

Annual Report and Accounts 2019/20



Libraries NI

The Northern Ireland Library Authority

Annual Report and Accounts For the year ended 31 March 2020

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 5 November 2020



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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 2019/20. 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 at the beginning of the year presented a challenge to our capacity to plan and deliver services. I was pleased to see that resources secured in-year meant that we were ultimately able to deliver strongly against our plans and targets; and indeed for the first time ever, we were able to meet the Public Library Standard of a minimum spend of £2.25 per head of population on reading materials and related stock resources.

The end of the financial year presented very different challenges as a result of the coronavirus (COVID-19) global pandemic, which caused widespread disruption to the normal operations of Libraries NI and the provision of the library service. We managed to maintain the organisation's infrastructure, with sufficient numbers of staff working remotely to enable us to continue to function at a basic level. The emphasis was placed on supporting eBooks, eMagazines, audio books and online programming and activities, all of which saw a dramatic increase in use immediately following the beginning of the lockdown. Despite the many challenges, through the efforts of our staff, e-Services proved to be both highly popular and successful and consequently we were able to continue to provide a range of services, and I know this was greatly appreciated by members of the public during a period of great social upheaval. Much of our efforts and energies through 2020/21 are being focused on 'reconnecting' services with our users and the communities we serve.

Some of the highlights from 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 groups or areas at risk. Action plans were developed and implemented in relation to a range of user groups to address inequalities and barriers to library use. Support for ethnic communities was a continuing priority, with tours of the Belfast Central Library organised around the concept of 'library of sanctuary', and we hope to continue this work in 2020/21. The 'I'm Learning to Read Project', launched in Shantallow Library, is another great example of reaching out to communities, and this is being delivered in partnership with Creggan Pre-school and Training Trust and the Greater Shantallow Area Partnership. Other initiatives include a pilot project, working with school principals and literacy coordinators in Lurgan, to improve access to books for primary school children and thereby to encourage reading among children in the area.

In 2019/20, Libraries NI continued to deliver a full programme of core and regular activity sessions across the whole of the library network, including the ever popular Rhythm and Rhyme sessions, which continued to attract substantial numbers of children, parents and carers. Other popular activities for children included class visits and the 'Big Summer Read', while activities for adults included Reading Groups, GOT IT, Creative Writing, Knit and Natter, and Tea and Newspapers.

Libraries NI's successful partnership with the BBC continued and I was delighted when it was renewed for a further three years. Highlights during the year included Book Week NI, which took place from 14 to 20 October 2019, following which we saw the largest number of new library members since Libraries NI was created in 2009. The BBC virtual reality experience, using Oculus headsets, toured local libraries across Northern Ireland, and the BBC Rewind archive, with more than 1,600 pieces of footage from newsreels of the 1950s and 1960s relating to Northern Ireland, was formally launched on 18 February 2020. The Stephen Nolan Show, with the star man's customary gusto, continued to deliver 'The Biggest Book Club in the Country'. The book club features a mix of novels and non-fiction items 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. We worked with the Department of Agriculture, Environment and Rural Affairs (DAERA) to enhance the health offering in rural areas, including running health check clinics and the provision of seasonal affective disorder (SAD) lamps to support wellbeing during winter months. In January and February 2020, we held 'New Year New You', a highly successful programme of events and activities in libraries across Northern Ireland aimed at encouraging people to take steps to improve their health and to turn New Year resolutions into real lifestyle changes. These are some headlines from our programme, and all libraries continue to provide a large number of social activities that can help combat loneliness and social isolation, which in turn can have many positive impacts on health and wellbeing.

Information and learning are priority areas and, recognising the increasing role of digital technologies in today's society, Libraries NI again 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 2019/20, blogging courses and inspiration sessions encouraged users to get online and use their digital skills in creative ways, and Libraries NI contributed to the Go On NI programme, which enables participants to build on the skills already gained through the GOT IT programme. In addition, some 3,908 learning opportunities were delivered through the Digital Citizen Project, contributing to the Executive's outcomes of improving life skills and employment prospects and enhancing self-efficacy.

Libraries NI was pleased to participate in the Boardroom Apprentice programme again in 2019/20. This innovative programme 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 financial uncertainty, work which is set out in some more detail in the 'Performance Report: Analysis' section. All staff, ably led by the Senior Management Team, are to be commended for their continued commitment, professionalism and consistently high levels of achievement in delivering a high-quality public library service in Northern Ireland.

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.

I was particularly delighted to welcome Deirdre Hargey MLA, the Minister for Communities, to the Belfast Central Library on 5 March 2020. This was her first visit as Minister to Libraries NI, where, in addition to meeting myself, she met the Chief Executive and a number of our staff, before joining a group of visiting French librarians for a tour of the Library.

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. The 2019/20 year saw a significant turnover in Board membership, with the tenure of a number of Members coming to an end. In particular, I wish to express my thanks to Alderman Tom Campbell, Councillor Dr Janet Gray, Alderman William Leathem, Ms Angela Matthews, Councillor Sean McGuigan, Alderman Marion Smith, Alderman Stephen Martin and Councillor Stephen McIlveen, for their service and valued contributions on the Libraries NI Board over recent years and to wish them every success in the future.



Professor Bernard Cullen
Chairperson

Date: 15 October 2020

Performance Report

Overview

This Overview aims to provide sufficient information to allow the reader to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

Chief Executive's Statement

The financial year 2019/20 commenced with a challenging initial budget allocation of £26,165,000. Consequently, a number of measures were deployed to manage financial pressure including reduced expenditure on stock, reduced planned and response maintenance, miscellaneous savings and a reduction in summer opening hours. The financial situation eased through the course of the year, with additional funding being made available including for staff costs, property maintenance and book stock. This resulted in a total revised budget of £31,068,000 which facilitated a spend on library stock of £4.470 million in 2019/20, compared to £2.4 million in 2018/19.

In 2019/20 reported net expenditure for the year was £39,587,000. After subtracting non-cash expenditure and other expenditure not scoring against budget, recurrent net expenditure was £30,799,000 against an allocated budget of £31,068,000. Capital expenditure was £1,813,000 within an allocated budget of £2,036,000.

The capital allocation for 2019/20 was £2,036,000, a reduction on the previous year. This allowed for the completion of a number of projects carried forward from 2018/19 and expenditure on a number of new minor works and small projects in 2019/20 including a new heating plant at Whiterock library and enhanced toilet facilities in Omagh Library. The disruption caused by the coronavirus (COVID-19) pandemic resulted in slippage at the year-end on a number of projects and this was reflected in the reported underspend.

Despite the difficulties and pressures created by the uncertainty of the funding situation from year to year, 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 our 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 2019/20 Business Plan and for their continued support in difficult and uncertain times.

As we moved into 2020/21 we faced great uncertainty and significant disruption to library operations and services caused by the global coronavirus pandemic. This will test our resilience and resolve and it will be more important than ever to adapt and respond in ways that ensure library services continue to be provided to the people and communities we serve. I am encouraged by our response to date and I am confident that our staff, right across the library network, will rise to this unprecedented challenge.

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, Information and Learning Services, Support for Health and Wellbeing, Culture and Creative Development, 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 activities which targeted a local area or group at risk of social exclusion. In addition, Libraries NI continued to allocate additional resource to support the libraries which directly serve the 10% most deprived Super Output Areas based on the Northern Ireland Multiple Deprivation Measures (NIMDM) 2017. This enabled additional outreach activities to be undertaken and partnerships to be developed.

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 popular, attracting substantial numbers of children and their parents and carers. Support and resources within library settings as well as online resources, providing tools, tips and fun learning activities, were available to give parents and carers increased confidence to support their young children with the early stages of reading and emotional development. Class visits aimed at pupils in Year Four and Year Six complement the Northern Ireland Curriculum. Storytimes, reading groups and the annual Big Summer Read, which attracted 39,781 children, are examples of activities that 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 Councils on delivering the long term objectives for their respective areas and on taking forward actions 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 2019/20 we spent £4.470 million on stock (compared to £2.4 million in 2018/19) in a variety of formats across a range of genres with some in different languages, reflecting the multi-cultural background of library users. eBooks continued to grow in popularity, as did the use of eMagazines. For the first time since Libraries NI was established, the target set in the Public Library Standards for a minimum spend of £2.25 per head of population was achieved.

Libraries NI operates 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 government departments, thus helping to facilitate joined-up approaches to service delivery in all communities, particularly in the context of the draft Programme for Government, the Outcomes Delivery Plan and wider government priorities. 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 the 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, the scale of which will inevitably be exacerbated as we emerge from the coronavirus pandemic crisis, 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:

- ensure 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 were 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 2019/20 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, can enrich society by nurturing creativity, imagination and a sense of place. 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.

- **Information and Learning Services**

Libraries have a critical role to play in the provision of learning opportunities and helping to promote greater equality of access to the skills, confidence, technology and connectivity necessary to operate in an increasingly online and digital world. Libraries provide free local access to broadband, Wi-Fi and information technology hardware. More importantly, library staff can support library users 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 provision of learning opportunities and 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'.

- **Culture and Creative Development**

Libraries, as neutral trusted venues, are ideally placed within local communities to provide a shared safe social space for cultural and creative

engagement, where individuals and communities can explore different cultural traditions and backgrounds. Working with partner organisations, including local councils as part of the Community Planning process, a range of inclusive events, activities and exhibitions were hosted in libraries across Northern Ireland.

- **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 uncertainty about longer term planning and funding along with the impact of ongoing industrial action represented the key risks to the achievement of objectives and targets during 2019/20. The initial budget of £26,165,000 represented a significant challenge, however the risk was greatly mitigated during the course of the financial year through a series of additional in-year allocations.

The impacts of the UK's exit from the European Union have been assessed as low for Libraries NI. However, there may be wider national and regional issues that could have an impact and which will require a further response should they materialise.

The coronavirus (COVID-19) global pandemic represents a significant risk and one that has had a significant disrupting impact on all aspects of Libraries NI operations, placing a strain on the organisation and its staff. In line with government and public health advice, all libraries closed to the public on Friday 20 March 2020 and all staff, effectively, began working from home or remaining at home, from Monday 23 March 2020. Contingency planning measures have been deployed as we work to maintain a level of service through online channels and ensure core infrastructure and business priorities continue to operate. Our response to the coronavirus pandemic is deflecting resources from other organisational activities and priorities, the full impact of which will not be known until later in the 2020/21 year.

Going Concern

Libraries NI is an Executive Non-Departmental Public Body, sponsored by the Department for Communities (DfC), having been established by statute under the Libraries Act (NI) 2008. Libraries NI received its core resource and capital funding from the DfC during 2019/20, and a budget allocation has been made for 2020/21. While the financial environment is challenging, Libraries NI is of the opinion that the

going concern basis of preparation of the Annual Report and Accounts is appropriate. 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

Goals	Outcome
<p>Contribute to social and community wellbeing Achieve the following levels of participation in branch libraries</p> <ul style="list-style-type: none"> • 4,750,000 Issues/renewals (including eBooks and eMagazines) • 280,000 active members • 900,000 PAT/Wi-Fi sessions 	<p>Achieved</p> <p>Issues/renewals/eBooks 121.50% of target</p> <p>Active members 106.63% of target</p> <p>PAT use/Wi-Fi 93.52% of target</p>
<p>Support literacy and promote a love of reading</p> <ul style="list-style-type: none"> • All branch libraries to deliver a minimum of two core programmes for children • 140 adult reader groups to be supported 	<p>Achieved</p> <p>100% of branch libraries</p> <p>117% of target (164 reader groups supported)</p>
<p>Deliver high quality services Meet financial targets for resource and capital spend and minimise underspend.</p>	<p>Achieved</p> <p>Resource budget: £31,068,000 Spend: £30,799,000 (0.9% underspend)</p> <p>Capital budget: £2,036,000 Spend: £1,813,000 (10.9% 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.

Information on performance is drawn from a range of sources. A statistician, seconded from the Northern Ireland Statistics and Research Agency (NISRA), worked closely with senior management to maintain and support a database which is used to hold data on Libraries NI activities. Due to incomplete data returns to the Libraries NI activity database, due to ongoing industrial action, there are limitations on the data available from it during 2019/20. Financial information is taken from the audited Financial Statements. Other management information is extracted from information systems which are subject to regular internal audit.

During 2019/20 Libraries NI continued to deliver against corporate goals, strategic objectives, targets and key performance indicators. All branch libraries delivered a range of core programmes including class visits, storytime and Rhythm and Rhyme. In addition, 164 adult reader groups were supported across the library network. While the KPI for overall participation levels was achieved the target for public access terminals and Wi-Fi sessions was not achieved. There was, nevertheless, a strong performance in respect of numbers of active members and issues and renewals, including eBooks and eMagazines. The online offering of eBooks and eMagazines continues to be successful and over the past five years has grown from 3.12% of all loans and issues in 2015/16 to 19.94% in 2019/20.

The KPI relating to sickness absence was narrowly missed and the KPI for payment performance was not achieved, all others were achieved. Details of achievement against the KPIs for 2019/20 are set out in the table below.

