifying areas where further work might be undertaken
- Board consideration of reports on performance against the previous year's Business Plan and KPIs
- review of feedback from consultations with library users and other stakeholders
- preparation of a first draft of the Business Plan for consideration and approval by the Board
- submission of the draft Business Plan for consideration by the Department
- Board consideration of comments from the Department and submission of the final draft Business Plan for Departmental approval
- the development of Service Plans which translate the high-level activities and targets contained in the Business Plan into more specific activities and targets
- the setting of objectives and targets at individual staff member level through the staff appraisal process.

Risk Management

Within Libraries NI, Risk Management is designed to:

- identify and prioritise the risks to the achievement of aims, objectives and policies
- evaluate the likelihood of those risks being realised and the impact should they be realised
- manage risks efficiently, effectively and economically.

The Risk Management framework is set out in the following documents which are subject to regular review:

- a Risk Management Strategy
- a Risk Management Policy
- a Risk Appetite
- a Corporate Risk Register.

The Risk Management framework is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve the aims, objectives and policies; it can therefore only provide reasonable, not absolute, assurance of effectiveness.

The Corporate Risk Register identifies the key risks directly related to the achievement of Libraries NI's corporate objectives and is linked to the annual Business Plan. A Risk Management Group, comprising the Chief Executive and officers at Director level,

meets quarterly to review and revise the Corporate Risk Register to ensure that it remains relevant. In doing so, the Risk Management Group considers new risks that have been identified through management channels and changes in the operating environment and the actions necessary to mitigate them as well as the success of actions taken to address existing risks. As of March 2018 the Risk Management Group comprises the Chief Executive, the Director of Library Services and the Director of Business Support.

The Corporate Risk Register is reviewed in detail at each Audit and Risk Assurance Committee meeting and is considered on a quarterly basis by the Board. The Corporate Risk Register is also discussed with the Department at the Chief Executive's Accountability Meetings. The relevant Committees consider risk registers relating to Service Plans.

At the start of 2017/18 a fundamental review was undertaken of the Corporate Risk Register to ensure a more strategic focus on key risks to the achievement of agreed objectives. During the year there were additions to, and removals from, the Corporate Risk Register, as well as updates to mitigating measures. Significant risks identified during the year, and associated mitigating actions, are detailed below:

- at the start of the year the Department confirmed that the total recurrent budget for 2017/18 was £26,647,000, a reduction in cash terms of 4% (£1,110,000) on the 2016/17 opening baseline. Taking account of inflationary pressures and the reduced recurrent allocation Savings Delivery Plans were approved for implementation as follows:
 - reducing the stock budget by £482,000
 - reducing library opening hours (summer opening), curtailing the use of agency staff and reductions in staff costs arising from a Voluntary Exit scheme in the previous year enabled saving of some £228,000 largely on staff costs but also on premises running costs and programming
 - reducing planned and response maintenance and other associated premises related investment spend by £168,000
 - reductions in miscellaneous budgets including marketing, travel, computer costs and vehicle costs thereby saving £371,000.

Actions were commenced to implement the 2017/18 Savings Delivery Plans. The planned reduction in opening hours over the summer months contributed to the overall savings in staff costs however the vast majority of savings requirements were mitigated mid-year by the release of additional resource funding from the Department. In total, for the year an additional £1,880,000 for Stock and £205,000 for property maintenance was made available. Funding was received to meet the costs associated with voluntary severance and 10 staff left the service during this period.

Capital funding was received to complete the planned refurbishment project at Lisburn Road Library, to progress the redevelopment of Coleraine Library, undertake a range of minor works schemes and introduce 'Out of Hours' services to six pilot locations. Funding was also provided to allow the completion of procurement of two replacement mobile library vehicles and for a number of delivery and Homecall vehicles to be

replaced.

Training on corporate governance and risk management has been provided for staff and Board Members to assist them in understanding the governance framework. The Chief Executive has attended Accounting Officer training. The Risk Management Strategy and associated documentation is available to all staff on the Intranet. Internal Audit provides a consultancy service to managers concerning the evaluation of risks and the completion of the required documentation. Staff are held accountable for risk management through the performance management (staff appraisal) system. In addition the management of risk is discussed at the Accountability meetings held between the Sponsor Department and the Libraries NI Accounting Officer.

Libraries NI's risk appetite is conditioned by many issues. Among the more important of these are government statute and guidelines and the attitude of the sponsor Department. Overall Libraries NI has adopted a "cautious" approach to the management of risk but a specific risk appetite has been identified in respect of each corporate objective and this is reflected in the Corporate Risk Register.

In 2013/14, having undertaken a Sponsorship Risk Assessment, the former DCAL confirmed that the risk rating for Libraries NI was 'Low'. There has been no change to this rating.

Fraud Risk and Information Risk

Fraud Risk

Libraries NI has a number of policies in place, designed to minimise the risk of fraud.

These include:

- Anti-Fraud Policy
- Anti-Bribery Policy
- Conflicts of Interest Policy
- Gifts and Hospitality Policy
- Whistleblowing Policy and associated guidance (Raising a Concern)
- Code of Conduct for Staff
- Code of Conduct for Board Members.

Associated procedures have been established to assist with the prevention of fraud and the management of actual or potential frauds, including:

- Finance, Cash Handling, Pay Related and Procurement procedures
- Travel and Subsistence Reimbursement Claim procedures
- Declaration of Interests (Board Members, relevant staff and suppliers)
- Fraud Response Plan
- Risk Management Strategy.

Relevant staff have received Fraud Awareness training. The Libraries NI Head of Internal Audit is trained in fraud investigation. Additional assistance is available from the Department to investigate suspected frauds should this be required. This assistance was not required during 2017/18. There were no suspected frauds notified during 2017/18.

Information Risk

Information technology remains a key area of operations for Libraries NI and a range of policies are maintained to ensure the security and integrity of information and information systems, including:

- an Information Technology Security Policy to ensure business continuity and to minimise the risk of damage by preventing security incidents and reducing impact if these were to occur
- a Corporate Acceptable Use Policy which details how Libraries NI will manage and monitor the use of its information assets and systems and the standards required from users
- a Microsoft Windows Security Policy which sets out the minimum security standards applicable to Libraries NI Personal Computers (PCs)
- an Application Security Policy which sets out the minimum security standards applicable to applications used by Libraries NI
- an Internet Security Policy setting out the minimum security standards applicable to the interconnection of the Libraries NI environment to the Internet
- a Server Security Policy to establish the minimum security standards applicable to all servers within the Libraries NI IT environment
- a Network Security Policy to establish the minimum security standards applicable to the Wide Area and Local Area Networks within the Libraries NI IT environment.

Operational responsibility for information security rests with the Information Security Manager, reporting to the Director of Business Support.

Revised records disposal and retention schedules were implemented in 2017/18 and the Information Security Manager continued to provide guidance and support to managers at all levels throughout the organisation.

Preparation for the introduction of GDPR was completed, to ensure the organisation was compliant with the requirements of the new legislation on its introduction in May 2018.

There were no incidents of personal data loss which required to be notified to the Information Commissioner.

Governance and Accountability

Board Members are supplied with reports and information prior to each meeting of the

Board and its Committees. Quarterly management reports are also submitted to the Board by the Chief Executive, which include information on KPIs and financial information, as well as the Corporate Risk Register. In addition the Board receives and discusses the Chief Executive's Assurance Statements. The Board questions the Chief Executive and senior officers on the information provided, exercising a robust challenge function in order to satisfy itself regarding the quality and comprehensiveness of the information contained in these reports.

Financial information provided is subject to audit by the external auditors. Validation of KPIs and Stewardship Reporting is also included in the internal audit strategy.

During 2017/18 the Chief Executive (and prior to January 2018 the Interim Chief Executive) met on three occasions with Departmental officials for accountability meetings.

No ministerial directions were received during the year.

Sources of Independent Assurance

Independent assurance is provided to Libraries NI by its Internal Audit Section and by the Northern Ireland Audit Office.

Internal Audit

Internal Audit is an independent and objective appraisal function within Libraries NI which provides a service to the Board and all levels of management. The Head of Internal Audit is responsible for the effective review of all aspects of risk management, control and governance throughout Libraries NI's activities. Internal Audit has established a Quality Assurance Framework. During the Summer of 2016 (Report issued October 2016), the service was externally assessed by internal auditors from DfC and found to be in compliance with Public Sector Internal Audit Standards.

Internal Audit's primary responsibility is to provide an annual assurance to the Chief Executive, as Accounting Officer, on the effectiveness of risk management, control and governance systems, by measuring and evaluating their effectiveness in achieving the organisation's objectives.

Internal Audit work completed was based on the Internal Audit Strategy and the Internal Audit Plan for 2017/18, which was approved by the Audit and Risk Assurance Committee. The format and content of these documents is based on guidance provided in HM Treasury: PSIAS. A risk based systematic approach has been used which includes identification and recording of objectives, risks and controls. Factors used to determine which risk areas should be incorporated in the Plan included a review of the corporate risk register, issues identified in previous internal audit reports and in the Report to Those Charged with Governance and a review of those important systems requiring annual assurance. A range of locations was also selected for review.

Assurance is reported by way of the Head of Internal Audit's professional opinion which is given in each assignment report and in the Annual Audit Report.

During 2017/18 Internal Audit completed:

- audits of 13 branch libraries. A 'satisfactory' level of assurance was provided on each occasion
- audits of five mobile libraries. A 'satisfactory' level of assurance was provided on each occasion
- audits of two homecall vehicles. A 'satisfactory' level of assurance was provided on each occasion
- 12 strategic, operational, systems and review audits, providing a satisfactory level of assurance on each occasion.

Two Priority One recommendations were made in the 32 assignments completed during 2017/18. The Audit and Risk Assurance Committee received a report at each meeting on the actions being taken to implement audit recommendations. It should be noted that there has been a substantial reduction in the number of Priority One Recommendations. This is due in part to the redefinition of what constituted a Priority One Recommendation introduced by a DAO letter and implemented during 2016/17.

In the Internal Audit Annual Report for 2017/18, the Head of Internal Audit provided an overall 'satisfactory' level of assurance as to the risk, control and governance framework within Libraries NI. Additional detail was also provided on each of the Priority One recommendations.

