Libraries NI

Annual Report and Accounts 2014-2015

libraries ni

www.librariesni.org.uk

Libraries NI

The Northern Ireland Library Authority

Annual Report and Accounts
For the year ended 31 March 2015

Laid before the Northern Ireland Assembly
under Schedule 1, clauses 16 and 17 of the Libraries Act (Northern Ireland) 2008 by the
Department of Culture, Arts and Leisure
on 20 October 2015

CONTENTS

Chairperson's Statement

I am pleased to present this Annual Report and Accounts for the year 2014/15, my first Report since taking up the office of Chair of the Board in November 2014. 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 the Northern Ireland community. Informing all our service provision is the Board's commitment to Promoting Equality and Tackling Poverty and Social Exclusion, which is the key priority of the Department of Culture, Arts and Leisure (DCAL).

My predecessor, Nigel Macartney, stepped down at the end of October, and the fact that I inherited such an efficient and well-run organisation is due in no small part to Nigel's effective leadership over several years. The public library service in Northern Ireland is deeply indebted to him, and we wish him a long and happy retirement.

It is pleasing to note that, despite the imposition of an in-year budget cut of 4.4% (some £1.4 million) in October, the great majority of targets set within the Business Plan for the reporting year were achieved. In order to achieve this level of savings so late in the year, a range of emergency measures had to be taken, including cuts to the staffing budget and reduced opening hours in libraries with effect from 1 November 2014, the curtailment of some programmes, and the withdrawal of some marketing activity. As a result, participation levels in the latter part of the year were detrimentally impacted. However, despite this severe financial blow, overall participation rose by 1.81% over the previous year, while the use of the mobile library service (as measured by loans) increased by 26.68%.

Some other highlights, in a year of many achievements, included the following:

- the continued success of Rhythm & Rhyme events, with 93% of libraries delivering regular sessions for young children and their parents

- the number and variety of programmes delivered through our key service priorities and which support wider government priorities

- the use of electronic resources (eBooks) increased by 30.63%

- the important work undertaken through Health in Mind to support better mental health

- the development of new and continuing strategic partnerships, which proceeded apace. The Authority's wide range of partners includes the Department of Education, the Department of Employment and Learning, the Department of Agriculture and Rural Development, Health Trusts, and a number of voluntary and community organisations.

The service's capital and recurrent budgets were again kept under tight control and the challenging savings targets were achieved. The achievement of a recurrent budget underspend of only 0.12%, on a budget of over £30 million, is itself highly commendable.

Meanwhile, the capital funds made available by the Department were also put to good use:

- procurement was completed for a replacement library facility in Moira and work commenced on site in January 2015

- refurbishment and upgrading of Woodstock Library was completed, and work commenced on the refurbishment of Fintona Library

- in conjunction with Newry and Mourne District Council, works were completed to modernise and enlarge Crossmaglen Library

- title to the Killyleagh Library property was secured through purchase of the site from the South East Regional College (SERC)

- and finally, the splendid new Lisnaskea Library was completed in March 2015.

The Board and the management team are grateful to DCAL for its support over recent years on funding capital projects such as new or refurbished branches and new mobile libraries, as well as e2, the ICT contract, which is delivering new and improved services.

Against the backdrop of continuing funding uncertainty across the public service, and with significant funding challenges to be confronted into the foreseeable future, the work undertaken throughout the year under review represents a consistently excellent achievement, especially when the reduced staffing levels are taken into consideration. The Senior Management Team and their staff all deserve the Board's congratulations and warm appreciation.

I am conscious that the success of our service to the community depends also on the continued support and co-operation of our partner organisations within the public, community, voluntary and trade union sectors. In particular, I wish to thank the Minister and her officials in DCAL and the recognised Trade Unions whose co-operation was vital in enabling the Authority to operate so successfully, in such a difficult environment, during 2014/15.

Finally, I would like to record my gratitude to my fellow Board Members for their support and their dedication to the public library service, and for their valued contributions to our endeavours. The following Members came to the end of their period of service at the end of March: Councillor Hubert Nicholl (Vice-Chairperson), Councillor Mrs Anne Brolly, Councillor Charlie Casey, Councillor Sam Cole, Alderman Allan Ewart, Councillor Ms Carla Lockhart, Councillor John O'Kane, Councillor Mrs Evelyne Robinson, and Alderman Jim Rodgers. Having been Members of the Board of Libraries NI since its inception and having played their part in getting the new organisation established on a sound footing, we are indebted to them all and I wish them every success in the future.

Professor Bernard Cullen
Chairperson
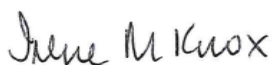
Chief Executive's Statement

2014/15 has presented significant challenges for Libraries NI because of the uncertainty around recurrent funding allocations and the requirement to make in-year savings. However, despite the difficulties and pressures which this created, staff worked hard to maintain a high standard of service to customers. This Annual Report gives a flavour of the range of programmes, activities and developments which have taken place in the public library service across Northern Ireland over the past year and is testimony to the continued professionalism of staff. I appreciate their ongoing commitment and support and I am proud of their achievements.

Implementation of e2, the £28 million ICT project, was completed on time and within budget and during the year work continued to embed the new technologies and realise the benefits of the investment. High speed network provision, coupled with free WiFi in every library, enabled customers to access the internet and the associated wealth of resources available using either the public access computers provided or their own devices. Virtual library services, which can be accessed from home, have proved popular with a substantial increase in eBook downloads compared to the previous year. An eMagazines pilot scheme was also introduced and has proved very successful. The facility to create virtual exhibitions on the Libraries NI website has opened up access to significant historic resources.

Work continued during the year to build on existing partnerships with other organisations and several new partnerships were also established, including with the Department of Education in recognition of the important contribution that a love of reading makes to outcomes for children and MacMillan Cancer Support to provide information for people affected by cancer and their carers.

Our work to support the Department of Culture, Arts and Leisure's key priority of Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE) continued. This second year has proved successful with an increase in outreach activities in community settings, despite the fact that the programme had to be curtailed mid-year because of the budget cuts.

This year also brought major changes in the membership of the Board of Libraries NI. Nigel Macartney, who had been a member of the Board since 2009 and latterly its Chairperson, resigned in October 2014. Nigel provided exceptional leadership during his term of office, winning the respect of Board Members and staff alike and I am grateful to him for his sound advice and support over the years. I am pleased to welcome his successor, Professor Bernard Cullen, who was appointed Chairperson in November 2014 and who brings a wealth of valuable experience to the position. The term of office of nine Councillors also came to an end in March 2015 and they, too, will be missed, having given sterling service during some challenging times. Nine new Councillors were appointed by the Minister with effect from 1 April 2015 and I wish them well as they become acquainted with their new roles and I look forward to working with them.

Irene M Knox

Irene M Knox
Chief Executive

Strategic Report

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.

Functions

The primary duty of Libraries NI is to provide a comprehensive and efficient public library service for persons living, working or studying in Northern Ireland. In doing so the organisation is required to:

• secure that facilities are available for the borrowing of, or reference to, library materials sufficient in number, range and quality to meet the general requirements of adults and children (whether by keeping adequate stocks, by arrangements with other bodies concerned with library services or by any other means); and

• 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.

Vision

Libraries NI has the vision of being a flexible and responsive public library service which provides a dynamic focal point in the community and assists people to fulfil their potential.

Mission

To enrich and enhance the lives of individuals and communities through providing and promoting a range of high quality library and information services.

Values

Everything that we do is guided by our five values:

• **Customers come first** – listening to our customers and responding to their needs in respect of libraries for learning, information or leisure

• **Nurturing staff** – supporting our staff in the workplace so that they are fully equipped to provide the high quality services that users deserve and expect

• **Innovating and Improving** – striving for improvement in all that we do to encourage further and better use of the library as a central hub in the community

- **Decisiveness** - taking decisions that need to be made in the best interests of the service and the ever changing needs of the public and wider society

- **Accountability** – demonstrating leadership, working to standards, explaining our decisions, reporting progress and delivering value for money.

Our Work

Our work centres on five key service priorities which are delivered through the network of branch libraries, heritage libraries and mobile libraries as well as through outreach and online services. The key service priorities are as follows:

- **Children and Young People's Services**

    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 and Creative Development**

    Libraries, as a recognised shared space and focal point in the community, are ideally placed to offer a comprehensive range of events and activities designed to broaden intellectual and emotional experiences and enhance the constructive use of leisure. Libraries provide inspiration and encouragement for new and aspiring writers, poets, artists and musicians and are places where all cultural traditions can be celebrated in welcoming environments.

- **Heritage and Digitisation**

    Libraries have a long tradition of collecting and preserving material which relates to our cultural heritage. Access to this cultural heritage, both local and national, enriches society by nurturing creativity, imagination, a sense of place and a sense of pride. It is of central importance in supporting and enriching 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 helping to promote greater equality of access to, and capability in using, information, both in printed format and online. Library staff have the skills to understand customer needs and help them to navigate through, and make sense of; the myriad of resources that are available and the development of people's information literacy skills remains a key priority for the service.

    Public libraries can complement and reinforce formal education with an emphasis on reading for pleasure and developing information literacy skills. They provide a learning network that runs parallel with formal education but also extends far beyond it. They complement and reinforce formal learning, but also offer an unthreatening environment where people with poor experiences of formal education

can receive encouragement, advice and support to get back on the ladder of learning, raise their aspirations and improve their life chances.

- **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. Research also shows that reading and taking part in social reading activities such as reading groups has a beneficial effect on health and wellbeing.

Going Concern

Libraries NI operates as a going concern. The going concern basis for the preparation of the Accounts is appropriate. Libraries NI is not aware of any events which would impact upon the entity's status as a going concern. Libraries NI receives its core capital and recurrent funding from the Department of Culture, Arts and Leisure (DCAL).

Preparation of the Accounts

The Accounts are prepared in accordance with an Accounts Direction, issued by DCAL, and comply with the Government Financial Reporting Manual (FReM) 2014/15. They are prepared on an accruals basis and, other than the matter giving rise to the qualification, give a true and fair view of the Libraries NI state of affairs and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

Equality Statement

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.

Employee Involvement

During the year the policy of providing employees with information has continued through regular distribution of a monthly update from the Senior Management Team, the introduction of the 'SMT Blog' and occasional emails from the Chief Executive to all staff in relation to issues of particular note. Regular meetings are held between staff at different levels to allow a free flow of information and ideas. A Negotiating Committee, with representation from the recognised trades unions, meets formally each quarter, with working group meetings on specific issues held more frequently.

Employees with Disabilities

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.

Gender Balance

	At 31 March 2015		
	Female	**Male**	**Total**
Board	8	11	19
Senior Managers	2	1	3
Total Employees (headcount)	604	160	764

Payments to Suppliers

Public Sector Payment Policy – Measure of Compliance

Libraries NI's payment policy in respect of trade creditors is consistent with the Northern Ireland Executive's commitment to paying suppliers as quickly as possible and we aim to pay 90% of invoices within 10 working days. As is the case for all public authorities, Libraries NI is bound by the terms of the Late Payment of Commercial Debts Act 1998, which allows suppliers to charge interest and costs in respect of undisputed invoices unpaid after 30 days. While the 10-day prompt payment target was negatively impacted by downtime associated with the introduction of new IT systems, Libraries NI paid no interest charges in relation to late payment during 2014/15.

Based on invoice date	2014/15		2013/14	
	Number	**Percentage**	**Number**	**Percentage**
Total invoices paid	20,477		22,719	
Paid within 30 days	19,512	95%	22,209	98%
Paid within 10 days	14,736	72%	19,231	85%

Charitable Donations

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

Business Review

Financial Review

Libraries NI achieved its financial target by containing expenditure, both recurrent and capital, within the totality of the resources made available during the course of the 2014/15 financial year.

Recurrent expenditure was £30,363,000 within an allocated budget of £30,398,000.

2014/15 presented significant challenges because of the uncertainty around recurrent financial allocations. The initial budget allocation of £31,800,000 already incorporated

savings of £2,550,000 agreed in 2011/12 resulting from closed premises and staffing reductions arising from a freeze on recruitment and a programme of voluntary redundancies as well as reduced opening hours in branch libraries. Additional savings of 2.1% (£688,000) were announced after the June monitoring budget round. Further savings of 2.3% (£731,000) were decided after the October monitoring budget round.

Because these in-year cuts of £1.4 million were announced so late in the year, emergency measures had to be implemented to live within the reduced budget. These measures included further cuts in the stock and maintenance budgets as well as various elements of miscellaneous spend. In addition agency workers who were covering vacancies in frontline library posts were released. This meant that staffing levels in many branch libraries were below the minimum required to maintain existing opening hours and, as a result, emergency cuts in opening hours had to be introduced, without consultation. These emergency hours were introduced in November 2014 and remained in place with minor adjustments for the remainder of the financial year. In some instances there were also ad hoc temporary short-term closures of libraries.

Capital expenditure was £4,080,000 within an allocated budget of £4,117,000. The largest element of spend was £2,000,000 of final milestone payments in relation to the e2 contract for the replacement of all Libraries NI ICT systems. The new Lisnaskea Library was completed in 2014/15 and work began on the replacement of Moira Library. Several significant refurbishments were carried out, including to Woodstock and Crossmaglen libraries. In addition eight delivery vans were procured to replace part of the ageing fleet.

Strategic Planning

The Libraries NI Corporate Plan, covering the period 2011–2015, recognises the difficult economic situation which exists, resulting in reduced resources available to Libraries NI. During this period our key focus has been on realising the efficiencies required by the budget settlement and in-year cuts while, at the same time, seeking to develop and deliver effective services in a climate of uncertainty and reducing budgets. The Plan has been informed by feedback received from the general public during a number of consultations undertaken since the establishment of Libraries NI and seeks to address the needs and expectations of actual and potential customers of the service.

The Corporate Plan 2011–2015 identifies four corporate objectives namely:

• to increase participation in the public library service

• to improve the delivery of public library services

• to promote and enhance understanding of the role and value of the public library service

• to ensure effective governance and adherence to statutory requirements.

These corporate objectives formed the basis for the development of the Business Plan 2014/15, which included a series of related targets and activities, including Key Performance Indicators, agreed with DCAL. Quarterly reports were made to the Board on progress in relation to each of the Key Performance Indicators. The imposition of additional in-year budget cuts of 4.4% impacted detrimentally on the achievement of some Key Performance Indicators and on the delivery of aspects of the Business Plan.

Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE) remained a key priority for DCAL and for Libraries NI during 2014/15. Libraries are recognised as vital community spaces that allow people to access a wide range of learning, information and social resources that can make a difference to their lives in both the short and long term. During 2014/15, in furtherance of the PETPSE agenda, Libraries NI targeted additional resources at areas of high social deprivation to extend outreach activities and seek to break down barriers to participation. Because of the budget cuts, this work had to be curtailed in-year, with a consequential impact on the achievement of some Key Performance Indicators.

Principal Risks and Uncertainties

The process for the management of risk is set out in Section 4 of the Governance Statement. The Corporate Risk Register identifies the key risks directly related to Libraries NI's corporate objectives and is linked to the annual Business Plan. New risks identified during 2014/15 are described in detail in the Governance Statement.

Notification was received in the final quarter of 2014/15 that budget cuts of 7.5% (£2.385 million) would be required in 2015/16, compared to the 2014/15 baseline. Four Savings Delivery Plans were submitted to DCAL to deliver the required level of cuts involving further reductions in the stock, maintenance budgets and miscellaneous budgets, as well as a planned reduction in library opening hours in order to reduce staff, programming and premises related costs. At year end a public consultation process was underway in relation to an overarching policy to inform the approach to establishing opening hours as well as proposals for the opening hours of libraries in 2015/16 in the context of the reduced budget. Taking the necessary action to find the level of savings required as a result of the reduced budget will have significant implications for all aspects of service delivery.

Notification was received in September 2015 of a further reduction of £0.350 million in the 2015/16 budget. It appears that there will not be a four-year Comprehensive Spending Review (CSR) in Northern Ireland, only a single 2016/17 budget, and no information is available as yet for that year. Uncertainty about the possibility of further budget reductions in-year in 2015/16 and levels of funding in the longer term makes planning extremely difficult.

Key Performance Indicators

Target	Outcome
Participation Levels: Areas of Social Need Compared to the 2013/14 baseline, increase overall participation levels in libraries serving the top 10% most deprived Super Output Areas, as measured by the average of a combination of loans (excluding eBooks), active members, Public Access Computer use, WiFi use and participants in core programmes in:	Not achieved for Tier 1 and 3 libraries
Tier 1 libraries by 3%	Average percentage increase: 1.24%
Tier 2 libraries by 2%	Average percentage increase: 2.19%
Tier 3 libraries by 2%	Average percentage decrease: 1.81%
Mobile Library Services Increase the use of the mobile library service (as measured by loans) by 15% compared to 2013/14 baseline	Achieved Percentage increase: 26.68%
Overall Participation Levels Maintain overall participation at 2013/14 levels as measured by the average of a combination of loans (including eBooks), active members, Public Access Computer use, WiFi use and participants in core programmes.	Achieved Average percentage increase: 1.81%
Participation in Programmes <u>Rhythm and Rhyme</u> 85% of libraries will deliver regular Rhythm and Rhyme sessions for pre-school children (at least 1 session per month)	Achieved Number of libraries: 89 (93%) See Note 1 below
<u>Class visits</u> 75% of libraries will deliver a quality assured class visits programme for primary age children	Achieved Number of libraries: 88 (92%) See Note 1 below
<u>Got IT? and Go ON</u> 85% of libraries will deliver one to one assistance and / or organised events to support digital inclusion.	Achieved Number of libraries: 93 (97%) See Note 1 below
Note 1: The number of participants in Rhythm and Rhyme, Class Visits, Got IT? and Go ON sessions will be included in the Libraries NI Official Statistics publication, entitled *Participation in Core and Regular Activities in Northern Ireland 2014/15* which is to be released later in 2015.	

Target	Outcome
Adult Reading 300 adult reader development activities delivered by March 2015	Not achieved 151 activities with 15,480 participants
Health in Mind 180 Health in Mind related activities delivered by March 2015	Achieved Number of activities: 257 Number of participants: 5,212
Culture and Creative Development 300 events to promote culture and creative development delivered by March 2015	Achieved Number of activities: 379 Number of participants: 4,318
Heritage 550 events delivered by March 2015, including events relevant to the Decade of Commemorations	Achieved Number of activities: 789 Number of participants: 14,227
e2 e2 implementation completed in line with agreed timetable and budget and e2 service standards met	Achieved
Stock spend Achieve £1.80 per capita spend on stock	Achieved Spend per capita = £2.01 Total stock spend = £3,700,000
Electronic Resources Increase use of electronic resources (eBooks) by 5% compared to 2013/14	Achieved Percentage increase: 30.63%
Finance Meet financial targets for resource and capital spend and minimise underspend	Achieved Resource budget: £30,398,000 Spend: £30,363,000 Capital budget: £4,117,000 Spend: £4,080,000
Audit Recommendations All Priority One recommendations addressed within 4 months of agreed implementation date	Achieved No Priority One recommendations outstanding at year end in excess of 4 months from the agreed implementation date
Promoting library services Increase social media presence by 10% by March 2015	Achieved Number of libraries using social media increased by 105% Number of 'likes' / 'follows' increased by 118%

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 CO_2 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, Libraries NI has continued to invest in a range of energy efficiency measures across the service in 2014/15. Information on Libraries NI's approach and achievements in relation to sustainability is shown below:

• CO_2 emissions in 2014/15 were 4,549 tonnes compared to 4,631 tonnes in 2013/14, a reduction of 1%. Since the management of the library estate transferred to Libraries NI in 2009 an overall reduction in carbon output of 5.5% has been 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 current DCAL policy, all new construction projects are set a target of achieving a BREEAM 'Excellent' rating to describe the building's environmental performance

• low energy LED lighting was installed in Colin Glen and Woodstock libraries

• high efficiency boiler plants were installed at Cregagh, Brownlow and Fintona libraries

• the new library in Lisnaskea was constructed reusing the site of two formerly disused buildings

• eight delivery vehicles were procured for the fleet, all meeting the relevant European Union standards in terms of emissions and fuel efficiency

• drivers have been provided with Certificate of Professional Competence (CPC) training including efficient driving techniques

• an annual report and statistical data were provided in support of the Public Sector Energy Consumption Report (DFP)

• display energy certificates were supplied to all appropriate sites with 100% of all applicable properties receiving a non-default rating on their Display Energy Certificates

• 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 PEFC (Programme for the Endorsement of Forest Certification) or recycled sources where possible

- printed material withdrawn from stock, e.g. because of its physical condition or currency, is recycled where possible

- multifunction printing/scanning equipment has been provided, allowing for greater flexibility in electronic communications, and software upgrades have been introduced to facilitate increased electronic communications and seek to reduce the need to travel.

Library Services Directorate

Promoting Equality and Tackling Poverty and Social Exclusion

As part of its work to address the DCAL's key priority of Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE) Libraries NI continued to focus on the 28 libraries which serve the 10% most deprived Super Output Areas (SOAs) as determined by the Northern Ireland Multiple Deprivation Measure (NIMDM) 2010. In order to target resources effectively the libraries were grouped into three tiers, determined by the number of SOAs ranked in the top 10% within the catchment area of each library. The other two libraries, Belfast Central and Derry Central, by their nature and location, attract users from a much wider area and the percentage of users from the most deprived SOAs, although still significant, represents a smaller proportion of the total user numbers.