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"> • 4,750,000 Issues/renewals (including eBooks and eMagazines) • 280,000 active members • 900,000 PAT/Wi-Fi sessions 	<p>Achieved</p> <table> <tr> <td>Issues/renewals/eBooks</td> <td>121.50%</td> </tr> <tr> <td>Active members</td> <td>106.63%</td> </tr> <tr> <td>PAT use/Wi-Fi</td> <td>93.52%</td> </tr> </table>	Issues/renewals/eBooks	121.50%	Active members	106.63%	PAT use/Wi-Fi	93.52%
Issues/renewals/eBooks	121.50%						
Active members	106.63%						
PAT use/Wi-Fi	93.52%						
<p>Mobile Library Services Achieve mobile library usage of 350,000 loans/renewals</p>	<p>Achieved</p> <table> <tr> <td>Target exceeded</td> <td>114.44%</td> </tr> </table>	Target exceeded	114.44%				
Target exceeded	114.44%						
<p>Participation in Programmes <u>Core Programmes</u> (including Class visits, Storytime and Rhythm and Rhyme)</p> <ul style="list-style-type: none"> • All branch libraries to deliver a minimum of two core programmes for children 	<p>Achieved</p> <p>Number of branch libraries: 96 (100%)</p>						
<p><u>Adult Reading</u></p> <ul style="list-style-type: none"> • Support 140 adult reader groups by March 2020 	<p>Achieved</p> <p>Number of groups supported: 164 (117%)</p>						
<p><u>Digital Inclusion</u></p> <ul style="list-style-type: none"> • All libraries will support customers in their use of ICT 	<p>Achieved</p> <p>96 libraries (100%) offered Got IT sessions.</p> <p>The Information and Learning Team delivered 416 Go Ons and 135 eClinics to 2,028 participants in 49 libraries.</p> <p>The Digital Citizen Team delivered 306 Go Ons in 47 libraries.</p> <p>The Digital Citizen Project delivered 3,908 learning opportunities overall (including outreach).</p> <p>96 (100%)</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</p> <p>All libraries provided social activities that promote positive mental health. Many libraries also hosted specific health related activities</p>
<p><u>Heritage</u></p> <ul style="list-style-type: none"> Deliver or host 100 cultural heritage events 	<p>Achieved</p> <p>Number of Events 403 Instances of participation 3,148</p>
<p>Social Media</p> <ul style="list-style-type: none"> Increase social media likes and follows by 5% 	<p>Achieved</p> <p>Increase in likes and followers on social media channels including Facebook and Twitter in 2019/20 was 20.10%</p>
<p>Sickness Absence</p> <ul style="list-style-type: none"> Reduce sickness absence overall by 2% compared to December 2018/19 performance 	<p>Not Achieved</p> <p>Composite average FTE days lost 9.94 (at March 2020 against a target of 9.88 days)</p>
<p>e2</p> <ul style="list-style-type: none"> Meet 95% of e2 contract standards for 2018/19 	<p>Achieved</p>
<p>Deliver high quality services Meet financial targets for resource and capital spend and minimise underspend</p>	<p>Achieved</p> <p>Resource budget: £31,068,000 Spend: £30,799,000 (0.9% underspend)</p> <p>Capital budget: £2,036,000 Spend: £1,813,000 (10.9% underspend)</p>
<p>All Priority One Internal Audit recommendations implemented within four months of the agreed date</p>	<p>Achieved</p>

Staff and Organisation Awards

Libraries NI was the only library service, in its entirety, to be shortlisted for the prestigious 'The Bookseller Library of the Year Award 2019'. The UK-wide award, which was won by Harrogate Library, highlights the work that the best libraries of all sizes do to promote reading, literacy, information and the love of books. It is run in partnership with The Reading Agency and is part of the British Book Awards. Libraries NI's submission reflected the collective efforts and contributions of everyone in Libraries NI and highlighted service wide initiatives such as the Big Summer Read, the BBC partnership and reader development activities as well as examples of programming in individual libraries.

Carrickfergus Branch Library Manager, Jillian McFrederick, was awarded the title Public Library Champion 2019 at an awards ceremony in London on Friday 4 October 2019. The award is conferred by the Public and Mobile Libraries Group of the Chartered Institute of Library and Information Professionals (CILIP) and recognises the achievement of outstanding frontline public library staff that make a real difference to the people who use their library. The judges, in their feedback, highlighted the numerous library events in Carrickfergus Library and Jillian's energetic promotional activity on social media to connect with customers and the community. This is a prestigious UK-wide award, and Jillian is the first ever winner of the award from Northern Ireland.

Development and Performance

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 within communities, providing a shared social place where individuals and communities can meet together to interact and learn about different cultural traditions and backgrounds.

Good Relations Week in September 2019 examined the theme of 'People Making Change for Peace'. Libraries NI's programming ensured an excellent geographical spread of events with 46 events and exhibitions in 28 libraries. Ballymena Central Library hosted the launch of Good Relations Week for Mid and East Antrim Council, showcasing the 'Migrant Memories of World War One' exhibition. The Mayor and representatives from the Community Relations Council Board were in attendance.

Libraries NI also contributed to embRACE Week, when outreach officers from the Ulster-Scots Community Network and Líofoa, Department for Communities, provided taster sessions on Ulster Scots and the Irish language in libraries to help create a better understanding of the language culture in Northern Ireland.

In addition to these specific weeks, a number of events designed to promote good relations took place in libraries throughout the year including multicultural musical events and Afro Caribbean dance workshops.

Tackling Poverty and Social Exclusion

Libraries NI designates libraries that directly serve several of the 10% most deprived super output areas based on the Northern Ireland Multiple Deprivation Measures (NIMDM) 2017 as 'Targeting Social Exclusion (TSE) libraries' and deploys additional resources in these libraries and areas to deliver programmes, undertake outreach and to develop partnerships in order to address inequalities and barriers to library use. In addition to this targeted 'TSE library' approach, all libraries delivered programmes for groups at risk of social exclusion.

Support for newcomer communities was a continued priority and contacts with organisations working with refugees and asylum seekers resulted in a number of tours of Belfast Central Library to demonstrate the free resources available, including resources for people setting up a business. Libraries NI began to develop the 'library of sanctuary' concept, work which will continue in 2020/21.

The aim of the 'I'm Learning to Read' project is to develop a love of reading, improve language development and help parents create the best start for their children. This six-month programme incorporating, story time, rhymes and a linked craft session was launched in Shantallow Library. Libraries NI worked in partnership with the Creggan Pre-school and Training Trust and the Greater Shantallow Area Partnership to deliver this project within the local community.

In Lurgan, Libraries NI delivered a well-received pilot project, working with school principals and literacy coordinators, whereby mobile libraries called fortnightly at five primary schools in the town with the aim of improving access to books for primary school children and in turn to encourage reading among children in the area. The five schools adopted different approaches. In some cases, all pupils visited the mobiles while other schools focused on specific age groups. In addition to significant numbers of loans, participating schools reported that pupils' understanding of what they read had improved on a number of levels – narrative, non-narrative and inference. They also reported that literacy test results had improved between 5% and 10% for most pupils. As part of the pilot, schools were encouraged to continue their visits and gain benefit from additional reading support in Lurgan Library.

Many of the Libraries NI Knit and Natter Groups created blankets or other items for 'good causes'. For example, the 'Blankets of Love' project where The Red Cross, through their Connecting Communities Team, Stillbirth and Neonatal Death Support (SandsNI) and Cruse Bereavement Care, collaboratively worked with selected groups to make baby blankets to go in special memory boxes given to parents who unfortunately experienced the loss of their newborn baby. Other examples included 'Teddies for Tragedy' with the PSNI and twiddlemuffs with various organisations working with those suffering from dementia.

Library Services in Rural Areas

The network of branch and mobile libraries continued to provide services to rural dwellers. Libraries NI has 29 libraries based in villages with a population of 5,000 or less. In addition, 18 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. In 2019/20 this led to work to extend the Out of Hours Libraries approach to a larger library with a substantial rural hinterland. In addition, DAERA funded some health programming and resources in rural libraries, as well as Lego kits and workshops.

From June 2018 The Rural Needs Act (Northern Ireland) 2016 applied to Libraries NI requiring the organisation to 'have due regard to rural needs'. Libraries NI reviewed or developed 13 policies in 2019/20. Nine related to governance, IT security and other internal matters. No specific rural needs were identified. Other policies and initiatives (Reading and Reader Development Policy, Room Hire Policy, Stock Policy, Out of Hours Service) related to customers and services. A Rural Needs Impact Assessment was completed for each of these.

Children and Young People's Services

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

Rhythm and Rhyme sessions were once again particularly popular in all libraries and attracted substantial numbers of children accompanied by their parents and carers.

These provide opportunities to develop pre-literacy skills in zero to four year olds as well as providing parents and carers with the knowledge and skills to build a strong and loving bond with their children. Year three of the Rhythm and Rhyme Challenge was offered to all children attending Rhythm and Rhyme and was also available as an online offer.

39,781 children borrowed 395,309 books from Libraries NI during the Big Summer Read 2019 which had a theme of 'Slide into Summer Reading'. The Big Summer Read aims to keep children reading over the holidays to avoid the reading 'slide' which can occur during the long summer break. Throughout the summer many libraries held storytime and craft activities. Lisburn City Library hosted a drawing workshop with illustrator Andrew Whitson which was featured on the Arts Show on BBC Radio Ulster.

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 Four and Year Six which complements the Northern Ireland Curriculum. Book exchange and storytelling visits also took place across the network of branch libraries.

Highlights of the digital activities programme included Lego animation workshops which Libraries NI hosted in 16 libraries and eight micro:bit workshops.

Libraries NI worked in partnership with BookTrust during National Bookstart Week. The featured book for 2019 was Car, Car, Truck, Jeep by Katrina Charman and Nick Sharratt (Bloomsbury Children's Books). Rhythm and Rhyme activities were themed for the week and National Bookstart Week materials were distributed to attendees. Libraries NI also participated in the inaugural BookTrust Storytelling prize.

Specialist children's 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.

All of these activities and events contributed to the learning and development of children and young people in Northern Ireland.

Support for Health and Wellbeing

Libraries continued to promote health and wellbeing by providing access to health information in creative and innovative ways.

In January 2020 Libraries NI launched 'New Year New You', which aimed to encourage people to use their local library to take steps to improve their health and wellbeing, to be more active, read more, learn something new or take up a hobby. The programme of over 160 events included health fairs, sports nutrition masterclasses, blogging inspiration sessions, 'Let's Get Moving' walking groups, mindfulness sessions, Tai Chi and Yoga taster sessions.

The health offer in rural areas was enhanced due to funding from the Department of Agriculture, Environment and Rural Affairs (DAERA). This included Health Check Clinics where people were offered free blood pressure and irregular heartbeat checks

and health advice. The additional funding also facilitated the purchase of 14 SAD lamps for rural libraries to support wellbeing by helping to combat seasonal affective disorder during winter months. This brought the total number of SAD lamps available in libraries across Northern Ireland to 52.

All libraries continued to provide a range of social activities aimed at tackling social isolation which can impact on health and wellbeing. These range from Knit and Natter and Tea and Newspapers to community jigsaws and brain training puzzles.

Libraries NI worked in partnership with other organisations to provide health information and to signpost support. For 'Brew Monday' in January 2020 all 96 libraries received information and support packs from the Samaritans to encourage people to come to libraries for a cup of tea and a chat to connect and help beat loneliness.

The Memorandum of Understanding with Macmillan Cancer Support was reviewed, updated and signed in September 2019. This partnership promotes access to information and support for people with cancer and provides volunteering opportunities to support the service.

Culture and Creative Development

Libraries NI made and maintained connections with a range of partners and statutory bodies to provide cultural and creative engagement.

Our welcoming gallery spaces in 37 libraries continued to provide the opportunity for individuals and organisations to exhibit their paintings, photography and crafts. High profile exhibitions in 2019/20 included 'Life in Still Life' which showcased 54 artworks selected by the members of The Association of Art and Design Education from the Northern Ireland Civil Service and Office of Public Works (OPW), Dublin collections (Holywood Library), the Queen's Film Theatre 50th Anniversary exhibition (four libraries) and the British Library Living Knowledge Network exhibition 'Writing: Making Your Mark' (five libraries).

The culture of storytelling within Libraries NI was sustained and enhanced in partnership with the Armstrong Storytelling Trust and Liz Weir, Libraries NI Storyteller in Residence. There were regular yarnspinning events in Bangor Carnegie, Lisburn City and Tullycarnet libraries, in addition to the 'Our Culture – One Land Many Voices' storytelling project. This explored the way storytelling transcends language boundaries and gives a confident and authoritative voice to the teller, a theme reflected in 'The Mouse that Barked', a tale retold in many languages including Cantonese, French, Punjabi and Xhosa.

Cultural Heritage

Libraries NI's main Cultural Heritage collections are located in Armagh, 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.

A range of visitors including researchers, writers, media companies, school children, students, community groups and anyone with an interest in Irish history, literature and genealogy accessed the Heritage collections in 2019/20. Heritage staff employed their knowledge and experience to guide visitors through a range of resources including newspapers, maps, journals and archives, as well as the book stock, to satisfy enquiries, and to enhance the experience for the visitor by providing advice about how to continue their research in other collections and organisations.

Significant anniversaries relating to the Decade of Commemorations, which featured in Heritage programming, included the ending of World War One and the Home Rule crisis. These events were marked by a series of talks including by the respected historian Eamon Phoenix who delivered a talk entitled 'Ireland in transition - 1918-1920' to an audience of 90 people in Omagh Library. A series of four workshops entitled 'Reimagining the Future: themes and topics connecting a century ago with the present time' were delivered by staff in Derry Central Library. Themes covered included Partition, nationalism, sovereignty and how events are remembered and this prompted lively discussion.

An exhibition in May in the foyer of Belfast Central Library entitled 'Iberia to Siberia: Europe in Fine Books' included many fine and rare books from the Fine Book Room and the Cultural Heritage Collections and offered the opportunity to promote these wonderful collections.

Libraries NI works closely with the Public Record Office of Northern Ireland (PRONI) and this partnership is enshrined in a Memorandum of Understanding. A PRONI exhibition, 'Plantations in Ulster 1600-41' toured a number of libraries. The official launch of this exhibition took place in Derry Central Library with Michael Willis, Head of PRONI, launching the exhibition and Ian Montgomery, also from PRONI as the keynote speaker.

Events celebrating the Irish and Ulster Scots languages were delivered in a number of libraries. These events recognised and reflected the cultural diversity and shared history in Northern Ireland, and included Burns' Night activities and Irish language workshops.

Cultural Heritage staff created a number of displays of Seamus Heaney's books, including some first editions and signed editions from the collections to coincide with the major BBC production 'Seamus Heaney: The Music of What Happens'.

The Fine Book Room with its unique collections proved to be the highlight of tours of Belfast Central Library for a number of groups including staff from other Libraries NI libraries, a group of French librarians on a study tour, library school students from the USA and a number of U3A groups.

In addition to the nine main heritage collections all local libraries provide resources relating to their local area. This provision was enhanced thanks to Libraries NI's partnership with BBC Northern Ireland when BBC Rewind, an archive of over 1,000 programme clips and news reports from the BBC's television archive, was made available on library computers.

Libraries NI continued to work effectively with partners and stakeholders and delivered events with PRONI, Northern Ireland Screen, the Community Relations Council, and with local Councils.

Information and Learning Services

Access to, and delivery of, information and learning are a key priority for Libraries NI. Events and programmes held in libraries throughout 2019/20 provided people with relevant information with a particular focus on digital inclusion, health and employability. Learning opportunities were delivered in partnership with other organisations, including the Department of Finance (DoF) and Department for Communities (DfC).

Libraries NI delivered 209 events in 82 libraries as a Festival of Learning in May 2019. An impressive variety of events took place including book-folding, glass painting, Kumihimo (Japanese braiding), meditation, yoga, gardening, healthy lifestyle, decoupage, photography and introductions to learning languages. A notable trend was the thirst for nostalgia and events such as 'Memory Lane', 'Days Gone By', and archive film footage proved popular.