Northern Ireland Audit Office

The Comptroller and Auditor General (C&AG) to the Northern Ireland Assembly certifies Libraries NI's Annual Report and Accounts.

The Certificate and Report are included in this Annual Report and Accounts. In its Report to those Charged with Governance, the NIAO identified no issues: in the Report to Those Charged with Governance.

The C&AG certified the 2017/18 annual report and accounts with an unqualified audit opinion, without modification.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control within Libraries NI. My review is informed by the work of the internal auditors as well as by the Directors, Assistant Directors and Heads of Department who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their Report to Those Charged with Governance. I have been continually updated by my senior management team on progress made in relation to action taken to implement recommendations contained in Internal Audit Reports and the Report to those Charged with Governance.

The review of the effectiveness of the system of internal control is informed by:

- regular performance information provided by Directors, Assistant Directors and Heads of Department

- advice and assurances from the Audit and Risk Assurance Committee, including its annual report which includes the Committee's opinion on Libraries NI's corporate governance arrangements and the management of risk
- handover Assurance Statement provided by the previous Interim Accounting Officer who handed over to me on 11 January 2018
- the subsidiary Assurance Statements provided by Directors, who have responsibility for the development and maintenance of the internal control framework in their respective areas
- Internal Audit's independent and objective appraisal of risk management, control and governance arrangements operating within Libraries NI
- comments made by the external auditors in their Report to those Charged with Governance.

Internal Governance Divergences

Prior Year Issues which have been resolved

Contracted Hours

A review of the working practices across 18 branch libraries of staff who worked all or some of their contracted hours outside of the normal opening hours of the branch, found three staff working less than their contracted hours. A supplementary review of 51 other branches was undertaken and a further six staff were found to have materially underworked the hours for which they were contracted and paid. Legal advice was sought and each employee was contacted with a view to arranging reimbursement of salary overpayments. Internal Audit made a number of recommendations to enhance controls in this area. A review audit completed in August 2017 provided a 'Satisfactory' level of assurance that controls had been enhanced and the issues previously identified had been resolved. Controls in this area are now subject to ongoing review as part of the audit test programme for branch libraries.

Prior Year Issues which remain relevant

Stock Audit

Stock, other than Stock Assets, is expensed in the period in which it is bought. Stock is recorded and controlled as it is bought, loaned to the public, circulated around libraries and eventually disposed of when it is no longer considered useful for loan purposes. With over 12 million transactions each year discrepancies do occur in stock records. Controls have now been introduced to minimise these, including limiting the number of staff who are permitted to withdraw stock, training for all staff in the use of the Library Management System, Radio Frequency Identification (RFID) tags attached to all frontline lending stock and RFID security gates installed in all branch libraries. In addition, an approach to the stock inventory management process has been agreed. The process to update the catalogue stock records is on-going.

Public Access Computers

Libraries NI facilitates approximately 1 million computer sessions for the public each year. This includes the use of public Wi-Fi in all libraries. However, with this volume of use, the technology available and the facility for library members to utilise the Wi-Fi with their own devices, there is a risk that a few instances of misuse may occur which could damage the reputation of Libraries NI. Libraries NI has implemented filtering arrangements on public access computers and on Wi-Fi to mitigate the risk.

Impact of change and budget cuts on staff morale and motivation

In the nine years since Libraries NI was established, the amount and pace of change has been unrelenting with new organisational structures, new ICT systems, new ways of working, strategic reviews of provision leading to library closures and new mobile library arrangements, budget reductions, reduced opening hours and associated changes to staff working patterns, as well as nine tranches of voluntary redundancy, resulting in many experienced staff leaving the service. In addition the level of uncertainty about budgets, the inability to plan ahead due to short term budgeting arrangements, the Department's Review of ALBs and the Public Sector Shared Services programme contribute to a challenging climate. A range of processes and channels is in place to seek to ensure effective engagement and communication with staff as to the purpose and progress of the change and to seek to mitigate the worst impact of the budget reductions. However, it is recognised that the climate of uncertainty and the magnitude of the change that has taken place, and will continue to take place, can impact on staff morale, motivation and levels of stress.

Strategic planning

During 2017/18 a Business Plan for 2018/19 was drafted. Planning took place during a period of uncertainty in relation to funding although it was anticipated that there would be a continued real-term decline in funding levels for the public sector during the lifetime of the new Corporate Plan. The draft Programme for Government and the developing priorities of DfC continues to inform planning priorities, however the ongoing uncertainty makes longer term strategic planning difficult.

Capital Funding

Capital funding of £2,245,000 included funding for commencement of a major refurbishment project on Coleraine library, completion of the Lisburn Road Library refurbishment which had started in 2016/17, the introduction of 'Out of Hours' services to six pilot locations, procurement of two replacement mobile libraries and four delivery vehicles, and 19 essential Health and Safety projects.

Technical and performance issues caused significant delays in the Coleraine Library project and DfC approved reallocation of part of the initial allocation to 2018/19. Initial issues were successfully resolved and the project is on target for completion in November 2018.

The lack of timely and appropriate capital allocations, reliance on mid-year additional

funding and the general uncertainty of outcomes from monitoring rounds continued to constrain effective planning and delivery of the capital investment programme, both in the short and longer term.

Recurrent Funding

There was considerable uncertainty about recurrent funding available for 2017/18 and a prudent approach to spend was initially implemented, leading to delays in the implementation of spending plans and programmes of work. A bid for funding to release a number of staff on voluntary redundancy had been submitted as part of the Voluntary Exit Scheme agreed within the Stormont House Agreement. Funding of £1,245,000 was received in May 2017 although subsequently this was reduced to £360,000 to reflect the scale of the scheme which could be implemented. Offers of voluntary severance were accepted by 10 staff. Additional funding of £1,300,000 was received in August 2017 to offset a planned reduction in spend for library stock with a further £407,000 and £181,000 being made available in December 2017 and January 2018. Further funding of £205,000 was received in December 2017 to support additional property maintenance activities.

This cycle of cuts and additional allocations has led to great uncertainty which has carried forward into 2018/19. The continued absence of a functioning Northern Ireland Assembly and Executive Ministers coupled with the suspension of the normal budget setting processes has impacted significantly on our ability to plan and control spend moving into 2018/19. The financial allocation for 2018/19 is extremely challenging and reflects a 4% reduction against the 2017/18 opening baseline. Additional unavoidable pressures, including inflation, the pay settlement, increased pension costs and escalating utilities costs meant that the actual savings that Libraries NI was required to make amounted to £1,927,000, equivalent to a 7% reduction when compared to the 2017/18 initial resource allocation and £3,567,000 less than the final total resource allocation for 2017/18. Realising the efficiencies required by the proposed budget allocation in 2018/19, whilst at the same time continuing to deliver effective services presents significant challenges. Work will continue during 2018/19 to ensure that savings necessary as a result of the reduced resources are achieved.

Belfast Central Library

Based on the formal approval of the Outline Business Case (OBC) for Belfast Central Library provided in April 2015 it had been anticipated that work to take forward the next phase of the development programme, i.e. the preparation and submission of the Full Business Case (FBC) would have commenced in 2017/18. However the political impasse, lack of a defined Investment Strategy and absence of funding has prevented the progression of the project. Discussions are on-going with DfC regarding the way forward.

Business Continuity and Capacity

The on-going reductions in baseline budgets and uncertain future resourcing models have and continue to constrain effective business continuity planning. Mechanisms are in place to secure and if necessary respond to issues arising from the operation of our core Information Technology Systems. However, the management of potential threats to the

remainder of the physical network essential to the delivery of Library Services (property, vehicles and other assets) relies upon there being both sufficient resources available to respond to issues and there being flexibility within the organisation to adapt to changing circumstances. A further 10 staff were released in 2017/18 through voluntary severance in order to contribute to current and future saving plans. The cumulative effect of releasing staff in the course of consecutive rounds of voluntary severance is that staffing levels are now very lean, which presents risks in respect of the organisation's ability to respond to business continuity threats.

New Issues 2017/18

Branch Library Managers

Although a formal conciliation process with the Labour Relations Agency was undertaken in December 2017, negotiations with Trade Union representatives throughout 2017/18 in relation to a request for job re-evaluation for Branch Library Managers did not achieve a resolution. Trade Unions have proceeded to ballot members and commenced formal industrial action in May 2018. Work will continue with Trade Union representatives during 2018/19 to seek to find a resolution to this issue.

Remuneration and Staff Report

Remuneration Policy

Board Members

The Chairperson of Libraries NI is paid by Libraries NI for duties carried out as Chairperson at a rate and on such conditions determined by DfC, with the approval of DoF. Libraries NI makes payments to other Board Members in relation to their functions as Members at rates and on conditions determined by DfC. Board Members also receive travel and subsistence allowances, at rates and on conditions determined by Libraries NI subject to Departmental approval.

Chief Executive and Second Tier Officers

The remuneration of the Chief Executive and second tier officers is performance based. The Remuneration Committee of Libraries NI determines the performance of the Chief Executive in accordance with the agreed performance related pay scheme. The Chief Executive determines the performance of the second tier officers in accordance with the agreed performance related pay scheme and reports to the Remuneration Committee. The Department considers the recommendations of the Remuneration Committee and takes cognisance of DoF pay policy and determines the overall maximum percentage uplift to be applied.

Service Contracts

Staff are employed in accordance with the National Joint Council for Local Government Services Terms and Conditions of Employment and local agreements reached through the Negotiating Committee for Libraries NI. Recruitment is carried out in accordance with the Libraries NI Code of Procedures on Recruitment and Selection. Unless otherwise stated below, the employees covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Local Government Regulations and the agreed redundancy provisions.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Board members and most senior management of Libraries NI.