For each tier and for the Central Libraries, targets were set and funding was allocated to enable additional staffing resources to be deployed, the purpose of which was to:

- increase programming within each of these libraries

- provide programming on an outreach basis in the community

- develop partnerships; and

- undertake community engagement

with the overall aim of increasing participation in library services and breaking down barriers to use. The second year of this approach has proved successful with an increase in outreach activities in community settings and participation levels in core programmes delivered in library and non-library settings. However the programme was curtailed during the year because of budget cuts and as a result overall targets for increased participation in the relevant libraries were not achieved.

Library Services in Rural Areas

Libraries NI has continued to work in partnership with the Department of Agriculture and Rural Development (DARD) to deliver an action plan arising from an agreed Memorandum of Understanding. This has led to major promotions of library services in rural areas and closer relationships with the Local Rural Support Networks, which are funded by DARD, as well as plans to implement new models of provision, targeting in particular, issues associated with rural deprivation and isolation. DARD funded enhanced provision of Health in Mind activities in rural areas and, with funding support from DARD and DCAL, work was undertaken to identify three rural pilot community sites to locate 'Library in a Box' provision, a collection of books which can be borrowed using self-issue facilities and which

supplements existing mobile library provision. The new provision will be available early in 2015/16.

Creativity Month March 2015

Libraries NI participated in Creativity Month, a DCAL initiative, held annually in March to stimulate new ideas and collaborations and to celebrate creativity and the creative industries. The Libraries NI programme consisted of 62 free events for the general public, held in 26 libraries across Northern Ireland, with a total attendance of 818 people. The range of events for adults included workshops on radio broadcasting, song and script-writing, plus demonstrations of film and theatre makeup. Adults also had the chance to enjoy informative talks, author experiences, drama readings and music events. Children had the opportunity to take part in workshops to make a short comic or book. This year, Creative Lab workshops were also introduced for adults and children where participants were able to learn about digital content production for film, music and the visual arts.

Eoin McNamee, author of the acclaimed Blue Trilogy series, was Libraries NI's Writer-in-Residence during Creativity Month. He hosted readings and creative writing workshops and visited a number of reading groups. A highlight of Eoin's work was the delivery of creative writing 'clinics' where he met budding writers and provided individual guidance and feedback on their work.

National Libraries Day

National Libraries Day seeks to raise awareness of libraries and the importance and value of reading for enjoyment and to send out a collective message celebrating libraries of all kinds. A range of family friendly storytelling events was held in libraries across Northern Ireland on National Libraries Day, Saturday 7 February 2015, and, in addition, Libraries NI embraced the national organisers' idea of optimising the current craze for selfies by adding a twist to create the 'shelfie'.

Libraries NI staff developed this concept by asking library users, local celebrities and public representatives to have their 'shelfie' taken in their local library in some very intriguing poses. The photographs were then shared on social media and the National Libraries Day website.

Children and Young People's Services

The Children and Young People's Services Team continued to provide support to frontline staff on core activities and held further training sessions on the delivery of key programmes. Staff also gave talks to outside organisations on various aspects of books and reading including creating story corners and storytelling techniques.   An OCN accredited course for parents on making and using Storysacks as a means of encouraging children to develop a lifelong love of reading, was held in Whiterock Library.

Rhythm and Rhyme sessions, which help to develop pre-literacy skills in 0-4 year olds as well as providing an opportunity for parents and carers to build a strong and loving bond with their children, continue to be a popular and regular event in the majority of libraries and attract substantial numbers of children, accompanied by their parents and carers. Libraries NI continues to work in partnership with Booktrust to promote the importance and value of reading. In June 2014 National Bookstart Week was launched in Bangor Carnegie

Library with the theme 'My Hero'. Themed Rhythm and Rhyme sessions were held in 22 libraries during National Bookstart Week.

The promotion of reading for pleasure is an important element of the work undertaken by staff and this is delivered through regular storytime sessions in libraries and children's reading groups. Throughout July and August 2014, 14,942 children and 182 adults participated in the Summer Reading Challenge, which, this year, was entitled *Mythical Maze*. The Summer Reading Challenge aims to keep children reading over the holidays to redress the reading 'dip' which can occur during the long summer break and promote reading as an enjoyable activity. A photo shoot to launch the event was held at the maze in Castlewellan Forest Park. In total 14,942 children and 182 adults participated in the *Mythical Maze* challenge.

Class visits are an important means of introducing children to the range of resources available in their local library and encouraging use of the library. Of particular note is the class visits programme aimed at pupils in Year 4 and Year 6 which complements the Northern Ireland Curriculum and which has been quality assured by the Education and Training Inspectorate. This consists of either a one-off or a set of three visits to the library during which children are introduced to the range of stock available including digital resources and are helped to develop information literacy skills.

The importance of providing opportunities for children to develop their creative skills was a key focus during the year. Through an on-going partnership with The Nerve Centre, FabLab digital workshops were held in a number of libraries, including Castlederg, Coleraine, Creggan, Enniskillen, Shantallow, Strabane and Strathfoyle, providing an opportunity for children to use library resources and state of the art technology to develop their creative skills and discover more about digital content creation. Workshops using the Creative Labs and iPads were held in a further four libraries. During Creativity Month young people in Finaghy, Holywood, Omagh and Strabane libraries had an opportunity to join Uproar Comics, the team behind the hit comic series *Zombies Hi*, to learn about scripting, story-boarding, character development and illustrating and create their own super hero comic, while children in Armagh and Newry City libraries created their own book under the guidance of author and photographer, Chris Fairclough. Invited school classes also took part in a workshop delivered by Theatre Without Walls, while others were involved in a WiggleGiggle poetry slam with the Replay Theatre Company.

Other notable events during the year included a visit by author Gill Lewis to The Lyric Theatre, Belfast for the premier of her award winning children's fiction book *Sky Hawk*. Gill also attended the first school performance which concluded with a Question and Answer session that was filmed and then made available on You Tube.

The first Harry Potter Book Night, held on Thursday 5 February 2015, was celebrated in 10 libraries and the following Sunday, a special screening of *Harry Potter and the Prisoner of Azkaban* was organized at the Queen's Film Theatre. Libraries NI provided a library / book related stand at this event.

Libraries NI participated, for the first time, in Shakespeare Week, a national annual celebration which aims to introduce primary school age children to the works of Shakespeare, with 21 libraries offering displays, special class visits, Shakespeare-themed reading groups, storytimes and craft sessions.

In June 2014 the Children's and Young People's Team was successful in two categories at the annual Claire's Awards, organised by DCAL to celebrate achievement and outstanding impact in the fields of creativity, innovation, education and lifelong learning. The Team was highly commended in The Community Impact category for its work in partnership with HMP Magilligan on The Big Book Share project and in the STEAM (Science, Technology, Engineering, Arts and Mathematics) category for its work with the School of Education, Queens University Belfast on Project 500, which links science and reading.

Culture and Creative Development

During 2014/5 4,318 people participated in 379 cultural and creative development events and activities designed to widen understanding of the role and value of the creative arts. Some of the programmes were organised in conjunction with other arts providers and partners.

As part of the City of Culture Legacy, Derry City celebrated Music City Day on 21 June 2014. Music events took place across the City and Libraries NI contributed to the programme with events in the five City libraries. Derry Central Library hosted international guitarists, Hugh Buckley and Eamonn Moran; Shantallow Library had a performance from the Tracey Cullen Band; and Waterside Library was pleased to host the ever popular Paul Casey, who performed with the Ulster Orchestra in the Guildhall later that evening. A workshop on creating ringtones on iPads took place in Strathfoyle Library and Creggan Library hosted a talk on Ceilidh Music by Brian Lawler, producer of a five year audio archive project entitled *The Golden Era of Ceilidh Music and Dance 1955—1970*, undertaken in conjunction with the Irish Traditional Music Archive, Dublin. All the events were well received and were included in the main Music City programme produced by Derry City Council.

Belfast Central Library participated in Culture Night 2014 with a session from the Manouche Gypsy Jazz Band, attended by more than 60 people. This is the fourth year that Libraries NI has taken part in Culture Night and audience numbers have grown year on year. In Derry Central Library Foyle Civic Trust held a discussion panel on the architecture and built heritage of the City and launched its website. Daragh Carville, the award-winning playwright and scriptwriter, returned to Armagh, his native City, to read from his own work and the work of others who have written about Armagh over the centuries. Stuart Neville, author of *The Twelve*, one of the most critically acclaimed crime debuts of recent years and also a native of Armagh, read from a selection of his work. Holywood Library hosted an exhibition by U3A, entitled 'Who, What and When' focusing on key areas of life in the town.

Libraries NI played its part in the Banbridge Arts Festival with a series of events in libraries in the area. Dromore Library hosted renowned writer and storyteller, Liz Weir. In Banbridge Library Alice McCullough delivered a Masterclass exploring creative ways of writing and performing and entertained the audience with her *Earth to Alice* theatrical performance. Margaret O'Mourne recited stories and tales of the Mournes in Rathfriland Library.

During the year work continued with Ulster Scots organisations to promote a shared understanding of our cultural heritage. Liam Logan, a local author and broadcaster,

hosted a series of talks on Ulster Scots in a number of libraries, including Ballymena Central, Carrickfergus, Larne and Newtownards. Ulster Scots poetry talks included a celebration of the life and works of Robert Huddleston, the 19th century Ulster Scots poet, known as the 'Bard of Moneyrea' and a talk and readings by Matthew Warnock, from the Ulster-Scots Community Network. Ulster Scots Agency exhibitions were hosted in a number of libraries including The Town Charters exhibition marking the 400th anniversary of the founding of many towns, the Edward the Bruce exhibition marking the 700th anniversary of the Bruce campaign in Ireland, and the Robert Burns exhibition highlighting the poet's connections with Ulster. Burns Night was celebrated in a number of libraries, including in Omagh where it attracted more than 100 people.

Libraries NI continued its support for Líofa 2015, a DCAL initiative which seeks to promote the Irish language and culture to as wide an audience as possible through a range of activities. Irish conversational circles were held regularly in Dungannon and Cookstown libraries and Irish Language Reading Groups met in Coalisland, Cookstown and Dungannon libraries. A number of other Irish Language events and storytelling sessions took place throughout the network of libraries, including a reading in Glengormley Library by Philip Cummings, whose first collection of poetry *Néalta* won a number of awards and various talks by The Ultach Trust*,* including in Bangor Carnegie Library by Róise Ní Bhaoill on the important role of folklore in Irish society and in Killyleagh Library by Gordon McCoy on Gaelic Scotland. During Adult Learners Week, Shankill Library hosted a talk and workshop by Linda Ervine on *The Hidden History of Protestants and the Irish Language*.

Community Relations Week was celebrated from 16 - 22 June 2014. Libraries NI delivered a programme of 15 events in 14 libraries to help promote and celebrate ethnic and cultural diversity. Over 400 people attended these events which included *Flavours of India*, an evening of Indian music and dance; *The Trafficking of Saartjie Baartman*, a talk by Nandi Jola on Saartjie Baartman who was trafficked from Africa to Europe in the 18th century; and the screening of *Ensemble: The Voices of a City*, a film created through the collaboration of 23 Belfast community groups.

This year Libraries NI developed new partnerships with organisations and individuals to enhance the cultural contribution to the visual arts. In January 2015 two projects with National Museums Northern Ireland (NMNI) commenced. The first consisted of three photographic collections, *Jewels in the Landscape, Focus on Birds* and *Ireland's Eye*. These are on rotational display in 10 libraries across the province for a two year period with supplementary information talks. The second, also a photographic collection, promoting NMNI's Live and Learn Project, will tour five libraries over eight months.

More than a third of libraries have facilities to enable individual artists as well as art groups and classes to exhibit their work and these facilities were well used during the year and often provided an opportunity to explore challenging subjects. The *Belonging* exhibition, a multimedia project of photographic portraits and recordings, which was launched in Shankill Road Library by Junior Ministers Jonathan Bell and Jennifer McCann, showcased the individual stories of migrants in Northern Ireland through personal items and stories. The exhibition toured a number of libraries and was integrated with a series of workshops on immigration, cultural diversity and equality.   *Aisling*, an exhibition of photographs taken by men affected by the trauma of loss from various communities in North and West Belfast and facilitated by Community Dialogue in conjunction with Kelly Morris Photography, was

presented in four libraries across Belfast. The exhibition was launched in Falls Road Library by the Minister of Culture, Arts and Leisure, Cáral Ní Chuílin MLA.

Heritage and Digitisation

Libraries NI's main heritage collections are located in Armagh, Ballymena Central, Belfast, 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). Heritage staff are responsible for developing and exploiting the collections, delivering talks, workshops and other events and working with partner organisations on a range of projects and initiatives. There were 789 heritage-related events held during the year, attracting 14,227 participants.

Interest in family history continues to grow and there were Family History events in a number of libraries, including talks by staff from the General Register Office of Northern Ireland (GRONI) on its new online service for locating family records and from the Public Record Office Northern Ireland (PRONI) on the online services which it provides. Ancestry (Library Edition) remains a popular online resource for people who are researching their family history, with 373,471 logins to the site by library members during the year. The public was invited to explore their roots in Family History Fairs held in Lurgan and Derry Central libraries and Heritage staff represented Libraries NI with stalls at Fairs in the Linen Hall Library and Fermanagh.

Many libraries offered events which were of particular interest in the local area. Ballyclare Library hosted a talk by Dr William Roulston on the *Doagh Ancestry and Townlands Project*. Castlewellan Library welcomed Terence Reeves-Smith from the Northern Ireland Environmental Agency who spoke about the *Annesley Inheritance*. Larne Library hosted a new BBC Community Archive exhibition, *Richard Hayward: In Praise of Ulster*, focusing on the life and career of the broadcaster, who grew up in the town and was a familiar voice on BBC radio in Northern Ireland over almost four decades, beginning in 1924. Ballycastle Library celebrated the Rathlin Maritime Festival with an illustrated talk by Shane Joyce entitled *Kemp, Marconi and early Irish wireless: the Rathlin connection*. Ardoyne Library hosted a preview of Eamonn McAuley's documentary on local boxing heroes from Ardoyne and the Bone, including a recording of local fighters, Freddie Gilroy and John Caldwell in their 1962 battle for British and Empire titles. An all-day event in Omagh Library to mark 50 years since the closing of the Omagh railway service which included a showing of the BBC film, *Farewell the Derry Road*, attracted a very large audience. In Newry City Library James McArevey of the Newry Maritime Association shared the story of the SS Upas, which sank off the coast of Co Down in March 1915 while on its way from Ayr to Warrenpoint with six crew members, all local people, on board, all of whom lost their lives. Ballymena Central Library hosted an exhibition entitled *A Commemoration of the Moravian Church at Gracehill* to mark 250 years of the Gracehill settlement by members of the Moravian community. Gracehill was the first place in Northern Ireland to be declared a conservation area.

A key focus for the work of the Heritage Team during 2014/15 remained the development and delivery of a programme of activities and events to mark significant anniversaries relevant to the Decade of Commemorations.

The rise of the Suffragette Movement was marked with exhibitions and talks, including a series delivered by the Director of The Somme Association, Carol Walker, with an accompanying exhibition hosted by Donaghadee, Portaferry, Newry City and Bangor Carnegie libraries.

The anniversary of the start of the First World War was a feature of programming during the year. Many of the talks and exhibitions reflected local interest in the historic events of that period. The Irish and Local Studies Library hosted a talk, entitled *Armagh and the Great War* by Dr Colin Cousins, author of a book of the same title; in Enniskillen Library David Kemp's talk, entitled *North Fermanagh Remembered* centred on his research into soldiers from the area who lost their lives during the War; Ballymena Central Library hosted *Ballymena Borough and the Great War*, an exhibition put together by Des Blackadder, Editor of the Ballymena Times and John Hoy; Cookstown Library was the venue for a talk by the Friends of the Somme, entitled *The impact of the Great War on the local community in Tyrone*.

On the anniversary of the outbreak of the First World War, 4 August 2014, author and historian Philip Orr delivered a talk in Belfast Central Library, as part of the Belfast 125 programme, entitled *The Day that Ireland went to War*. Belfast Central Library also hosted an exhibition, entitled *The war to end all wars? The social effects of the Great War in Belfast*, which included letters sent by Belfast Central Library staff serving in the armed forces during World War One to their Chief Librarian.

One of the most successful partnerships during the year was *Living Legacies 1914-1918* delivered in conjunction with Queen's University, Belfast, the main aim of which was to support community projects working on the legacies of the First World War. Libraries NI delivered roadshows in partnership with *Living Legacies 1914-1918* in Derry Central, Belfast Central, Enniskillen and Newry City libraries, as well as the Mellon Centre for Migration Studies (MCMS). Local community groups participating in the roadshows included East Belfast and the Great War Project and 6th Connaught Rangers Project. As well as exploring issues relevant to World War One through presentations, drama and poetry, the roadshows included the opportunity for members of the public to bring along their own personal artefacts relating to the First World War and have them digitised. As a result of the success of the roadshow in MCMS and the interest in the material which came to light relating to local nurses in World War One, a follow up event was held in March 2015, *West Ulster and World War One: stories of local doctors, nurses and volunteers,* which also attracted an audience of over 100 people. The Fourteenth Annual Migration Studies Lecture at MCMS also had a Great War theme, with Professor Keith Jeffrey, Queen's University Belfast, discussing the personal migration stories of five of his great uncles who fought in the war.

In the weeks prior to and immediately after the 100th anniversary of the outbreak of the First World War, local newspaper reports and headlines for those dates featured in a series of tweets and Facebook posts. Tweets and Facebook posts also signposted social media users to the virtual exhibitions. The favourable comments received and the number of retweets indicates that this is a worthwhile way of interacting with library users.

Heritage and other library resources were exploited during the year in a series of virtual exhibitions on the Libraries NI website. These included exhibitions which marked events within the Decade of Commemorations and other significant anniversaries and highlighted

the range of material available in the Heritage collections. *The WW1 Postcards of Ernest Lister* included postcards from a collection in Belfast Central Library's Fine Book Room sent by a serving officer home to his family. *WW1 on the Homefront* showcased the newspaper holdings of the Heritage Departments including a number of editorials from local papers at the time, illustrating how global events impacted locally. The May 2014 virtual exhibition focused on the work of John Boyd Dunlop reflecting the interest in the Giro d'Italia which took place in Northern Ireland.

In 2015 the National Famine Commemoration will be hosted in Newry. In March 2015 the Heritage Service delivered the first of a programme of events to mark this event with talks on *The Famine in Ulster* in Bangor Carnegie Library and the Irish and Local Studies Library, Armagh and *The Famine in Co. Armagh* in Bessbrook and Crossmaglen libraries. These talks have proved popular attracting audiences of up to 70 people at each event.

Information and Learning

Access to, and delivery of, information and learning are at the heart of services and activities provided by Libraries NI. 4,083 events were held in libraries throughout 2014/15 to provide people with information relevant to their needs with a particular focus on health issues, job-seeking, business, community and those who are disadvantaged, with a total of 33,098 participants. This year has seen the early development also of a Virtual Learning Environment to further increase the opportunities for users to access learning and information.

Libraries play a key role in supporting people who are disadvantaged. Many people use the free internet access in libraries to look for jobs, prepare CVs or make online applications. Others attend events to obtain information or participate in programmes designed to develop knowledge and skills. Kilkeel Library hosted a *Get Set* roadshow, providing people with the opportunity to access a range of employment related information and obtain specialist advice and help from organisations such as the Careers Service, Ulster University, Jobs and Benefits Offices, the Citizens Advice Bureau and Volunteer Now. The roadshow also included practical, motivational workshops *(Six Steps to Get That Job!)* focusing on developing the right attitude and successful strategies for job applications.

In September and October 2014 Libraries NI participated in four major jobs fairs organized by the Department of Employment and Learning in Londonderry, Ballymoney, Newry and Belfast. These were large events with employers recruiting and other agencies promoting employability. The Libraries NI stand showcased services that can help people find employment. An estimated 8,000 people attended the jobs fairs.

Libraries NI's Business Information Service provides the most comprehensive source of free publicly available business information in Northern Ireland. Online and print versions of a wide range of resources are available, including market research reports, company information, business start-up advice, intellectual property information and standards, business and financial newspapers and periodicals and specialist book stock. There is also support available from knowledgeable and trained staff. During the year 21 business information talks were provided in various locations including Belfast Central, Omagh, Ballymena, and Newry libraries. Work was also carried out during the year with the Princes Trust to support young people aged 18-30 years who were unemployed.

Participants in the programme were able to access Libraries NI resources to help them to develop business ideas and assess whether self-employment is right for them.

In November 2014 Belfast Central Library hosted the Patent Information Network Annual General Meeting with delegates attending from 18 large UK libraries including the British Library, Birmingham, Manchester, and Leeds. Belfast Central Library is a recognized Patent Information Centre, one of a number of Patent Libraries (PATLIBs) in the UK, all of which have qualified and experienced staff available to offer practical assistance on a variety of matters associated with Intellectual Property Rights.   The event highlighted the Library's role in the PATLIB Network and the extensive patent collections held by Libraries NI.

Your Health is Your Wealth roadshows were held in Antrim, Brownlow, Newcastle and Waterside libraries where a wide variety of participating organisations shared their expertise and knowledge to help people become more aware of the importance of health and wellbeing. Activities included blood pressure checks, skin scanning and hearing tests. Many regional organisations were involved, including Cancer Focus, Action on Hearing Loss and Diabetes UK as well as locally based organisations providing information specific to particular areas, such as Craigavon Talking Newspaper, Good Morning Northwest and Men's Action Network.   Teenage Health Fairs were held in Lisburn City and Newry libraries, providing an opportunity for young people from local schools to learn more about the importance of making healthy choices.

Following a successful pilot scheme in five libraries in Belfast, Libraries NI signed a partnership agreement with Macmillan Cancer Support to provide information to support people affected by cancer and their families. Jointly branded information racks with booklets and leaflets were rolled out during the year to 28 libraries serving the most deprived communities as well as all rural libraries. The rollout will continue during 2015/16.