During 2019/20 blogging courses and inspiration sessions encouraged users to get online and use their digital skills in a creative way. The inspirational sessions in four libraries allowed local bloggers to share their stories and advice. These events promoted digital skills, reader development, inclusion and health and attracted a new audience into libraries and to Libraries NI's social media platforms.

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. Libraries NI hosted a 'Meet the Employer' session in Belfast Central Library in partnership with the local Jobs and Benefits Office and contributed to four other Job Fairs. In addition, Libraries NI offered support to 'Start Your Own Business' and 'Get That Job' through its Go On programme.

Access to Information

Libraries NI's Business Information Service provides business and financial newspapers and book stock. This year five capsule collections were circulated to other libraries to highlight the book stock held in Belfast Central Library in addition to displays of historical patents.

Libraries in Northern Ireland also offer free access to academic journals through a collaborative scheme with publishers. Access to Research is accessed via Libraries NI's computers and offers more than 11,000 journals, and over 15 million academic articles.

Digital Inclusion Activities

Libraries NI staff delivered GOT IT sessions which supported people who lack essential IT skills to achieve a basic level of competence in using a computer, browse the Internet and use email.

Libraries NI contributed to the Go On NI programme which enables participants to build on the skills already gained through the GOT IT programme. Libraries NI staff delivered 416 Go On sessions which facilitated digital inclusion by helping people carry out day-to-day tasks online including online banking, editing digital photographs, exploring social networking, finding information on health issues, online shopping, scam awareness, using Libraries NI's digital resources effectively and using nidirect – the official government website. Modules on using the iPad accounted for almost all of the sessions delivered during the year.

Digital inclusion was also promoted through a number of key initiatives during the year. Digital Learners Day was delivered in libraries in partnership with the Department of Finance 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. In total 14 libraries provided facilities and resources for 184 learners to receive one to one help with getting online on the day.

During Get Online Week in October, 26 events provided digital learning opportunities in libraries. Libraries NI also participated in four 'Young at Heart' events during 2019/20.

The Digital Citizen Project was a digital skills project set up in September 2018 which aimed at tackling the serious digital skills deficit in Northern Ireland. Funding from the Department for Communities and Department for Agriculture, Environment, and Rural Affairs (DAERA) in 2019/20 allowed the team to target specific groups – adults living in poverty (Neighbourhood Renewal Areas), adults living in rural areas, older adults and adults with disabilities. It was identified in the Government's Outcomes Delivery Plan 2018 as contributing to improving life skills, employment prospects and enhancing self-efficacy. 3,908 learning opportunities were delivered across the public library network and in community settings in 2019/20.

The main differences between the Digital Citizen Project and 'core' digital inclusion delivery were the targeted nature of the work and the drive to deliver in communities through outreach. The project was used as an opportunity to pilot new delivery methodologies, specifically e-Clinics which were an opportunity to bring your own device to a library and ask an expert. Courses were very popular, offering sessions of six to eight learning opportunities delivered over a number of weeks. They gave an opportunity to develop a relationship with learners which allowed trainers to tailor the sessions to the needs of the individual or group.

In 2019/20 Libraries NI received funding from the DfC Change Fund to develop a new approach to demonstrate how the existing network and IT infrastructure can be used more effectively to provide community based gateways to other public services. This Digital Hub Project extends what libraries have always done, i.e. providing access to information, by providing spaces which will allow other government and public services

to reach their users. Libraries NI established three Digital Hubs to provide dedicated discrete spaces which allow privacy for confidential conversations. 29 libraries also facilitated 'pop up' Digital Admissions workshops delivered by the Education Authority. There was also a NISRA pilot of online completion of Census 2021 involving three libraries (Portadown, Ormeau Road and Enniskillen libraries).

Reading and Reader Development

The highlight of the 2019/20 Reader Development programme was the fourth BookWeek NI, a joint initiative between Libraries NI and BBC Northern Ireland. A campaign to encourage as many people as possible to pledge to read for 15 minutes was a key feature of the week. The approach was inclusive and could be adapted to include any form of reading such as reading a novel, a newspaper or a bedtime story to a child. There was a different theme each day including e.g. 'My favourite children's book' and 'My favourite book character'. Books on these themes were promoted each day in branch libraries, mobile libraries and on our eBook site.

Events took place across the library network. For example, at 1:00pm on the Thursday of Book Week NI Libraries NI celebrated the work of local authors, with 18 local authors reading and chatting to borrowers in the author's local library. Across the week our core activities were supplemented by 45 additional events.

A social media campaign was developed focusing on the pledge to read for 15 minutes and the seven daily themes. It proved to be the most successful Book Week NI campaign to date, supported by stakeholders, staff and readers. Libraries NI's social media posts were seen by over 800,000 people. More than 1,000 people/organisations used the hashtag #Readfor15 which was seen by almost two million unique users.

In January 2020, Libraries NI made its first foray into the world of podcasts. The Libraries NI podcast shadowed the BBC promotion '100 novels that shaped our world'. A panel, which included authors, journalists and book festival directors, selected ten novels on ten different themes such as Adventure or Romance. In the monthly podcast, three members of staff, reviewed three books from that month's list. They finished the podcast by randomly selecting a book each from the next month's selection of novels. They then reviewed these titles at the start of the next show.

In addition to the podcast, a number of reading groups shadowed the promotion. The reading groups were randomly allocated a book from that month's list. As well as sharing their view of the book on social media, the reading groups also posted the ten novels that shaped their lives.

2019/20 saw further growth in the borrowing of both eBooks and eMagazines. 513,260 eBooks were borrowed during the year. This represented a 20.5% growth on the previous year. The growth in eMagazines was even more significant. The number of eMagazines borrowed rose to 637,290, an increase of 79.5% on 2018/19.

The COVID-19 emergency of March 2020, presented unique challenges for all library authorities with an unprecedented increase in demand for eBooks. Libraries NI was well placed to provide support to parents and pupils. Significant investment in eBooks

in March 2020 saw eBooks usage increase by 82% compared to March 2019.

In 2019/20 Libraries NI spent £4,470,000 on stock which equates to £2.36 per capita, based on NISRA 2019 mid-year population estimates.

Belfast Central Library

Libraries NI has continued to liaise closely with the Department for Communities on how best to take forward the Belfast Central Library redevelopment project.

Strategies were implemented throughout the year to raise the profile of Belfast Central Library with internal and external stakeholders. In October and November 2019 staff from across Libraries NI took part in 'behind the scenes' tours of Belfast Central Library. The purpose of the tours was to make sure that the books and resources available in Belfast Central Library would be widely publicised to as many library customers as possible across the library network. Engagement with external stakeholders continued during June 2019 with a social media campaign #HiddenGems featuring many treasures and artefacts held in the library.

Belfast Central Library hosted a series of meetings and visits throughout the year from a variety of groups and organisations. This included a visit by students from the Library School of the University of North Carolina in June 2019. In August 2019 the Department for Communities Departmental Management Board met in Belfast Central Library. Also in August, staff from National Museums Northern Ireland visited Belfast Central Library to explore future partnership working.

On 5 March 2020 students from the Institut National des Etudes Territoriales (Strasbourg) visited Belfast Central Library as part of a study visit to Ireland. The students had the opportunity to view the architecture of the listed building and to see the Fine Book Room. Minister for Communities, Deirdre Hargey, joined the students for part of their visit.

In November 2019 work started on a project to upgrade fire safety provision in Belfast Central Library. The project included a replacement fire escape, the installation of new smoke suppressant seals on fire doors, new safety signage, additional fire alarm points and improved refuge areas in the building. Work was progressing well until restrictions around the COVID-19 crisis halted work in March 2020.

Marketing and Communications

The 2019/20 year saw the introduction of a three tier approach to the promotion of events with five large scale initiatives involving all branch libraries, targeted events operating in a smaller number of branches, and marketing-only promotions linking stock with national messages utilising both the website and social media. The five large scale initiatives, Festival of Learning, Big Summer Read, Good Relations Week, Book Week NI and New Year New You, all involved considerable planning and involvement from marketing with increased social media, public relations, graphic design and website activity. This work was central to achieving many of the goals of each initiative and this was reflected by the number of marketing measures throughout the Service Plan for 2019/20.

Social media is an important communications channel for Libraries NI and the multiple platforms, including individual branch Facebook pages, continued to provide opportunities to connect with existing and potential customers. Facebook, Twitter and Instagram are the main communication channels used by Libraries NI with increasing use of promotional and instructional videos on the Libraries NI YouTube channel. There are limitations with social media channels as they are not owned by Libraries NI and regulations for use are set by the parent companies. However, during 2019/20 there was a 20.1% increase in total social media likes and follows across Libraries NI's channels which in turn increased communication and reach with customers.

Libraries NI continues to work with local press and other media outlets, and throughout 2019/20 this resulted in the generation of 1,803 press clippings. For a certain demographic of customers and with certain key messages local papers are an important communication channel for libraries and the communities they serve.

Community Planning

Libraries NI continued to be involved as a statutory partner in the community planning process and provided the Vice Chairperson for two partnerships, Ards and North Down and Causeway Coast and Glens District Councils. A number of staff participated in the Carnegie UK Trust's 'Embedding Wellbeing in Northern Ireland' project through involvement in a study tour and other training opportunities. This project aims to support three Community Planning Partnerships to overcome challenges in implementing their Community Plans, providing opportunities to learn from each other and share their experiences and to undertake study visits, as well as to receive expert support from independent sources.

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:

- roof upgrades at Omagh and Shantallow libraries were completed
- two new mobile library vehicles were brought into service with a further two being commissioned for delivery in 2020/21. Four Homecall service vehicles were replaced
- refurbishment works to Lurgan Library commenced in February 2020
- a project to install an upgraded heating plant was completed at Whiterock Library and a new cooling plant was installed at Grove Library
- a range of work was commenced at Belfast Central Library to address issues arising from a fire risk assessment including the provision of a new enclosed fire escape staircase
- work commenced at Ballynahinch Library to install a new energy efficient gas boiler which has enabled the library to disconnect from the existing inefficient shared heating system operated by the Health Trust
- toilet upgrades were commenced at Newry Library
- a new staff kitchen and welfare facility was completed at Waterside Library

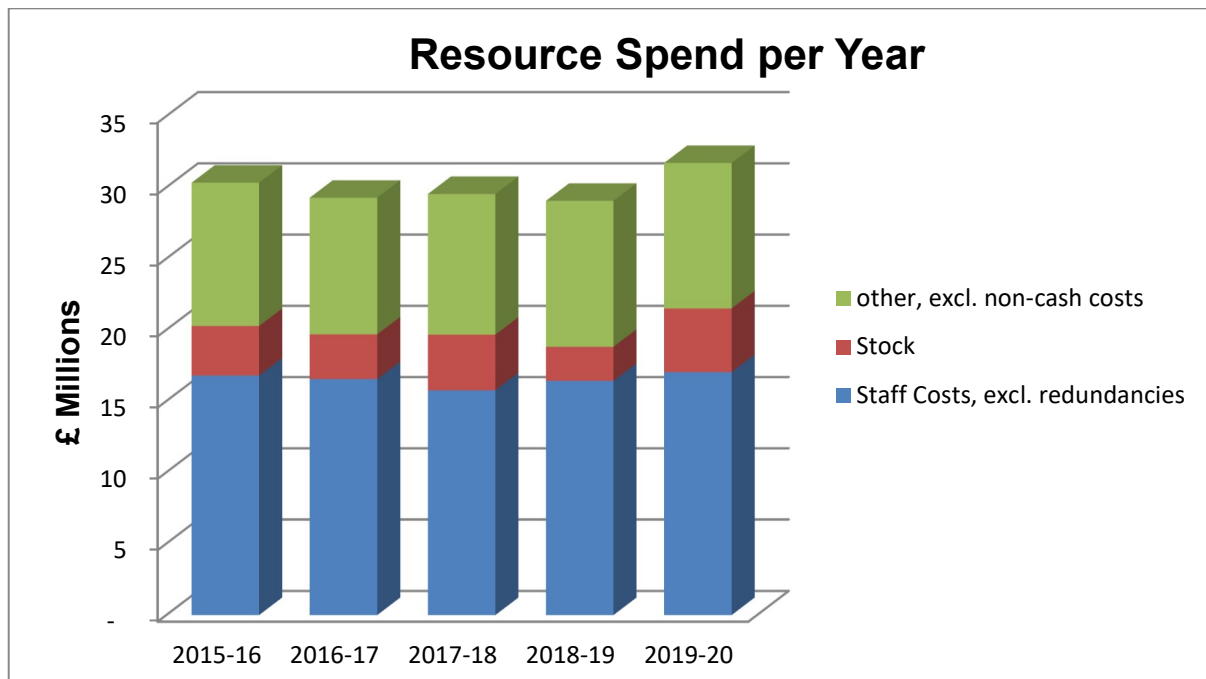
- erosion to the river wall and pathway was addressed in a completed project at Newcastle Library.

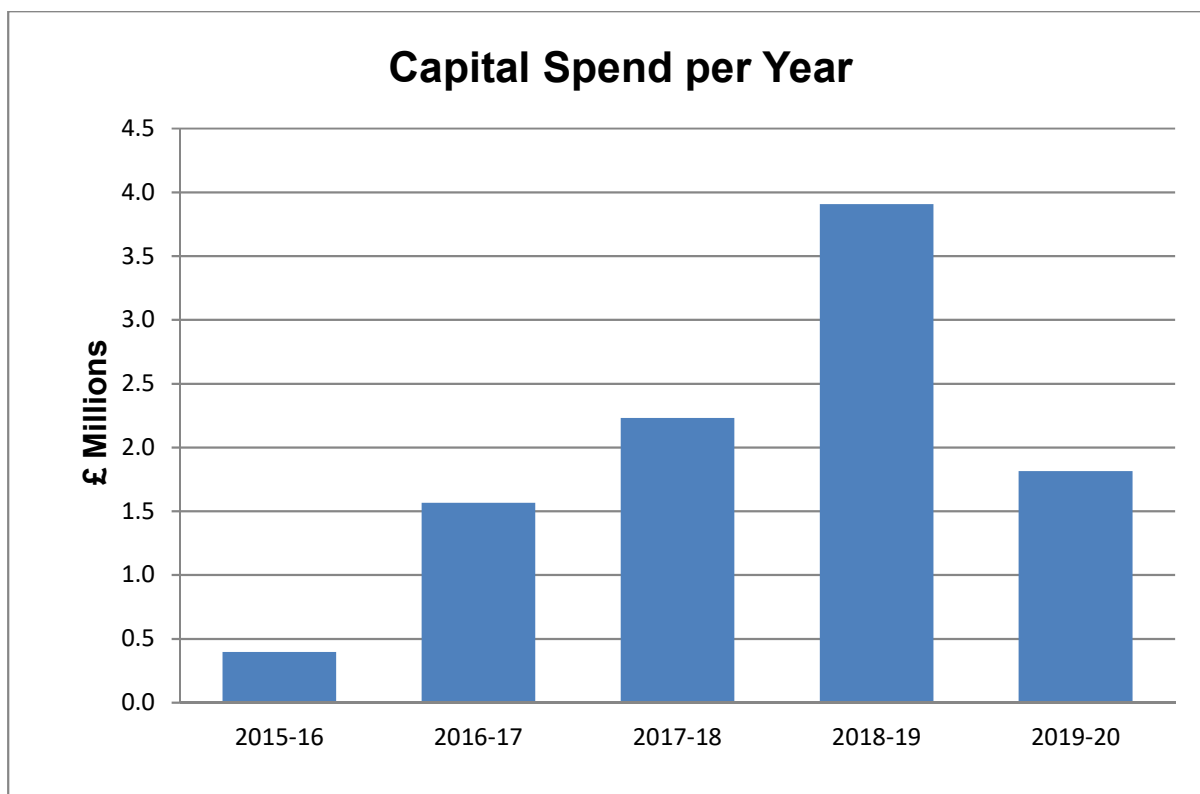
Finance, Payroll and Procurement

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 2019/20 was the achievement of a balanced budget on the resource budget. After submission of successful bids to the Department, Libraries NI secured additional funding which alleviated pressures in key areas. Additional allocations for staffing and stock were particularly welcome, and allowed the target stock spend per head to be met.