Remuneration - Board Members (Audited Information)

	2017/18		2016/17	
	Salary £'000	Benefits in Kind (to the nearest £100)	Salary £'000	Benefits in Kind (to the nearest £100)
Professor Bernard Cullen	10 - 15	-	10 - 15	-
Alderman Thomas Burns	0 - 5	-	0 - 5	-
Alderman Tom Campbell	0 - 5	-	0 - 5	-
Councillor Janet Gray	0 - 5	-	0 - 5	-
Councillor Garath Keating	0 - 5	-	0 - 5	-
Mrs Deirdre Kenny	0 - 5	-	0 - 5	-
Mr Alastair McDowell	0 - 5	-	0 - 5	-
Councillor Séan McGuigan	0 - 5	-	0 - 5	-
Councillor Stephen McIlveen	0 - 5	-	0 - 5	-
Councillor Cathal Mallaghan	0 - 5	-	0 - 5	-
Alderman Stephen Martin	0 - 5	-	0 - 5	-
Ms Angela Matthews	0 - 5	-	0 - 5	-
Mr Harry Reid	0 - 5	-	0 - 5	-
Alderman Marion Smith	0 - 5	-	0 - 5	-
Dr Margaret Ward	0 - 5	-	0 - 5	-
Ms Jane Williams	0 - 5	-	0 - 5	-
Councillor Donal Lyons	0 - 5	-	0 - 5	-
Alderman William Leathem	0 - 5	-	0 - 5	-
Councillor Billy Webb	0 - 5	-	-	-

Remuneration (including salary) and pension entitlements – Senior Post Holders (Audited Information)

Salary includes gross salary and taxable travel allowance.

	2017/18					2016/17				
	Salary £'000	PRP* £'000	Benefits in kind £'000	Pension Benefits** £'000	Total £'000	Salary £'000	Benefits in kind £'000	PRP* £'000	Pension Benefits** £'000	Total £'000
Mr Jim O'Hagan Chief Executive (appointed 11 January 2018)	20-25 (90-95 full year equivalent)	0	0	6	25 – 30 (95 – 100 full year equivalent)	0	0	0	0	0
Mr Desmond Miskelly Director of Business Support (appointed 1 September 2016)	65-70***	0	0	70	135 - 140	35-40 (65- 70 full year equivalent)	0	0	55	90-95 (120- 125 full year equivalent)
Ms Helen Osborn Director of Library Services (Acting Chief Executive 1 March 2017 to 10 January 2018)	90-95	0	0	59	145 - 150	80-85	0	0	30	110-115
Mr Terry Heron Director of Business Support (retired 30 September 2016)	0	0	0	0	0	40-45 (80- 85 full year equivalent)	0	0	10	50 – 55 (90 – 95 full year equivalent)
Ms Irene Knox Chief Executive (retired 28 February 2017)	0	0	0	0	0	90-95 (100- 105 full year equivalent)	0	0	27	115 - 120 (125 – 130 full year equivalent)

* Performance Related Pay (PRP) is not applicable. .

** The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases include increases due to inflation and any increases or decreases due to a transfer of pension rights.

*** Includes a one-off payment of £3,706 for additional duties and responsibilities undertaken during the period of the temporary Chief Executive cover March 2017 – January 2018

Band of Highest Paid Senior Post Holder (Audited Information)

	2017/18	2016/17
Total Remuneration (£'000)	90 - 95	100 – 105
Median Total Remuneration (£'000)	18	18
Ratio	5.20	5.84

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid post holder and the median remuneration. The banded remuneration of the highest paid post holder in the financial year 2017/18 was £90,000 - £95,000 (2016/17: £100,000 - £105,000). This was 5.20 times the median, which was £17,772 (2016/17: £17,547). The banded remuneration of lowest paid staff was £15,000 - £20,000.

Benefits in Kind (Audited Information)

Board Members and Senior Post Holders receive no non-cash benefits (benefits in kind).

Pension Benefits – Board Members (Audited Information)

No Board Members receive pension benefits or make pension contributions in their capacity as a Board Member.

Pension Benefits - Senior Post Holders (Audited Information)

	Total value of accrued pension and lump sum at 65 at 31/03/18 £'000	Real increase in pension and lump sum at 65 £'000	CETV at 31/03/18 £'000	CETV at 31/03/17 £'000	Real increase in CETV £'000
Mr Jim O'Hagan Chief Executive (appointed 11 January 2018)	0 – 5 0	0 – 5 0	5	0	3
Mr Desmond Miskelly Director of Business Support	20 – 25 40 - 45	2.5 – 5.0 2.5 – 5.0	439	361	61
Ms Helen Osborn Director of Library Services	20- 25 25 - 30	2.5 – 5.0 0 – 2.5	383	321	44

Pension Arrangements

Libraries NI employees including Senior Post Holders belong to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) Scheme. The NILGOSC Scheme is of the defined benefits type, the assets of the scheme being held in separate trustee-administered funds. The scheme is administered by NILGOSC, Holywood Road, Belfast. The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method. Employee contribution rates are based on pensionable pay and were in the range 5.5% to 10.5% during 2017/18 as follows:

Band	Range	Contribution Rate
1	£0 - £14,100	5.5%
2	£14,101 - £21,500	5.8%
3	£21,501 - £35,900	6.5%
5	£35,901 - £43,400	6.8%
6	£43,401 - £85,800	8.5%
7	More than £85,800	10.5%

Libraries NI's contribution rate is determined by the fund actuary, based on a triennial valuation. The most up to date valuation was carried out as at 31 March 2016, at which date the funding ratio was 96%. This valuation was used to determine employer contribution rates from April 2017. For 2017/18, the employer contribution rate was 18% plus a fixed sum Deficit Recovery Contribution (DRC) of £204,000. This rate will change to 19% plus DRC of £204,000 in 2018/19 and 20% plus DRC of £204,000 in 2019-20. The contribution rates are set to meet the cost of benefits accruing during 2017/18 to be paid when members retire, and to redress the funding deficit related to past service liabilities, over a recovery period of 20 years from 1 April 2017.

For any membership accrued before 1 April 2009, benefits accrue at a rate of 1/80th of the employee's final year pensionable pay, with an automatic tax-free lump sum of three times their annual pension. For all membership accrued from 1 April 2009, benefits accrue at a rate of 1/60th of final pensionable pay for each year of service but with no automatic lump sum (members can choose to give up some of their pension to provide a lump sum).

Since 1 April 2015, members accrue benefits normally at a rate of 1/49th of the employee's career average pensionable pay. Additional Voluntary Contributions (AVCs) may be made through the NILGOSC in-house AVC provider.

Further details about the NILGOSC pension scheme can be found at the website www.nilgosc.org.uk and Notes 1 and 19 to the accounts.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to Libraries NI's pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report

Staff Numbers and Costs

Average Numbers Employed (Audited Information)

Staff Costs (Audited Information)

	Permanent employees 2017/18 £'000	Temporary employees 2017/18 £'000	Others 2017/18 £'000	Total 2017/18 £'000	Total 2016/17 £'000
Wages and salaries	11,233	195	1,296	12,724	13,346
Social Security costs	877	7	-	884	870
Pension costs	2,155	21	-	2,176	2,282
Other staff costs	395	-	163	558	1,144
Total	14,660	223	1,459	16,342	17,642

The average number of Full-Time Equivalent (FTE) persons employed during the year is shown in the following table:

	Permanent employees 2017/18 FTE	Temporary employees 2017/18 FTE	Agency/ Seconded 2017/18 FTE	Total 2017/18 FTE	Total 2016/17 FTE
Directly Employed	505	8	-	513	533
Other	-	-	59	59	67
Total	505	8	59	572	600

These costs and numbers include Senior Post Holders.

Other staff costs include redundancy costs £0.385 million (2016/17: £0.981 million), premature/flexible retirements £0.01 million (2016/17: £NIL), and unfunded pension payments under legacy arrangements £0.163 million (2016/17: £0.163 million). No staff costs have been capitalised (2016/17: £NIL). Wages and salaries include Agency staff costs of £1.241 million (2016/17: £1.443 million).

Some former public library service staff were given termination benefits by the former Education and Library Boards which were not funded, and these continue to be paid by Libraries NI.

Staff Composition – Employed (Full-Time Equivalents) (Audited Information)

Females 2017/18 FTE	Males 2017/18 FTE	Total 2017/18 FTE	Females 2016/17 FTE	Males 2016/17 FTE	Total 2016/17 FTE
377	136	513	394	139	533

Gender Balance – (based on headcount) (Audited Information)

	At 31 March 2018		
	Female	Male	Total
Board	7	13	20
Senior Managers	1	2	3
Employees	536	150	686

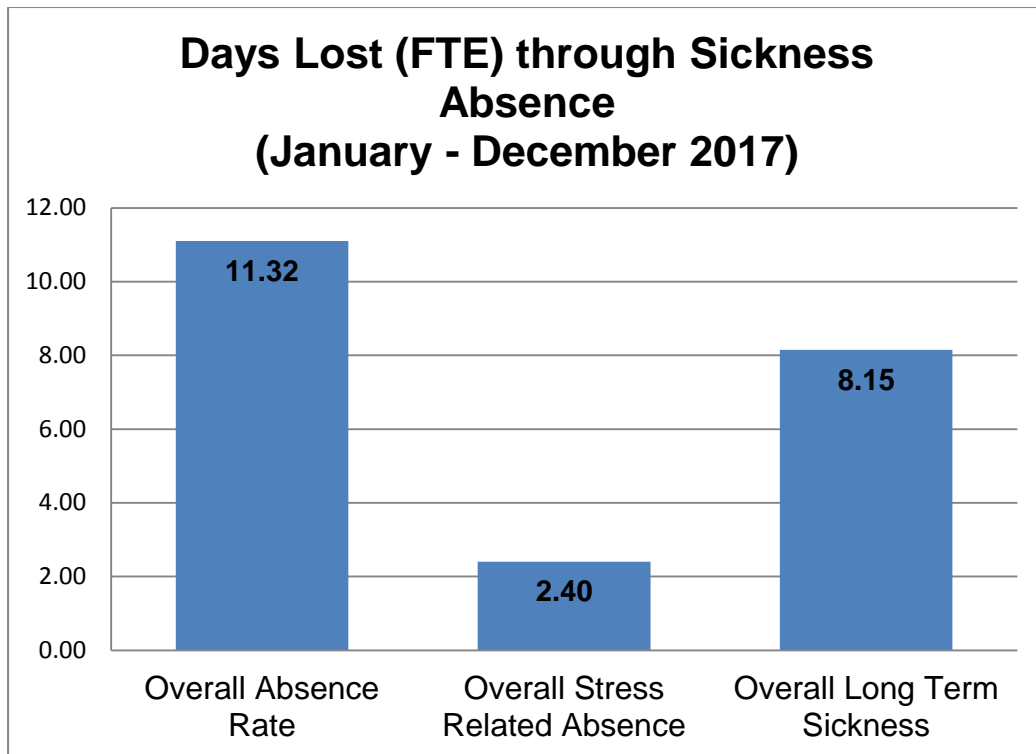
In carrying out its functions, Libraries NI has a statutory responsibility to have due regard to the need to promote equality of opportunity:

- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation
- between men and women generally
- between persons with a disability and persons without
- between persons with dependents and persons without.