Providing quality community information is an important function of the public library service. The Information and Learning Team dealt with direct requests relating to community information received via web enquiries, email, telephone, networking and through partner organisations, such as the Department of Employment and Learning (DEL), the Department of Agriculture and Rural Development (DARD), Age NI, Volunteer Now, the Northern Ireland Environment Agency (NIEA) and mental health organisations. The Community Information Policy and Guidelines were revised and 60 information stands and roadshows were held in branch libraries with facilitators ranging from Carers Matter, Guide Dogs, Suicide Awareness and Citizens Advice.   The Money Advice Service continues to hold one-to-one sessions in libraries across Northern Ireland on request.

The Virtual Library provides free and accurate information, available on a 24 hour basis and accessible from home or the library. Oxford University Press resources, including several types of dictionary, attracted 71,529 searches in the course of the year and 9,998 log-in records were associated with the Nexis database, which can be used to search Irish, UK and international newspapers or journals. Usage of the resources has been promoted through the introduction of a Word, Quote and Fact of the Week posted on Facebook and Twitter as well as at all Information and Learning events and training sessions.

A new, popular addition to the Virtual Library has been the introduction of eMagazines which were piloted from November - March 2014. The initial target download figure of 10,000 which was set for the five month pilot period was exceeded with 38,205 actual downloads taking place. Given the success of the pilot the subscription has been extended for a further year and an action plan has been put in place for 2015/16 to promote these extensive resources.

Got IT? Sessions continue to be an important support for people who wish to achieve a basic level of competence in using computers and the internet. People lacking essential IT skills can book a session in most libraries to help them begin to use a computer, browse the internet and send emails. During the year the *Got IT?* manual which is used in conjunction with *Got IT?* sessions to reinforce learning was updated and re-printed.

The *Go ON* programme which enables participants to build on the skills already gained through the *Got IT?* programme and encourages digital inclusion by helping people to carry out more day to day tasks online, such as booking an MOT and using the nidirect website, has continued to be popular in 2014/15. Courses also include help for those wishing to use the Libraries NI website resources more effectively, bank online, edit digital photographs, explore social networking, find information on health issues and shop online. A thematic modular approach is used to promote areas of interest. The programme now includes various iPad modules to add to the range of courses available.

Spring Online Week took place for the first time in Libraries NI from 31 March - 4 April 2014 in partnership with Department of Finance and Personnel 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. 12 libraries were venues for Spring Online volunteer-delivered events throughout the week. Small group sessions or one-to-one sessions concentrated on specific topics each day. The week culminated with Silver Surfers' Day which took place, for the eleventh year running, in 22 libraries. The official launch, in Bangor Carnegie Library, was filmed by Sky TV and UTV's Julian Simmons attended as the media face of Silver Surfers' Day.

Various promotional events took place to raise awareness of the services available in libraries to assist with digital inclusion. These included participation in the Go ON UK launch at Parliament Buildings with Baroness Martha Lane Fox; Young at Heart events in Lisburn and Belfast; Go ON roadshows in 13 libraries; and Get Online Week events in 22 libraries. The Minister of Finance and Personnel, Simon Hamilton MLA, visited Portaferry Library during Get Online Week.

Adult Learners' Week took place from 14 - 20 June 2014 with a total of 45 events, taking place in branch libraries, ranging from a creative writing workshop with poet, Deirdre Cartmill in Tullycarnet Library, to a *Revamp and Restyle* workshop in Ormeau Library and a talk on *The Honourable The Irish Society and The Great Parchment* by Edward Montgomery in Draperstown Library. World War One featured in the programme, with a series of talks in Armagh, Keady, Portadown and Banbridge libraries on Ireland's response to the war, sponsored by the Southern Peace III Partnership. Dave Atherton, one of the divers involved in the excavation of the wreck of the Spanish Armada ship, La Trinidad Valencera in Kinnagoe Bay, Co Donegal in the 1970's and author of a book on the subject, visited Derry Central Library to share his experience with an appreciative audience, including one lady who had travelled from Dublin for the occasion. Nobel Laureate Poet,

Seamus Heaney, and specifically his last poem, *A Kite for Aiobhin* was the subject of talks and discussions in Maghera and Bangor Carnegie libraries led by Dr Tess Maginness from Queen's University Belfast.   Staff from the Information and Learning and Heritage Teams were also actively involved during the week delivering workshops in a number of libraries on topics such as *Editing Digital Photographs*, *Social Networking*, and *Online Sources for Family History*.

Health in Mind

257 Health in Mind workshops and events, funded through the Big Lottery, were delivered in libraries over the year, covering subjects such as personal resilience, laughter yoga, positive thinking, reading aloud, cognitive behavioural therapy (CBT) and suicide awareness. There was great demand for mindfulness workshops and these were a major focus of work during the year with additional facilitators being required and new approaches through CBT, mindful eating and 'manfulness' being delivered.   Healthy eating workshops also continued to be lively, informative and very popular.

The quarterly Health in Mind newsletter was widely circulated in libraries, at information days, in participant packs and to a virtual audience in e-copy. Interest in the newsletter has grown steadily with an annual reach of 30,000 views.

Further funding from the Department of Agriculture and Rural Development (DARD) enabled extra programmes and activities to be run in rural libraries, following on from last year's successful rural pilot. In the latter part of the year there were 44 DARD funded workshops in isolated rural communities with excellent uptake of over 500 participants. Libraries NI was able to provide support from dedicated outreach officers to help this very full programme run smoothly.

A pilot of the software package, Take Ten, was run in two rural libraries; it highlighted the potential of this user-friendly approach to helping people understand stress and manage their body's response to it. There are plans to develop this work further in the year ahead.

Technostitich was a new intergenerational exchange of skills, much enjoyed by young and old. A group from a local school visited the Knit and Natter group in Brownlow Library where the students demonstrated use of mobile phones for filming and photography and in return were delighted to be taught crochet by the Knit and Natter ladies.

The importance of the library network was underlined in talks with Health Trusts as they began to move ahead with ImROC (Implementing Recovery though Organisational Change) and Recovery Colleges in communities across N Ireland.   Many wellbeing courses and workshops took place in libraries through this initiative.

This fifth year of the Health in Mind project would have been the final one but an opportunity was taken to extend the project to a sixth year and a successful funding bid was made to the Big Lottery Fund. The project will now run until January 2016.

Stock, Reading and Reader Development

What do David Walliams, Stuart Neville, Harper Lee and *The Hunger Games* trilogy have in common? They have all played a significant part in the borrowing trends within Northern Ireland during the past year and highlight the changing environment in which Libraries NI is operating.

The most popular book during 2014/15 was *Awful Auntie* by David Walliams which was borrowed 2,304 times while children's novels by Julia Donaldson, Francesca Simon and Tony Ross each achieved in excess of 2,000 loans. Only one adult novel featured in the Libraries NI top ten most borrowed chart, namely James Patterson's *Cross My Heart*. Children's books have become increasingly popular, accounting for over 50% of all loans and this mirrors the current experience of the publishing world.

Libraries NI continued to develop the 'Perfect Library' campaign as nominated by the public. In July 2014, 175 books met the criteria for inclusion in the final selection and a lucky Whitehead reader received his own personal "Perfect Library" collection. The readers' favourite books included the top choice of *To Kill a Mocking Bird* alongside works by leading contemporary novelists such as Donna Tart and Cecelia Ahern. Copies of the chosen books were distributed to all libraries and proved a big hit with readers, accumulating over 83,000 loans by 31 March 2015.

Libraries NI aims to bring the best of crime writing, one of the most popular fiction genres, to the attention of borrowers. This was achieved by offering week long author events in October 2014 and February 2015. Leading crime authors, Sophie Hannah, Hilary Bonner, Stephen Booth, Michael Jecks, Karen Maitland and Susanna Gregory visited libraries in October while, in February, it was the turn of Craig Robertson, Louise Phillips, Michael Ridpath, Declan Hughes and Anne Cleeves to captivate audiences.

Libraries NI promotes reading as a source of pleasure, enjoyment, inspiration and relaxation and reading groups remain an integral part of reader development programming. During 2014/15 over 100 adult reading groups were supported. Participation in a Libraries NI reading group offers opportunities to widen reading experiences and provides a social context in which books can be discussed. Most reading groups meet within library buildings but a growing number of groups meeting in other locations are also supported with advice, recommendations and reading material.

Libraries NI facilitates reading group gatherings to discuss the same book and occasionally meet with the author. Branded as "Readers' Days", three events were held this year in Carrickfergus, Finaghy and Cookstown where local novelist, Stuart Neville, talked about his latest book, *The Final Silence*.

Another highlight of the stock promotion programme was the third "One City One Book" campaign. This initiative is organised by the Arts Council for Northern Ireland in partnership with Libraries NI and other local organisations. In 2014 the featured author was David Parks with his book, *The Poet's Wives,* which explores the role of women in supporting and preserving the artistic achievements of their husbands. The programme was launched in Ormeau Library with the author reading extracts from his novel and discussing the motivation for the book. Three further events were held in libraries and the book was read by over 1,000 borrowers.

Libraries NI has continued to promote eBook use through a series of social media posts as well as promotional stands at outside locations such as shopping centres. Usage of eBooks has grown steadily as a result with an increase of 34.1% in downloads compared to the previous 12 months. Adult novels are the most popular category of stock with Lee Child's novel, *61 Hours,* from the Jack Reacher series proving the most borrowed title. Teenage and crossover titles are also heavily borrowed, with novels in *The Hunger Games* trilogy, at fifth, tenth and eleventh place in the most borrowed Libraries NI eBook chart.

The continued growth of eBooks is indicative of how Libraries NI is changing its stock offer to meet the diverse ways in which borrowers can now choose to read books. This means that, for popular titles, the book now has to be purchased in five different formats (print, eBook, large print book, book on CD and downloadable audiobook) to meet the expectation and needs of all our borrowers.

Marketing and Communications

Media relations was a key element in the work of the Marketing Unit during 2014/15, with the management of press communications relating to budget cuts, emergency opening hours and public consultation on reduced opening hours to be introduced in 2015. Relationships with the local media were strengthened throughout the year and, as a result, media interviews and coverage of Libraries NI events and activities featured on radio and television programmes and in the printed press.

In total Libraries NI issued 1,065 press releases which generated 2,604 press clippings. 980 of these clippings related to work in libraries in areas of social exclusion.

During the year the Marketing Unit was pivotal in promoting a number of programmes and initiatives including the development of concepts and high impact materials for the launch of the eMagazines service, in addition to the production of a suite of promotional material for eBooks and audiobooks. Publications included a brochure for Creativity Month, an events programme for the new Kilkeel Library and a manual to support Got IT? provision.

Development work continued on the website with the inclusion of new content and an interactive quiz for children. The number of hits on the website was over 1.85 million, an increase of 5% on the previous year.

Social media provision expanded with another 22 libraries setting up Facebook and Twitter accounts, bringing the total number of libraries with social media accounts to 43. Two major social media campaigns took place, one to highlight the difference libraries make in people's lives (#makingadifference) and the other to celebrate National Libraries Day (#NLD2015). The number of 'likes' and 'follows' for the corporate Facebook and Twitter accounts continued to grow and there was a significant increase in engagement levels.

Business Support Directorate

Assets

Investment in library buildings and vehicles has been a key aspect of work undertaken during the year to improve the delivery of public library services. Capital spend on buildings, vehicles and equipment amounted to over £1.89 million and enabled a number of projects to be taken forward including the following:

- eight delivery vans were purchased to replace part of the ageing fleet and to provide reliable support services to branch libraries

- procurement was completed for a replacement library facility in Moira and work commenced on site in January 2015

- refurbishment and upgrading of Woodstock Library was completed and work commenced on the refurbishment of Fintona Library

- in conjunction with Newry and Mourne District Council works were completed to modernise and enlarge Crossmaglen Library

- title to the Killyleagh Library property was secured through purchase of the site from the South East Regional College (SERC).

In addition the new Lisnaskea Library was completed in March 2015. The new library is situated in the heart of the town and provides a full range of services in a bright, modern building while the exterior façade mirrors the character of the local historic streetscape. With a fresh, contemporary look the library is spread across two floors providing separate adult, children's and teenage sections as well as exhibition and meeting space. The library is equipped with state-of-the art technology, including a whiteboard and plasma screen and is fully WiFi enabled. Visitors to the library can avail of the free, fast internet access using either the public access computers or their own devices, browse the extensive book stock or simply enjoy a break from the busy main street only a few steps away.

Finance, Payroll and Procurement

The 2013/14 Annual Accounts were submitted for audit to the Northern Ireland Audit Office (NIAO) on 30 June 2014 and were certified in October 2014. The Accounts retained the audit qualification in respect of part of the Stock Assets valuation, and the Finance Team has worked with other staff in the service, including the Heritage Team and the Senior Management Team, to develop and progress an action plan aimed at resolving the uncertainties with this figure.

The performance on paying invoices within 30 days remained strong at 95%. The performance on paying within 10 days moved from 87% to 72% on average over the year. The frequency of payments was increased to two or three times weekly, as required, however, preparations for, and implementation of, e2, and in particular the new library management and finance systems, resulted in interruptions which delayed payment at times.

The Payroll Team has been heavily involved in the implementation of new payroll and travel expenses systems, which went fully live on 1 April 2014. They have addressed the significant implications of the revised Northern Ireland Local Government Officers'

Superannuation Committee (NILGOSC) pension scheme which commenced on 1 April 2015 and worked with the payroll software provider on the upgrade to systems required to facilitate it.

The Finance Team was also involved in the design of interfaces between the stock, cash management and finance systems. While these systems issues were a key priority, the Team continued to focus also on achieving budget balance on both capital and resource budgets and worked closely with budget managers to ensure this was achieved as fully as possible.

As in previous years, both the Finance and Payroll Teams took part in the National Fraud Initiative, which cross-matches data from a number of organisations to assist government in identifying potential fraud. Results from the cross-matching exercise for 2014/15 were made available in January 2015, and the Teams will investigate these results as necessary throughout the year.

Libraries NI is a designated body for the purposes of the Whole of Government Accounts and Finance submitted unaudited data so that Libraries NI's draft Accounts are consolidated within a single account for Northern Ireland and ultimately for the UK public sector.

The Procurement Team has continued to work with the Education and Library Board (ELB) Centre of Procurement Excellence (CoPE) to ensure that all procurements are carried out in line with best practice. Discussions have continued with the Central Procurement Directorate (CPD) in relation to the transition of CoPE responsibilities to it and it is expected these will continue in the coming year.

Human Resources

Human Resources (HR) is responsible for providing advice, support and guidance on matters pertaining to the employment, management and development of staff in Libraries NI.

Training and Development

During 2014/15 a wide range of training and development opportunities was provided to support staff in the delivery of services to customers. This included a number of service specific training programmes, e.g. Community Engagement, eSafety, Managing Customer Service, Driver Certificate of Professional Competence (CPC), e2 related training, including use of the library management system and cash handling, First Aid at Work, Rhythm and Rhyme and Reader Development.

A Management Development Programme for branch library managers and other staff at an equivalent level was put in place, in conjunction with Carecall. The programme, which was delivered to 144 members of staff, covered areas such as Personal Effectiveness, Emotional Intelligence and Resilience and Having Courageous Conversations.

All managers received training from HR in absence management and, where required, HR also provided advice and support to managers on a range of other employee relations matters.

The Part Time Study Scheme was used to support a number of staff undertaking accredited external study, including the Accounting Technician's qualification and the Post Graduate Certificate and Diploma in Library and Information Management.

Recruitment

In 2014/15 59 recruitment exercises were carried out for which a total of 333 applications were received. This compared to 83 recruitment exercises in 2013/14. All appointments were made in accordance with the Libraries NI Code of Procedures on Recruitment and Selection and the Review of Public Administration Vacancy Control Procedures.   A breakdown of applicants by each stage of the recruitment process is shown in Table 1 below.
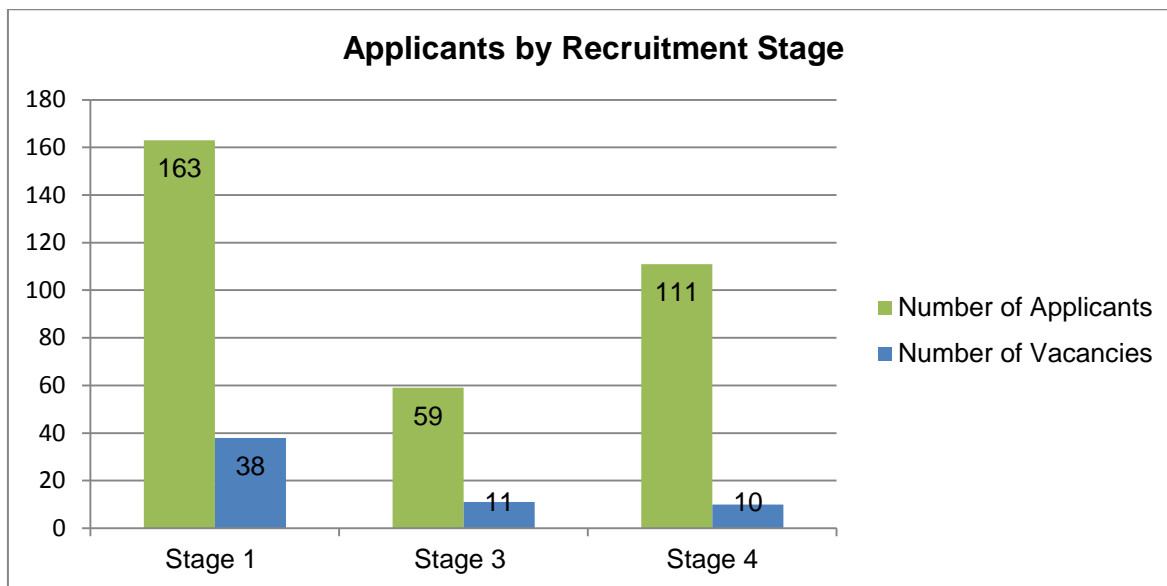
Table 1: Applicants by Recruitment Stage

With the completion of the restructuring of the Key Service Priorities, Mobile Library Service and Administrative Support Services in June 2014, Libraries NI commenced the process to exit the Review of Public Administration (RPA) affected groups. Once out of RPA, constraints on the external recruitment of staff, which have existed since the establishment of the organisation in 2009, will be removed. At this stage the matter is being considered by the Department of Finance and Personnel.

In 2014/15 HR processed 548 requests for agency workers equating to 54 full-time posts for the year. Agency workers are used to support short term business needs, for example sickness cover, project backfill and vacancies. The majority of requests were for frontline posts at basic recruitment grade. Table 2 shows the profile of agency workers supplied by role.

Agency Workers by role

Role	Count
Library Assistant	332
Mobile Driver	56
Cleaner	52
LA Driver	39
Building Supervisor	34
Delivery Driver	15
Admin Support	10
Stock Assistant	5
Library Attendant	3
Other	2
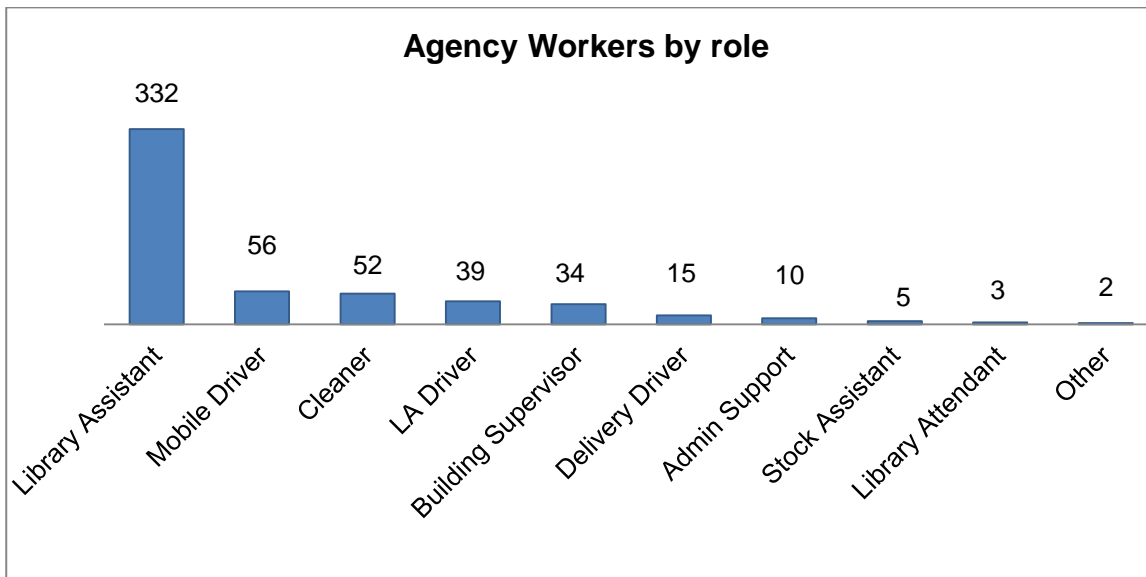
Table 2: Agency workers by role

Reasons for the engagement of agency workers are shown in Table 3 below as a percentage of the 548 processed requests.