The following tables show the long-term spend trends in relation to resource and capital and reflect 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 91% 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 (CoPE) in the Education Authority and Construction and Procurement Delivery, to deliver value for money and propriety in the procurement of goods and services.

The Finance and Payroll teams took part in the biannual National Fraud Initiative data matching exercise, to assist the government in identifying potential fraud. Results from the exercise for 2018/19 were investigated during 2018/19 and 2019/20. 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 the employment, management and development of staff in Libraries NI.

Recruitment and Selection

On the 1 April 2019 Libraries NI implemented online recruitment for internal and external job opportunities. This provides applicants with the ability to register for job

opportunities, submit an application and track their application throughout the selection process and has proven to be successful given the significant increase in job applications received in response to job opportunities.

During 2019/20 there were 104 recruitment exercises carried out with a total of 1,151 application forms received. This compared to 102 recruitment exercises carried out in the previous year when a total of 299 applications were received. All appointments were made according to the Libraries NI Code of Procedures on Recruitment and Selection.

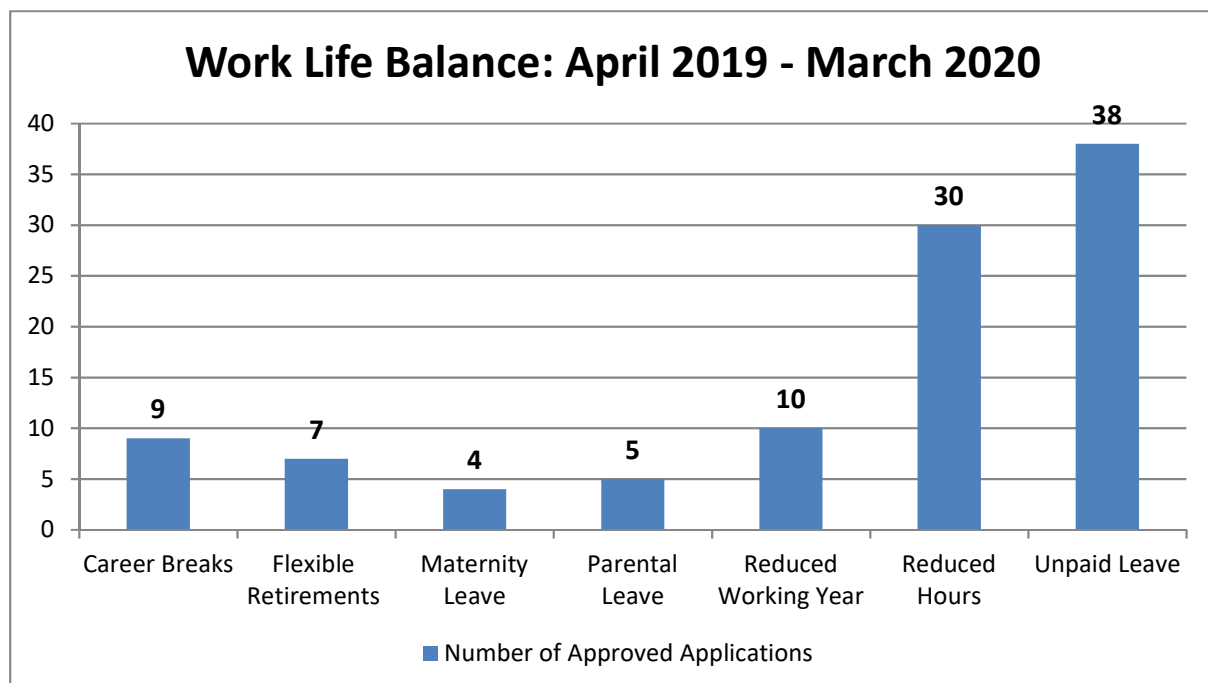
Agency Support

Libraries NI continues to use the Northern Ireland Civil Service (NICS) Temporary Workers contract for the supply of agency workers.

In 2019/20 HR processed a total of 294 requests for agency workers, equating to 65 full-time posts for the year. Agency workers were used predominantly to support short term business needs including sickness cover, project backfill and vacancies. The majority of requests were for frontline posts at first entry recruitment grade.

Employee Relations

Libraries NI is committed to providing staff with work life balance opportunities. During 2019/20 103 applications for Work Life Balance adjustments were approved. Approved applications by type are shown in the following graph.

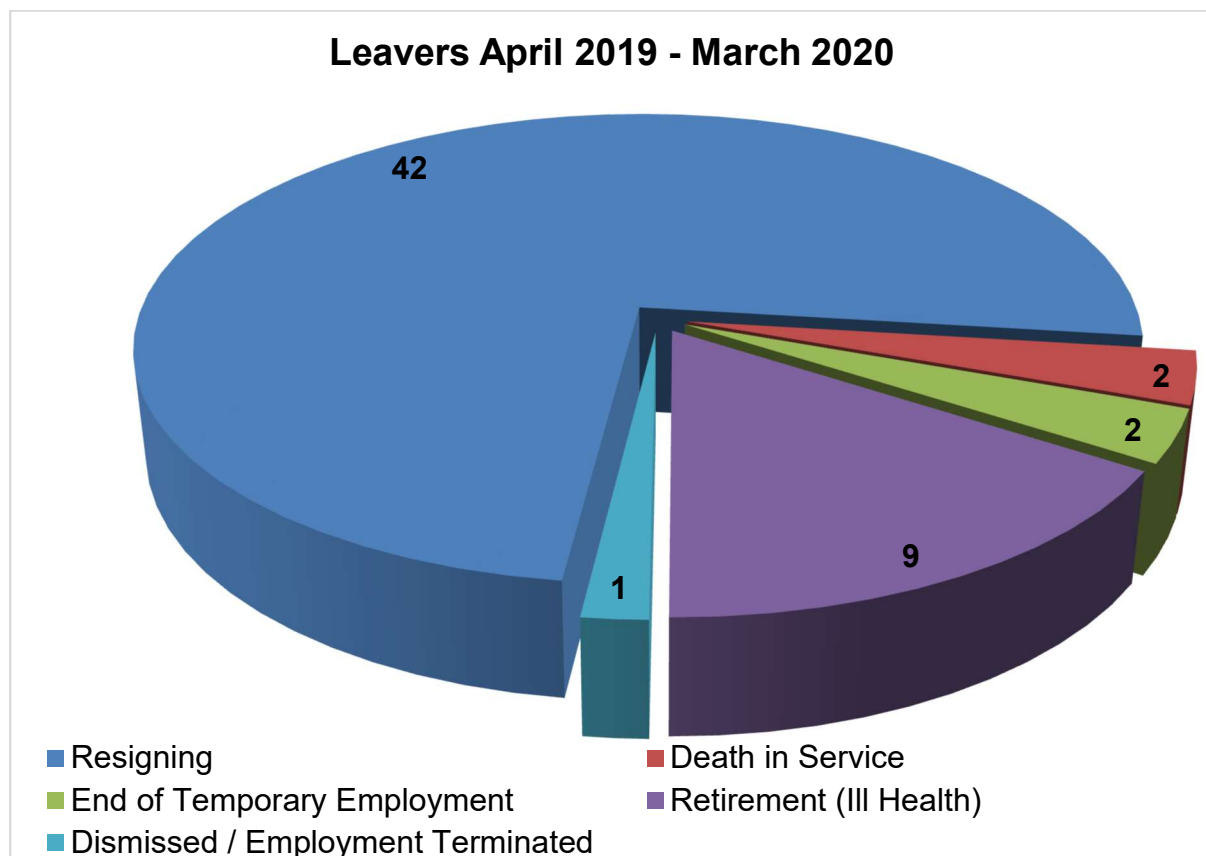


Employee Engagement and Trade Union Relationships

During the year the policy of providing employees with information has continued through regular distribution of a monthly update from the Senior Management Team and other internal communications such as SMT blogs, Health and Wellbeing updates and staff alerts. 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. In 2019/20 time off with pay equating to FTE 1.05 was granted to elected trade union representatives to attend industrial relations duties.

Leavers

During 2019/20 56 staff left the employment of Libraries NI. The reasons are shown in the chart below. In this year there was an increase of 10% from 2018/19, when 51 employees left employment with Libraries NI.



Pension

During 2019/20 HR reassessed pension contribution bandings for all staff who were members of the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC). Following reassessment all members were notified of their specific pension contribution rate. This resulted in 41 pension banding changes being processed. In addition, 18 members returning from an authorised unpaid period of

absence were notified of their eligibility to apply to pay Additional Pension Contributions (APC) to cover lost pension. 50% of them took up this opportunity.

On 1 October 2019, Libraries NI reassessed its workforce under the terms of The Pension Regulator's Automatic Enrolment Scheme. This resulted in 17 employees being automatically re-enrolled into the main section of the NILGOSC Pension Scheme.

Health and Wellbeing

During 2019/20 the Health and Wellbeing Team continued to provide staff with an environment and opportunities that encouraged and enabled them to lead healthy lives and make choices that support their overall wellbeing inside and outside of work. A wide range of health and wellbeing information and initiatives are available to staff on the Intranet which is updated regularly. This includes information about employee assistance programmes, support agencies and 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 provide a supportive employee culture. Libraries NI saw an improvement in its overall absence rates compared to the previous years.

In 2019 the confidential counselling service provided by Inspire Workplaces was accessed by employees on 117 occasions compared to 73 during 2018. HR facilitated 19 eye tests. The Occupational Health Service is accessed under the Education Authority CoPE, and provided by Birmingham Hospital Saturday Fund (BHSF). During the year 98 medical referrals were attended by 78 employees. Some employees attended more than one medical assessment. In 2019 medical referrals reduced by 10.91% when compared to 2018.

Of the 98 referrals, 51 related to employees who were absent from work through illness; 47 were for various other health related matters.

Following medical assessment workplace adjustments were facilitated for 45 employees, 28 on a temporary and 17 on a permanent basis. Of the 45, 23 employees were also supported through a phased return to work programme. All remaining cases were kept under review resulting in a return to work, 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 2019/20. These included the on-going delivery of a number of year-on-year training programmes such as Corporate Induction, Designated Officer (Safeguarding), Safeguarding Awareness, Fire Safety Awareness, Driver Certificate of Professional Competence, Building Cleaning (Infection Control), Cardio Pulmonary Resuscitation and Automated External Defibrillator, and First Aid at Work.

In 2019/20 funding was provided to enable staff attendance at externally provided courses as well as at a number of regional and/or national conferences, seminars and workshops. These included Inspire Workplaces, the Library Association of Ireland / CILIP Ireland Joint Conference, Chartered Institute of Public Finance and Accountancy training and events, Royal Society of Ulster Architects training, Chartered Institute of Marketing seminars, and EDGE 2019. Staff also attended a number of subject specific training programmes required to support individuals' continuous professional development needs including, the Legal Island Annual Employment Review, Handling the Media, Blogging, and Makaton training. In-house training including Social Media, Managing Unacceptable Behaviour and Recruitment and Selection has been facilitated.

The Manage First management development programme, which included Appraiser training was delivered to seven newly appointed first-line managers. Lead and Manage, a programme aimed at enhancing the management skills of middle managers, was delivered to seven staff.

The Part Time Study Scheme was used to support the Trainee Internal Auditor towards professional qualification which was successfully completed in July 2019.

A number of newly appointed Board Members attended Governance and Accountability and Audit and Risk Assurance Committee Member training.

In 2019/20 the Service Level Agreement with The Centre for Applied Learning (Northern Ireland Civil Service Centralised Training Unit) was renewed providing e-learning facilities to all Libraries NI staff via a managed website. This facility was used to enable all newly appointed staff to complete a number of Health and Safety related modules, including Health and Safety Awareness for All Staff, Basic Manual Handling Awareness, and Display Screen Equipment Awareness. All staff were required to complete the Fire Safety Awareness module, as well as the Unconscious Bias (Equality Awareness) module. Human Rights and Section 75 training was also undertaken by managers. All training is monitored regularly and arrangements are in place to ensure that staff who are on authorised absence or unpaid leave have access to the training remotely and on their return to work.

Information Systems

The major information systems maintained and supported during 2019/20 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 2019/20 overall performance was good against the contractual service model and all major service levels were met with only very minor exceptions. As part of an overall technology refresh project all public access services were moved to Windows 10 and some necessary updates were implemented on the RFID systems in libraries and corporate telephony.

Given the success of RFID enabled kiosks and self-service facilities developed in earlier years, a project to implement an “Out of Hours” service in six rural libraries had been successfully implemented during 2018/19. During 2019/20 this service was implemented in Omagh Library and extends the provision beyond the initial rural service in Whitehead, Saintfield, Maghera, Dungiven, Lisnaskea and Irvinestown libraries.

Further work was carried out in 2019/20 to secure replacement arrangements for the current e2 managed service contract. A business case was submitted and approved to extend the current e2 contract to 30 September 2022 with some of the corporate systems transferring to NICS Enterprise Shared Services (ESS) on 1 May 2022. The remaining elements not being provided through ESS will be delivered through a replacement project (the “e3 Project”) with a planned service commencement date of 1 October 2022. These new arrangements will deliver Information Systems to Libraries NI in the medium to long term.