In addition, without prejudice to the above obligation, Libraries NI has regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

Sickness Absence Data

Sickness absence is collated on a calendar year basis. In 2017 the composite average Full Time Equivalent (FTE) days lost through sickness absence was 11.32 days (2016: 9.82 days). Long term sickness accounted for the majority of days lost.



Employees with a Disability

Libraries NI actively seeks applications for employment from people with a disability where the requirements of the job may be adequately performed. Where existing employees acquire a disability it is Libraries NI policy, whenever reasonably possible, to provide continuous employment under normal terms and conditions and to provide training and career development and promotion, where appropriate.

Expenditure on Consultancy (Audited Information)

Expenditure on consultancy during the year was £NIL (2016/17 £NIL).

Off-payroll Engagements (Audited Information)

There were no "off-payroll" engagements in place as at 31 March 2017, nor were any arrangements entered into between 1 April 2017 and 31 March 2018.

Exit Packages (Audited Information)

	Number of compulsory redundancies 2017/18	Number of other departures agreed 2017/18	Total number of exit packages by cost band 2017/18	Total number of exit packages by cost band 2016/17
<£10,000	-	1	1	2
£10,001 - £25,000	-	3	3	-
£25,001 – £50,000	-	4	4	1
£50,001 - £100,000	-	1	1	9
£100,001 - £150,000	-	1	1	1
£150,001 - £200,000	-	-	-	1
Total number	-	10	10	14
Total resource cost £	-	384,790	384,790	980,906

Redundancy and other departure costs have been paid in accordance with the provisions of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007, and the NILGOSC Compensation Scheme. Exit costs are accounted for in full in the year of departure.

10 exit packages were funded by the Public Sector Transformation Fund (PSTF). (2016/17: 14 exit packages were funded by the PSTF).

Flexible Retirements (Audited Information)

There were eight flexible retirements supported during 2017/18, three of which incurred costs for early release of pension to effect efficiencies in line with Savings Delivery Plans.

	Number of Flexible Retirements with pension costs by cost band 2017/18
<£10,000	3
£10,001 - £25,000	-
£25,001 – £50,000	-
£100,001 - £150,000	-
£150,001 - £200,000	-
Total Number of Flexible Retirements	3
Total Costs	9,930

During 2017/18 five people (2016/17: 11 people) retired early on ill-health grounds. Ill-health retirement actuarial costs are met by the pension scheme and are not included in the table.

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Assembly Accountability and Audit Report

Statement of Losses and Special Payments (Audited information)

	2017/18	2017/18	2016/17	2016/17
	No of Cases	£'000	No of Cases	£'000
Claims abandoned	9,569	35	10,656	41
Stores losses	123,583	248	59,681	128
Total	133,152	283	70,337	169

Stores Losses include: £120,000 in relation to 65,402 items of stock which were due for return between October 2016 and September 2017 but had not been returned by year end, 58,178 items which were identified during a catalogue tidy exercise across all branches, and £3,000 in relation to 3 items of stock assets.

Claims abandoned relate to unpaid borrower charges which are abandoned after two years.

Special Payments (Audited Information)

	2017/18	2017/18	2016/17	2016/17
	No of Cases	£'000	No of Cases	£'000
Compensation Payments	4	89	9	28

Remote Contingent Liabilities (Audited Information)

A request for re-evaluation of the Branch Library Manager post has been received, and is under review.

Compliance with Regularity of Expenditure Guidance (Audited)

Libraries NI's Business Plan targets for 2017/18 were approved by the Department for Communities, and Libraries NI has developed budgets to ensure that spend is directed to achieving these targets. Libraries NI reports monthly to the Department on spend, and quarterly on achievement of targets.

Libraries NI operates within the terms of an agreed Management Statement and Financial Memorandum with the Department, which sets out, inter-alia, appropriate delegations of authority on spend and also takes cognizance of other relevant guidance.

Libraries NI has an internal regularity framework in place, including delegated budget authority, policies, procedures and systems for the justification and control of spend, and ex-post review of projects. Operation of the framework is kept under regular review.

Procurement in Libraries NI is conducted within a framework of legislation and guidance from Europe, the UK and the NI Executive. All procurement activity is supported by a Centre of Procurement Expertise (CoPE) and all significant procurement activity is facilitated by a CoPE. Procurement activity is subject to regular review, and is reported to the Board.

I am not aware of any irregularities or variances in relation to expenditure guidance.



Jim O'Hagan
Chief Executive

Date: 11 October 2018

NORTHERN IRELAND LIBRARY AUTHORITY

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Library Authority for the year ended 31 March 2018 under the Libraries Act (Northern Ireland) 2008. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Library Authority's affairs as at 31 March 2018 and of the Northern Ireland Library Authority's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Libraries Act (Northern Ireland) 2008 and Department for Community directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Ireland Library Authority in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information

The Board and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Department for Community directions made under the Libraries Act (Northern Ireland) 2008; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Libraries Act (Northern Ireland) 2008.

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "K J Donnelly". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

*KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU*

17 October 2018

Libraries NI

Statement of Comprehensive Net Expenditure for the year ended 31 March 2018

	Note	2017/18 £'000	2016/17 £'000
Income			
Income from Activities	4	(806)	(892)
Other Income		(55)	(39)
Total Operating Income		<u>(861)</u>	<u>(931)</u>
Expenditure			
Staff Costs		16,342	17,642
Purchase of Goods and Services		13,392	12,514
Depreciation/Amortisation/Impairment		4,456	5,216
Provision expense		34	11
Other Operating Costs		3,590	2,687
Total Operating Expenditure	3	<u>37,814</u>	<u>38,070</u>
Net Operating Expenditure		<u>36,953</u>	<u>37,139</u>
Finance Expense	5	155	159
Net Expenditure for the year		<u>37,108</u>	<u>37,298</u>
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain) on revaluation of property, plant and equipment	9.1	(6,285)	(6,658)
Net (gain) on revaluation of intangible assets	9.2	(4)	(7)
Net (gain) / loss on revaluation of Heritage Assets	9.3	(997)	180
Net actuarial (gain)/ loss on pension scheme liabilities	19.3	(2,219)	17,749
Comprehensive Net Expenditure for the year		<u>27,603</u>	<u>48,562</u>

All amounts above relate to continuing activities.

The notes on pages 85 to 112 form part of these accounts.

Libraries NI

Statement of Financial Position as at 31 March 2018

	Note	2018 £'000	2017 £'000
Non-current assets			
Property, plant and equipment	6	103,911	99,782
Intangible assets	7	140	224
Heritage assets	10	9,944	8,947
Financial Assets	11	1,350	1,410
Total non-current assets		<u>115,345</u>	<u>110,363</u>
Current assets			
Trade and other receivables	11	799	939
Cash and cash equivalents	12	631	356
Total current assets		<u>1,430</u>	<u>1,295</u>
Total assets		<u>116,775</u>	<u>111,658</u>
Current Liabilities			
Trade and other payables	13	(3,236)	(3,546)
Provisions	14	(21)	(36)
Total current liabilities		<u>(3,257)</u>	<u>(3,582)</u>
Total assets less current liabilities		<u>113,518</u>	<u>108,076</u>
Non-current liabilities			
Provisions	14	(71)	(111)
Pension liabilities	19	(77,262)	(75,908)
Other liabilities	13	(3,476)	(3,570)
Total non-current liabilities		<u>(80,809)</u>	<u>(79,589)</u>
Total assets less total liabilities		<u>32,709</u>	<u>28,487</u>
Taxpayers' equity and other reserves			
General reserve		52,330	52,468
Pension reserve		(77,262)	(75,908)
Revaluation reserve		47,697	42,980
Heritage assets reserve		9,944	8,947
		<u>32,709</u>	<u>28,487</u>

The Financial Statements on pages 81 to 112 were approved by the Board on 11 October 2018 and were signed on its behalf by:

Accounting Officer:



Date: 11 October 2018

The notes on pages 85 to 112 form part of these accounts.

Libraries NI

Statement of Cash Flows for the year ended 31 March 2018

	Note	2017/18 £'000	2016/17 £'000
Cash flows from operating activities			
Net operating cost		(37,108)	(37,298)
Adjustments for non-cash transactions	3	3,733	2,349
Finance expense	5	155	159
Depreciation/Amortisation	6/7	4,347	5,565
Decrease / (Increase) in trade and other receivables	11	200	(77)
(Decrease) in trade and other payables	13	(419)	(144)
Use of Provisions	14	(89)	(28)
<i>Net cash outflow from operating activities</i>		(29,181)	(29,474)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,110)	(1,556)
Purchase of intangible assets	7	-	(9)
Interest on PFI	5	(77)	(81)
Proceeds of disposal of property, plant and equipment		31	123
<i>Net cash outflow from investing activities</i>		(2,156)	(1,523)
Cash flows from financing activities			
Grants from sponsoring department		31,795	30,986
Capital element of payments in respect of finance leases and on-SoFP PFI contracts	16/17	(105)	(95)
Interest on finance leases	5	(78)	(78)
<i>Net financing</i>		31,612	30,813
Net increase / (decrease) in cash and cash equivalents in the period		275	(184)
Cash and cash equivalents at the beginning of the period	12	356	540
Cash and cash equivalents at the end of the period	12	631	356

The notes on pages 85 to 112 form part of these accounts.