Reasons for Agency Workers

Reason	Percentage
Annual Leave	28%
vacancy	25%
sick cover	20%
Project	11%
Backfill	10%
Other	5%
Maternity Cover	1%
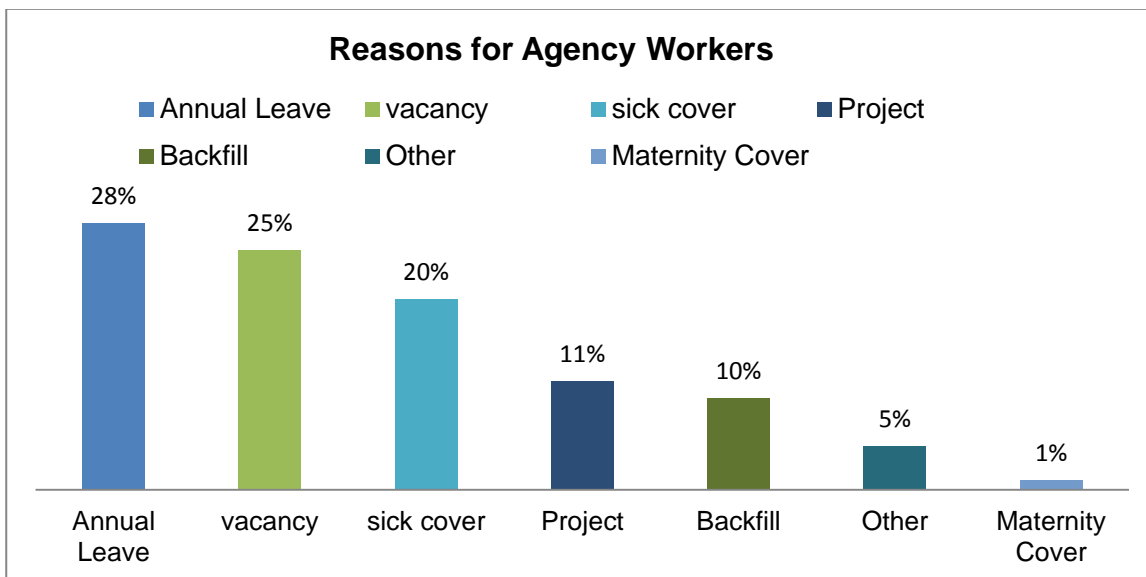
Table 3: Reasons for Agency Worker Engagement

As a consequence of the in-year budget cuts, HR dealt with the staffing implications of a range of emergency measures that had to be put in place including the implementation of reduced opening hours across branch libraries, immediate release of agency workers, redeployment of staff and expressions of interest in voluntary severance and ensured communications with staff and stakeholders took place on a timely basis.

During the year HR also prepared for the implementation of legislative changes relating to pension introduced with effect from 1 April 2015. This required close working with the Payroll Team and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) to ensure that new pension bandings and contribution rates were applied correctly to employees' contracts, all relevant parties were communicated with on

a timely basis and appropriate mechanisms were in place for appeal and review processes in advance of the implementation date. This was achieved successfully.

HR staff attended training provided by Access NI in preparation for the introduction of its new online vetting system for criminal background checks. As a result new administrative processes were in place well in advance of the implementation date of 1 April 2015.

<u>Attendance Management</u>

In 2014 the composite average Full Time Equivalent (FTE) days lost through sickness absence was 11.12 days (2013:10.32 days). Long term sickness accounted for the majority of days lost. Table 4 shows absence levels for 2014.

Absence Rates (January - December 2014)

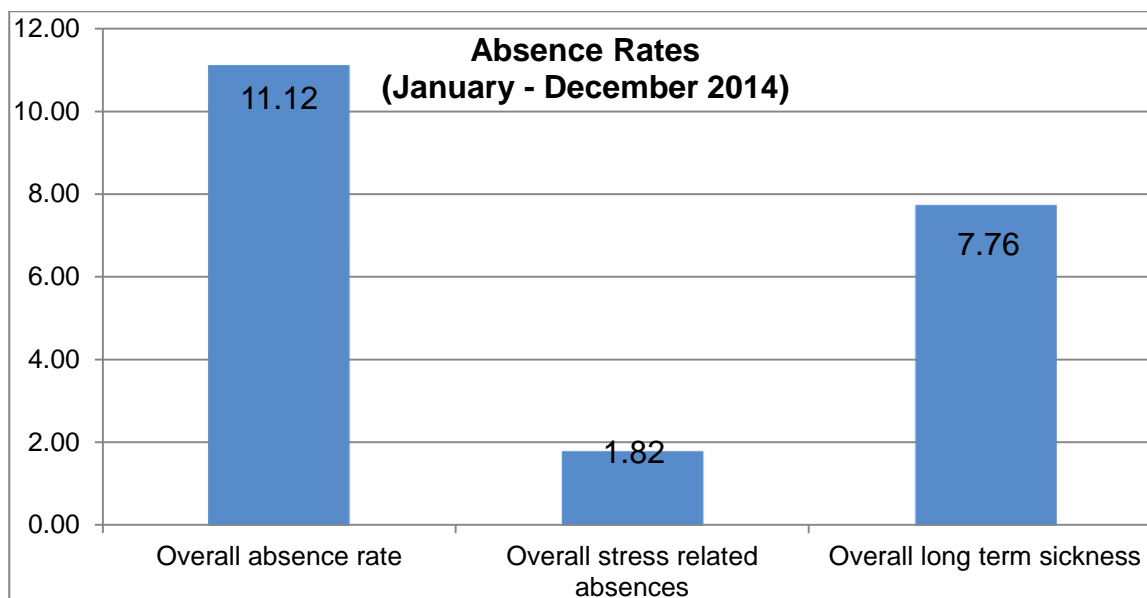| Category	Days
Overall absence rate	11.12
Overall stress related absences	1.82
Overall long term sickness	7.76

Table 4: Absence Rates 2014 (Average Number of Days Lost per Employee)

By May 2014 the new Health and Wellbeing Team was in place. The Team provides advice, support and guidance to employees, managers, the Board and its Committees on the application of health and wellbeing policies, procedures and initiatives to ensure that interventions in respect of the management of attendance are timely and appropriate to the needs of individual cases. This includes access to the Occupational Health Service, Carecall, Addiction NI and eye care specialists, where appropriate.

In 2014/15 the confidential counselling service provided by Carecall was accessed by staff on 80 occasions. HR facilitated 21 eye tests, one pre-employment check and, in line with the Managing Attendance policy, initiated 205 medical referrals to the Independent Occupational Health Service. Following these referrals 132 members of staff returned to work, of whom 49 required workplace adjustments (32 temporary and 18 on a permanent basis); 19 members of staff were supported through a phased return to work programme. Of the remaining staff, 73 were kept under review by the Occupational Health Service or dealt with under other management processes e.g. ill health retirement or redeployment.

Libraries NI is committed to providing staff with work life balance opportunities. During 2014/15 there were 106 Work Life Balance applications approved, an increase of 41% on 2013/14. Of the 15 employees granted a career break in 2014/15 seven were extensions

of career breaks from the previous year. Approved Work Life Balance applications, by type, are shown in Table 5.
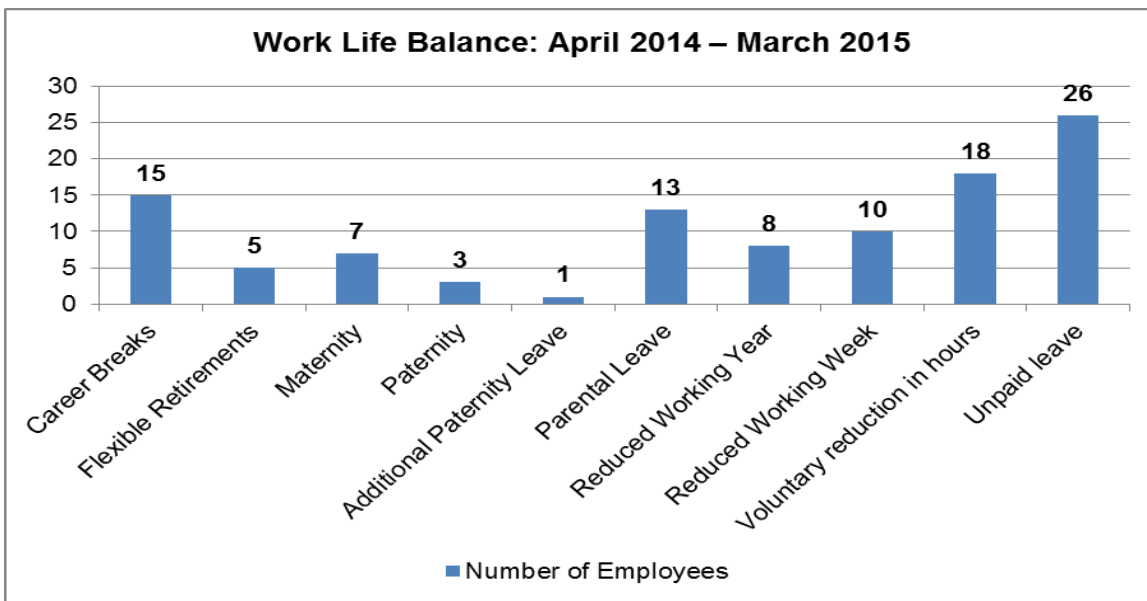
Table 5: Approved Work Life Balance applications, by type

During the year 60 staff left the employment of Libraries NI, a decrease of 17% compared to 2013/14. The reasons for leaving are shown in the pie chart below.
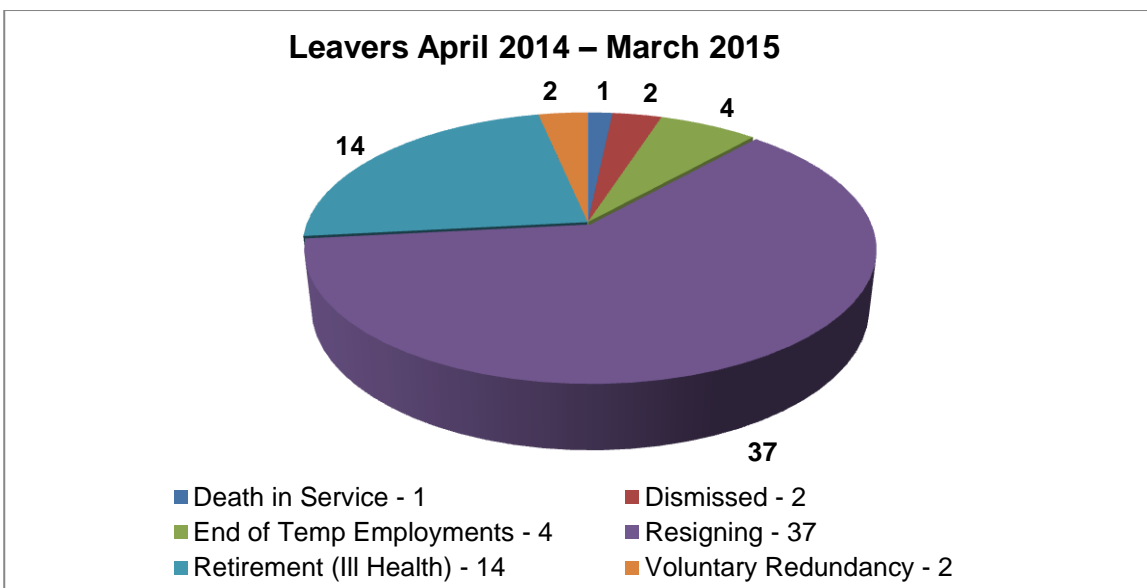
Table 6: Leavers 2014/15, by reason

Information Systems

All Libraries NI information systems have been replaced or updated over the past two years under the e2 Project. The main elements of the e2 Project are:

•   the 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 which will support the use of customers' own devices as well as access to the Library Management System for staff and customers using mobile libraries

-     creative labs in a number of larger libraries to enable customers and staff to create digital content

•   the Virtual Library on a multi-platform basis to enable customers to have 24/7 access to library services from their home, 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

•   the Corporate Network and business applications to facilitate the work of the Finance, Human Resources and Assets Management Units and which will also include Voice Over IP telephony services

•   a Business Intelligence solution to enable the production of better qualitative data

•   a Customer Relationship Management system to enable better targeting of services and to facilitate improved communication with customers as well as information to support decision-making.

A contract with Fujitsu was procured under the e2 Project and provided for a 15 month transition period during which all legacy services were replaced, facilitating the service transformation required to meet the objectives agreed in the e2 Business Case. The e2 implementation plan was challenging and the pace of change required enormous commitment from all staff involved.

During 2014/15 all the contract milestones were met as planned and the project implementation phase was completed successfully in September 2014. The £8.72m budget allocated to meet the implementation milestones across the 2013/14 and 2014/15 financial years was expended as originally planned.

The Intelligent Customer Unit (ICU) ensured that the ICT service provision through the transition service regime met all required service levels until 30 April 2014. On 1 May 2014, the main e2 contract service model came in to operation and operated effectively for the remainder of the reporting period.

An evaluation of the e2 Project (procurement and implementation phases) was carried out and the formal review, which showed that the process had been successful, submitted to DCAL in December 2014. A post project evaluation of the e2 Consultancy Business Case

was also carried out and this showed that the spend on external advisors was well within the approved limits.

A full Post Project Evaluation (PPE) of the e2 Project will be completed in December 2015.

Access to Information

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

Requests for information can be submitted electronically via the Freedom of Information Mailbox, the Enquiries Mailbox, and the Data Protection Mailbox on the Libraries NI website or by contacting any service point 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, nine requests were received under the Freedom of Information Act 2000 and fourteen requests were received under the Data Protection Act 1998.

Statistics

During the year, a statistician, seconded from the Northern Ireland Statistics and Research Agency (NISRA), worked closely with senior management to fulfil the obligations placed on the organisation as a result of being listed as a producer of Official Statistics. The second Libraries NI Official Statistics publication, entitled *Participation in Core & Regular Library Activities in Northern Ireland 2013/14,* was released on 3 February 2015 showing a total of 302,117 participants (98,448 adults and 203,669 children) engaged in 19,818 core and regular activity sessions (i.e. Class visits, Genealogy, Got IT?, Go On!, Job Clubs, Knit and Natter Groups, Reading Groups, Rhythm and Rhyme and Storytime). The statistics reported in the publication are produced from the Libraries NI Activity Database which is maintained by the statistician. Management information produced from the database is used to monitor progress against corporate targets and objectives.

Customer Feedback

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

All staff are encouraged to engage with customers and to acknowledge and respond to verbal feedback. Formal feedback received is responded to at a senior level in the organisation. Measures are in place to ensure that all feedback is categorized appropriately and that responses are issued promptly. Where the service has not been satisfactory, action is taken, where possible, to enhance the customer experience in the future.
Feedback statistics are provided to the Senior Management Team and the Board on a twice yearly basis. A summary of feedback received during 2014/15 is shown in the table below.

Items of feedback received	601
Nature of feedback	
- complimentary	136
- complaint	375
- comment	90
Category of feedback	
- staff	86
- library services	358
- facilities and buildings	43
- online services	111
- other	3
Average number of days taken to issue a response	6

Trends for the Future

On-going economic pressures, with reduced resources available to Libraries NI as well as to other organisations with which we co-operate and work in partnership, together with uncertainty regarding future funding levels, increase the need to keep services under review to ensure that they are efficient and effective and delivering value for money. Services also need to continue to evolve in line with the changing needs of customers, advances in technology and societal changes. Business planning will continue to be evidence-based and informed by the significant amount of information that has been gathered through strategic reviews of provision as well on-going feedback from library users and the general public as to the expectations and requirements that they have of the services that Libraries NI provides and should be providing.

The ethos of the public library service and its staff, reinforced by responses from the general public to a range of consultations, is centred on the delivery of social and community benefits which also correlates with DCAL's key priority of Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE). Lessons learned from work undertaken in the last two years to address this priority have been reviewed in light of budget constraints in order to seek to mainstream a sustainable and suitably targeted approach into the future.

Social inclusion and a shared and better future for all citizens remains a high priority for the Northern Ireland Executive. Public libraries are widely recognised as welcoming, accessible, trusted and shared spaces, embedded in communities and used by people of all ages, cultures and backgrounds. Libraries NI will continue to initiate and support activities that engage, involve and connect people and will provide them with opportunities to improve their lives.

The ability to use and access electronic systems is essential for the social, economic and educational advantages of life in the modern world and we will continue to provide library users with free access to the internet through public access computers and free WiFi in every library, as well as contribute to digital and information literacy through support for individuals, which is critical to closing the digital divide.

The pace of technological change continues to be exponential and this provides challenges for any public service. New ways to communicate, e.g. social networking, the expectations of citizens that services will be available twenty four hours a day, and the

requirements for skills and knowledge impact the way all of us live. Technology offers significant potential for the development of new approaches to the delivery of effective and efficient library services and moving forward and Libraries NI will seek to make optimal use of facilities available through e2 to develop and extend virtual services, providing customers with access to information and learning when and where they want it.

The proposed establishment of nine new government departments, including a Department for Communities, to which most of DCAL's functions, including responsibility for the public library service will transfer in time for the April 2016 elections to the Northern Ireland Assembly, subject to successful passage of the necessary legislation, will present challenges and opportunities. Libraries NI is committed to working with DCAL and the other Arms' Length Bodies during 2015/16 to prepare for the changes that are ahead and will seek to make a valuable contribution to the aims and objectives of the new Department.

Irene M Knox
Chief Executive   **Date: 1/10/15**

Report of the Board of Libraries NI

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 Culture, Arts and Leisure.

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

Mr Nigel Macartney	Chairperson (until October 2014)
Professor Bernard Cullen	Chairperson (from November 2014)
Councillor Hubert Nicholl	Vice Chairperson
Councillor Mrs Anne Brolly	
Councillor Tom Campbell	
Councillor Charlie Casey	
Councillor Sam Cole	
Alderman Allan Ewart	
Mrs Deirdre Kenny	
Councillor Ms Carla Lockhart	
Mr Alastair McDowell	
Councillor Séan McGuigan	
Ms Angela Matthews	
Councillor John O'Kane	
Mr Harry Reid	
Councillor Mrs Evelyne Robinson	
Alderman Jim Rodgers	
Councillor Mrs Marion Smith	
Dr Margaret Ward	
Ms Jane Williams	

Organisational Structure

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

Chief Executive's Department

Chief Executive: Irene Knox

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 Board systems of risk management, control and governance.

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 outreach services

- the Key Service Priorities, which are concerned with:

    - providing people with access to current and relevant information in printed and online formats and developing information literacy skills

    - developing cultural provision in the public library service and facilitating greater community participation and access to cultural activities

    - preserving, promoting and improving the accessibility of important material related to our heritage

    - providing and supporting formal and informal learning experiences and opportunities for children and adults

    - 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 learners who enjoy reading.

- 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, developing the Libraries NI brand and market research.

Business Support Directorate

Director: Terry Heron

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 Resource Services Unit** is responsible for advice, support and guidance on employment practice, people management and staff learning and development issues, with the aim of achieving a skilled, motivated, flexible and diverse workforce

- **Information Systems** comprising:

  - the Intelligent Customer Unit (ICU) which is responsible for managing the delivery of all services relating to electronic library information systems through the e2 contract

  - the Information and Communications Technology (ICT) Unit which is responsible for the support of information systems in Libraries NI

  - Information Governance which ensures that Libraries NI fulfils its responsibilities in respect of the requirements of Freedom of Information and Data Protection legislation and implements best practice in the discipline of records management

  - Business Analysis which ensures that Libraries NI is provided with appropriate management information and produces official statistics.

Register of Interests

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

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

Essential Contractual Arrangements

In accordance with the Libraries NI Financial Memorandum, contracts for the supply of goods and services and estate related services are procured either through an appropriately certified Centre of Procurement Excellence or in line with procurement advice provided by a Centre of Procurement Excellence.

While every contract is evaluated on a value for money basis, in the majority of instances this will also be at the lowest cost. Larger scale construction related contracts are evaluated on a quality / cost basis with awards being made on an overall best value basis.

Libraries NI is also involved in a number of alternative contractual arrangements including the Public Private Partnership (PPP) which provides Lisburn City Library and the Strategic Partnership approach (Belfast Strategic Partnership) to deliver works in the Belfast area.

All contracts awarded by Libraries NI are a matter of public record.

Through the Human Resources Unit all employees of Libraries NI are issued with appropriate contracts of employment, the terms and conditions of which are subject to negotiation and agreement with the recognised Trades Unions.

There were no "off-payroll" engagements in place as at 31 March 2014, nor were any such arrangements entered into between 1 April 2014 and 31 March 2015.

Attendance Management

Absence management information is collated on the basis of a calendar year. The overall absence rate for staff employed in Libraries NI during 2014 was 11.12 days (2013: 10.32 days).

Personal Data

There were no personal data related incidents during the year.

Pension Accounting Policy

Pension liabilities are treated in the Accounts in accordance with Note 1.10 of the Statement of Accounting Policies.

Auditor Details

The Principal Auditor is the Comptroller and Auditor General, Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU.

COST OF AUDIT	£000
Audit Services (notional cost)	55
Further Assurance Services	n/a
Tax Services	n/a
Other Services	n/a

The services provided relate to the statutory audit of the financial statements. There were no non-audit services provided by the Principal Auditor.

During the Financial year, Libraries NI paid £1,000 (2013-14, nil) to the NIAO for work associated with the National Fraud Initiative (NFI) 2014-15 Exercise.

Libraries NI confirms that:

• 	so far as the Accounting Officer is aware, there is no relevant audit information of which the Libraries NI auditors are unaware

• 	the Accounting Officer has taken all steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the auditors are aware of the information

• 	as far as the Accounting Officer is aware, there are no significant events after the reporting date which would impact on these Accounts.

Irene M Knox

Irene M Knox
Chief Executive   **Date: 1/10/15**

Corporate Governance Arrangements

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

The organisation has complied with the terms of current relevant Dear Accounting Officer Letters (DAOs) issued by the Department of Finance and Personnel (DFP). In particular, grant and grant in aid received from the Department of Culture, Arts and Leisure (DCAL) has been used for the purposes intended. There was no novel or contentious expenditure for which DCAL and / or DFP 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 DCAL 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.