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 2019/20. Information on Libraries NI's approach and achievements in relation to sustainability is shown below:

- CO₂ emissions in 2019/20 decreased by 3% when compared to 2018/19 reflecting an overall long term trend in reducing our carbon output. The ongoing constraints in resourcing the operation of the estate continue to limit 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
- work was completed at Whiterock Library to separate the library from an inefficient 'district' heating scheme and to provide the building with its own dedicated natural gas fired heating system
- the installation of a heat pump to provide high efficiency heating/cooling to Grove Library was completed
- replacement of existing lighting was carried out at Belfast Central Library which included the installation of energy efficient LED fittings
- 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 to seek to reduce the need to travel

- all new vehicles commissioned in 2019/20 were fitted with EURO6 compliant engines and AdBlue exhaust additive systems, increasing fuel efficiency and significantly reducing our nitrogen dioxide and diesel particulate emissions.



Jim O'Hagan
Chief Executive

Date: 15 October 2020

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
Mr Neil Bodger ¹	
Alderman Thomas Burns	
Alderman Tom Campbell ²	
Councillor Alistair Cathcart ³	
Councillor Glenn Finlay ³	
Councillor Julie Gilmour ⁶	
Councillor Dr Janet Gray ²	
Councillor Cara Hunter ³	
Councillor Cheryl Johnston ³	
Councillor Garath Keating	Vice-Chairperson (to 4 July 2019)
Mrs Deirdre Kenny	
Alderman William Leathem ²	
Councillor Donal Lyons	Vice-Chairperson (from 4 July 2019)
Councillor Cathal Mallaghan	
Alderman Stephen Martin ⁴	
Ms Angela Matthews ⁵	
Councillor Séan McGuigan ²	
Councillor Stephen McIlveen ⁷	
Mrs Wendy Osborne OBE ¹	
Mr John Peto ¹	
Mr Harry Reid	
Alderman Marion Smith ²	
Dr Margaret Ward	
Councillor Billy Webb	
Miss Linda Wilson ³	

¹ Term as a Board Member commenced on 1 July 2019

² Term as a Board Member ended on 1 May 2019

³ Term as a Board Member commenced on 1 November 2019

⁴ Term as a Board Member ended on 29 November 2019

⁵ Term as a Board Member ended on 30 April 2019

⁶ Term as a Board Member commenced on 1 February 2020

⁷ Term as a Board Member ended on 29 February 2020

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 in the following paragraphs.

Chief Executive's Department

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 wellbeing
- 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 of:
 - 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 also be inspected on application to the Chief Executive's Department.

Personal Data

There were no incidents of data loss during 2019/20 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 that it meets its 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 (Raising a Concern) 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 2019/20.

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 other ALBs Libraries NI is classified as a 'Low User'. Libraries NI Internal Audit will conduct all fraud investigations unless, by exception, additional resources or advice are required from the Department. No fraud investigations were carried out during 2019/20.

An SLA is in place with the Education Authority's Internal Audit and Assurance Service to provide additional resources if required. This resource was also not required in-year. This SLA was revised during 2018/19.

Throughout the year, performance was monitored in terms of both business objectives and the effectiveness of internal control arrangements. At 31 March 2020, 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 Executive, 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 2019/20 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	25	6%
Support Services	79	18%
Operational	37	8%
Mandatory	10	2%
Location Audits *	150	34%
Consultancy	35	8%
Training **	43	10%
Administration***	60	14%
Total	439	100%

* Includes audits of Belfast Central Library, 15 other Branch Libraries, three Mobile Libraries three Homecall Vehicles and the completion of a self-assessment exercise.

** 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

Libraries NI uses a number of collaborative framework contracts to purchase common goods and services. Procurements for the supply of goods and services, including

estates-related services are either facilitated by a Centre of Procurement Excellence (CoPE) or in line with procurement advice provided by a CoPE. All contracts are evaluated on a best value for money basis, which may consider cost and quality factors. All contracts awarded by Libraries NI are a matter of public record and details are available on the Libraries NI website (www.librariesni.org.uk).

For the period under review, Libraries NI was involved in a Public-Private Partnership (PPP) contract for the provision of a serviced facility at the Lisburn City Library, and a managed services contract for the provision of IT services to all library locations.

Customer Feedback

Libraries NI welcomes feedback, including comments, from its customers about their experiences of our services. Feedback allows us to identify and repeat what is good and address any problems with the service provided and helps us improve what we do and how we do it.

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. As a result, all items of complaint are responded to promptly by the appropriate senior level. Compliments and comments continue to be acknowledged where a contact email address has been provided. 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 an annual basis. A summary of feedback received during 2019/20 is shown in the table below:

Items of feedback received:	496
Nature of feedback:	
complimentary	277
complaint	172
comment	47
Category of feedback:	
Staff	115
Library Services	304
Online Services	13
Facilities and Buildings	52
Stock	12
Average number of days taken to respond:	5

Whilst items of feedback received continue to cover a wide range of topics, some of the more significant increases can be accounted for by the quantity of complimentary feedback (56%) about customer service delivered by our staff and the various events held in libraries. There were some complaints about the availability of library resources and services.

There were no instances of any response exceeding the response limit (15 days) in 2019/20.

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 2018, 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, 20 requests were received under the Freedom of Information Act 2000 and 21 requests were received under the Data Protection Act 2018 during 2018/19.

Preparation of the Accounts

The Accounts are prepared in accordance with a Departmental Accounts Direction, and comply with the Government Financial Reporting Manual (FRoM) 2019/20. 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 ten 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 2019/20.

Based on invoice Date	2019/20		2018/19	
	Invoices Paid	Paid within Target %	Invoices Paid	Paid within Target %
Total invoices paid	18,079	-	15,252	-
Paid within 30 days	17,781	98%	15,006	98%
Paid within 10 days	16,604	91%	14,187	93%

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 Department of Finance.

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: 15 October 2020

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 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 2019/20 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 2019/20 Internal Audit also undertook reviews of compliance with corporate governance including the Board Operating Framework, a review of compliance with guidance on Gifts and Hospitality and a review of the effectiveness of controls in place with regard to 'Raising a Concern' (Whistleblowing) and the prevention, detection and investigation of suspected frauds. 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 Sponsor Department.

The Board is a corporate body and its role is set out in the Management Statement drawn up by the Department in consultation with Libraries NI. The Board has corporate responsibility for ensuring that Libraries NI fulfils the aims and objectives set by the Department and for promoting the efficient, economic and effective use of staff and other resources by the organisation. In the absence of Ministers and a formal Programme for Government (PfG), strategic direction is informed by the Draft PfG and the NICS Outcomes Delivery Plan developed in 2018/19. The Minister for Communities was appointed following the restoration of the devolved administration in Northern Ireland on 11 January 2020.

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.

The following declaration of a potential conflict of interest was made:

- At the September meeting of the Board, Councillor G Keating declared an interest in respect of the Irish and Local Studies Library as Armagh, Banbridge, Craigavon Council owns the building in which the service is housed.

The Board met on six occasions during 2019/20. One meeting took the form of a workshop at which consideration was given to longer term planning issues. The membership of the Board during 2019/20 was as follows:

- Professor Bernard Cullen (Chairperson)
- Councillor Garath Keating (Vice Chairperson to 4 July 2019)
- Mr Neil Bodger¹
- Alderman Thomas Burns
- Alderman Tom Campbell²
- Councillor Alistair Cathcart³
- Councillor Glenn Finlay³
- Councillor Julie Gilmour⁶
- Councillor Dr Janet Gray²
- Councillor Cara Hunter³
- Councillor Cheryl Johnston³
- Mrs Deirdre Kenny
- Alderman William Leathern²
- Councillor Donal Lyons (Vice-Chairperson from 4 July 2019)
- Councillor Cathal Mallaghan
- Alderman Stephen Martin⁴
- Ms Angela Matthews⁵
- Councillor Séan McGuigan²
- Councillor Stephen McIlveen⁷
- Mrs Wendy Osborne OBE¹
- Mr John Peto¹
- Mr Harry Reid
- Alderman Marion Smith²
- Dr Margaret Ward
- Councillor Billy Webb
- Miss Linda Wilson³

¹ Term as a Board Member commenced on 1 July 2019

² Term as a Board Member ended on 1 May 2019

³ Term as a Board Member commenced on 1 November 2019

⁴ Term as a Board Member ended on 29 November 2019

⁵ Term as a Board Member ended on 30 April 2019

⁶ Term as a Board Member commenced on 1 February 2020

⁷ Term as a Board Member ended on 29 February 2020

Key issues considered by the Board during 2019/20 included the following:

- the Annual Report and Accounts 2018/19
- Key Performance Indicators
- the draft Annual Business Plan 2020/21
- Budget and Spending plan 2019/20
- Ensuring a Sustainable Library Service
- Libraries NI Corporate Plan 2020 - 2024
- Board effectiveness review and action plan
- Organisation and Structures: Review
- e2 contract extension and e3 Programme
- Community Planning
- Delivering Tomorrow's Libraries: Public Library Standards 2016/17 Performance Report (Draft Response)

Libraries NI participated in 'The Boardroom Apprentice' scheme, hosting an apprentice 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 2019/20 was as follows:

- Councillor Séan McGuigan (Chairperson) ¹
- Mrs Deirdre Kenny (Vice-Chairperson) ²

- Councillor Alistair Cathcart ⁴
- Professor Bernard Cullen
- Councillor Glenn Finlay ³
- Ms Nuala McAuley (Co-opted Member)
- Alderman Stephen Martin ⁵
- Councillor Stephen McIlveen ⁶
- Mrs Wendy Osborne OBE ⁷

¹ Term as a Board Member ended on 1 May 2019

² Appointed Chairperson from 19 June 2019

³ Appointed to the Committee on 12 December 2019, elected Vice Chairperson 15 January 2020

⁴ Appointed to the Committee on 13 February 2020. He attended the January meeting as an observer.

⁵ Appointed Vice-Chairperson on 19 June 2019. Term as a Board Member ended on 29 November 2019

⁶ Term as a Board Member ended on 29 February 2020

⁷ Appointed to the Committee on 12 September 2019

The Chief Executive, 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.

During 2019/20 the Audit and Risk Assurance Committee considered and reported to the Board on the following:

- the Internal and External Audit Strategies
- 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 2018/19
- the Annual Report and Accounts and the Comptroller & Auditor General's Report to those Charged with Governance for 2018/19
- revisions and updates to various corporate governance policies and documents, including the Risk Management Policy, the Whistleblowing Policy (and Guidance), the Anti-Fraud Policy, the Fraud Response Plan, the Code of Conduct for Board Members, the Conflicts of Interest Policy (and Guidance), the Gifts and Hospitality Policy and the Internal Audit Charter.

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 operating effectively 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 2019/20 was as follows:

- Alderman Marion Smith¹
- Alderman Thomas Burns
- Alderman Tom Campbell²
- Ms Angela Matthews³
- Councillor Billy Webb (Vice Chairperson from November 2018, Chairperson from January 2020)
- Councillor Cara Hunter⁴
- Councillor Cheryl Johnston⁵
- Councillor Garath Keating
- Mr Neil Bodger⁶ (Vice Chairperson from January 2020)
- Miss Linda Wilson⁷
- Professor Bernard Cullen

¹ Term as a Board Member ended on 1 May 2019

² Term as a Board Member ended on 1 May 2019

³ Term as a Board Member ended on 30 April 2019

⁴ Term as a Board Member commenced on 1 November 2019

⁵ Term as a Board Member commenced on 1 November 2019

⁶ Term as a Board Member commenced on 1 July 2019

⁷ Term as a Board Member commenced on 1 November 2019

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 2019/20
- the Annual Report and Accounts 2018/19
- the NIAO Report to Those Charged with Governance 2018/19
- prompt payment targets and performance
- procurement and Single Tender Actions
- public and employer liability claims.

Human Resources

- absence management monitoring reports
- the Annual Progress Report on Equality, Article 55 Fair Employment report and the Audit of Inequalities 2019
- policies and reviews on Shared Parental Leave, Paternity Leave, Code of Procedures on Recruitment & Selection, Managing Attendance at Work
- a revised Code of Conduct for Staff
- an updated Corporate Social Responsibility statement
- Customer feedback.

Assets

- capital works 2019/20
- Belfast Central Library Redevelopment Project
- the estate maintenance programme 2019/20
- tender reports for the appointment of contractors for various remedial works at Belfast Central, Lurgan, Waterside and Derry Central libraries
- the Health and Safety Annual Report
- Post Project Evaluations Lessons Learned Report
- a report on litigations
- use of the Libraries NI seal.

ICU/ICT

- delivery of the e2 managed services contract
- development of the Outline Business Case for e3
- policies and procedures in relation to records management and data protection.

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 2019/20 was as follows:

- Councillor Dr Janet Gray (Chairperson)¹
- Dr Margaret Ward (Vice-Chairperson, Chairperson from September 2019)
- Councillor Cathal Mallaghan (Vice-Chairperson from September 2019)
- Professor Bernard Cullen
- Councillor Glenn Finlay²
- Mrs Deirdre Kenny²
- Alderman William Leathern¹
- Councillor Donal Lyons
- Councillor Stephen McIlveen³
- Mr John Peto⁴
- Mr Harry Reid

¹ Term as Board Member ended on 1 May 2019

² Appointed to Services Committee 12 December 2019

³ Term as Board Member ended on 29 February 2020

⁴ Term as Board Member commenced on 1 July 2019

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

- policies for Room Hire, Reading and Reader Development and Stock
- relevant external reports such as 'Public Libraries; the case for support', a report produced by CILIP and The Big Issue
- reading initiatives such as BBC 100 Novels that Shaped Our World
- customer feedback
- customer survey
- Engaging Libraries initiative

- experience of the public library service in NI 2018/19
- outcomes-based accountability evaluation of Go On
- public library standards
- recent conferences
- rural needs annual report
- Libraries NI's ten-year anniversary events and celebrations
- the effectiveness and compliance review.

The Committee received presentations on a number of topics including:

- Content, Creativity and Coding
- Good Relations Week
- Marketing: Behind the Scenes
- Library Services in the Mid Ulster Area
- Supporting Digital Government.

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

The Committee met in two libraries, Lisburn City and Dungannon.

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 Department for Communities (DfC).