Libraries NI

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

	Note	General Reserve	Pension Reserve	Revaluation Reserve	Heritage Assets Reserve	Total Reserves
		£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2016		54,551	(55,532)	37,869	9,127	46,015
Changes in taxpayers' equity 2016/17						
Grants from Sponsoring Department		30,986	-	-	-	30,986
Comprehensive Net Expenditure for the year		(37,298)	(17,749)	-	-	(55,047)
Transfers between reserves	19.2/19.5	2,627	(2,627)	-	-	-
Revaluation gain / (loss)		-	-	6,665	(180)	6,485
Realised element of revaluation reserve		1,554	-	(1,554)	-	-
Auditors Remuneration – notional	3	48	-	-	-	48
Balance at 31 March 2017		<u>52,468</u>	<u>(75,908)</u>	<u>42,980</u>	<u>8,947</u>	<u>28,487</u>
Opening balance at 1 April 2017		52,468	(75,908)	42,980	8,947	28,487
Changes in taxpayers' equity 2017/18						
Grants from Sponsoring Department		31,795	-	-	-	31,795
Comprehensive Net Expenditure for the year		(37,108)	2,219	-	-	(34,889)
Transfers between reserves	19.2/19.5	3,573	(3,573)	-	-	-
Revaluation gains		-	-	6,289	997	7,286
Realised element of revaluation reserve		1,572	-	(1,572)	-	-
Auditors Remuneration – notional	3	30	-	-	-	30
Balance at 31 March 2018		<u>52,330</u>	<u>(77,262)</u>	<u>47,697</u>	<u>9,944</u>	<u>32,709</u>

The notes on pages 85 to 112 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements are prepared in accordance with the 2017/18 Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context, and include early adoption of standards not yet effective where it is judged appropriate, and with the approval of DoF.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of Libraries NI for the purpose of giving a true and fair view has been selected. The particular policies to be adopted by Libraries NI are described below. They are applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and heritage assets.

1.2 Recognition of Income and Funding

1.2.1 Departmental Funding

The main source of funding for Libraries NI is grant-in-aid. All grants-in-aid, whether for revenue or capital purposes, are treated as contributions from controlling parties giving rise to financial interest in the residual interest of Libraries NI and are credited to the SoCNE Reserve. Grant-in-aid is recognised in the financial period in which the funding is received.

1.2.2 Income from Activities

Income from activities relates to the operating activities of Libraries NI and the sale of goods and services which includes fees and charges for services provided to library users, the recovery of shared costs for premises, staff and other income. Income from fees and charges and from the sale of goods and services is recognised in the period in which fees are incurred or services are provided. Debts relating to library fees and fines which are over two years old, having been through the normal debt collection procedure, are abandoned.

1.2.3 Grant Income

In addition to grant-in-aid, Libraries NI receives revenue grants which are credited to reserves other than where Department for Communities (DfC) and DoF approval is obtained to treat them as income in the Statement of Comprehensive Net expenditure (SoCNE). Revenue grants received for specific purposes are shown as income in the SoCNE to the extent of matching the related expenditure incurred during the period. Any income received but not matched to related expenditure during the period is shown as deferred income on the Statement of Financial Position (SoFP).

1.3 Foreign Currency Transactions

Foreign Currency transactions are translated at the exchange rate ruling at the date of payment.

1.4 Taxation

Libraries NI is not within the scope of Corporation tax.

Libraries NI is VAT registered and input tax on purchases is generally recoverable. Income and expenditure figures are stated net of VAT.

1.5 Property, Plant and Equipment

Items of property plant and equipment costing in excess of £3,000 per individual item, which are held for use on a continuing basis in delivering Libraries NI activities, and which yield a benefit for a period of more than one year, are treated as capital expenditure in the accounts. Related items of property plant and equipment may be grouped for aggregation purposes.

1.5.1 Land and Buildings

All land and buildings are carried in the SoFP at fair value. Properties which are specialised and in operational use have been valued in Existing Use on the basis of Depreciated Replacement Cost. Full valuations are made by Land and Property Services (LPS) at a minimum every five years. In the intervening years the valuations are updated using appropriate indices provided by LPS.

Properties which were in operational use by Libraries NI but are now surplus, are stated at Existing Use Value if there are restrictions on the entity or the asset which would prevent access to the market at the reporting date.

Where there is an expectation to dispose of a property within a year, its value is re-classified and shown separately as part of current assets.

1.5.2 Other Assets

Other assets including vehicles, computers and plant/equipment are carried at fair value, and valued on a Modified Historic Cost basis. Values are updated annually using appropriate Office for National Statistics (ONS) indices and reviewed annually for impairment.

1.5.3 Assets in the Course of Construction

Assets in the course of construction are carried at cost, less any impairment. Cost includes all costs to acquire and construct the item of property, plant or equipment. On completion, property assets are revalued and the asset is reclassified at valuation. Other assets are reclassified at cost.

1.5.4 Depreciation

Depreciation is provided for all items of property, plant and equipment having a finite useful life, by allocating the cost (or revalued amount) less estimated residual value of the assets as

fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed annually and adjusted where appropriate.

Depreciation is not provided for on freehold land, heritage assets or on assets which are held for sale. Other assets are depreciated on a straight line basis over their expected useful lives. A full month's depreciation is charged in the period of acquisition or commissioning and no depreciation is charged in the month of disposal. Completed building projects are not depreciated until brought into use.

Useful economic lives are generally set as follows, for each class and sub-class of asset. The estimated useful lives of buildings are revised as part of the five year revaluation exercise by LPS.

<u>Asset Class</u>	<u>Asset Sub-Class</u>	<u>Asset Life</u>
Land	Land	Not Depreciated
Buildings	Permanent Buildings	50 Years
Computers	Hardware and Software	5 Years
Plant & Equipment	Music Equipment	10 Years
	Library Equipment, Other	10 Years
	Furniture & Fittings	10 Years
	Reprographics	7 Years
Vehicles	Mobile Libraries	10 Years
	Vans/Cars	5 Years

1.6 Intangible Assets

Intangible assets are non-financial non-current assets that do not have physical substance but are identifiable and are controlled by Libraries NI through custody or legal rights. Intangible assets costing in excess of £3,000 per individual item are capitalised and stated in the SoFP at fair value. Intangible assets are valued on a Modified Historical Cost basis, which is deemed to be a proxy for fair value. Valuations are updated annually using the Retail Price Index.

1.6.1 Amortisation

Amortisation is provided for all intangible non-current assets with a finite useful life, by allocating the cost (or revalued amount) less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed annually and adjusted where appropriate.

Useful economic lives are generally set as follows:

<u>Asset Class</u>	<u>Asset Sub-Class</u>	<u>Asset Life</u>
Intangible Assets	Software Licences	5 years

1.7 Heritage Assets

1.7.1 Stock Assets

Stock Assets are defined as, "stock items or groups of items to be retained for use by future generations because of their cultural and/or historical associations and with a value individually or as a group of over £1,000". They include the valuable book collections in Belfast Central Library, Derry Central Library, Armagh Irish and Local Studies, Ballymoney Library, Coleraine Library, Downpatrick Library, Enniskillen Library, Omagh Library and Ballymena Administrative Centre.

The Stock Assets are valued at net realisable value, and are valued every five years by professionally qualified valuers on the basis of a rolling programme of valuation. The legacy items valued at under £1,000 are periodically revalued using an index which is derived on the basis of a valuation of a sample of items. They are reviewed each year by the heritage team and impaired where appropriate. Stock Assets are not depreciated as they are considered to have an infinite useful life.

1.7.2 Other Non-Operational Assets

These are defined as items or groups of items to be retained because of their cultural heritage associations, and with a value of over £1,000, other than Stock Assets. These include artworks located in library premises.

The other Non-Operational Assets are valued at net realisable value, and are valued every 5 years by professionally qualified valuers. They are not indexed in the interim, and are not depreciated as they are considered to have an infinite useful life, but are reviewed each year by the heritage team and impaired where appropriate.

1.8 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

1.9 Provisions

Libraries NI provides for legal or constructive obligations which are of uncertain timing or amount at the SoFP date, on the basis of management's best estimate of the cost to settle the obligation. These estimates are made on the basis of advice from Libraries NI's legal and insurance advisors. When some or all of the costs to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.10 Employee Benefits

The cost of providing employee benefits is recorded in the SoCNE in the period in which the benefit is earned by the employee, rather than when it is paid or payable. This is applicable to both short and long term benefits.

1.11 Pension Scheme

Past and present employees are covered by the provisions of the Northern Ireland Local Government Officer's Superannuation Committee (NILGOSC) Scheme, which is a defined benefits scheme. The assets of the funded scheme are held in separate trustee-administered funds. Libraries NI's contribution to the fund is determined by the fund actuary based on a triennial valuation. Some former public library service staff were given termination benefits by the Education and Library Boards which were not funded, and these continue to be paid annually by Libraries NI.

Pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method and are accounted for on the basis of charging the cost of providing pensions over the period during which Libraries NI benefits from the employee's services. Variations from regular cost are spread over the expected average remaining working lives of members of the scheme after making allowances for future withdrawals.

The difference between the fair value of the assets held in Libraries NI's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method is recognised in Libraries NI's SoFP as a pension scheme asset or liability as appropriate.

In accordance with IAS 19 'Employee Benefits', the in-year movement in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by Libraries NI are charged to the Statement of Comprehensive Net Expenditure.

Further detail in relation to the pension scheme is disclosed in the Remuneration and Staff Report and in Note 19 to these accounts.

1.12 Reserves

The SoCNE Reserve represents the accumulated financial position of Libraries NI.

The Pension Reserve represents the cumulative balance on the Libraries NI portion of the NILGOSC pension fund.

The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments to PPE and intangible assets.

The Heritage Assets Reserve represents the valuation of the Heritage Assets. Any increase or decrease in the valuation of Heritage Assets will be taken to the Heritage Assets Reserve.

Increases arising on revaluation of assets are taken to the revaluation reserve except when they reverse a revaluation decrease for the same asset previously recognised in the SoCNE, in which case it is credited to the SoCNE to the extent of the decrease previously charged there. A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and thereafter to the SoCNE.