An anti-fraud policy, fraud response plan, anti-bribery policy and fraud risk analysis are in place. During 2014/15 Libraries NI was a party to the Service Level Agreement between DCAL and the Central Investigative Service (CIS) of the Department of Agriculture and Rural Development (DARD) which conducts fraud investigations. The Service Level Agreement ended on 31 March 2015 and interim arrangements are now in place with DFP for 2015/16. All suspected and proven frauds have been notified to DCAL and other parties in accordance with agreed procedures and there are no suspected frauds that have not yet been notified.

A Service Level Agreement (SLA) is in place with the Internal Audit providers from the Education and Library Boards (with effect from 1 April 2015, the Education Authority) to provide resources when required. This SLA was used during the year to provide resources to Libraries NI to assist in an investigation.

Throughout the year, performance was monitored in terms of both business objectives and the effectiveness of internal control arrangements. At 31 March 2015, 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, including the e2 procurement process.

Four Audit and Risk Assurance Committee meetings were held during the year. The meetings were attended by the Accounting Officer, the Director of Business Support and

the Head of Internal Audit. Representatives of the Northern Ireland Audit Office (NIAO) attended all meetings and representatives from DCAL attended three meetings.
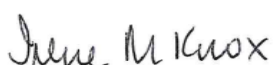
An Internal Audit function, which is compliant with the Public Sector Internal Audit Standards (PSIAS) is in place within Libraries NI. At each meeting of the Audit and Risk Assurance Committee, the Head of Internal Audit reports on issues arising from internal audit reports and provides an opinion on 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 2014/15 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 below.

Category of Audit / Allocation of Resource	No. of Days	% of Days
Strategic	30	7
Support Services	69	15
Operational	34	8
Mandatory	18	4
Location Audits	111	25
Consultancy	82	18
Training *	15	3
Administration**	91	20
Total	450	100

*   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

Irene M Knox

Irene M Knox
Chief Executive   **Date: 1/10/15**

Remuneration 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 as are determined by DCAL, with the approval of the Department of Finance and Personnel (DFP). Libraries NI makes payments to Board Members in relation to their functions as Members at such rates and on such conditions as are determined by DCAL. Board Members also receive travelling and subsistence allowances for expenditure incurred, at such rates and on such conditions as are determined by Libraries NI, subject to the approval of DCAL. No Board Members receive or make pension contributions through their role as a Board Member.

Chief Executive and Second Tier Officers

The remuneration of the Chief Executive and second tier officers is performance based. The Remuneration Committee of Libraries NI determines the performance of the Chief Executive, which is then subject to the approval of DCAL. The Chief Executive determines the performance of the second tier officers in accordance with an agreed performance related pay scheme and reports to the Remuneration Committee. DCAL considers the recommendations of the Remuneration Committee and takes cognisance of DFP pay policy and determines the overall maximum percentage uplift to be applied.

Service Contracts

Officers are appointed in accordance with the National Joint Council for Local Government Services terms and conditions and local agreements reached through the Negotiating Committee for Libraries NI. Officers are appointed in accordance with the Libraries NI Code of Procedures on Recruitment and Selection. Unless otherwise stated, the officers covered by this report hold appointments until their retirement. The normal period of notice for senior postholders is three months. Policy on termination payments in relation to premature retirement are in accordance with Local Government Regulations and the agreed redundancy provisions.

Remuneration - Board Members

Audited Information

Salary includes gross salary and reimbursement of travel payments for travel from home to meetings.

	2014/15		2013/14	
	Salary £000's	**Benefits in Kind (to the nearest £100)**	**Salary £000's**	**Benefits in Kind (to the nearest £100)**
Mr Nigel Macartney (until 31 October 2014)	5 - 10	-	10 - 15	-
Professor Bernard Cullen (from 1 November 2014)	5 - 10	-	-	-
Councillor Hubert Nicholl	0 - 5	-	0 - 5	-
Councillor Mrs Anne Brolly	0 - 5	-	0 - 5	-
Councillor Tom Campbell (from 1 March 2014)	0 - 5	-	0 - 5	-
Mr Patrick Carvill (until 28 February 2014)	-	-	0 - 5	-
Councillor Charlie Casey	0 - 5	-	0 - 5	-
Councillor Sam Cole	0 - 5	-	0 - 5	-
Mr Roger Dixon (until 28 February 2014)	-	-	0 - 5	-
Alderman Allan Ewart	0 - 5	-	0 - 5	-
Mrs Deirdre Kenny (from 1 March 2014)	0 - 5	-	0 - 5	-
Councillor Ms Carla Lockhart	0 - 5	-	0 - 5	-
Mr Alastair McDowell	0 - 5	-	0 - 5	-
Councillor Séan McGuigan (from 1 March 2014)	0 - 5	-	0 - 5	-
Ms Angela Matthews	0 - 5	-	0 - 5	-
Councillor John O'Kane	0 - 5	-	0 - 5	-
Mr Harry Reid (from 1 March 2014)	0 - 5	-	0 - 5	-
Councillor Mrs Evelyne Robinson	0 - 5	-	0 - 5	-
Alderman Jim Rodgers	0 - 5	-	0 - 5	-
Ms Helen Roulston (until 28 February 2014)	-	-	0 - 5	-
Councillor Mrs Marion Smith	0 - 5	-	0 - 5	-
Dr Margaret Ward (from 1 March 2014)	0 - 5	-	0 - 5	-
Ms Jane Williams	0 - 5	-	0 - 5	-

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

Audited Information

Salary

Salary includes gross salary and taxable travel payments.

	2014/15					2013/14				
	Salary £000s	PRP* £000s	Benefits in kind £000s	Pension Benefits ** £000s	Total £000s	Salary £000s	Benefits in kind £000s	PRP* £000s	Pension Benefits** £000s	Total £000s
Ms Irene Knox Chief Executive	95-100	0	0	13	110 – 115	95-100	0	0	0	95-100
Mr Terry Heron Director of Business Support	75-80	0	0	15	95-100	75-80	0	0	8	85-90
Ms Helen Osborn Director of Library Services	75-80	0	0	16	95-100	75-80	0	0	12	90-95
* Performance Related Pay (PRP) is considered to be a bonus by DFP. It is current DFP policy that bonuses should not be paid. ** 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.										

Band of Highest Paid Senior Post Holder

	2014/15	**2013/14**
Total Remuneration £k	95 - 100	95 – 100
Median Total Remuneration £	17,092	16,998
Ratio	5.70	5.74

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid post holder in the organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid post holder in the financial year 2014/15 was £95k - £100k (2013/14: £95k - £100k). This was 5.70 times the median remuneration of the workforce, which was £17,092 (2013/14: £16,998).

Benefits in Kind

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

Pension Benefits – Board Members

Audited Information

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

Pension Benefits - Senior Post Holders

Audited Information

	Total value of accrued pension and lump sum at 65 at 31/03/15 £000s	**Real increase in pension and lump sum at 65** **£000s**	**CETV at 31/03/15 £000s**	**CETV at 31/03/14 £000s**	**Real increase in CETV £000s**
Ms Irene Knox Chief Executive	40 – 45 100 - 105	0 – 2.5 (2.5) – (0)	938	882	45
Mr Terry Heron Director of Business Support	20 - 25 45– 50	0 – 2.5 (2.5) – (0)	466	430	31
Ms Helen Osborn Director of Library Services	15 - 20 20 - 25	0 - 2.5 (2.5) – (0)	256	231	22

Pension Arrangements

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. Libraries NI's contribution to the NILGOSC Scheme is determined by the fund's actuary based on a triennial valuation. The scheme is administered by NILGOSC, Holywood Road, Belfast. The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

Employee contribution rates are based on pensionable pay and were in the range 5.5% to 7.5% during 2014/15, as follows:

Band	Range	Contribution Rate
1	£0 - £14,000	5.5%
2	£14,001 - £16,500	5.8%
3	£16,501 - £21,300	5.9%
4	£21,301 - £35,600	6.5%
5	£35,601 - £47,700	6.8%
6	£47,701 - £89,400	7.2%
7	More than £89,400	7.5%

The employer contribution rate for 2014/15 was 20%.

For any membership accrued before 1 April 2009, benefits accrue at a rate of $1/80^{th}$ 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 $1/60^{th}$ 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). 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 22 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 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 take account of 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.

Professor Bernard Cullen
Chairperson   **Date: 1/10/15**

Irene M Knox
Chief Executive   **Date: 1/10/15**

Statement of Accounting Officer's Responsibilities

Under the Libraries Act (Northern Ireland) 2008 (paragraph 16), the Department with the consent of the Department of Finance and Personnel 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.
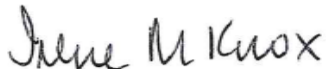
The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Libraries NI and of its comprehensive net expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual 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 whether applicable accounting standards, as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements

- prepare the financial statements on the going concern basis.

The Accounting Officer of the Department of Culture, Arts and Leisure has designated the Chief Executive as Accounting Officer of the Authority. 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 and Personnel.

Irene M Knox

Irene M Knox
Accounting Officer   **Date: 1/10/15**

Governance Statement

1. 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 Department of Culture, Arts and Leisure (DCAL), 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 Ministerial priorities, identified through meetings with the Minister and Departmental officials.

The Corporate and Business Plans are approved by DCAL and progress in relation to agreed Key Performance Indicators 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 DCAL officials. The Chairperson of Libraries NI also meets with the Minister to discuss priorities and progress.

2. Compliance with Corporate Governance Best Practice

During 2013/14 the Libraries NI Board undertook a review of its effectiveness, taking into account best practice guidelines in relation to corporate governance, including the Corporate Governance in Central Government Departments – Code of Good Practice The Board concluded that there was evidence of a substantial level of compliance with the key principles of the Code. In order to strengthen its corporate governance framework a Board Operating Framework was developed setting out the Board's roles and responsibilities, including a formal schedule of matters reserved to the Board for decision and those delegated to the Chairperson, to a committee of the Board and to the Chief Executive. During 2014/15 an Internal Audit of the Board Operating Framework was initiated and a draft report was issued early in 2015/16. No material issues were identified.

3. 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 she 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 18 other non-executive Members, of whom at any time a majority are councillors (within the meaning of the Local Government Act (Northern Ireland) 1972). The Chairperson and Board Members are appointed by the Minister of Culture, Arts and Leisure. During 2014/15 Nigel Macartney resigned as Chairperson and Professor Bernard Cullen was appointed Chairperson. On 31 March 2015 the term of office of all councillors on the Board came to an end. DCAL undertook a recruitment exercise for councillor membership and new councillor appointments were made with effect from 1 April 2015. All Members of the Board, in post during 2014/15, had undertaken corporate governance training. Newly appointed Board Members will undertake corporate governance training within six months of their appointment.

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

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

The Board met on six occasions during 2014/15. One meeting took the form of a workshop at which consideration was given to longer term planning issues. The membership of the Board during 2014/15 was as follows:

Name	Attendance	
	Possible	Actual
Mr Nigel Macartney (Chairperson until 31 October 2014)	4	4
Professor Bernard Cullen (Chairperson from 1 November 2014)	2	2
Councillor Hubert Nicholl (Vice-Chairperson until 31 March 2015)	6	4
Councillor Mrs Anne Brolly (term of office ended 31 March 2015)	6	5
Councillor Tom Campbell (term of office ended 31 March 2015)	6	5
Councillor Charlie Casey (term of office ended 31 March 2015)	6	4
Councillor Sam Cole (term of office ended 31 March 2015)	6	6

Name	Attendance	
	Possible	**Actual**
Alderman Allan Ewart (term of office ended 31 March 2015)	6	0
Mrs Deirdre Kenny	6	6
Councillor Ms Carla Lockhart (term of office ended 31 March 2015)	6	1
Ms Angela Matthews	6	4
Mr Alastair McDowell	6	6
Councillor Séan McGuigan (term of office ended 31 March 2015)	6	6
Councillor John O'Kane (term of office ended 31 March 2015)	6	5
Mr Harry Reid	6	5
Councillor Mrs Evelyne Robinson (term of office ended 31 March 2015)	6	5
Alderman Jim Rodgers (term of office ended 31 March 2015)	6	4
Councillor Mrs Marion Smith (term of office ended 31 March 2015)	6	5
Dr Margaret Ward	6	5
Ms Jane Williams	6	6

Key issues considered by the Board during 2014/15 included the following:

• the Annual Report and Accounts 2013/14

• Key Performance Indicators

• DCAL's review of the Public Library Standards

• longer term strategic planning

• revised Standing Orders for the Conduct of Board Business

• a revised Code of Conduct for Board Members

• revised Gifts and Hospitality Guidelines for Board Members

• in-year budget cuts of 4.4% and their impact on service delivery

• the draft budget 2015/16 and associated Savings Delivery Plans

• a draft policy on opening hours in light of budget cuts

• the draft Business Plan 2015/16.

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.

During 2014/15 membership of the Committee changed as a result of new appointments to the Board. Membership was as follows:

Name	Attendance	
	Possible	Actual
Alderman Jim Rodgers (Chairperson)	4	4
Councillor Charlie Casey	4	3
Mr Nigel Macartney (ex-offico until 31 October 2014)	3	1
Mr Alastair McDowell	1	1
Ms Judith Andrews (co-opted member)	4	4
Mrs Deirdre Kenny (Vice-Chairperson)	3	3
Councillor Séan McGuigan	3	3
Councillor Mrs Evelyne Robinson	3	2
Professor Bernard Cullen (ex-officio, with effect from 1 November 2014)	1	1

The Chief Executive, Director of Business Support and Head of Internal Audit attended all meetings of the Audit and Risk Assurance Committee. Representatives of the Northern Ireland Audit Office and DCAL 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 2014/15 the Audit and Risk Assurance Committee considered and reported to the Board on the following:

- the annual and assignment specific reports from Internal Audit with assurance levels provided

- reports of the Risk Management Group and its own review of the Corporate Risk Register

- reports from the Chief Executive and Senior Management Team on procedures for monitoring Mission Critical Projects

- reports from Senior Managers on the implementation of internal audit recommendations

- its review of the Assurance Statements completed by the Accounting Officer and forwarded to DCAL

- the Accounting Officer's Governance Statement for 2013/14

- the Annual Report and Accounts and the Controller & Auditor General's Report to those Charged with Governance for 2013/14

- revisions and updates to various corporate governance policies and documents, including the Internal Audit Charter, the Audit and Risk Assurance Committee Scheme of Delegation and the Risk Management Strategy.

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

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

- financial matters, including the robustness of the process for setting the budget, reporting and monitoring arrangements

- internal and external financial statements, including reviewing the annual report and accounts prior to, and on completion of, the external audit

- procurement and tendering arrangements, including Single Tender Actions

- staffing policies, procedures and processes

- capital and planned maintenance programmes.

The membership of the Business Support Committee during 2014/15 was as follows:

Name	Attendance	
	Possible	Actual
Ms Angela Matthews (Chairperson from September 2014)	5	4
Councillor Mrs Marion Smith (Vice Chairperson)	5	4
Councillor Mrs Evelyne Robinson	5	4
Councillor Mrs Anne Brolly	5	2
Councillor Hubert Nicholl	5	2
Councillor John O'Kane	5	3
Mr Alastair McDowell	5	5
Councillor Tom Campbell	5	4
Mr Nigel Macartney (until October 2014)	2	2
Professor Bernard Cullen (from November 2014)	3	1

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 2014/15

- progress on the implementation of the Savings Delivery Plans 2013/14 –2014/15

- the Annual Report and Accounts 2013/14

- prompt payment targets and performance

- procurement and Single Tender Actions

- budget planning 2015/16

- post project evaluations and lessons learned.

Human Resources

- absence management monitoring reports

- the Annual Progress Report on Equality

- customer feedback reports

- corporate social responsibility

- the Stress Audit Action Plan and progress report

- the Flexible Working Scheme

- the Local Government Pension Scheme (NI) 2015

- the Workforce Strategy 2014/15 – 2017/18.

Assets

- capital works 2014/15

- the estate maintenance programme 2014/15

- Moira Library tender report

- Colin Glen development proposal

- the disposal of surplus properties

- the Health and Safety Annual Report

- a report on litigations

- lessons learned from Post Project Evaluations

- use of the company seal.

ICU/ICT

- use of external consultants on the e2 project.

The Committee also approved new / revised policies and reviewed and monitored the Services Plans relating to the work of the Business Support Directorate (i.e. Assets, Finance, Human Resources and ICT) and reviewed the related Risk Registers.

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 library services
- 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 2014/15 was as follows:

Name	Attendance	
	Possible	Actual
Councillor Mrs Anne Brolly (Chairperson)	5	5
Mr Harry Reid (Vice-Chairperson from September 2014)	5	5
Councillor Sam Cole	5	2
Professor Bernard Cullen (from November 2014)	3	2
Alderman Allan Ewart	5	0
Councillor Ms Carla Lockhart	5	0
Mr Nigel Macartney (until October 2014)	2	2
Ms Angela Matthews	5	1
Councillor Hubert Nicholl	5	2
Dr Margaret Ward	5	4
Ms Jane Williams	5	5

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

- policies for safeguarding, media handling and volunteers
- policies associated with the Key Service Priorities including digitisation and the loan of heritage assets
- Strategic Review Stage 2 Update
- the impact of the in-year budget cuts on service provision
- the impact of e2 on service provision
- the role of the library in a rural community
- targeting poverty and social exclusion
- branding
- various DCAL research reports
- library strategies developed in other jurisdictions.

The Committee also reviewed and monitored the Services Plans relating to the work of the Services Directorate (i.e. Library Business Areas, Marketing, Stock and Key Themes) and reviewed the related Risk Registers.

The **Information Systems Committee** is responsible for monitoring the implementation phase of the e2 contract and the associated systems. At each meeting the Committee reviewed the e2 highlight report, the project schedule, risk management and the e2 budget. The Committee also received a report on the Gateway 4 (Readiness for Service) review action plan, a service management summary report, an e2 project evaluation report and a report on the social benefits derived from the project.

Following completion of the implementation phase of the project, it was agreed that, after the November 2014 Committee meeting, responsibility for the ongoing monitoring of the contract and service related issues should transfer to the Business Support Committee and Services Committee as appropriate.

The membership of the **Information Systems Committee** during 2014/15 was as follows:

Name	Attendance	
	Possible	Actual
Ms Jane Williams (Chairperson)	3	3
Councillor Mrs Anne Brolly	3	3
Mr Nigel Macartney (until October 2014)	2	2
Professor Bernard Cullen (from November 2014)	1	1
Ms Angela Matthews	3	3
Councillor Hubert Nicholl	3	1
Councillor Mrs Evelyne Robinson	2	2
Councillor Mrs Marion Smith	3	2

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 Personnel and approved by DCAL.

The membership of the **Remuneration Committee** during 2014/15 was as follows:

Name	Attendance	
	Possible	Actual
Mr Nigel Macartney (Chairperson until October 2014)	2	2
Professor Bernard Cullen (Chairperson from November 2014)	1	1
Councillor Anne Brolly (Chairperson, Services Committee)	3	0
Ms Angela Matthews (Chairperson, Business Support Committee)	1	1
Councillor Hubert Nicholl (Vice-Chairperson)	3	3

Name	Attendance	
	Possible	**Actual**
Councillor Mrs Marion Smith (Vice Chairperson, Business Support Committee)	2	2
Alderman Jim Rodgers (Chairperson, Audit and Risk Assurance Committee)	3	3

During 2014/15 the Committee considered the following matters:

• the Senior Management Pay Remit process 2012/13

• a report from the Chairperson on the performance of the Chief Executive in 2013/14 and the performance targets established for 2014/15

• a report from the Chief Executive on the performance of Directors in 2013/14

• the Performance Related Pay Scheme for senior officers and related DCAL correspondence.

The **Senior Management Team** comprises the Chief Executive, the Director of Business Support (who is also the Chief Finance Officer) and the Director of Library Services.

Other elements of the corporate governance structure include:

An agreed **Organisational Structure** with detailed job descriptions for staff at all levels and associated processes in place, including a staff appraisal scheme, to ensure that all members of staff are clear about their respective roles and responsibilities.

A four-year **Corporate Plan** and an annual **Business Plan** setting out, among other things, the vision, mission, aims and corporate objectives of Libraries NI as well as key activities and targets.

A **Board Operating Framework** which sets out the role and responsibilities of the Accounting Officer, the Board and its Committees, including matters reserved to the Board for decision-making, those delegated to Committees and the Chief Executive as Accounting Officer.

A range of **policies, strategies and procedures,** which guide the work of the organisation and are regularly reviewed.

A **Risk Management Framework**, incorporating a risk management strategy, endorsed by the Accounting Officer and the Board, through the Audit and Risk Assurance Committee. The Strategy specifies the risk management process within Libraries NI and sets out the roles and responsibilities of Members of the Board and officers.

An **Internal Audit Section**, which provides assurance to the Accounting Officer and the Board on the adequacy and effectiveness of governance arrangements.

Assurance Statements, completed 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 Statement is 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 DCAL.

An **Annual Board Assurance Statement,** completed by the Chairperson and agreed by the Board, providing assurance about the exercise of his responsibilities as Chairperson.

4.   Business Planning and Risk Management and Assurance

Business Planning

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

- bilateral meetings with the Minister, attended by the Chairperson of the Board, to discuss Ministerial priorities

- consideration of relevant priorities in the Programme for Government and the DCAL Corporate and Business Plans 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 Key Performance Indicators, identifying areas where further work might be undertaken

- Board consideration of reports on performance against the previous year's Business Plan and Key Performance Indicators

- review of feedback from consultations with library users and other stakeholders

- preparation of a first draft of the Business Plan for consideration and approval by the Board

- submission of the draft Business Plan for consideration by DCAL

- Board consideration of comments from DCAL and submission of the final draft Business Plan to DCAL for Ministerial approval

- the development of Service Plans which translate the high-level activities and targets contained in the Business Plan into more specific activities and targets

- the setting of objectives and targets at individual staff member level through the staff appraisal process.