The membership of the **Remuneration Committee** during 2019/20 was as follows:

- Professor Bernard Cullen (Chairperson)
- Councillor Garath Keating ¹
- Mrs Deirdre Kenny ²
- Councillor Donal Lyons ³
- Councillor Sean McGuigan ⁴
- Dr. Margaret Ward ⁵
- Councillor Billy Webb ⁶

¹ Term as Board Vice Chairperson ended 4 July 2019

² ARAC Chairperson from 19 June 2019

³ Term as Board Vice Chairperson commenced 4 July 2019

⁴ Term as a Board Member ended on 1 May 2019

⁵ Services Committee Chairperson from 12 September 2019

⁶ Business Support Committee Chairperson from 12 September 2019

During 2019/20 the Committee considered the following matters:

- progress on proposals related to Pay and Remuneration for First and Second Tier Officers and engagement with DfC on related issues
- 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
- a report from the Chairperson on the performance assessment of the Chief Executive in 2018/19 and targets set for 2019/20
- a report from the Chief Executive on the performance assessment of Directors in 2018/19
- agreed schedule of meetings in 2019/20 and options for additional meetings if required.

The **Belfast Central Library Committee** was established in July 2016 with delegated Board powers in relation to the redevelopment of Belfast Central Library. The project has not progressed pending clarification on funding and updating of the business case. As a result, the Committee did not meet in 2019/20.

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	4	4	2
Professor Bernard Cullen (Chairperson)	6	3	2	3	2
Councillor Donal Lyons (Vice-Chairperson)	3	-	2	-	0
Mr Neil Bodger	5	-	-	3	-
Alderman Thomas Burns	5	-	-	4	-
Alderman Tom Campbell	1	-	-	-	-
Councillor Alistair Cathcart	1	-	-	-	-
Councillor Glenn Finlay	2	1	1	-	-
Councillor Julie Gilmour	0	-	-	-	-
Councillor Dr Janet Gray	1	-	-	-	-
Councillor Cara Hunter	1	-	-	1	-
Councillor Cheryl Johnston	1	-	-	-	-
Councillor Garath Keating	5	-	-	2	-
Mrs Deirdre Kenny	6	4	1	-	2
Alderman William Leathern	1	-	-	-	-
Councillor Cathal Mallaghan	3	-	3	-	-
Alderman Stephen Martin	2	3	-	-	-
Ms Angela Matthews	0	-	-	-	-
Councillor Séan McGuigan	1	1	-	-	-
Councillor Stephen McIlveen	4	1	2	-	-
Mrs Wendy Osborne OBE	2	2	-	-	-
Mr John Peto	5	-	2	-	-
Mr Harry Reid	4	-	4	-	-
Alderman Marion Smith	1	-	-	-	-
Dr Margaret Ward	6	-	3	-	2
Councillor Billy Webb	3	-	-	3	2
Miss Linda Wilson	2	-	-	1	-
Ms Nuala McAuley Co-opted Member	-	4	-	-	-

The **Senior Management Team** comprises the Chief Executive, the Director of Business Support and the Director of Library Services.

Other elements of the corporate governance structure include:

- an agreed **Organisation 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 and 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

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 draft Programme for Government, the Outcomes Delivery Plan, 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 an annual Business Plan for consideration and approval by the Board and the Department
- 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 and recognises that it is not possible to 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. The Risk Management Group 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. During 2019/20 the Risk Management Group comprised the Chief Executive, the Director of Library Services and the Director of Business Support (Chairperson).

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 Accountability Meetings. The relevant Committees consider risk registers relating to Service Plans.

During 2019/20 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 in the section on Internal Control Divergences.

Actions were commenced to implement the 2019/20 Savings Delivery Plans. The planned reduction in opening hours over the summer months and reduced service over the Christmas period contributed to the overall savings in staff costs, however the vast majority of savings requirements were mitigated by the release of additional resource funding from the Department at various points throughout the year. This included an additional £3,472,000 for Stock, £926,000 for staffing, equipment and property maintenance and some £244,000 to support digital adult literacy initiatives.

Capital funding was received to progress the upgrading of IT infrastructure and to undertake a range of minor works schemes. Funding was also provided to allow the commencement 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 is provided for staff and Board Members to assist them in understanding the governance framework. 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 Risk Management Strategy and Corporate Risk Register.

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
- Risk Management Policy.

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 to investigate suspected frauds should this be required. This assistance was not required during 2019/20. There were no suspected frauds notified during 2019/20.

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
- revised records disposal and retention schedules are in place and the Data Protection Officer is available to provide guidance and support to managers at all levels throughout the organisation.

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

There were no incidents of personal data loss which required notification 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 bi-annual Assurance Statements. The Board exercises 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 2019/20 the 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 (PSIAS). In addition, a Service Level Agreement is in place with the Education Authority's Head of Internal Audit and Assurance to carry out a peer review service and this provides additional assurance as to the effectiveness of the Libraries NI Internal Audit function.

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.

The Internal Audit work completed was based on the Internal Audit Strategy and the Internal Audit Plan for 2019/20, 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 2019/20 Internal Audit completed:

- audits of 16 branch libraries. A control and risk self-assessment was also completed across branch and mobile libraries. A 'satisfactory' level of assurance was provided on each occasion
- audits of three mobile libraries. A 'satisfactory' level of assurance was provided on each occasion
- audits of three Homecall vehicles. A 'satisfactory' level of assurance was provided on each occasion
- eight strategic, operational, systems and review audits, providing a 'satisfactory' level of assurance on each occasion
- one value for money audit was completed in consultation with management.

There were no Priority One recommendations made during the year. The Audit and Risk Assurance Committee received a report at each meeting on the actions being taken to implement all other audit recommendations. It should be noted that the number of Priority One recommendations has remained at a reduced level. This is due in part to the redefinition of what constituted a Priority One recommendation introduced by a DAO letter and implemented since 2016/17.

In the Internal Audit Annual Report for 2019/20, the Head of Internal Audit provided an overall 'satisfactory' level of assurance as to the risk, control and governance framework within Libraries NI.

Northern Ireland Audit Office

The Comptroller and Auditor General (C&AG) to the Northern Ireland Assembly is responsible for the statutory audit and certification of the Libraries NI Annual Report and Accounts. It should be noted that the NIAO has sub-contracted the external audit of the Libraries NI financial statements to ASM.

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

The C&AG certified the 2019/20 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, Heads of Service 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 regularly 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, Heads of Service, Deputy Heads of Service 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
- 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

Board membership

Due to Local Government Elections and the expiry of terms of office of Board Members there were a number of new appointments and reappointments to the Libraries NI Board during 2019/20. This loss of experienced Board members has been managed through the training and induction process.

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 been introduced to minimise these, including limits on 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.

Impact of change and budget cuts on staff morale and motivation

Libraries NI has undergone significant change since its inception in 2009. Against a backdrop of planning uncertainty, an increased breadth of service delivery and reduced resources this state of change is likely to persist. A range of processes and channels have been deployed to engage and communicate with staff on these issues, to provide information and to allay concerns.

Strategic Planning

During 2019/20 a Business Plan for 2020/21 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 continue to inform planning priorities, however the ongoing uncertainty makes longer term strategic planning difficult.

Belfast Central Library

An Outline Business Case (OBC) for Belfast Central Library was approved in April 2016. Since then an absence of funding has prevented the project progressing. The Belfast Central Library refurbishment and redevelopment remains a strategic priority for Libraries NI and discussions are on-going with DfC regarding the way forward.

Business Continuity and Capacity

The on-going budget pressures 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. 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.

Branch Library Managers

In May 2018 Branch Library Managers commenced industrial action in a dispute about job evaluation. Work continued with Trade Union representatives during 2019/20 to seek to find a resolution to this issue.

New Issues 2019/20

Impact of coronavirus (COVID-19 global pandemic)

The coronavirus (COVID-19) global pandemic represents a significant risk identified during the reporting period and one that has had a significant impact on all aspects of Libraries NI's operations and is placing a strain on many aspects of the organisation and the staff working within it. In line with government and public health advice all libraries closed to the public on Friday 20 March 2020 and all staff, effectively, began working from home, or remaining at home, from Monday 23 March 2020. Contingency planning measures have been deployed as we work to maintain a level of service through online channels and ensure core infrastructure and business priorities continue to operate. Our response to the coronavirus pandemic is deflecting resources from other organisation activities and priorities, the impact of which will not be known until later in the year.

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 the Department of Communities (DfC), with the approval of the Department of Finance (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 based on performance. The Remuneration Committee determines the appropriate level of performance related pay to be awarded annually to the Chief Executive and second tier officers in accordance with the agreed performance related pay scheme. The Department for Communities considers the recommendations of the Remuneration Committee and approves the overall maximum percentage uplift to be applied. Any award of pay shall be within limits set by DoF.

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

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 2019/20 overall performance was good against the contractual service model and all major service levels were met with only very minor exceptions. As part of an overall technology refresh project all public access services were moved to Windows 10 and some necessary updates were implemented on the RFID systems in libraries and corporate telephony.

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)

	2019/20		2018/19	
	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	-
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	-
Councillor Donal Lyons	0 - 5	-	0 - 5	-
Alderman William Leathem	0 - 5	-	0 - 5	-
Councillor Billy Webb	0 - 5	-	0 - 5	-
Mr Neil Bodger	0 - 5	-		
Councillor Alistair Cathcart	0 - 5	-		
Councillor Glenn Finlay	0 - 5	-		
Councillor Julie Gilmour	0 - 5	-		
Councillor Cara Hunter	0 - 5	-		
Councillor Cheryl Johnston	0 - 5	-		
Mrs Wendy Osborne OBE	0 - 5	-		
Mr John Peto	0 - 5	-		
Miss Linda Wilson	0 - 5	-		

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

Salary includes gross salary and taxable travel allowance.

	2019/20					2018/19				
	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)	95-100	0	0	32	125 – 130	95-100	0	0	30	125 – 130
Mr Desmond Miskelly Director of Business Support	65-70	0	0	24	90 - 95	70-75***	0	0	(5)	65 - 70
Ms Helen Osborn Director of Library Services (Acting Chief Executive 1 March 2017 to 10 January 2018)	85-90	0	0	63	145 - 150	80-85	0	0	(47)	35 - 40

* 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 £7,581 in 2018/19 in lieu of annual leave carried forward.

Band of Highest Paid Senior Post Holder (Audited Information)

	2019/20	2018/19
Total Remuneration (£'000)	95 - 100	95 – 100
Median Total Remuneration (£'000)	19	19
Ratio	5.09	5.22

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 2019/20 was £95,000 - £100,000 (2018/19: £95,000 - £100,000). This was 5.09 times the median, which was £19,171 (2018/19: £18,672). The banded remuneration of lowest paid staff was £15,000 - £20,000. No-one received remuneration in excess of the highest paid post holder.

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 Board Members.

Pension Benefits - Senior Post Holders (Audited Information)

	Total value of accrued pension and lump sum at 65 at 31/03/20 £'000	Real increase in pension and lump sum at 65 £'000	CETV at 31/03/20 £'000	CETV at 31/03/19 £'000	Real increase in CETV £'000
Mr Jim O'Hagan Chief Executive	15 – 20 0 - 5	0 – 2.5 0 – 2.5	271	233	24
Mr Desmond Miskelly Director of Business Support	25 – 30 40 - 45	0 – 2.5 0 – 2.5	540	498	28
Ms Helen Osborn Director of Library Services	25- 30 25 - 30	2.5 – 5 0 – 2.5	467	397	57

Pension Arrangements

Libraries NI's 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, Hollywood 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 2019/20, as detailed below.

Band	Range	Contribution Rate
1	£0 - £14,800	5.5%
2	£14,801 - £22,600	5.8%
3	£22,601 - £37,700	6.5%
5	£37,701 - £45,700	6.8%
6	£45,701 - £90,400	8.5%
7	More than £90,400	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 2019, at which date the funding ratio was 96%. This valuation was used to determine employer contribution rates from April 2020. For 2019/20, the employer contribution rate was 20% plus a fixed sum Deficit Recovery Contribution (DRC) of £204,000. This rate will decrease to 19% in 2020/21. The contribution rates are set to meet the cost of benefits accruing during 2019/20 to be paid when members retire.

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	Temporary employees	Others	Total	Total
	2019/20	2019/20	2019/20	2019/20	2018/19
	£'000	£'000	£'000	£'000	£'000
Wages and salaries	11,708	232	1,680	13,620	13,145
Social Security costs	908	10	-	918	914
Pension costs	4,521	30	-	4,551	7,443
Other staff costs	-	-	167	167	184
Total	17,137	272	1,847	19,256	16,601

Pension costs include £2.038 million in relation to non-cash current service costs.

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

	Permanent employees	Temporary employees	Agency/ Seconded	Total	Total
	2019/20	2019/20	2019/20	2019/20	2018/19
	FTE	FTE	FTE	FTE	FTE
Directly Employed	482	12	-	494	506
Other	-	-	68	68	62
Total	482	12	68	562	568

These costs and numbers include Senior Post Holders.