1.13 Finance and Operating Leases

A lease is classified as either a finance lease or an operating lease depending on the substance of the agreement.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Finance leases are treated as if the asset had been purchased outright. The related assets are included in non-current assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against income in proportion to the reducing capital element outstanding. An asset held under a finance lease is depreciated over a useful life similar to that of equivalent owned assets.

An operating lease is a lease other than a finance lease. Operating lease rentals are charged to the SoCNE as costs are incurred over the lease term.

1.14 Private Finance Initiative (PFI) Transactions and other Service Concessions

The PFI transaction in Libraries NI is assessed against IFRIC 12, Service Concession Arrangements, as the private sector operator is contracted to provide services related to the infrastructure to the public on behalf of Libraries NI.

Libraries NI recognises the infrastructure as a non-current asset and values it in the same way as other non-current assets of that type. The liability to pay for the infrastructure is also recorded on the SoFP. The asset is depreciated over its useful economic life and the associated liability is reduced as payments are made. An imputed finance charge on the liability is recorded in subsequent years using an asset specific rate. The remainder of the PFI payments is recorded as an operating cost. Libraries NI recognised the asset when it came into use. Libraries NI has made a contribution to the operator in advance of the asset coming into use, and this contribution is shown within prepayments and amortised to the SoCNE in equal amounts over the contract term.

Libraries NI has entered into a Service Concession arrangement which is not a PFI transaction in relation to an ICT managed service. The assets are owned by Libraries NI and the operator provides the service to the public and library staff on behalf of Libraries NI. The assets were recognised as non-current assets when they were brought into use, and are depreciated over their useful lives.

1.15 Financial Instruments

Libraries NI does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables. Trade receivables are recognised initially at fair value less provision for impairment. A provision for impairment is made when there is evidence that Libraries NI will be unable to collect an amount due in accordance with agreed terms.

1.16 Contingent Liabilities disclosed under IAS 37

Libraries NI discloses in its accounts sufficient information in relation to events occurring before the year end date which will probably give rise to a liability which it is not yet possible to estimate reliably, to allow readers of the accounts to understand the nature and possible timing of the liability.

1.17 Early Departure Costs

Libraries NI meets the additional costs of pension benefits for employees who retire early by paying the required amounts in a lump sum at retirement. Libraries NI accrues for this in full at the time the early retirement becomes binding.

For some staff who retired early from the Education and Library Boards, additional costs are paid for by paying the required amounts annually. These costs are charged to SoCNE and the liability is reflected in the pension deficit, in line with other pension obligations, under IAS 19.

1.18 Accounting Standards, interpretation and amendments to published standards adopted in the year ended 31 March 2018

Libraries NI has reviewed the standards, interpretations and amendments to published standards that became effective during 2017/18 and which are relevant to its operations. Adoption of these standards has not had a significant impact on the financial position or results of Libraries NI.

1.19 Accounting Standards, interpretations and amendments to published standards not yet effective

Management has reviewed new accounting standards, interpretations and amendments to existing standards that have been issued but are not yet effective as at 31 March 2018, and which Libraries NI has not adopted early for these accounts.

IFRS 16 Leases will become effective from 2018/19, and is expected to be adopted in FReM from 2019/20. Application of the standard will represent a significant change to how leases are presented in the accounts, and Libraries NI will be required to recognise an asset and a corresponding liability for material leases with terms in excess of 12 months.

1.20 Library Lending Stock

Library lending stocks are those materials including books, audio and visual materials, and downloadable materials which are purchased for lending to and reference by borrowers. These are expensed when purchased.

2. Analysis of Operating Costs by Segment

Libraries NI operates solely within Northern Ireland and is managed at a corporate level as one segment. Decisions are made by the Senior Management Team and Board.

3. Operating Costs

	Note	2017/18 £'000	2016/17 £'000
Staff Costs:			
Wages and salaries		12,724	13,346
Social Security Costs		884	870
Pension Costs		2,176	2,282
Other Staff Costs		558	1,144
Premises, fixed plant and grounds		4,149	4,007
PFI Service charges		316	309
Library lending stock		3,905	3,149
Supplies and Services		4,315	4,289
Other employee expenses		264	336
Transport		198	192
Rentals under operating leases: Buildings		245	232
Non-cash items:			
Depreciation		4,259	5,397
Amortisation		88	168
Loss on disposal of property, plant and equipment		(13)	12
Pension fund costs		3,573	2,627
Impairment / (Reversal of impairment) of property, plant and equipment	9	109	(349)
Provisions provided for in year	14	34	11
Auditors' remuneration – notional		30	48
		<u>37,814</u>	<u>38,070</u>

Libraries NI purchased no non-audit services from its external auditor (the Northern Ireland Audit Office). Further analysis of staff costs is available in the Remuneration and Staff Report.

4. Income from Activities

	2017/18 £'000	2016/17 £'000
Fees and charges	395	426
Sale of goods and services	401	433
Other income	10	33
	<u>806</u>	<u>892</u>

5. Finance Expense

	2017/18 £'000	2016/17 £'000
Finance leases	78	78
PFI	77	81
	<u>155</u>	<u>159</u>

6. Property, Plant and Equipment 2017/18

	Land	Buildings	Vehicles	Computers	Plant & Equipment	Assets in Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2017	13,357	80,704	1,824	9,027	2,971	1,040	108,923
Additions	-	492	239	265	-	1,234	2,230
Disposals	-	-	(20)	-	(11)	-	(31)
Net (Impairment)/ Reversal	306	(530)	24	-	(9)	-	(209)
Revaluations	457	5,883	(93)	299	36	-	6,582
Reclassifications	-	1,431	80	-	-	(1,511)	-
At 31 March 2018	14,120	87,980	2,054	9,591	2,987	763	117,495
Depreciation							
At 1 April 2017	-	-	812	6,498	1,831	-	9,141
Charged in year	-	2,944	239	832	244	-	4,259
Disposals	-	-	(9)	-	(4)	-	(13)
Net Impairment/ (Reversal)	-	(84)	(8)	-	(8)	-	(100)
Revaluations	-	191	(157)	240	23	-	297
Reclassifications	-	-	-	-	-	-	-
At 31 March 2018	-	3,051	877	7,570	2,086	-	13,584
Carrying amount at 31 March 2018	14,120	84,929	1,177	2,021	901	763	103,911
Carrying amount at 31 March 2017	13,357	80,704	1,012	2,529	1,140	1,040	99,782

6. Property, Plant and Equipment (continued)

Asset Financing:

	Land	Buildings	Vehicles	Computers	Plant & Equipment	Assets in Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Owned	13,231	81,371	1,177	2,021	901	763	99,464
Finance Leased	522	-	-	-	-	-	522
On- SoFP PFI contracts	367	3,558	-	-	-	-	3,925
Carrying amount at 31 March 2018	14,120	84,929	1,177	2,021	901	763	103,911

Valuations of land and buildings in use were indexed using indices supplied by Land and Property Services (LPS), with the exception of one property. This property had been fully refurbished during the year and was revalued by LPS on completion.

17 properties have intrinsic links to adjoining Health Trust facilities either through the sharing of common mechanical systems, access routes or building elements. The carrying amount includes £6,778k (2016/17: £6,495k) in respect of such properties.

One property is identified as surplus (2016/17: 1 property). The property is located on a shared site with a Health Trust and future disposal will be through joint disposal with the Health Trust. This property was valued as at the 31st March 2018 by LPS, at fair value. The carrying amount is £30k (2016/17: £30k).

6. Property, Plant and Equipment (continued) 2016/17

	Land	Buildings	Vehicles	Computers	Plant & Equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at 1 April 2016	12,860	89,141	1,790	8,453	2,852	59	115,155
Additions	-	107	82	312	67	981	1,549
Disposals	-	-	(27)	-	(31)	-	(58)
Net (Impairment)/ Reversal	178	(324)	32	78	-	-	(36)
Revaluations	319	(8,220)	(53)	184	82	-	(7,688)
At 31 March 2017	13,357	80,704	1,824	9,027	2,970	1,040	108,922
Depreciation at 1 April 2016	-	11,902	637	4,423	1,548	-	18,510
Charged in year	-	3,010	246	1,883	258	-	5,397
Disposals	-	-	(22)	-	(14)	-	(36)
Net Impairment/ (Reversal)	-	(450)	8	57	-	-	(385)
Revaluations	-	(14,462)	(57)	135	38	-	(14,346)
At 31 March 2017	-	-	812	6,498	1,830	-	9,140
Carrying amount at 31 March 2017	13,357	80,704	1,012	2,529	1,140	1,040	99,782
Carrying amount at 31 March 2016	12,860	77,239	1,153	4,030	1,304	59	96,645

6. Property, Plant and Equipment (continued)

Asset Financing:

	Land	Buildings	Vehicles	Computers	Plant & Equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Owned	12,510	77,323	1,012	2,529	1,140	1,040	95,554
Finance Leased	497	-	-	-	-	-	497
On-SoFP PFI contracts	350	3,381	-	-	-	-	3,731
Carrying amount at 31 March 2017	13,357	80,704	1,012	2,529	1,140	1,040	99,782

7. Intangible Assets

Software Licences

£'000

Cost or valuation at 1 April 2017	830
Additions	-
Disposals	-
Impairments	-
Revaluations	27
Reclassifications	-
At 31 March 2018	857
Amortisation at 1 April 2017	606
Charged in year	88
Disposals	-
Revaluations	23
At 31 March 2018	717
Carrying amount at 31 March 2018	140
Carrying amount at 31 March 2017	224
Asset Financing:	
Owned	140
Carrying amount at 31 March 2018	140
Cost or valuation at 1 April 2016	796
Additions	9
Disposals	-
Impairments	-
Revaluations	25
At 31 March 2017	830
Amortisation at 1 April 2016	420
Charged in year	168
Disposals	-
Revaluations	18
At 31 March 2017	606
Carrying amount at 31 March 2017	224
Carrying amount at 31 March 2016	376
Asset Financing:	
Owned	224
Carrying amount at 31 March 2017	224

8. Financial Instruments

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of Libraries NI are met through Grant-in-Aid, financial instruments play a more limited role in creating risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Libraries NI expected purchase and usage requirements and Libraries NI is therefore exposed to little credit, liquidity or market risk.