Risk Management

Within Libraries NI, Risk Management is designed to:

• identify and prioritise the risks to the achievement of aims, objectives and policies

• evaluate the likelihood of those risks being realised and the impact should they be realised

• manage them efficiently, effectively and economically.

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

• a Risk Management Strategy

• a Risk Management Policy

• a Risk Appetite

• a Corporate Risk Register.

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

The Corporate Risk Register identifies the key risks directly related to the achievement of Libraries NI's corporate objectives and is linked to the annual Business Plan. A Risk Management Group, comprising the Chief Executive and officers at Director level, meets quarterly to review and revise the Corporate Risk Register to ensure that it remains relevant. In doing so, the Risk Management Group considers new risks that have been identified through management channels and changes in the operating environment and the actions necessary to mitigate them as well as the success of actions taken to address existing risks. During 2014/15, as a result of these reviews, there were additions and removals from the Corporate Risk Register, as well as updates to mitigating measures. New risks identified during the year, and associated mitigating actions, are detailed below.

• following a period of uncertainty between June and September 2014 regarding a potential funding shortfall of between 2.9% and 6% in-year as a result of pressures on the Block Grant, DCAL confirmed in early October 2014 that total in-year savings of 4.4% (i.e. £1.4 million) would be required. In order to achieve this level of savings so late in the year a range of emergency measures had to be taken, including cuts to the staffing budget and reduced opening hours in libraries with effect from 1 November 2014, the curtailment of some programmes and the withdrawal of some marketing activity. As a result participation levels in the latter part of the year have been impacted detrimentally.

• in November 2014, following agreement at Northern Ireland Executive level on the draft budget 2015, Libraries NI was informed that it should plan for a budget reduction of 7.5% (i.e. £2.385 million) in 2015/16 compared to the 2014/15

opening baseline. Four draft Savings Delivery Plans were completed and submitted to DCAL as follows:

- reducing the stock budget by £361,000

- reducing library opening hours, thereby saving £1.581 million largely on staff costs but also on premises running costs and programming

- reducing planned and response maintenance and other associated premises related investment spend by £195,000

- reductions in miscellaneous budgets including marketing, travel, computer costs and vehicle costs thereby saving £248,000.

  In February 2014, following agreement by the Board, a draft overarching policy on opening hours in libraries was published for consultation. The consultation closed on 17 April 2015 and it is anticipated that new opening hours will be in place in November 2015. Expressions of interest in voluntary severance were sought from staff and a business case submitted to DCAL for funding from the Transition Fund with a view to releasing relevant staff between July and October 2015. In September 2015, £875,800 funding was received and offers of voluntary severance were accepted by 19 staff.

- following successful implementation of the e2 project, the associated risk was amended to focus on the risk that the specified e2 benefits would not be achieved. This risk was exacerbated by the emergency cuts in opening hours necessary to implement the 4.4% in-year reduction in funding in 2014/15 and will continue to be relevant because of the 7.5% budget reduction for 2015/16 and a further in-year funding reduction of £0.350 million. Further reductions may be required in future years. These resource constraints may mean that participation increases and other targets impacted by reduced resources may not be achievable as planned.

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 DCAL at the Chief Executive's Accountability Meetings. The relevant Committees consider risk registers relating to Service Plans and major projects.

Training on corporate governance and risk management has been provided for staff and Board Members to assist them in understanding the risk management process. The Risk Management Strategy and associated documentation is available to all staff on the Staff Web. 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.

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 DCAL. Overall

Libraries NI has adopted a "cautious" approach to the management of risk but a specific risk appetite has been identified in respect of each corporate objective and this is reflected in the Corporate Risk Register.

A Sponsorship Risk Assessment, i.e. a review of corporate governance and risk management, was completed during 2012/13 by Libraries NI and forwarded to DCAL for its input. DCAL provided feedback during 2013/14 confirming that the risk rating for Libraries NI was Low.

5.   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

•   Guidance on Offers and Acceptance of Gifts and Hospitality

•   Guidance on the Provision of Gifts and Hospitality

•   Gifts and Hospitality: Guidance for Board Members

•   Whistleblowing Policy

•   Code of Conduct for Staff

•   Code of Conduct for Board Members.

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

•   Finance, Cash Handling and Procurement Procedures

•   Travel and Subsistence Reimbursement Claim procedures

•   Declaration of Interests (Board Members, relevant staff and suppliers)

•   Fraud Response Plan.

Relevant staff have received Fraud Awareness training and, during 2014/15 Libraries NI was a party to a Service Level Agreement (SLA) between DCAL and the Central Investigation Service (CIS) of the Department of Agriculture and Rural Development (DARD) in the event that specialist investigative skills were required. The SLA ended on 31 March 2015 and interim arrangements are in place with the Department of Finance and Personnel (DFP) for 2015/16. The Libraries NI Head of Internal Audit and the Auditor are also trained in fraud investigation.

Information Risk

As part of the implementation of e2, specialist advice on information technology security was obtained and Libraries NI updated its range of policies in respect of information security, including the following:

•   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.

Consultation on the policies took place with trades unions. Operational responsibility for information security rests with the Information Security Manager, reporting to the Director of Business Support. A Management Group has been established to review all information policies and records, including social media and disposal and retention schedules and these will be updated in 2015/16 as appropriate. Following this review, awareness training will be rolled out to all staff to remind them of their responsibilities in relation to information security.

There were no known information security breaches during 2014/15.

6.   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 Key Performance Indicators and financial information, as well as the summary Corporate Risk Register. The Board also receives and discusses the Chief Executive's Assurance Statements. The Board questions the Chief Executive and senior officers on the information provided, exercising a robust challenge function in order to satisfy itself regarding the quality and comprehensiveness of the information contained in these reports.

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

During 2014/15 the Chief Executive met on three occasions with Departmental officials for accountability meetings.
No ministerial directions were received during the year.

In order to strengthen assurance arrangements and provide an on-going, structured and coordinated assessment of governance, risk management and internal control processes, work has been undertaken to map the main sources of assurance. This is an on-going process.

7.   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. In January 2012, the service was externally assessed by internal auditors from DCAL. Libraries NI Internal Audit has been assessed as being in compliance with Public Sector Internal Audit Standards

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

Internal Audit work completed was based on the Internal Audit Strategy and the Internal Audit Plan for 2014/15, 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: Public Sector Internal Audit Standards (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 2014/15 Internal Audit completed:

- audits of 13 branch libraries and an audit of the Irish and Local Studies Library, Armagh, providing a satisfactory level of assurance on all 14 occasions.

- eight strategic, operational, systems and review audits, providing a satisfactory level of assurance on seven occasions and a limited level of assurance on one occasion in relation to Prompt Payment Performance

- three investigations, two of which related to cash losses of £7,586 and £20 respectively and the loss of an iPad; as a result of the cash loss investigations improved controls were introduced and, in relation to the iPad loss, controls over the storage and transportation of iPads have been enhanced.

- one consultancy audit on Health and Safety in a Branch Library.

- one consultancy audit on Customer Satisfaction.

A total of nine Priority 1 recommendations were made in the 27 assignments completed during 2014/15. The Audit and Risk Assurance Committee received a report at each meeting on the actions being taken to implement audit recommendations.

In the Internal Audit Annual Report for 2014/15, the Head of Internal Audit provided an overall "Satisfactory" level of assurance as to the risk, control and governance framework within Libraries NI. Additional detail was also provided on the audit report where a limited level of assurance was provided and on each of the Priority 1 recommendations.

Northern Ireland Audit Office

The Comptroller and Auditor General (C&AG) to the Northern Ireland Assembly certifies Libraries NI's annual report and accounts and provides an opinion on the regularity of income and expenditure, the financial statements, the remuneration report, the governance statement and management commentary. The Certificate and Report are included in this Annual Report and Accounts. In its Report to those Charged with Governance 2014/15 the NIAO made a number of recommendations for action. There were no priority one recommendations.

8.   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 and the Directors, Assistant Directors and Heads of Department who have responsibility for the development and maintenance of the internal control framework and by comments made by the external auditors in their Report to Those Charged with Governance. I have been continually updated by my senior management team on progress made in relation to action taken to implement recommendations contained in Internal Audit Reports and the Report to those Charged with Governance.

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

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

- advice and assurances from the Audit and Risk Assurance Committee, including its annual report which includes the Committee's opinion on Libraries NI's corporate governance arrangements and the management of risk

- 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

9. Internal Governance Divergences

Prior Year Issues which have been resolved

Report to Those Charged with Governance 2013/14

There were no priority one recommendations in the 2013/14 Report to Those Charged with Governance**.**

Strategic Review of Provision

In 2010/11 Libraries NI undertook the second stage of the Strategic Review of Public Library Provision. Following public consultation the Board agreed that three libraries should close and seven libraries, initially proposed for closure, should remain open, subject to on-going work with local communities and other organisations to develop appropriate provision and ensure that use is maintained. An Action Plan was put in place which was monitored regularly by the Services Committee, on behalf of the Board to provide assurance that the necessary action had been taken to ensure sustainability. In December 2014 the Board agreed a recommendation from the Services Committee that two libraries, which previously had continued to give cause for concern, were now deemed to be sustainable and that they should continue to be monitored in line with the processes in place in respect of all other libraries.

Lisnaskea New Library

Approval was obtained to commence construction of the replacement Lisnaskea Library during 2013/14, with the construction to be split over two financial years. At the end of 2013/14, there was no major capital funding identified to meet this contractual commitment. DCAL wrote to Libraries NI indicating that it would seek to manage this pressure through easements elsewhere across the DCAL family or a potential bid in June monitoring. The risk of capital funding not being received for this on-site project was identified in the Corporate Risk Register and the Accounting Officer's Assurance

Statement. The risk was mitigated by the re-allocation of Minor Works capital funding and by the letter of comfort from DCAL. The risk was eliminated when DCAL advised, on 5 September 2014, that funding had been obtained for Lisnaskea.

Breach of delegated limit

In May 2013 Libraries NI submitted its June monitoring bid inclusive of £400,000 for the replacement of four mobile vehicles which had exceeded their useful lives. In July 2013 the Department allocated Libraries NI £400,000 to take forward their replacement. The subsequent Business Case for £422,000 was approved by the Libraries NI Directors and Chief Executive in August 2013 but, due to a clerical error, DCAL approval was not sought for the Business Case and since the value exceeded the delegated limit this should not have happened. This mistake was identified by Libraries NI at year end and retrospective approval was given by the Department. The administrative structure has been reviewed and responsibilities clarified to ensure this mistake does not happen again.

Overdue Charges

Prior to the 2014/15 financial year, charges for overdue books were recorded as income only when received. This policy was not in line with accounting standards and the NIAO recommended, in the 2012/13 Report to those Charged with Governance, that debts from library borrowers should be recognised in the Accounts, with provision for any debts unlikely to be recovered. A Libraries NI working party, convened to examine the issue, pursued a number of options, including the preferred option of the removal of charges for overdue material on the grounds that customer surveys and feedback from the general public showed that charges were perceived as 'fines' and may be seen as a barrier to the use of library services. However, this option was rejected due to financial implications and the NIAO recommendation has been implemented for the 2014/15 Accounts.

Prior Year Issues which remain relevant

Heritage Assets

The NIAO qualified its opinion on the 2009/10, 2010/11, 2011/12, 2012/13, 2013/14 and 2014/15 Annual Accounts as a result of the limitation on scope of its audit of the valuation of Heritage Assets.

On the establishment of Libraries NI in April 2009, each Education and Library Board (ELB) transferred their Special Book Collections to Libraries NI at their value in their Accounts at 31 March 2009 (total value £12.9 million). These assets had been valued by professional valuers in 2006 and accounted for with a corresponding specific revaluation reserve. Libraries NI subsequently became aware that different policies and capitalisation limits had applied across the ELBs. A project was established to develop coherent policies and procedures to underpin these Assets. A valuation threshold was agreed by the Board for Heritage Assets, to include those items valued individually, or in a group, at over £1,000.

Items meeting the above definition, drawn from ELB listings, were revalued in March 2012. Following a review of other potential Heritage Assets, some additional potentially valuable items were identified which were valued in March 2013 and July 2013. As a result of these valuation exercises, assets with a 2006 valuation of £4.3 million were revalued to £6.2 million at 31 March 2013. During 2013/14 Libraries NI investigated those assets described in the 2006 valuations as "rest of shelf" (valued in 2006 at £3.7m) and concluded that these could not be identified, and, if identified would not meet the definition of heritage stock assets and, as such, were derecognised. The Comptroller and Auditor General continued to qualify his opinion in relation to the remaining £4.9 million of heritage stock assets.

During 2014/15 further valuation work has been carried out as follows:

- a NISRA statistician employed statistical sampling techniques and software to select a random sample from the items in the original ELB lists which were valued at under £1,000. A professional valuer was engaged to value the sample. Extrapolating from this sample valuation, the items previously valued at £0.7m in the ELB lists were revalued to £0.6 million

- a professional valuer was engaged to value one of the larger collections

- the Heritage Team identified that some collections on the original ELB lists, previously valued at £0.6 million, could not be identified and these have been de-recognised. It is anticipated that the Comptroller and Auditor General will qualify his audit opinion in this respect.

- the Heritage Team also identified microfilm and newspaper collections and concluded that these items did not meet the definition of heritage assets, as these items were considered to be a method of storage and preservation, rather than an asset. Amounts of £1.6 million were de-recognised and it is anticipated that the Comptroller and Auditor General will not qualify his audit opinion in this respect.

- a further painting was valued and added to the Art valuations.

Following this work, it is anticipated that the Comptroller and Auditor General will continue to qualify his opinion of the remaining Heritage Assets, valued at £1.7 million in the 2014/15 Accounts.

Discussions have taken place with the NIAO regarding the way forward in relation to this portion of the Heritage Assets and the action plan has been updated. In addition, discussions on the appropriate treatment of items which were not valued previously by the ELBs have taken place. Given the scope and extent of the issue, it may take further time to resolve this matter and the audit opinion is expected to be limited until this exercise is completed.

Staffing

As a consequence of the Review of Public Administration (RPA), Education and Library Boards were subject to vacancy control, resulting in a significant number of posts being

filled by temporary and agency staff, who subsequently transferred to Libraries NI at its inception in April 2009. Vacancy control processes have continued to apply to Libraries NI pending the full implementation of the new organisational structure, completion of strategic reviews of provision and the review of opening hours resulting from budget reductions. Libraries NI has placed a high reliance on agency staff during this period in order to ensure that frontline services continued to be delivered.

Libraries NI considers that all reviews relevant to the RPA are now complete and has applied to DCAL to exit from the RPA process. DCAL has initiated the process for exit. Following this a review of recruitment and selection procedures may be required.

Stock Audit

Stock, other than Stock Assets, is expensed in the period in which it is bought. However, 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. Libraries NI has approximately 2,900,000 stock items.

In March 2007, prior to the establishment of Libraries NI, the Education and Library Boards (ELBs) carried out a physical stock audit. The audit was designed to increase the accuracy of the data on the library stock management system, Galaxy. Libraries NI followed with a series of stock audits during 2010/11, 2011/12 and 2012/13. This stock-taking process identified stock discrepancies which were included in the Losses and Special Payments Note 24 of the Accounts, along with those losses identified by the library stock management system.

The NIAO observed, in the 2011/12 audit, that substantial stock taking discrepancies had arisen since 2007 and recommended that Libraries NI should seek to establish the reasons for these discrepancies. Due to the implementation of a new library stock management system, "Symphony" during 2013/14, no physical stock counts were carried out that year. However, a working group was established to investigate the reasons for stock losses and recommend measures to mitigate the impact. The working group reported in November 2014, identifying three possible causes for the loss of stock i.e. errors in the withdrawal of stock by branch library staff; errors in the withdrawal of stock by the stock team; or theft from libraries. Controls have now been introduced to minimise potential stock losses. These include limiting the number of staff who are permitted to withdraw stock; training for all staff in the use of the Library Management System; Radio Frequency Identification (RFID) tags have been attached to all frontline lending stock and RFID security gates installed in all branch libraries.

In addition, an approach to the on-going stock inventory process has been agreed. This is based on the fact that frontline stock is constantly being borrowed, requested, and transferred between locations, with over 12 million transactions each year. It is therefore possible to conclude that any item of stock that has not been 'seen' on the system for a specified period of time is no longer available to borrowers and should be removed from the catalogue. Currently the validity of the proposed criteria is being

tested with regard to various categories of stock and it is expected that the first set of reports for all libraries will be available in September 2015.

Public Access Computers

Libraries NI facilitates approximately 1.4 million computer sessions for the public each year. In addition as part of the e2 implementation, all libraries have public Wi-Fi availability. Libraries NI updated its "Public Access Computers: Conditions of Use" document in 2012/13. However, with this volume of use, the technology available and the introduction of library members utilising the Wi-Fi with their own devices, there is a risk that a few instances of misuse may occur which could damage the reputation of Libraries NI. Libraries NI has implemented filtering arrangements on public access computers and on Wi-Fi to mitigate the risk.

e2

The e2 project was successfully implemented in 2014/15. However, given the scale of change that was being implemented within a short timeframe, there has been some disruption to frontline services and this may continue until all systems are fully embedded.   At the request of Libraries NI, due to the volume of change being encountered, a revised implementation plan was agreed with Fujitsu for completion of some elements of the project including the new telephony systems, new business intelligence reports and a number of corporate business applications. The Project and Programme Boards and the Business Support Committee will continue to monitor the delivery of the service and the benefits.

Key Performance Indicators

System downtime, associated with the on-going implementation of e2 during 2014/15 and emergency measures put in place to deliver in-year cuts of 4.4% in the resource budget have impacted detrimentally on Key Performance Indicators (KPIs). As a result of budget cuts branch library opening hours were reduced, on a temporary basis, by approximately 5%; agency staff, who provided cover in branch libraries for vacancies, sickness absence, secondments etc. were released; 'backfill' for Branch Library Managers in the 28 libraries serving the 10% most deprived communities as measured by the Northern Ireland Multiple Deprivation Measure (NIMDM) was withdrawn; and some planned programmes were either stopped or reduced in scale. As a result targets for participation, particularly in libraries serving areas of social disadvantage, were not met. Other KPIs have also been impacted detrimentally.

Impact of change and budget cuts on staff morale and motivation

In the 6 years since Libraries NI was established, the amount and pace of change has been unrelenting, occasioned by the work required to harmonise policies, procedures and practices inherited from the Education and Library Boards, new organisational structures, strategic reviews of provision leading to library closures and new mobile library arrangements, reduced opening hours and associated changes to staff working patterns, as well as five tranches of voluntary redundancy, resulting in many experienced staff leaving the service. During 2014/15 the on-going implementation of

e2 resulted in further systemic change throughout the organisation with major implications for how staff carry out their work. In addition in-year budget cuts of 4.4%, resulting in the release of agency staff and the implementation of 'emergency' reduced opening hours in branch libraries had a detrimental impact on staff morale. A range of processes and channels are in place to seek to ensure effective engagement and communication with staff as to the purpose and progress of the change and to seek to mitigate the impact of the budget reductions. However, it is recognised that change of the magnitude that has, and will continue to take place, and the changes in staff working patterns occasioned by the need to reduce opening hours and effect budget cuts can lead to low staff morale, with a corresponding impact on motivation and increased levels of stress. An action plan has been developed and agreed with the trades unions to seek to address stress amongst staff and is currently being implemented.

New Issues 2014/15

Capital Funding

No capital allocation was originally received for 2015/16. As at the end of 2014/15 the new Moira Library was in course of construction, to be completed in June 2015. Correspondence was received from DCAL indicating that the work should continue in the new financial year as planned and that the Department would seek to manage the balance of the budget pressure through easements across the DCAL family or a potential bid in the June monitoring round. The Department was able to allocate £164,000 on 1 May 2015 to complete the construction of Moira Library. This is similar to the situation with the new Lisnaskea Library which was in course of construction at the end of 2013/14. Funding for Lisnaskea was received in September 2014. In the intervening period, minor works capital funding was diverted to cover the Lisnaskea major capital commitment. This solution was not possible for 2015/16 because there has been no other minor works capital allocation. The situation is exacerbated because inescapable monthly capital payments are due under the Lisburn Library PPP contract. This lack of both "tail" funding at the start of the financial year and funding to meet long term capital commitments, arising from contracts approved by the Department, is now commonplace, with significant reliance on the June monitoring round process to mitigate the risk.

Recurrent Funding

There is considerable uncertainty at the Northern Ireland Executive level about recurrent funding available for 2015/16. Because of the possibility of another round of in-year cuts, a prudent approach to spend was initially implemented in 2015/16, leading to delays in spending plans and programmes of work. In-year cuts of £350,000 were announced in September 2015.   A bid for funding to release a number of staff on voluntary redundancy was submitted as part of the Voluntary Exit Scheme agreed as part of the Stormont House Agreement.   Funding of £875,800 was received in September 2015 and offers of voluntary severance were accepted by 19 staff.

Longer-term strategic planning

As a result of the in-year budget cuts in 2014/15 and the need to achieve savings of 7.5% in 2015/16 compared to the original 2014/15 baseline, combined with the need, potentially, to find further substantial savings in the new Comprehensive Spending Review period commencing in 2016/17, a process has begun to develop a new 5-year Corporate Plan. Continuing to deliver the full range of services to a high quality and in a customer-focused manner given reduced budgets will be extremely challenging and will require difficult decisions to be made. The Board began the process in October 2014 with a workshop looking at longer term issues. The process will continue during 2015/16, taking account of known and anticipated priorities, with a view to a draft Corporate Plan being approved early in 2016/17.