Other staff costs include redundancy costs of £NIL (2018/19: £0.017 million), premature/flexible retirements of £NIL (2018/19: £NIL), and unfunded pension payments under legacy arrangements of £0.167 million (2018/19: £0.167 million). No staff costs have been capitalised (2018/19: £NIL). Wages and salaries include Agency staff costs of £1.620 million (2018/19: £1.383 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 2019/20 FTE	Males 2019/20 FTE	Total 2019/20 FTE	Females 2018/19 FTE	Males 2018/19 FTE	Total 2018/19 FTE
353	141	494	370	136	506

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

	At 31 March 2020		
	Female	Male	Total
Board	7	11	18
Senior Managers	1	2	3
Employees	507	165	672

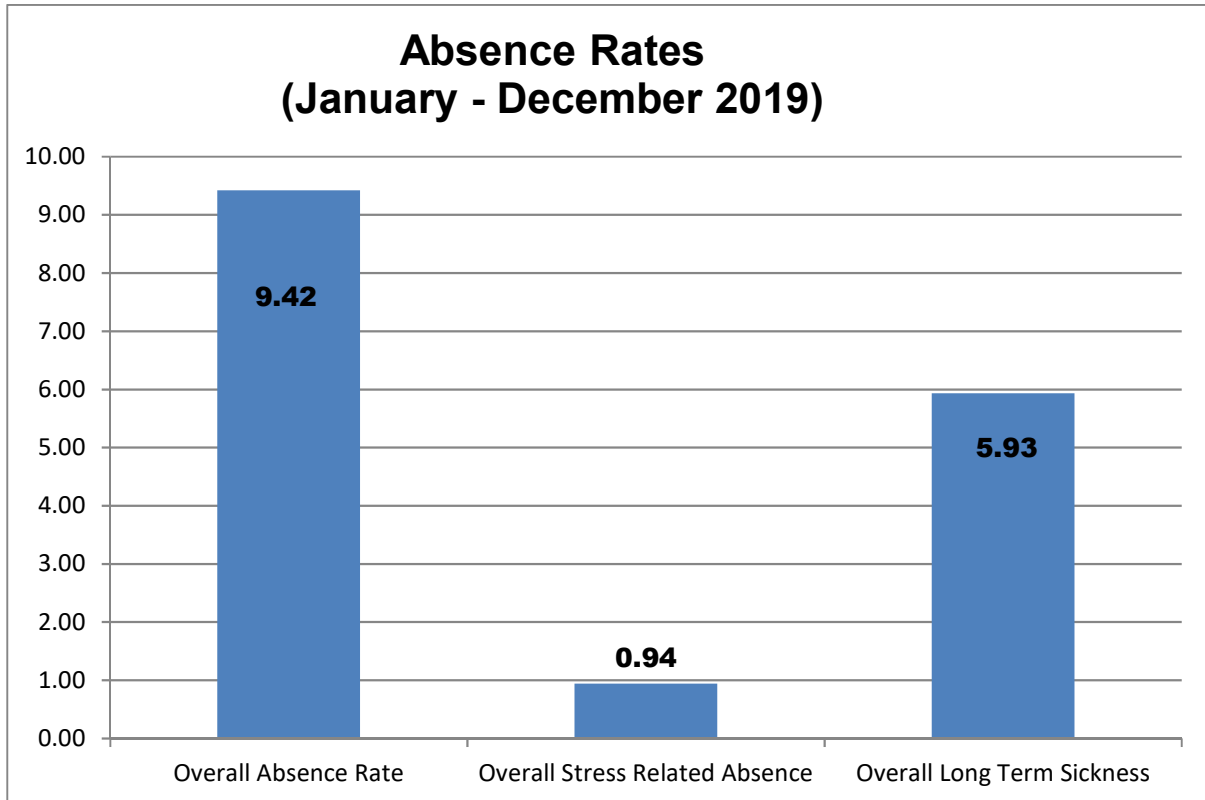
In carrying out its functions, Libraries NI has a statutory responsibility to have due regard to the need to promote equality of opportunity:

- 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 December 2019 the composite average Full Time Equivalent (FTE) days lost through sickness absence was 9.42 days (December 2018: 10.07 days), increasing to 9.94 days by March 2020. 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's 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

Expenditure on consultancy during the year was £NIL (2018/19 £NIL).

Off-payroll Engagements

No "off-payroll" engagements were entered into between 1 April 2019 and 31 March 2020.

Exit Packages (Audited Information)

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
	2019/20	2019/20	2019/20	2018/19
<£10,000	-	-	-	-
£10,001 - £25,000	-	-	-	1
£25,001 – £50,000	-	-	-	-
£50,001 - £100,000	-	-	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
Total number	-	-	-	1
Total resource cost	-	-	-	17,333
£				

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.

There were no compensation payments for early retirement in 2019/20. The exit package in 2018/19 was funded by the Public Sector Transformation Fund (PSTF).

Flexible Retirements (Audited Information)

Seven flexible retirements were supported during 2019/20, to effect efficiencies in line with Savings Delivery Plans. None of these incurred costs for early release of pension.

During 2019/20 nine people (2018/19: six 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.

Assembly Accountability and Audit Report

Statement of Losses and Special Payments (Audited information)

	2019/20	2019/20	2018/19	2018/19
	No of Cases	£'000	No of Cases	£'000
Claims abandoned	8,565	32	9,186	35
Stores losses	74,923	100	81,411	134
Total	83,488	132	90,597	169

Stores losses relate to 74,908 items of stock which had either been borrowed and due for return between October 2018 and September 2019, but not returned by year end, marked as missing on the library management system or had been identified as being missing during catalogue tidy exercises across all branches (£96,094) and 15 items of stock assets (£4,238).

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

Special Payments (Audited Information)

	2019/20	2019/20	2018/19	2018/19
	No of Cases	£'000	No of Cases	£'000
Compensation Payments	2	32	3	94

Compensation Payments relate to Employer and Public Liability claims.

Remote Contingent Liabilities (Audited Information)

A request for re-evaluation of the Branch Library Manager post remains under review.

Court of Appeal judgement on backdated PSNI Holiday Pay: On 17th June 2019 the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. It is recognised that the final detail remains to be determined by the Industrial Tribunal who will be guided by the Court of Appeal's Judgement. This is an extremely rare and complex case with a significant number of issues that still need to be resolved, including further legal advice with regards to the Judgement, the scope, timescales, process of appeals, and engagement with Trade Unions. The legal issues arising from this judgement and the implications for the Northern Ireland Civil Service (NICS) and wider public sector will need further consideration. The Department of Finance (DoF) is leading a piece of work across the NICS, reviewing the implications for each of the major staffing groups across the public sector. Until there is further clarity when this work has concluded, and based on the inherent uncertainties in the final decision that will be made, a reliable estimate cannot be provided at this stage.

Compliance with Regularity of Expenditure Guidance (Audited)

Libraries NI's Business Plan targets for 2019/20 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 and subsequent Departmental letters, which set out, inter-alia, appropriate delegations of authority.

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 The European Union, 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. From 1 April 2020, all procurements valued at over £5,000 will be conducted by DfC.

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



Jim O'Hagan
Chief Executive

Date: 15 October 2020

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 2020 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, including significant accounting policies. 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 2020 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 Communities 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.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you were:

- the Northern Ireland Library Authority's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Northern Ireland Library Authority has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Northern Ireland Library Authority's ability to continue to adopt the going concern basis.

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 Department for Communities directions made under the Libraries Act (Northern Ireland) 2008; and
- the information given in the Annual 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 examine, 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 (UK) 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 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.



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

23rd October 2020

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020

	Note	2019/20 £'000	2018/19 £'000
Income			
Revenue from Contracts with Customers		(10)	(5)
Other Operating Income	4	(834)	(816)
Total Operating Income		(844)	(821)
Expenditure			
Staff Costs		17,219	16,602
Purchase of Goods and Services		14,330	12,279
Depreciation/Amortisation/Impairment		4,797	5,259
Provision (release)/expense		(25)	181
Other Operating Costs		3,963	7,050
Total Operating Expenditure	3	40,284	41,371
Net Operating Expenditure		39,440	40,550
Finance Expense	5	147	151
Net Expenditure for the year		39,587	40,701
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	(3,258)	(2,328)
Net (gain) on revaluation of intangible assets	9.2	(11)	(9)
Net (gain) on revaluation of Heritage Assets	9.3	(105)	(114)
Net actuarial (gain) on pension scheme assets and liabilities	19.3	(51,996)	(3,004)
Comprehensive Net Expenditure for the year		(15,783)	35,246

All amounts above relate to continuing activities.

The notes on pages 86 to 113 form part of these accounts.

Statement of Financial Position as at 31 March 2020

	Note	2020 £'000	2019 £'000
Non-current assets			
Property, plant and equipment	6	105,191	104,648
Intangible assets	7	442	370
Heritage assets	10	10,163	10,058
Financial Assets	11	899	1,290
Total non-current assets		116,695	116,366
Current assets			
Trade and other receivables	11	872	1,018
Cash and cash equivalents	12	376	1,447
Total current assets		1,248	2,465
Total assets		117,943	118,831
Current Liabilities			
Trade and other payables	13	(3,291)	(4,204)
Provisions	14	(77)	(80)
Total current liabilities		(3,368)	(4,284)
Total assets less current liabilities		114,575	114,547
Non-current liabilities			
Provisions	14	(45)	(77)
Pension liabilities	19	(33,280)	(81,318)
Other liabilities	13	(3,247)	(3,381)
Total non-current liabilities		(36,572)	(84,776)
Total assets less total liabilities		78,003	29,771
Taxpayers' equity and other reserves			
General reserve		51,447	52,807
Pension reserve		(33,280)	(81,318)
Revaluation reserve		49,673	48,224
Heritage assets reserve		10,163	10,058
		78,003	29,771

The Financial Statements on pages 82 to 113 were approved by the Board on 15 October 2020 and were signed on its behalf by:



Accounting Officer:

Date: 15 October 2020

The notes on pages 86 to 113 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2020

	Note	2019/20 £'000	2018/19 £'000
Cash flows from operating activities			
Net operating cost		(39,587)	(40,701)
Adjustments for non-cash transactions	3	3,774	7,733
Finance expense	5	147	151
Depreciation/Amortisation	6/7	4,961	4,757
Decrease / (Increase) in trade and other receivables	11	207	(159)
Increase (Decrease) in trade and other payables	13	(259)	372
Use of Provisions	14	(10)	(116)
Net cash outflow from operating activities		(30,767)	(27,963)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,290)	(3,005)
Purchase of intangible assets	7	(214)	(311)
Interest on PFI	5	(69)	(73)
Proceeds of disposal of property, plant and equipment		25	61
Net cash outflow from investing activities		(2,548)	(3,328)
Cash flows from financing activities			
Grants from sponsoring department		32,419	32,278
Capital element of payments in respect of finance leases and on-SoFP PFI contracts	16/17	(97)	(93)
Interest on finance leases	5	(78)	(78)
Net financing		32,244	32,107
Net increase / (decrease) in cash and cash equivalents in the period		(1,071)	816
Cash and cash equivalents at the beginning of the period	12	1,447	631
Cash and cash equivalents at the end of the period	12	376	1,447

The notes on pages 86 to 113 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

	Note	General Reserve	Pension Reserve	Revaluation Reserve	Heritage Assets Reserve	Total Reserves
		£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2018						
Changes in taxpayers' equity 2018/19		52,330	(77,262)	47,697	9,944	32,709
Grants from Sponsoring Department		32,278	-	-	-	32,278
Comprehensive Net Expenditure for the year		(40,701)	3,004	-	-	(37,697)
Transfers between reserves	19.2/19.5	7,060	(7,060)	-	-	-
Revaluation gains		-	-	2,337	114	2,451
Realised element of revaluation reserve		1,810	-	(1,810)	-	-
Auditors Remuneration – notional	3	30	-	-	-	30
Balance at 31 March 2019		52,807	(81,318)	48,224	10,058	29,771
Opening balance at 1 April 2019		52,807	(81,318)	48,224	10,058	29,771
Changes in taxpayers' equity 2019/20						
Grants from Sponsoring Department		32,419	-	-	-	32,419
Comprehensive Net Expenditure for the year		(39,587)	51,996	-	-	12,409
Transfers between reserves	19.2/19.5	3,958	(3,958)	-	-	-
Revaluation gains		-	-	3,269	105	3,374
Realised element of revaluation reserve		1,820	-	(1,820)	-	-
Auditors Remuneration – notional	3	30	-	-	-	30
Balance at 31 March 2020		51,447	(33,280)	49,673	10,163	78,003

The notes on pages 86 to 113 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements are prepared in accordance with the 2019/20 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 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 reclassified at cost, and revalued. 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.

Other than as noted in the following paragraph, 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.

Depreciation is not provided for on freehold land, heritage assets or on assets which are held for sale.

Useful economic lives are generally set as follows, for each class of asset. The estimated useful lives of buildings are revised as part of the five year revaluation exercise by LPS. The useful lives of computer hardware or software provided under a contract will be set in line with the terms of the contract.

<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	7 Years
	Vans	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 an appropriate 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.

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. Heritage assets 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 five 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.

In addition, 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 former Education and Library Boards, the additional costs of their pension benefits are paid 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 2020

Libraries NI has reviewed the standards, interpretations and amendments to published standards that became effective during 2019/20 and concluded that there are none which are relevant to its operations.

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 2020, and which Libraries NI has not adopted early for these accounts.

IFRS 16 Leases will become effective from April 2021. 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	2019/20 £'000	2018/19 £'000
Staff Costs:			
Wages and salaries		13,620	13,145
Social Security Costs		918	914
Pension Costs		2,514	2,358
Other Staff Costs		167	185
Premises, fixed plant and grounds		4,356	4,475
PFI Service charges		352	309
Library lending stock		4,470	2,397
Supplies and Services		4,508	4,422
Other employee expenses		239	253
Transport		204	189
Rentals under operating leases: Buildings		201	234
Non-cash items:			
Depreciation		4,808	4,667
Amortisation		153	90
Loss on disposal of property, plant and equipment		(25)	(40)
Interest on net pension liability		1,920	1,975
Current service pension cost		2,038	5,085
Impairment / (Reversal of impairment) of property, plant and equipment	9	(164)	502
Provisions provided for in year	14	(25)	181
Auditors' remuneration – notional		30	30
		<u>40,284</u>	<u>41,371</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. Other Operating Income

	2019/20 £'000	2018/19 £'000
Fees and charges	357	390
Sale of goods and services	412	372
Grant Income	60	50
Other income	5	4
	<u>834</u>	<u>816</u>

5. Finance Expense

	2019/20	2018/19
	£'000	£'000
Finance leases	78	78
PFI	69	73
	147	151

6. Property, Plant and Equipment 2019/20

	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 2019	14,114	93,700	2,242	10,027	3,019	166	123,268
Additions	-	885	179	75	34	756	1,929
Disposals	-	-	(89)	-	(204)	-	(293)
Net (Impairment)/ Reversal	-	181	12	-	-	-	193
Revaluations	-	3,582	20	259	28	-	3,889
Reclassifications	-	(99)	160	15	84	(160)	-
At 31 March 2020	14,114	98,249	2,524	10,376	2,961	762	128,986
Depreciation							
At 1 April 2019	-	6,445	1,183	8,627	2,365	-	18,620
Charged in year	-	3,442	255	910	201	-	4,808
Disposals	-	-	(89)	-	(204)	-	(293)
Net Impairment/ (Reversal)	-	22	7	-	-	-	29
Revaluations	-	361	8	243	19	-	631
Reclassifications	-	-	-	-	-	-	-
At 31 March 2020	-	10,270	1,364	9,780	2,381	-	23,795
Carrying amount at 31 March 2020	14,114	87,979	1,160	596	580	762	105,191
Carrying amount at 31 March 2019	14,114	87,225	1,059	1,400	654	166	104,648

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	13,225	84,016	1,160	596	580	762	100,339
Finance Leased	522						522
On- SoFP PFI contracts	367	3,963					4,330
Carrying amount at 31 March 2020	14,114	87,979	1,160	596	580	762	105,191

Land and Buildings are revalued on a five-yearly cycle, by Land and Property Services (LPS). The most recent full valuation was as at 31 March 2017. Valuations of land and buildings in use were indexed using indices supplied by LPS.

17 properties have intrinsic links to adjoining facilities either through the sharing of common mechanical systems, access routes or building elements. The carrying amount includes £7,089k (2018/19: £6,927k) in respect of such properties.