9. Revaluation, Impairment and/or Indexation

9.1 Property, Plant and Equipment

	2017/18 £'000	2016/17 £'000
Charged/(Credited) to the SoCNE	109	(349)
(Credited) to Revaluation Reserve	<u>(6,285)</u>	<u>(6,658)</u>
	<u>(6,176)</u>	<u>(7,007)</u>

9.2 Intangible Assets

	2017/18 £'000	2016/17 £'000
(Credited) to Revaluation Reserve	<u>(4)</u>	<u>(7)</u>
	<u>(4)</u>	<u>(7)</u>

9.3 Heritage Assets

	2017/18 £'000	2016/17 £'000
Charged to the Heritage Assets Reserve	<u>(997)</u>	<u>180</u>
	<u>(997)</u>	<u>180</u>

Revaluation - Charges/Credits to the Revaluation Reserve:

Increases arising on revaluations are taken to the Revaluation Reserve except for reversals of impairments for the same asset previously recognised in expenditure, which are credited to expenditure to the extent of the decrease previously charged there. Revaluation decreases are recognised as an impairment charge to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

Impairment - Charges/Credits to the SoCNE:

Impairment losses are due to changes in the market value. Where necessary, assets have been written down to recoverable amounts, and the loss charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and thereafter, to expenditure. Where there is a reversal of the impairment loss, it is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the impairment previously charged there and thereafter, to the Revaluation Reserve.

10. Heritage Assets

	Stock Assets	Other Non-Operational Assets	Total
	£'000	£'000	£'000
Cost or valuation			
Opening balance at 1 April 2017	8,912	35	8,947
Additions	-	9	9
Losses	(5)	-	(5)
Revaluations	992	1	993
Closing balance at 31 March 2018	<u>9,899</u>	<u>45</u>	<u>9,944</u>

	Stock Assets	Other Non-Operational Assets	Total
	£'000	£'000	£'000
Cost or valuation			
Opening balance at 1 April 2016	9,092	35	9,127
Additions	2	-	2
Losses	(1)	-	(1)
Revaluations	(181)	-	(181)
Closing balance at 31 March 2017	<u>8,912</u>	<u>35</u>	<u>8,947</u>

In 2006-07, prior to the inception of Libraries NI, a category of asset referred to as "Special Books" was valued and included in the accounts of the five Education and Library Boards (ELBs), with various capitalisation limits ranging up to £3,000. There was no stated policy in respect of these assets, which were included at a value of £12.9 million. Many items were not valued individually but as a collection only. The valuations included some pieces of art. Until 2015-16, the accounts of Libraries NI were qualified in respect of these assets, since Libraries NI could not satisfy the Comptroller and Auditor General as to the completeness or accuracy of the figures.

In response, Libraries NI has put in place an accounting policy in respect of its valuable books and collections, (termed Stock Heritage assets) and art (termed Other Non-Operational Heritage assets), and applied a capitalisation threshold, as set out in Note 1.7. Balances include assets valued at under £1,000 which were inherited from the ELBs.

Libraries NI has completed a series of annual valuations, which were carried out by experienced valuers in this field - Eamon deBurca, ABA, PBFA and P&B Rowan, ABA, PBFA, ILAB, CINOA, on the basis of net realisable market value. The valuation of art was carried out by John Ross & Co. MIAVI. By the end of the financial year 2015-16, all recognised Heritage Assets had been valued by Libraries NI on a rolling program.

In March 2017, collections in Newry, Armagh and Downpatrick were revalued by P&B Rowan, ABA, PBFA, ILAB, CINOA and in March 2018, further valuations were carried out by Eamonn de Burca, ABA, ILAb, PBFA, FABS, IADA, FSRAl in Belfast Central Library and in Derry Central Library. Valuations were on the basis of net realisable value.

Heritage Stock Assets are covered by the Libraries NI Heritage Policy 2017-2020 which sets out the approach to the collection, preservation and exploitation of Heritage material. The stock is available to view by the public either on request or on open access, at a number of library locations.

11. Trade Receivables and Other Current Assets

	2017/18 £'000	2016/17 £'000
Amounts falling due within one year:		
VAT	539	591
Trade receivables	139	150
Other receivables	1	65
Prepayments and accrued income	30	43
Current part of PFI prepayment	90	90
	<u>799</u>	<u>939</u>
Amounts falling after more than one year:		
PFI Prepayment	1,350	1,410
Total	<u><u>2,149</u></u>	<u><u>2,349</u></u>

12. Cash and Cash Equivalents

	2017/18 £'000	2016/17 £'000
Balance at 1 April	356	540
Net change in cash and cash equivalent balances	275	(184)
Balance at 31 March	<u>631</u>	<u>356</u>
Balances held in commercial banks and cash in hand	<u>631</u>	<u>356</u>

This balance includes £11,347 which relates to third party monies held in a trust fund administered by Libraries NI.

13. Trade Payables and Other Current Liabilities

	2017/18 £'000	2016/17 £'000
Amounts falling due within one year:		
Other taxation and social security	216	336
Trade payables	1,351	1,458
Other payables	9	11
Accruals and deferred income	1,567	1,636
Current part of finance leases	(38)	(38)
Current part of imputed finance lease element of on-SoFP PFI Contracts	131	143
	<u>3,236</u>	<u>3,546</u>
Amounts falling due after more than one year:		
Finance leases	1,012	974
Imputed finance lease element of on-SoFP PFI Contracts	2,464	2,596
	<u>3,476</u>	<u>3,570</u>
Total	<u>6,712</u>	<u>7,116</u>

14. Provisions for Liabilities and Charges

Employer & Public Liability Claims £'000

At 1 April 2017	147
Provided in the year	72
Provisions not required written back	(38)
Provisions utilised in the year	(89)
At 31 March 2018	<u><u>92</u></u>

Analysis of expected timing of cash flows

Not later than one year	21
Later than one year and not later than five years	71
Later than five years	-
At 31 March 2018	<u><u>92</u></u>

At 1 April 2016	164
Provided in the year	91
Provisions not required written back	(80)
Provisions utilised in the year	(28)
At 31 March 2017	<u><u>147</u></u>

Analysis of expected timing of cash flows

Not later than one year	36
Later than one year and not later than five years	111
Later than five years	-
At 31 March 2017	<u><u>147</u></u>

Employer and Public Liability Claims

These are claims against Libraries NI submitted by members of staff and/or the public in relation to accidents or incidents which have happened before the SoFP date. Claims which have progressed sufficiently to allow a settlement figure to be reliably estimated are included in the provision. Estimates are calculated by reference to analysis of previous claims of a similar type, the previous history of successful settlements and professional judgement.

The possible timing of payments in settlement of such cases is uncertain; cases are plaintiff driven and progress is dependent on individual circumstances of that each case. As a case progresses and more information becomes available the amount of the estimated settlement figure may subsequently be revised up or down.

15. Capital Commitments

	2017/18 £'000	2016/17 £'000
Contracted capital commitments at 31 March 2018 not otherwise included in these financial statements		
Buildings	1,666	602
Vehicles	-	166
Computers	2	-
	<u>1,668</u>	<u>768</u>

16. Commitments Under Leases

16.1 Operating Leases

Total future minimum lease payments under operating leases are given in the table below, for each of the following periods:

	2017/18 £'000	2016/17 £'000
Obligations under operating leases comprise:		
Land		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>-</u>
Buildings		
Not later than one year	217	219
Later than one year and not later than five years	570	636
Later than five years	340	464
	<u>1,127</u>	<u>1,319</u>
Other		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>-</u>
	<u>1,127</u>	<u>1,319</u>

16.2 Finance Leases

Libraries NI has one finance lease in place, in respect of land which is held on a 999 year lease. Total future minimum lease payments under the lease are given in the table below.

Obligations under finance leases for each of the following periods comprise:

	2017/18	2016/17
	£'000	£'000
Land		
Not later than one year	40	40
Later than one year and not later than five years	160	160
Later than five years	<u>38,240</u>	<u>38,280</u>
	38,440	38,480
Less interest element	<u>(37,773)</u>	<u>(37,813)</u>
	<u>667</u>	<u>667</u>

17. Commitments Under PFI Contracts and other service concession arrangements contracts

Libraries NI had one PFI contract in operation during the period under review, which was on-SoFP under IFRIC 12.

This contract relates to the Lisburn City library. The contract is for the provision of a serviced building, delivered under a 25 year contract, starting in December 2005. The Unitary Payment is increased annually in line with the RPI. The building will become the property of Libraries NI at the end of the contract period when Libraries NI will acquire a 999 year leasehold on the premises for a payment of £1. Under IFRIC 12, the property is treated as if it was owned by Libraries NI.

The substance of the contract is that Libraries NI has a finance lease and that payments comprise two elements - finance lease charges and service charges. Details of the imputed finance lease charges are in the table below.

On 29 March 2013 Libraries NI entered into a service concession contract for the supply of a managed ICT service for an initial period of 5 years commencing 1 May 2013, with option to extend for two years to 30 April 2020. On 26 February 2018, Libraries NI exercised this option to extend.

17.1 Present value of obligations under on-SoFP PFI contracts for the following periods comprise:

	2017/18	2016/17
	£'000	£'000
Rentals due within one year	204	220
Rentals due later than one year and not later than five years	927	769
Rentals due later than five years	<u>2,022</u>	<u>1,810</u>
	3,153	2,799
Less interest element	<u>(432)</u>	<u>(575)</u>
Present value of obligations	<u>2,721</u>	<u>2,224</u>

These figures represent the value of future minimum lease payments, discounted at HM Treasury's discount rate.

17.2 Charge to the Statement of Comprehensive Net Expenditure and Future Commitments

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-SoFP PFI and other service concession arrangements transactions was £3,835,000 (2016/17: £3,669,000) and the payments to which Libraries NI is committed is as follows:

	2017/18	2016/17
	£'000	£'000
Not later than one year	3,842	3,670
Later than one year and not later than five years	4,733	1,300
Later than five years	2,999	3,169
	<u>11,574</u>	<u>8,139</u>

18. Other Financial Commitments

Libraries NI has entered into no other non-cancellable financial commitments which are not leases or PFI arrangements, or other service concession arrangements as disclosed above.