Fraud

A cash loss of £7,586.35 was identified in relation to a theft of cash takings at the Belfast Central café over a period of 12 months. A fraud investigation has been completed and a disciplinary process has been implemented. A compensation payment of £2,500 is due to be paid by January 2016.

Incorrect Payment

On 27 March 2015 Libraries NI paid £40,392.86 by BACS into an incorrect but similarly named bank account. This incorrect payment was paid back in full after year end.

The Head of Internal Audit has carried out an audit, at the request of the Chief Executive, to provide assurance that sufficient controls are in place to prevent a similar situation arising again. The audit report indicates that the circumstances leading to the incorrect payment being made were reasonably unique and that, with a number of enhancements that were already being made as a result of the discovery of the error, there is a satisfactory level of assurance.

Irene M Knox

Irene M Knox
Accounting Officer: **Date: 1/10/15**

Northern Ireland Library Authority

The Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly

I certify that I have audited the financial statements of the Northern Ireland library Authority for the year ended 31 March 2015 under the libraries Act (Northern Ireland) 2008. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officers Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Libraries Act (Northern Ireland) 2008. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining 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. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Library Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Library Authority; and the overall presentation of the financial statements. In addition I read all the financial and non- financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially Inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

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 for Qualified Opinion

The evidence available to me was limited due to a failure by the Northern Ireland Library Authority to provide me with adequate evidence of:
- The completeness and valuation of heritage assets of £0.6 million de-recognised during the financial year; and
- The accuracy and completeness of the valuation recorded in the financial statements for £1.7 million of assets recorded within heritage assets of £9.7 million as at 31 March 2015.

As a result I was unable to obtain sufficient appropriate audit evidence to support the heritage assets of £0.6 million which have been de-recognised in the year or the £1.7 million of heritage assets, recorded within heritage assets of £9.7 million as at 31March 2015 included in the financial statements at Note 12.

Qualified Opinion on financial statements arising from limitations on audit scope

In my opinion, except for the financial effect of such adjustments as may have been determined necessary had I been able to obtain sufficient and appropriate audit evidence concerning the issues outlined above:

- the financial statements give a true and fair view of the state of Northern Ireland library Authority's affairs as at 31March 2015 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the libraries Act (Northern Ireland) 2008 and Department of Culture, Arts and Leisure directions issued thereunder.

Opinion on other matters.

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Culture, Arts and Leisure directions made under the libraries Act (Northern Ireland) 2008;and
- the information given in the Chairman's statement, the Chief Executives statement, the Strategic Report, the Report of the Board and the Corporate Governance Arrangements for the financial year for which the financial statements are prepared is consistent with the financial statements.
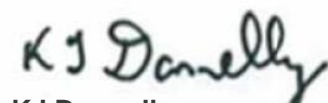
Matters on which I report by exception

In respect alone of the limitations on my work relating to the accuracy and completeness of the valuation of heritage assets, I have not received all of the information and explanations that I considered necessary to confirm that the financial statements give a true and fair view and I am therefore unable to determine whether adequate accounting records have been kept.

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

- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or

- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

My Report is included on pages 110 and 111of the Annual report and Accounts.

KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast, BT7 IEU

6 October 2015

Libraries NI

Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

	Note	2014-15 £'000	2013-14 £'000
Expenditure			
Staff Costs	**3**	17,572	18,098
Depreciation/Amortisation	**8/9**	5,097	3,685
Other Expenditure	**4**	16,224	17,599
Total Expenditure		**38,893**	**39,382**
Income			
Income from Activities	**5**	(1,050)	(1,077)
Other Income	**6**	(277)	(263)
Total Income		**(1,327)**	**(1,340)**
Net Expenditure		**37,566**	**38,042**
Interest Payable	**7**	165	168
Net Expenditure after interest		**37,731**	**38,210**
Credit in respect of notional costs	**4**	(55)	(60)
Net Expenditure after interest and credit of notional costs		**37,676**	**38,150**
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain) on revaluation of property, plant and equipment	**11.1**	(5,208)	(4,279)
Net (gain) on revaluation of intangible assets	**11.2**	(5)	(12)
Net loss on revaluation of heritage assets	**11.4**	1,386	3,687
Net actuarial loss/(gain) on pension	**22.3**	5,431	(2,590)
Items that may be reclassified to net operating costs:			
Net loss on revaluation of available for sale financial assets	**11.3**	-	169
Total Comprehensive Net Expenditure for the year ended 31 March 2015		**39,280**	**35,125**

All amounts above relate to continuing activities.

The notes on pages 81 to 109 form part of these accounts.

Libraries NI

Statement of Financial Position for the year ended 31 March 2015

	Note	2014-15 £'000	2013-14 £'000
Non-current assets			
Property, plant and equipment	8	95,585	90,782
Intangible assets	9	542	666
Heritage assets	12	9,730	11,116
Non-current trade and other receivables	14	1,530	1,647
Total non-current assets		107,387	104,211
Current assets			
Assets classified as held for sale	13	22	196
Trade and other receivables	14	983	1,300
Cash and cash equivalents	15	224	1,324
Total current assets		1,229	2,820
Total assets		108,616	107,031
Current Liabilities			
Trade and other payables	16	(3,421)	(5,005)
Provisions	17	(30)	(79)
Total current liabilities		(3,451)	(5,084)
Non current assets less net current liabilities		105,165	101,947
Non-current liabilities			
Provisions	17	(111)	(109)
Pension liabilities	22	(59,445)	(51,266)
Other payables	16	(3,770)	(3,858)
Total non-current liabilities		(63,326)	(55,233)
Total assets less liabilities		41,839	46,714
Taxpayers' equity			
SoCNE		55,990	55,233
Pension reserve		(59,445)	(51,266)
Revaluation reserve		35,564	31,631
Heritage assets reserve		9,730	11,116
		41,839	46,714

The Financial Statements on pages 77 to 109 were approved by the Board on 1 October 2015 and were signed on its behalf by:

Chief Executive   *Irene M Knox*   **Date: 1/10/15**

The notes on pages 81 to 109 form part of these accounts.

Libraries NI

Statement of Cash Flows for the year ended 31 March 2015

	Note	2014-15 £'000	2013-14 £'000
Cash flows from operating activities			
Net expenditure after interest		(37,731)	(38,210)
Interest payable	7	165	168
Notional audit charge	4	55	60
Depreciation/Amortisation	8/9	5,097	3,685
(Profit)/loss on disposal of property, plant and equipment	4	8	15
Increase in pension liabilities	4	2,748	2,914
Reversal of impairment of property, plant and equipment	4	(530)	(616)
Increase in provisions	17	19	50
Impairment of assets held for sale	13	38	16
Decrease /(Increase) in trade and other receivables	14	377	(274)
(Decrease)/Increase in trade and other payables	16	(1,423)	580
Provisions utilised	17	(66)	-
Net cash outflow from operating activities		**(31,243)**	**(31,612)**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(4,121)	(8,053)
Purchase of intangible assets	9	(39)	(725)
Interest on PFI	7	(87)	(90)
Proceeds of disposal of property, plant and equipment		113	239
Net cash outflow from investing activities		**(4,134)**	**(8,629)**
Cash flows from financing activities			
Recurrent grants from sponsoring department		30,185	31,415
Capital grants from sponsoring department		4,220	8,548
Capital element of payments in respect of finance leases and on-SoFP PFI contracts	19/20	(50)	(72)
Interest on finance leases	7	(78)	(78)
Net financing		**34,277**	**39,813**
Net decrease in cash and cash equivalents in the period		**(1,100)**	**(428)**
Cash and cash equivalents at the beginning of the period	15	**1,324**	**1,752**
Cash and cash equivalents at the end of the period	15	**224**	**1,324**

The notes on pages 81 to 109 form part of these accounts.

Libraries NI
Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015

	Note	SoCNE Reserve £'000	Pension Reserve £'000	Revaluation Reserve £'000	Heritage Assets Reserve £'000	Total Reserves £'000
Balance at 1 April 2013		49,100	(50,943)	28,916	14,803	41,876
Changes in taxpayers' equity 2013-14						
Comprehensive expenditure for the year		(38,150)	-	-	-	(38,150)
Movement on pension deficit	22.2/22.5	2,913	(2,913)	-	-	-
Net gain on revaluation of property, plant and equipment	11	-	-	4,279	-	4,279
Net gain on revaluation of intangible assets	11	-	-	12	-	12
De-recognition of Heritage Assets	12	-	-	-	(3,687)	(3,687)
Net (loss) on revaluation of non-current assets held for sale	11	-	-	(169)	-	(169)
Realised element of revaluation reserve		1,407	-	(1,407)	-	-
Actuarial gain in respect of pension liability	22.3	-	2,590	-	-	2,590
Recurrent grants from sponsoring entity		31,415	-	-	-	31,415
Capital grants from sponsoring entity		8,548	-	-	-	8,548
Balance at 31 March 2014		55,233	(51,266)	31,631	11,116	46,714
Opening balance at 1 April 2014		55,233	(51,266)	31,631	11,116	46,714
Changes in taxpayers' equity 2014-15						
Comprehensive expenditure for the year		(37,676)	-	-	-	(37,676)
Movement of pension deficit	22	2,748	(2,748)	-	-	-
Net gain on revaluation of property, plant and equipment	11	-	-	5,208	-	5,208
Net gain on revaluation of intangible assets	11	-	-	5	-	5
Net gain on revaluation of Heritage Assets	12	-	-	-	838	838
De-recognition of Heritage Assets	12				(2,216)	(2,216)
Loss of Heritage Assets	12				(8)	(8)
Realised element of revaluation reserve		1,280	-	(1,280)	-	-
Actuarial (loss) in respect of pension liability	22.3	-	(5,431)	-	-	(5,431)
Recurrent grants from sponsoring entity		30,185	-	-	-	30,185
Capital grants from sponsoring entity		4,220	-	-	-	4,220
Balance at 31 March 2015		55,990	(59,445)	35,564	9,730	41,839
Revaluation Reserve in respect of Intangible Assets						
Balance as at 1 April 2014		132				
Net gain on revaluation of intangible assets		5				
Balance as at 31 March 2015		137				

The notes on pages 81 to 109 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements are prepared in accordance with the 2014/15 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel (DFP). 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 DFP. 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 from the Department of Culture, Arts & Leisure (DCAL). 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. The 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 provided. In previous years fee income was recognised on a receipts basis. For 2014-15 this policy has been changed to bring it fully in line with FReM and IAS. Debts recognised as 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 other grants from external providers such as The Big Lottery and DFP, and this is accounted for as follows:

1.2.3.1 Revenue Grants

Revenue grants are credited to reserves other than where DCAL and DFP 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 either accrued or 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 does not pay 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 which are held by Libraries NI are capitalised and stated in the SoFP at fair value. Properties which are in existing use and which are not expected to be sold within the next financial year are valued on a Modern Equivalent Asset basis, which is deemed to be a proxy for fair value. 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 obtained from LPS.

Properties which are not in operational use by Libraries NI, including those held for sale, are stated at the lower of carrying value or market value as appropriate. Where there is an intention to dispose of a property within the next 12 months, its value is re-categorised and shown separately as part of current assets.

Properties under construction are carried at a cost, less any impairment loss. Cost includes professional fees and other directly attributable costs necessary to bring the asset into use.

Some land and buildings in Libraries NI are held under restrictive covenants which state that use of the facilities is restricted to the provision of public library services.

1.5.2   Heritage Assets

1.5.2.1 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 and smaller collections in 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 5 years by professionally qualified valuers. They are not indexed in the interim but 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.

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

The other Non-Operational Assets are valued at net realisable value, and are valued every 5 years by professionally qualified valuers. They are not indexed in the interim, and are not depreciated

as they are considered to have an infinite useful life, but are reviewed each year by the heritage team and impaired where appropriate.

1.5.3   Other Assets
Other assets are carried at fair value. Fair values are updated annually using appropriate indices or professional valuations. Vehicles under construction are carried 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/commissioning and no depreciation is charged in the month of disposal. Completed building projects are not depreciated until brought into use.

Depreciation is not normally 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 and sub-class of asset.

Asset Class	Asset Sub-Class	Asset Life
Land	Land	Not Depreciated
Buildings	Permanent Buildings	50 Years
	Temporary Buildings	15 Years
Computers	Hardware and Software	5 Years
Plant & Equipment	Music Equipment	10Years
	Library Equipment, Other	10 Years
	Furniture & Fittings	10 Years
	Reprographics	7 years
Vehicles	Mobile Libraries	10 Years
	Vans/Cars	5 Years

1.6   Intangible Assets

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

1.6.1 Amortisation

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

Useful economic lives are generally set as follows:

Asset Class	**Asset Sub-Class**	**Asset Life**
Intangible Assets	Software Licences	5 years

1.7 Non-current 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.

1.8 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.

1.9 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.

1.10 Pension Scheme

Libraries NI employees belong to 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 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 SoCNE or the Statement of Changes in Taxpayers' Equity.

1.11   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.

1.12   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 element 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.

1.13   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 initial amount recorded for the asset and liability is the fair value of the asset. 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 are recorded as an operating cost. Libraries NI recognised the asset when it came into use. Libraries NI has made a contribution to the operator in advance of the asset coming into use, and this contribution is shown within prepayments and amortised to the SoCNE in equal amounts over the contract term.

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

1.14   Financial Instruments
The Libraries NI does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables (Notes 14 and 16). 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.

1.15   Contingent Liabilities disclosed under IAS 37
Libraries NI discloses in its accounts sufficient information in relation to contingent liabilities to allow users to understand their nature and possible timing, where the amount is as yet uncertain.

1.16   Early Departure Costs
Libraries NI meets the additional costs of benefits beyond the normal NILGOSC benefits in respect of 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.

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

1.17   Accounting Standards, interpretation and amendments to published standards adopted in the year ended 31 March 2015
Libraries NI has reviewed the standards, interpretations and amendments to published standards that became effective during 2014-15 and which are relevant to its operations.

1.18   Accounting Standards, interpretations and amendments to published standards not yet effective
Libraries NI has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Libraries NI considers that these are unlikely to have a significant impact on the accounts in the period of initial application.

1.19   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. Staff Numbers and Related Costs

Staff costs comprise:	Permanent employed 2014-15 £'000	Temporary employed 2014-15 £'000	Others 2014-15 £'000	Total 2014-15 £'000	Total 2013-14 £'000
Wages and salaries	12,953	203	1,050	14,206	14,547
Social Security Costs	674	14	0	688	715
Pension Costs	2,411	35	0	2,446	2,388
Other Staff costs	232	0	0	232	448
Total	**16,270**	**252**	**1,050**	**17,572**	**18,098**

Staff costs of £NIL (2013-14: £NIL) have been capitalised and included within Property, Plant and Equipment.

Other staff costs include redundancy costs £44k (2013-14: £287k) and premature/flexible retirements £25k (2013-14: £NIL).
Others include Agency staff costs of £997k (2013-14: £1,269k)

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

	Permanent employed 2014-15 FTE	Others 2014-15 FTE	Total 2014-15 FTE	Total 2013-14 FTE
Directly Employed	589	11	600	616
Other	-	54	54	67
Total	**589**	**65**	**654**	**683**

Libraries NI staff belong to NILGOSC Scheme. Further detail in respect of the scheme is included within section 1.10 of Note 1.

3.1 Reporting of exit packages 2014-15

Exit Package Cost band	Number of compulsory redundancies 2014-15	Number of other departures agreed 2014-15	Total number of exit packages by cost band 2014-15	Total number of exit packages by cost band 2013/14
<£10,000	-	1	1	-
£10,000 - £25,000	-	1	1	3
£25,000 - £50,000	-	1	1	6
£50,000 - £100,000	-	-	-	-
£100,000 - £150,000	-	-	-	-
£150,000 - £200,000	-	-	-	-
Total number of exit packages	-	3	3	9
Total resource cost £	**-**	**-**	**69,369**	**287,007**

Redundancy and other departure costs have been paid in accordance with the provisions of the NILGOSC Compensation Scheme. Exit costs are accounted for in full in the year of departure.

4. Other Expenditure

	Note	2014-15 £'000	2013-14 £'000
Premises, fixed plant and grounds		4,550	5,179
Library lending stock		3,700	3,462
Supplies and Services		4,647	5,482
Other employee expenses		445	509
Transport		246	239
Rentals under operating leases: Buildings		235	289
Non-cash items:			
Loss on disposal of property, plant and equipment		8	15
Pension fund costs		2,748	2,914
(Reversal of impairment) of property, plant and equipment	11	(530)	(616)
Impairment of assets held for sale	11	38	16
Provisions provided for in year	17	82	50
Notional Costs:			
Audit fee		55	60
		16,224	**17,599**

Libraries NI purchased no non-audit services from its external auditor (Northern Ireland Audit Office).

5. Income from Activities

	2014-15 £'000	2013-14 £'000
Fees and charges	557	478
Sale of goods and services	485	585
Other income	8	14
	1,050	**1,077**

As at 31 March 2015, Libraries NI has recognised collectable debts outstanding from borrowers of £36,296 (2013-14 £59,609) in respect of the period 1 April 2014 to 31 March 2015. In 2013-14 it was Libraries NI policy not to include these amounts in the accounts.

6. Other Income

	2014-15 £'000	2013-14 £'000
Big Lottery	213	233
DCAL grants	34	-
Other grants	30	30
	277	**263**

7. Interest Payable

	2014-15 £'000	2013-14 £'000
On finance leases	78	78
On PFI	87	90
	165	**168**

8.   Property, Plant and Equipment

	Land £'000	Buildings £'000	Vehicles £'000	Computers £'000	Plant & Equipment £'000	Assets in Course of Construction £'000	Total £'000
Cost or valuation							
At 1 April 2014	**13,014**	**74,293**	**3,732**	**6,091**	**3,018**	**525**	**100,673**
Additions	8	1,087	222	2,077	327	258	3,979
Disposals	-	(15)	(1,042)	-	(171)	-	(1,228)
Reversal of Impairment	-	543	-	52	2	-	597
Revaluations	-	5,712	12	20	40	-	5,784
Reclassifications	16	255	324	-	-	(525)	70
At 31 March 2015	**13,038**	**81,875**	**3,248**	**8,240**	**3,216**	**258**	**109,875**
Depreciation	**-**	**5,074**	**2,435**	**638**	**1,744**	**-**	**9,891**
At 1 April 2014							
Charged in year	-	2,569	299	1,816	245	-	4,929
Disposals	-	(15)	(1,012)	-	(146)	-	(1,173)
Reversal of Impairments	-	51	-	16	-	-	67
Revaluations	-	568	1	5	2	-	576
Reclassifications	-	-	-	-	-	-	-
At 31 March 2015	**-**	**8,247**	**1,723**	**2,475**	**1,845**	**-**	**14,290**
Carrying amount at 31 March 2015	**13,038**	**73,628**	**1,525**	**5,765**	**1,371**	**258**	**95,585**
Carrying amount at 31 March 2014	**13,014**	**69,219**	**1,297**	**5,453**	**1,274**	**525**	**90,782**

8. Property, Plant and Equipment (continued)

Asset Financing:

	Land £'000	Buildings £'000	Vehicles £'000	Computers £'000	Plant & Equipment £'000	Assets in Course of Construction £'000	Total £'000
Owned	12,276	70,320	1,525	5,765	1,371	258	91,515
Finance Leased	447	-	-	-	-	-	447
On- SoFP PFI contracts	315	3,308	-	-	-	-	3,623
Carrying amount at 31 March 2015	**13,038**	**73,628**	**1,525**	**5,765**	**1,371**	**258**	**95,585**

Full valuations of land and buildings are carried out by Land and Property Services (LPS) every five years. In the intervening years valuations are updated using appropriate indices from LPS. A full valuation exercise was carried out at 31 March 2012. Operational land and buildings were valued on a Modern Equivalent Asset Basis and at Alternative Use Value (AUV) for comparison.

As part of the revaluation exercise, LPS also revised the estimated useful remaining live of the buildings. The useful lives of vehicles, computers and plant and equipment were reviewed and adjusted as appropriate.

17 properties have intrinsic links to adjoining Health Trust facilities either through the sharing of common mechanical systems, access routes or building elements. The carrying amount includes £6,116k (2013-14: £5,859k) in respect of such properties.

Three properties have been identified as surplus (2013-14: 2 properties). It is intended to sell these properties. The carrying amount includes £163k (2013-14: £90k) in respect of these assets.

Assets in the Course of Construction are valued at cost.

Any proceeds of sale of land and buildings may be retained only with the approval of the Department and otherwise must be surrendered to the Department.