One property is identified as surplus (2018/19: 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 2020 by LPS, at fair value. The carrying amount is £30k (2018/19: £30k).

6. Property, Plant and Equipment (continued) 2018/19

	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 2018	14,120	87,980	2,054	9,591	2,987	763	117,495
Additions	-	3,025	199	207	8	160	3,599
Disposals	-	-	(61)	-	(7)	-	(68)
Net (Impairment)/ Reversal	-	(506)	28	-	-	-	(478)
Revaluations	(6)	2,444	22	229	31	-	2,720
Reclassifications	-	757	-	-	-	(757)	-
At 31 March 2019	14,114	93,700	2,242	10,027	3,019	166	123,268
Depreciation at 1 April 2018	-	3,051	877	7,570	2,086	-	13,584
Charged in year	-	3,222	322	859	264	-	4,667
Disposals	-	-	(40)	-	(7)	-	(47)
Net Impairment/ (Reversal)	-	8	16	-	-	-	24
Revaluations	-	164	8	198	22	-	392
Reclassifications	-	-	-	-	-	-	-
At 31 March 2019	-	6,445	1,183	8,627	2,365	-	18,620
Carrying amount at 31 March 2019	14,114	87,255	1,059	1,400	654	166	104,648
Carrying amount at 31 March 2018	14,120	84,929	1,177	2,021	901	763	103,911

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	13,225	83,678	1,059	1,400	654	166	100,182
Finance Leased	522	-	-	-	-	-	522
On-SoFP PFI contracts	367	3,577	-	-	-	-	3,944
Carrying amount at 31 March 2019	14,114	87,255	1,059	1,400	654	166	104,648

7. Intangible Assets

Software Licences

	£'000
Cost or valuation at 1 April 2019	1,196
Additions	214
Disposals	-
Impairments	-
Revaluations	36
Reclassifications	-
At 31 March 2020	<u>1,446</u>
Amortisation at 1 April 2019	826
Charged in year	153
Disposals	-
Revaluations	25
At 31 March 2020	<u>1,004</u>
Carrying amount at 31 March 2020	<u>442</u>
Carrying amount at 31 March 2019	<u>370</u>
Asset Financing:	
Owned	442
Carrying amount at 31 March 2020	<u>442</u>
Cost or valuation at 1 April 2018	857
Additions	311
Disposals	-
Impairments	-
Revaluations	28
Reclassifications	-
At 31 March 2019	<u>1,196</u>
Amortisation at 1 April 2018	717
Charged in year	90
Disposals	-
Revaluations	19
At 31 March 2019	<u>826</u>
Carrying amount at 31 March 2019	<u>370</u>
Carrying amount at 31 March 2018	<u>140</u>
Asset Financing:	
Owned	370
Carrying amount at 31 March 2019	<u>370</u>

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

	2019/20 £'000	2018/19 £'000
Charged/(Credited) to the SoCNE	(164)	502
(Credited) to Revaluation Reserve	<u>(3,258)</u>	<u>(2,328)</u>
	<u>(3,422)</u>	<u>(1,826)</u>

9.2 Intangible Assets

	2019/20 £'000	2018/19 £'000
(Credited) to Revaluation Reserve	(11)	(9)
	<u>(11)</u>	<u>(9)</u>

9.3 Heritage Assets

	2019/20 £'000	2018/19 £'000
(Credited) to the Heritage Assets Reserve	(105)	(114)
	<u>(105)</u>	<u>(114)</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 2019	10,013	45	10,058
Additions	-	-	-
Losses	(4)	-	(4)
Revaluations	109	-	109
Closing balance at 31 March 2020	10,118	45	10,163

	Stock Assets	Other Non-Operational Assets	Total
	£'000	£'000	£'000
Cost or valuation			
Opening balance at 1 April 2018	9,899	45	9,944
Additions	-	-	-
Losses	-	-	-
Revaluations	114	-	114
Closing balance at 31 March 2019	10,013	45	10,058

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

Libraries NI undertakes annual valuations on a rolling program, so that all assets over the threshold are revalued every 5 years. Assets under £1,000 are valued on a sampling basis. Valuations are conducted on the basis of Net Realisable Value and are carried out by experienced valuers in this field.

During the year to 31 March 2020 the collection in Coleraine was valued by Éamon de Búrca, ABA ILAB PBFA FABS IADA FSRAI. Mr de Búrca also valued a sample of lower value items, to create an index which was applied to the assets valued at under £1,000.

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

	2019/20 £'000	2018/19 £'000
Amounts falling due within one year:		
VAT	499	650
Trade receivables	123	220
Other receivables	24	14
Prepayments and accrued income	136	44
Current part of PFI prepayment	90	90
	<u>872</u>	<u>1,018</u>
Amounts falling after more than one year:		
PFI Prepayment	899	1,290
Total	<u>1,771</u>	<u>2,308</u>

12. Cash and Cash Equivalents

	2019/20 £'000	2018/19 £'000
Balance at 1 April	1,447	631
Net change in cash and cash equivalent balances	(1,071)	816
Balance at 31 March	<u>376</u>	<u>1,447</u>
Balances held in commercial banks and cash in hand	<u>376</u>	<u>1,447</u>

This balance includes £12,692 which relates to third party monies held in a trust fund administered by Libraries NI, and a £5,000 bequest for Woodstock Library. An equivalent liability is included within Deferred Income.

13. Trade Payables and Other Current Liabilities

	2019/20 £'000	2018/19 £'000
Amounts falling due within one year:		
Other taxation and social security	215	215
Trade payables	884	1,532
Other payables	89	63
Accruals and deferred income	1,970	2,299
Current part of finance leases	(38)	(38)
Current part of imputed finance lease element of on-SoFP PFI Contracts	171	133
	<u>3,291</u>	<u>4,204</u>
Amounts falling due after more than one year:		
Finance leases	1,087	1,050
Imputed finance lease element of on-SoFP PFI Contracts	2,160	2,331
	<u>3,247</u>	<u>3,381</u>
Total	<u><u>6,538</u></u>	<u><u>7,585</u></u>

14. Provisions for Liabilities and Charges

	Employer & Public Liability Claims £'000
At 1 April 2019	157
Provided in the year	-
Provisions not required written back	(25)
Provisions utilised in the year	(10)
At 31 March 2020	<u><u>122</u></u>

Analysis of expected timing of cash flows

Not later than one year	77
Later than one year and not later than five years	45
Later than five years	-
At 31 March 2020	<u><u>122</u></u>
At 1 April 2018	92
Provided in the year	195
Provisions not required written back	(14)
Provisions utilised in the year	(116)
At 31 March 2019	<u><u>157</u></u>

Analysis of expected timing of cash flows

Not later than one year	80
Later than one year and not later than five years	77
Later than five years	-
At 31 March 2019	157

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 on or 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 Libraries NI's insurance advisors based on their experience and professional judgement.

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

15. Capital Commitments

	2019/20	2018/19
	£'000	£'000
Contracted capital commitments at 31 March 2019 not otherwise included in these financial statements		
Buildings	383	424
Vehicles	258	99
Computers	3,668	-
Furniture & Equipment	11	-
	4,320	523

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:

	2019/20	2018/19
	£'000	£'000
Obligations under operating leases comprise:		
Land		
Not later than one year	7	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>7</u>	<u>-</u>
Buildings		
Not later than one year	180	204
Later than one year and not later than five years	399	419
Later than five years	142	230
	<u>721</u>	<u>853</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>728</u>	<u>853</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:

	2019/20	2018/19
	£'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	38,160	38,200
	<u>38,360</u>	<u>38,400</u>
Less interest element	<u>(37,693)</u>	<u>(37,733)</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 five 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. On 7 February 2020 a contract modification notice was published in the OJEU, extending the contract to 30 September 2022.

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

	2019/20 £'000	2018/19 £'000
Rentals due within one year	236	202
Rentals due later than one year and not later than five years	874	979
Rentals due later than five years	1,519	1,768
	<u>2,629</u>	<u>2,949</u>
Less interest element	(390)	(453)
Present value of obligations	<u>2,239</u>	<u>2,496</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 £4,114,000 (2018/19: £3,929,000) and the payments to which Libraries NI is committed is as follows:

	2019/20 £'000	2018/19 £'000
Not later than one year	4,101	4,010
Later than one year and not later than five years	7,067	1,275
Later than five years	1,862	2,167
	<u>13,030</u>	<u>7,452</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 2019 and as part of the valuation a new Rates and Adjustment Certificate was produced for the three-year period from 1 April 2020 to 31 March 2023.

The Northern Ireland Local Government Officers' Superannuation Committee (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.

A triennial valuation of the fund was conducted as at 31 March 2019. 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.

For the 2019 valuation the Committee decided to adjust the approach used to notionally allocate assets to individual employers within the Main Employer Group, and instead of tracking the position of each employer, it would track the position of the Main Employer

Group as a whole, and the assets notionally allocated to each employer would be based on their liabilities and the funding level of the group as a whole. As a result of this change, the assets used for accounting purposes for employers within the Main Employer Group have been re-balanced, and potentially could be materially different than if they were rolled forward from last year's accounting figures. This difference is included in the experience gains/losses item in the employer's accounting figures as at 31 March 2020.

The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes were:

19.1 Assumptions

	2019/20	2018/19
Rate of increase in salaries	3.5%	3.7%
Rate of increase in pensions	2.0%	2.2%
Discount rate	2.3%	2.4%
Inflation assumption RPI	-	3.3%
Inflation assumption CPI	2.0%	2.2%
Pension Accounts Revaluation Rate	2.0%	2.2%

The market values of assets in the scheme were:

	2019/20	2018/19
	£'000	£'000
Equities	49,989	76,657
Government Bonds	30,627	21,258
Corporate Bonds	14,786	9,019
Property	11,735	14,430
Cash	5,515	3,479
Other	4,694	3,994
Total	117,346	128,837
Present value of funded liabilities	(148,168)	(207,483)
Present value of unfunded liabilities	(2,458)	(2,672)
Net pension asset/(liability)	(33,280)	(81,318)

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 valuation date 31 March 2016, at which time the funding level was 96%. The Employers' contributions for the three years 2017/18 to 2019/20 was composed of two elements - a future service rate, and Deficit Recovery Contributions (DRC). 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. The 2019 valuation concluded that the Fund did hold sufficient assets to meet the estimated current cost of providing members' past service benefits. Consequently the DRC element is no longer required, and the Employer Contribution rate has been set at 19.5% for 20/21, 21/22 and 22/23.

During 2019/20 Libraries NI paid employer pension contributions of £2,514k to the Fund, £167k in respect of unfunded pensions and £NIL in actuarial costs for early release of pension under exit arrangements.

19.2 Amount charged to Comprehensive Net Expenditure

	2019/20 £'000	2018/19 £'000
Current Service cost*	4,691	4,158
Past Service cost**	-	3,544
Total operating cost	<u>4,691</u>	<u>7,702</u>
Financing Cost		
Interest on net defined benefit liability	1,920	1,975
(Gain)/Loss recognised in SoCNE	<u>6,611</u>	<u>9,677</u>

19.3 Remeasurements in Other Comprehensive Expenditure (OCE)

	2019/20 £'000	2018/19 £'000
Actuarial (gain) on plan assets	14,534	(5,427)
Actuarial (gain)/losses due to changes in financial assumptions	(3,658)	10,108
Actuarial (gain) due to changes in demographic assumptions	(7,329)	(7,992)
Actuarial (gain)/loss due to liability experience	(55,543)	307
Net (gain)/loss recognised in OCE	<u>(51,996)</u>	<u>(3,004)</u>
Total amount recognised in SOCNE and OCE	<u>(45,385)</u>	<u>6,673</u>

* The Current Service cost includes an allowance for an accruing McCloud underpin liability for the full accounting period, and an allowance for administration expenses of £0.058m for 2019/20 (£0.045m for 2018/19). It also allows for full indexation on all Guaranteed Minimum Pension (GMP) for members whose State Pension Age is on or after 1 April 2016.

** The Past Service Cost in 2018/19 includes a provision to recognise two factors – (i) the potential uplift in benefits for members who may have been discriminated against on the grounds of age, following the decision in the Court of Appeal in the McCloud Sergeant case, and (ii) the impact of recent decisions on GMP indexation and equalisation. The provision has been calculated by the Pension Scheme's actuary on a worst-case scenario assumption. Any change in the McCloud liability this year has been charged through the "actuarial gain/loss on liabilities" line in Other Comprehensive Income.

19.4 Reconciliation of Defined Benefit Obligation

	2019/20 £'000	2018/19 £'000
Opening Defined Benefit Obligation	210,155	197,034
Current Service Cost	4,691	4,158
Interest on pension scheme liabilities	5,012	5,096
Contributions by members	713	697

Actuarial (gain)/losses due to changes in financial assumptions	(3,658)	10,108
Actuarial (gain) due to changes in demographic assumptions	(7,329)	(7,992)
Actuarial (gain)/loss due to liability experience	(55,543)	307
Past Service Costs (incl. curtailments)	-	3,544
Unfunded benefit paid	(144)	(146)
Benefit paid	(3,271)	(2,651)
Closing Defined Benefit Obligation	<u>150,626</u>	<u>210,155</u>

19.5 Reconciliation of fair value of employer assets

	2019/20	2018/19
	£'000	£'000
Opening fair value of employer assets	128,837	119,772
Interest income on assets	3,092	3,121
Re-measurement gains/(losses) on assets	(14,534)	5,427
Contributions by members	713	697
Contributions by the employer	2,653	2,617
Unfunded benefits paid	(144)	(146)
Benefits Paid	(3,271)	(2,651)
Closing fair value of employer assets	<u>117,346</u>	<u>128,837</u>
Net Deficit at year end	<u>(33,280)</u>	<u>(81,318)</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 2020 were:

	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 1.7% Decrease by 1.7%	Increase by 2.8% Decrease by 2.7%

Pension Increase	Decrease by 0.1% pa Increase by 0.1%	Decrease by 1.5% Increase by 1.6%	Decrease by 2.7% Increase by 2.8%
Rate of salaries growth	Decrease by 0.1% pa Increase by 0.1% pa	Decrease by 0.3% Increase by 0.3%	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 3.2% Decrease by 3.2%	Increase by 3.8% Decrease by 3.7%

In each case, only the assumption noted 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)	21.8	25
Future lifetime from age 65 (aged 45 at accounting date)	23.2	26.4

20. Contingent Liabilities

Libraries NI had no known contingent liabilities as at 31 March 2020.

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 2019/20 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, Vaughan's Charitable Trust, 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 2019/20. 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 23 October 2020.