19. Pension and Similar Obligations

Introduction

The disclosures in Note 19 below relate to the funded and unfunded liabilities within the Northern Ireland Local Government Officers' Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (Northern Ireland) (the "LGPS") and certain related unfunded liabilities which are separately disclosed.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on Career Average Revalued Earnings. Details of the benefits earned over the period covered by this disclosure are set out in The Local Government Pension Scheme Regulations (Northern Ireland) 2014 and The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014.

The unfunded pension arrangements relate to termination benefits made on a discretionary basis upon early retirement in respect of members of the Local Government Pension Scheme (Northern Ireland) under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007.

Funding /Governance Arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations (Northern Ireland) 2014 and the Fund's Funding Strategy Statement. An actuarial valuation of the Fund was carried out as at 31 March 2016 and as part of the valuation a new Rates and Adjustment Certificate has been produced for the three year period from 1 April 2017.

The Committee is responsible for the governance of The Fund.

Assets

The assets allocated to the employers in The Fund are notional and are assumed to be invested in line with the investments of The Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from The Fund in relation to an Employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for The Fund as a whole (based on data supplied by the committee) is shown in the disclosures, split by quoted and unquoted investments.

The Committee may invest a small proportion of The Fund's investments in the assets of some of the employers participating in The Fund if it forms part of their balanced investment strategy.

Risk associated with the Fund in relation to accounting

Asset Volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield it will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

Changes in Bond Yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

Inflation Risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

Life Expectancy

The majority of The Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting Employers

Employers who leave The Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in The Fund. The assets at exit in respect of "orphan liabilities" may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. "Orphan liabilities" are currently a small proportion of the overall liabilities in The Fund.

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2016. The exercise was carried out by a qualified independent actuary, using the projected unit credit method, for the purposes of meeting the requirements of IAS 19. The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes were:

19.1 Assumptions

	At 31 March 2018	At 31 March 2017
Rate of increase in salaries	3.6%	3.5%
Rate of increase in pensions	2.1%	2.0%
Discount rate	2.6%	2.5%
Inflation assumption RPI	3.2%	3.1%
Inflation assumption CPI	2.1%	2.0%

The market values of assets in the scheme were:

	31 March 2018	31 March 2017
	£'000	£'000
Equities	85,517	84,404
Government Bonds	11,977	6,118
Corporate Bonds	6,228	6,911
Property	8,624	11,896
Cash	5,390	2,946
Other	2,036	1,020
Total	119,772	113,294
Present value of funded liabilities	(194,271)	(186,363)
Present value of unfunded liabilities	(2,763)	(2,839)
Net pension asset/(liability)	(77,262)	(75,908)

The Fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was not met at the last valuation date. The funding level was 96% at March 2016 (91% in March 2013). Employer contribution rates were 20% 2016/17. Following consultation on the Funding Strategy in 2016, the scheme trustees decided that the Employers' contributions for the three years 2017/18 to 2019/20 would be composed of two elements - a future service rate, and Deficit Recovery Contributions (DRC) payable over a 20 year period. For Libraries NI the DRC was set at £204k for each of the three years, and the future service rate at 18% for 2017/18, 19% for 2018/19 and 20% for 2019/20.

During 2017/18 Libraries NI paid pension employer contributions of £2,176k, £164k in respect of unfunded pensions and £134k in actuarial costs for early release of pension under exit arrangements.

19.2 Amount charged to Comprehensive Net Expenditure

	2017/18 £'000	2016/17 £'000
Current Service cost*	4,021	3,218
Past Service cost/(gain)	259	-
Total operating cost	<u>4,280</u>	<u>3,218</u>
Financing Cost		
Interest on net defined benefit liability	1,865	1,848
Expense recognised in SoCNE	<u>6,145</u>	<u>5,066</u>

19.3 Remeasurements in Other Comprehensive Expenditure (OCE)

	2017/18 £'000	2016/17 £'000
Actuarial (gain) on plan assets	(3,098)	(13,007)
Actuarial losses on liabilities during the period	879	30,756
Net (gain)/loss recognised in OCE	<u>(2,219)</u>	<u>17,749</u>
Total amount recognised in SOCNE and OCE	<u>3,926</u>	<u>22,815</u>

* the Current Service cost includes an allowance for the administration expenses of £0.044m for 2017/18 (£0.047m for 2016/17).

19.4 Reconciliation of Defined Benefit Obligation

	2017/18	2016/17
	£'000	£'000
Opening Defined Benefit Obligation	189,202	152,075
Current Service Cost	4,021	3,218
Interest on pension scheme liabilities	4,705	5,139
Contributions by members	684	710
Actuarial losses on liabilities	879	30,756
Past Service Costs/(incl. curtailments)	259	-
Estimated unfunded benefit paid	(143)	(144)
Estimated benefit paid	(2,573)	(2,552)
Closing Defined Benefit Obligation	<u>197,034</u>	<u>189,202</u>

19.5 Reconciliation of fair value of employer assets

	2017/18	2016/17
	£'000	£'000
Opening fair value of employer assets	113,294	96,543
Interest income on assets	2,840	3,291
Re-measurement gains/(losses) on assets	3,098	13,007
Contributions by members	684	710
Contributions by the employer	2,572	2,439
Unfunded benefits paid	(143)	(144)
Benefits Paid	(2,573)	(2,552)
Closing fair value of employer assets	<u>119,772</u>	<u>113,294</u>
Net Deficit at year end	<u>(77,262)</u>	<u>(75,908)</u>

19.6 Sensitivity Analysis

IAS 19 valuation results depend critically on the principal assumptions used in the calculations.

The sensitivity of the principal assumptions used to measure the liabilities is discussed below.

The discount rate used to value the pension liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. A lower discount rate increases the present value of future cashflows, increasing the liabilities. The results are also sensitive to unexpected changes in the rate of future mortality improvements. If longevity improves at a faster rate than allowed for in the assumptions then, again, a higher value would be placed on the employer's liabilities. In addition, if pensionable pay increases more than allowed for in the assumptions, the liabilities will increase. Similarly, if inflation (and therefore pension increases) is higher than assumed, the liabilities will increase.

The sensitivities regarding the principal assumptions used as at 31 March 2018 are set out below.

	Change in assumption	Impact on Employer Liabilities	Impact on Projected Service Cost
Discount rate	Decrease by 0.1% pa Increase by 0.1%	Increase by 1.8% Decrease by 1.8%	Increase by 2.7% Decrease by 2.7%
Pension Increase	Decrease by 0.1% pa Increase by 0.1%	Decrease by 1.4% Increase by 1.4%	Decrease by 2.7% Increase by 2.7%
Rate of salaries growth	Decrease by 0.1% pa Increase by 0.1% pa	Decrease by 0.4% Increase by 0.4%	Decrease by 0.0% Increase by 0.0%
Post retirement mortality	Decrease in life expectancy of 1 year Increase life expectancy of 1 year	Increase by 3% Decrease by 2.9%	Increase by 3.5% Decrease by 3.5%

In each case, only the assumption note is altered; all other assumptions remain the same.

Comment on Mortality Assumptions

The mortality assumptions reflect the length of time the benefits would be expected to be paid for. Mortality assumptions for unfunded benefits are based on the recent actual mortality experience of members within the Fund, and allow for expected future mortality improvements. Mortality assumptions for funded benefits are based on Standard SAPS S2P tables, and allow for expected future mortality improvements.

Based on these assumptions, the assumed life expectancies after retirement at age 65 are set out below:

	Males	Females
Future lifetime from age 65 (aged 65 at accounting date)	23.3	25.9
Future lifetime from age 65 (aged 45 at accounting date)	25.5	28.2

20. Contingent Liabilities

On 6 April 2016 the Government introduced the new State Pension. A consequence of the legislation was that the mechanism which previously provided fully indexed pension payments to public servants ceased to apply in relation to the Guaranteed Minimum Pension (GMP) element of pension. On 1 March 2016 HM Treasury introduced an interim solution to the indexation of GMPs in public service pension schemes, including the Local Government Pension Scheme. The implications of this are that the Fund became responsible for paying full pension increases on the GMP for members who reach their State Pension Age between 6 April 2016 and 5

December 2018 inclusive. The results of the 2016 valuation allow for this change.

Inflation measure: The Consumer Prices Index (CPI) is currently used to index pensions in payment and deferment, and to revalue members' CARE accounts for service after 31 March 2015. In November 2016 the Office for National Statistics announced that a different index "CPIH" which also makes allowance for owner-occupier housing costs, is to be its preferred inflation measure in future. The Government has not yet announced whether CPIH will replace CPI as the measure for indexing public service pensions. The valuation used in these accounts continues to make allowance for indexation and revaluation based on CPI.

21. Related Party Transactions

Libraries NI is a Non-Departmental Public Body (NDPB) which is sponsored by the Department for Communities (DfC).

DfC is regarded as a related party, and during 2017/18 Libraries NI had material transactions with the department. DfC is also the sponsoring body for The Armagh Observatory and Planetarium, The Arts Council NI, National Museums NI, The NI Central Investment Fund for Charities, Sport NI, The Ulster Scots Agency, The NI Commission for Children and Young people, The Commissioner for Older People NI, The Local Government Staff Commission for NI, The NI Local Government Officers Superannuation Committee, The Charity Commission NI, The Northern Ireland Housing Executive, The NI Museums Council, Foras na Gaeilge, Ulster Supported Employment Limited, and the office of the Discretionary Support Commissioner. During the year Libraries NI provided services to The Armagh Observatory and Planetarium, for which it charged a fee.

Libraries NI has had a number of material transactions with other government bodies during 2017/18. Most of these transactions have been with the Education Authority, Land and Property Services and the Health and Social Care Trusts.

During the year no board member, key manager, or other related party has undertaken any material transactions with Libraries NI.

A register of Board members' interests is available and may be inspected on application to the Chief Executive's Office.

22. Events after the Reporting Period

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 17 October 2018