8.   Property, Plant and Equipment (continued)

	Land £'000	Buildings £'000	Vehicles £'000	Computers £'000	Plant & Equipment £'000	Assets in course of construction £'000	Total £'000
Cost or Valuation at 1 April 2013	**13,172**	**67,694**	**4,090**	**683**	**2,933**	**412**	**88,984**
Additions	-	1,088	246	6,179	110	496	8,119
Disposals	(12)	(348)	(842)	(659)	(66)	-	(1,927)
Reversal of impairments	(17)	1,284	-	(112)	-	-	1,155
Revaluations	-	4,572	1	-	41	-	4,614
Reclassifications	(129)	3	237	-	-	(383)	(272)
At 31 March 2014	**13,014**	**74,293**	**3,732**	**6,091**	**3,018**	**525**	**100,673**
Depreciation at 1 April 2013	**-**	**2,390**	**2,899**	**493**	**1,498**	**-**	**7,280**
Charged in year	-	2,367	334	635	276	-	3,612
Disposals	-	(193)	(795)	(811)	(54)	-	(1,853)
Impairments	-	217	-	321	-	-	538
Revaluations	-	314	(3)	-	24	-	335
Reclassifications	-	(21)	-	-	-	-	(21)
At 31 March 2014	**-**	**5,074**	**2,435**	**638**	**1,744**	**-**	**9,891**
Carrying amount at 31 March 2014	**13,014**	**69,219**	**1,297**	**5,453**	**1,274**	**525**	**90,782**
Carrying amount at 31 March 2013	**13,172**	**65,304**	**1,191**	**190**	**1,435**	**412**	**81,704**

8.   Property, Plant and Equipment (continued)

Asset Financing:

	Land £'000	Buildings £'000	Vehicles £'000	Computers £'000	Plant & Equipment £'000	Assets in course of construction £'000	Total £'000
Owned	12,252	66,139	1,297	5,453	1,274	525	86,940
Finance Leased	447	-	-	-	-	-	447
On-SoFP PFI contracts	315	3,080	-	-	-	-	3,395
Carrying amount at 31 March 2014	**13,014**	**69,219**	**1,297**	**5,453**	**1,274**	**525**	**90,782**

9. Intangible Assets

	Software Licences £'000
Cost or valuation at 1 April 2014	737
Additions	39
Disposals	-
Impairments	-
Revaluations	7
Reclassifications	-
At 31 March 2015	783
Amortisation at 1 April 2014	71
Charged in year	168
Disposals	-
Revaluations	2
At 31 March 2015	241
Carrying amount at 31 March 2015	**542**
Carrying amount at 31 March 2014	**666**
Asset Financing:	
Owned	542
Finance Leased	-
Contracts	-
Carrying amount at 31 March 2015	**542**
Cost or valuation at 1 April 2013	711
Additions	725
Disposals	(712)
Revaluations	13
At 31 March 2014	**737**
Amortisation at 1 April 2013	571
Charged in year	73
Disposals	(574)
Revaluations	1
At 31 March 2014	**71**
Carrying amount at 31 March 2014	**666**
Carrying amount at 31 March 2013	**140**
Asset Financing:	
Owned	666
Finance Leased	-
Contracts	-
Carrying amount at 31 March 2014	**666**

10.   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 provided by DCAL, 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.

11.   Revaluation, Impairment and/or Indexation

11.1   Property, Plant and Equipment

	2014-15 £'000	2013-14 £'000
(Credited)/charged to the SoCNE	(530)	(616)
(Credited)/Charged to revaluation reserve	(5,208)	(4,279)
	(5,738)	**(4,895)**

11.2   Intangible Assets

	2014-15 £'000	2013-14 £'000
(Credited) to the SoCNE	-	-
(Credited) to revaluation reserve	(5)	(12)
	(5)	**(12)**

11.3   Assets Held for Sale

	2014-15	2013-14
Charged to the SoCNE	38	16
Charged to revaluation reserve	-	169
	38	**185**

11.4   Heritage Assets

	2014-15	2013-14
Charged/(credited) to the SoCNE	-	-
(Credited)/Charged to the heritage asset reserve	(1,386)	3,687
	(1,386)	**3,687**

12.   Heritage Assets

	Stock Assets	Other Non-Operational Assets	Total
	£'000	£'000	£'000
Cost or valuation			
Opening balance at 1 April 2013	**14,775**	**28**	**14,803**
De-recognition	(3,687)	-	(3,687)
Losses	-	-	-
Revaluations	-	-	-
Closing balance at 31 March 2014	**11,088**	**28**	**11,116**

	Stock Assets	Other Non-Operational Assets	Total
	£'000	£'000	£'000
Cost or valuation			
Opening balance at 1 April 2014	**11,088**	**28**	**11,116**
Additions	-	-	-
De-recognition	(2,216)	-	(2,216)
Losses	(8)	-	(8)
Revaluations	831	7	838
Closing balance at 31 March 2015	**9,695**	**35**	**9,730**

In 2006/07, prior to the inception of Libraries NI, a category of asset referred to as "Special Books" was valued and included in the accounts of the five Education and Library Boards (ELBs), with various capitalisation limits ranging up to £3,000. There was no stated policy in respect of these assets, and they were included with Miscellaneous Plant and Equipment, at a value of £12.9 million. Many items were not valued individually but as a collection, without identifying the contents of the collection. The valuations included some pieces of art. The accounts of Libraries NI have been qualified since inception in respect of these assets, since Libraries NI could not satisfy the Comptroller and Auditor General as to the completeness or accuracy of the figures.

In response, Libraries NI has put in place an accounting policy in respect of its valuable books and collections, (termed Stock Heritage assets) and art (termed Other Non-Operational Heritage assets), and applied a capitalisation threshold, as set out in Note 1.5.2.1.

In addition, Libraries NI has procured a number of valuations, which were carried out by experienced valuers in this field – Eamon deBurca, ABA, PBFA and P&B Rowan, ABA, PBFA, ILAB, CINOA, on the basis of net realisable market value. The valuation of art was carried out by John Ross & Co. MIAVI.

During 2013-14 Libraries NI de-recognised asset values totalling £3.7 million, where these could not be reliably identified or measured, and so did not meet the definition of an asset.

During 2014-15 one major collection was revalued by Eamon deBurca. In relation to a large number of lower value items, a NISRA statistician used statistical sampling techniques and software to select a random sample. The sample was then valued by Mr deBurca. The % change in value of the sample was applied to the full original valuation, to calculate the revaluation amount. Losses valued at £8k were identified during this exercise. In addition, a further £0.6m has

been de-recognised in relation to some collections on the original ELB lists which could not be reliably identified. A further £1.6m has been de-recognised in relation to microfilm records and bound volumes which did not meet the definition of heritage assets.

Heritage Stock Assets are covered by the Libraries NI Heritage Strategy 2014-17 setting out the approach to the collection preservation and exploitation of Heritage material and by the Heritage and Digitisation policy. The stock is available to view by the public either on request or on open access, at a number of library locations.

13. Assets Classified as Held for Sale

	Land & Buildings £'000
Opening Balance 1 April 2013	**172**
Disposals	(42)
Impairment	(16)
Revaluations	(169)
Transfers from property, plant & equipment	251
Closing balance at 31 March 2014	**196**

	Land & Buildings £'000
Opening balance at 1 April 2014	**196**
Disposals	(66)
Impairment	(38)
Revaluations	-
Transfers to property, plant & equipment, at valuation	(70)
Closing balance at 31 March 2015	**22**

The former Gilford Library was disposed of during 2014-15. Having generated no interest from the public sector trawl, the property was sold on the open market.

At the 31 March 2015, non-current assets held for sale comprised land and buildings at the former Ligoniel Library.

14. Trade Receivables and Other Current Assets

	2014-15 £'000	2013-14 £'000
Amounts falling due within one year		
VAT	565	1,005
Trade receivables	218	108
Other debtors	82	33
Prepayments and accrued income	28	64
Current part of PFI prepayment	90	90
	983	**1,300**
Amounts falling after more than one year:		
PFI Prepayment	1,530	1,647
Total	**2,513**	**2,947**

Intra Government Balances	Amounts falling due within one year £'000		Amounts falling due after more than one year £'000	
	2014-15	2013-14	2014-15	2013-14
Balances with other central government bodies	751	1,111	-	-
Balances with local authorities	16	19	-	-
Balances with NHS Bodies	1	2	-	-
Balances with public corporations and trading funds	1	-	-	-
Intra government balances	769	1,132	-	-
Balances with bodies external to government	214	168	1,530	1,647
Total receivables at 31 March	**983**	**1,300**	**1,530**	**1,647**

15. Cash and Cash Equivalents

	2014-15 £'000	2013-14 £'000
Balance at 1 April	1,324	1,752
Net change in cash and cash equivalent balances	(1,100)	(428)
Balance at 31 March	**224**	**1,324**
Balances held in commercial banks and cash in hand	**224**	**1,324**

16.   Trade Payables and Other Current Liabilities

	2014-15 £'000	2013-14 £'000
Amounts falling due within one year:		
Other taxation and social security	208	265
Trade payables	877	2,397
Other payables	69	61
Accruals and deferred income	2,179	2,232
Current part of finance leases	(38)	(38)
Current part of imputed finance lease element of on-SoFP PFI Contracts	126	88
	3,421	**5,005**
Amounts falling due after more than one year:		
Finance leases	898	859
Imputed finance lease element of on-SoFP PFI Contracts	2,872	2,999
	3,770	**3,858**
Total	**7,191**	**8,863**

16.1   Intra-Government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	£'000 2014-15	£'000 2013-14	£'000 2014-15	£'000 2013-14
Balances with other central government bodies	1,047	1,395	-	-
Balances with local authorities	(26)	58	898	859
Balances with NHS Bodies	15	8	-	-
Balances with public corporations and trading funds	16	17	-	-
Intra government balances	1,052	1,478	898	859
Balances with bodies external to government	2,369	3,527	2,872	2,999
Total payables at 31 March	**3,421**	**5,005**	**3,770**	**3,858**

17.   Provisions for Liabilities and Charges

	Employer & Public Liability Claims £'000
At 1 April 2014	188
Provided in the year	67
Provisions not required written back	(48)
Provisions utilised in the year	(66)
At 31 March 2015	**141**

Analysis of expected timing of cash flows

	Employer & Public Liability Claims £'000
Not later than one year	30
Later than one year and not later than five years	111
Later than five years	-
At 31 March 2015	**141**

	Employer & Public Liability Claims £'000
At 1 April 2013	138
Provided in the year	77
Provisions not required written back	(27)
Provisions utilised in the year	-
At 31 March 2014	**188**

Analysis of expected timing of cash flows

	Employer & Public Liability Claims £'000
Not later than one year	79
Later than one year and not later than five years	109
Later than five years	-
At 31 March 2014	**188**

Employer and Public Liability Claims

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

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

18.   Capital Commitments

	2014-15 £'000	2013-14 £'000
Contracted capital commitments at 31 March 2015 not otherwise included in these financial statements		
Property Plant and Equipment	164	968
Computer Hardware and Software	-	2,000
	164	**2,968**

19.   Commitments Under Leases

19.1   Operating Leases

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

	2014-15 £'000	2013-14 £'000
Obligations under operating leases comprise:		
Land		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years		
	-	-
Buildings		
Not later than one year	208	203
Later than one year and not later than five years	680	585
Later than five years	728	679
	1,616	1,467
Other		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	
	-	-
	1,616	**1,467**

19.2   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.

	2014-15 £'000	2013-14 £'000
Obligations under finance leases for each of the following periods comprise:		
Buildings	-	-
	-	-
Other		
Not later than one year	40	40
Later than one year and not later than five years	160	160
Later than five years	38,360	38,400
	38,560	38,600
Less interest element	(37,700)	(37,779)
	860	**821**

20.   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 LNI has a finance lease and that payments comprise two elements – finance lease charges and service charges. Details of the imputed finance lease charges are in the table below.

On 29 March 2013 Libraries NI entered into a service concession contract for the supply of a managed ICT service for an initial period of 5 years commencing 1 May 2013. Libraries NI owns the assets and these are shown as additions in 2013-14 and 2014-15.

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

	2014-15 £'000	2013-14 £'000
Rentals due within one year	210	175
Rentals due later than one year and not later than five years	737	742
Rentals due later than five years	2,127	2,220
	3,074	3,137
Less interest element	(634)	(703)
Present value of obligations	**2,440**	**2,434**

These figures represent the present value of future minimum lease payments, discounted at HM Treasury's discount rate of 3.5%.

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

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service element of on-SoFP PFI and other service concession arrangements transactions was £3,655k (2013-14: £4,178k) and the payments to which Libraries NI is committed is as follows:

	2014-15 £'000	2013-14 £'000
Not later than one year	3,483	3,562
Later than one year and not later than five years	7,883	11,133
Later than five years	2,566	3,119
	13,932	**17,814**

21.   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.

22. Pension and Similar Obligations

Introduction

The disclosures in Note 22 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 scheme. Details of the benefits earned over the period covered by this disclosure are set out in "LGPS (Benefits, Membership and contributions) Regulations (Northern Ireland) 2009" (as amended).

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 (Administration) Regulations (Northern Ireland) 2009 (as amended) and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2013 and the contributions to be paid until 31 March 2017 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. An actuarial valuation of the Fund will be carried out at 31 March 2016 and as part of the valuation a new Rates and Adjustment Certificate will be produced for the three year period from 1 April 2017.

The Funding Administering Authority, Northern Ireland Local Government Officers' Superannuation 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 from the Fund as a whole (based on data supplied by the Administrating Authority) is shown in the disclosures, split by quoted and unquoted investments.

The Administering Authority 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 Funds 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. Further 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.

For 2014/15 the employer's contribution rate to the Fund was 20%.

During 2014/15 Libraries NI made pension employer contributions totalling £2,446k to the fund, and also paid £163k in respect of the unfunded pensions.

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2013. The exercise was carried out by a qualified independent actuary, using the project unit credit method, for the purposes of the meeting the requirements of IAS 19. The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS 19 purposes were:

22.1 Assumptions

	At 31 March 2015	At 31 March 2014
Rate of increase in salaries	3.3%	3.9%
Rate of increase in pensions	1.8%	2.4%
Discount rate	3.2%	4.3%
Inflation assumption RPI	2.9%	3.4%
Inflation assumption CPI	1.8%	2.4%

The market values of assets in the scheme were:

	31 March 2015 Quoted £'000	31 March 2015 Unquoted £'000	31 March 2015 Total £'000	31 March 2014 £'000
Equities	69,616	-	69,616	63,699
Government Bonds	-	12,016	12,016	5,065
Corporate Bonds	5,436	-	5,436	5,237
Property	6,199	-	6,199	9,615
Cash	1,907	-	1,907	2,232
Other	190	-	190	-
Total	**83,348**	**12,016**	**95,364**	**85,848**
Present value of funded liabilities			(152,168)	(134,409)
Present value of unfunded liabilities			(2,641)	(2,705)
Net pension asset/(liability)			**(59,445)**	**(51,266)**

The fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was not met at the last valuation date. The current funding level was 91% at March 2013 (82% in March 2010). In order to contain the growth of the deficit, employer contribution rates increased from 4.6% in 2004-05 to 20% in 2013-14. The scheme trustees have committed to hold the employer contribution rate at this level for 2015-16 and 2016-17.

22.2 Amount charged to Comprehensive Net Expenditure

	2014-15 £'000	2013-14 £'000
Current Service cost*	3,145	3,202
Past Service cost/(gain)	45	2
Losses/(gains) on curtailment and settlement	-	-
Total operating cost	**3,190**	**3,204**
Financing Cost		
Interest on net defined benefit liability/(asset)	2,149	2,236
Expense recognised in SoCNE	**5,339**	**5,440**

* the Current service cost includes an allowance for the administration expenses of £0.036m for 2014/15.

Remeasurements in Other Comprehensive Expenditure (OCE)

	2014-15 £'000	2013-14 £'000
Return on plan assets (in excess of)/below that recognised in net interest	(7,487)	5,132
Actuarial losses/(gains) due to changes in financial assumptions	13,850	(3,770)
Actuarial (gains) due to changes in demographic assumptions	-	(3,391)
Actuarial (gains) due to changes in liability experience	(932)	(561)
Expense recognised in OCE	**5,431**	**(2,590)**
Total amount recognised in SOCNE and OCE	**10,770**	**2,850**

22.4 Reconciliation of Defined Benefit Obligation

	2014-15 £'000	2013-14 £'000
Opening Defined Benefit Obligation	137,114	139,520
Current Service Cost	3,145	3,202
Interest on pension scheme liabilities	5,807	6,188
Contributions by members	764	749
Actuarial losses/(gains) on financial assumptions	13,850	(3,770)
Actuarial losses/(gains) on demographic assumptions	-	(3,391)
Actuarial (gains) on experience	(932)	(561)
Past Service Costs/(incl. curtailments)	45	2
Estimated unfunded benefit paid	(143)	(159)
Estimated benefit paid	(4,841)	(4,666)
Closing Defined Benefit Obligation	**154,809**	**137,114**

22.5 Reconciliation of fair value of employer assets

	2014-15 £'000	2013-14 £'000
Opening fair value of employer assets	85,848	88,578
Interest income on assets	3,658	3,952
Remeasurement gains/(losses) on assets	7,487	(5,132)
Contribution by members	764	749
Contribution by the employer	2,591	2,526
Unfunded benefits paid	(143)	(159)
Benefits Paid	(4,841)	(4,666)
Closing fair value of employer assets	**95,364**	**85,848**
Net Deficit at year end	**(59,445)**	**(51,266)**

22. Pension and Similar Obligations (continued)

22.6 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 liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. If the yield used to discount each future benefit payment decreases, then the value placed on the liabilities increases. 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 active liability will increase. Similarly, if inflation (and therefore pension increases) is higher than assumed, this will increase the value of the liabilities. If the liabilities increase the employer's SoFP position will deteriorate.

The sensitivities regarding the principal assumptions used as at 31 March 2015 are set out below.

	Change in assumption	Impact on Employer Liabilities	Impact on Projected Service Cost
Discount rate	Decrease by 0.1% pa Increase by 0.1%	Increase by 1.9% Decrease by 1.8%	Increase by 2.8% Decrease by 2.7%
Pension Increase	Decrease by 0.1% pa Increase by 0.1%	Decrease by 1.3% Increase by 1.3%	Decrease by 2.7% Increase by 2.8%
Rate of salaries growth	Decrease by 0.1% Increase by 0.1%	Decrease by 0.5% Increase by 0.5%	No impact No impact
Post retirement mortality	Decrease in life expectancy of 1 year Increase life expectancy of 1 year	Increase by 2.7% Decrease by 2.7%	Increase by 3.3% Decrease by 3.3%

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

Comment on Mortality Assumptions

The mortality assumptions reflect the length of time the benefits would be expected to be paid for. Mortality assumptions are based on the actual recent mortality experience of members within the Fund and allow for expected future mortality improvements. Life expectancy is based on S1NMA and S1NFA year of birth tables, both applied from 2012.

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)	22.2	24.7
Future lifetime from age 65 (aged 45 at accounting date)	24.4	27

23   Contingent Liabilities

The Northern Ireland Civil Service launched a Voluntary Exit Scheme (VES) across all departments on 2 March 2015, financed from a Transformation fund. Libraries NI submitted a bid for funding for voluntary redundancies from this Transformation fund on 31 March 2015, based on applications received prior to that date. At the balance sheet date, there is a possible obligation on Libraries NI which may give rise to a liability should any of Libraries NI's employees be successful. At the balance sheet date, no estimate of the potential liability existed. Refer to note 27 Events after the reporting period for further detail.

24   Statement of Losses

	No. of cases	2014-15 £'000	No. of cases	2013-14 £'000
Cash losses	1	8	-	-
Fruitless payments	-	-	-	-
Claims abandoned	25,007	27	*	20
Stores losses	48,260	136	41,337	111
	73,268	**171**	**41,337**	**131**

Stores losses include £128k in relation to 48,241 items of stock which were borrowed but have not been returned and £8k in relation to 19 items of lost stock assets. Cash losses are in relation to a theft.

Claims abandoned include unpaid borrower charges which are abandoned after two years.

* The reporting function to provide the detailed number of claims abandoned was not available during e2 implementation but the summary value of claims abandoned was reported.

25   Special Payments

	No. of cases	2014-15 £'000	No. of cases	2013-14 £'000
Compensation Payments	6	66	-	-
Out of court settlements	-	-	-	-
Ex-gratia Payments	-	-	-	-
Extra-Statutory payments	-	-	-	-
	6	**66**	**-**	**-**

26.   Related Party Transactions

Libraries NI is a Non-Departmental Public Body (NDPB) sponsored by the Department of Culture Arts and Leisure (DCAL).

DCAL is regarded as a related party. DCAL is also the sponsoring body for The Arts Council of Northern Ireland, The National Museums of Northern Ireland (NMNI), the Northern Ireland Museums Council, The Sports Council for Northern Ireland, The North/South Language Body, Waterways Ireland, The Armagh Observatory and Armagh Planetarium and Northern Ireland Screen Commission. During the year Libraries NI has had various material transactions with DCAL.

In addition, Libraries NI has had a number of material transactions with other Government Departments and other Central Government bodies. Most of these transactions have been with the:

- Department of Health, Social Services and Public Safety
- Health and Social Care Trusts
- Land and Property Services
- Belfast Education and Library Board
- Southern Education and Library Board
- North Eastern Education and Library Board
- South Eastern Education and Library Board
- Western Education and Library Board

None of the Libraries NI Board members, members of key management, staff or other related parties has undertaken any material transactions with Libraries NI during the year. Compensation for Senior Management has been disclosed in the remuneration report.

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

27   Events after the Reporting Period

Since 31 March 2015, applications for the VES have been progressed, and by the closing date on 15 September 2015, 19 staff had accepted offers of voluntary redundancy. This has resulted in an obligation arising on Libraries NI after the end of the reporting period, of an estimated release cost of £1,101,447. This is a non-adjusting event and consequently the liability has not been accrued in the 2014-15 accounts. It is expected that payments to settle this liability will be made during the 2015-16 financial year, funded partly by an allocation from the Transformation Fund of £875,800.

The Accounting Officer authorised these financial statements for issue on 6 October 2015.

Report of the Comptroller and Auditor General

Under the Libraries Act (Northern Ireland) 2008 I am required to examine, certify and report on the financial statements of the Northern Ireland Library Authority (NILA). I have qualified my audit opinion on the NILA financial statements for 2014-15 as a result of the significant doubt over the accuracy and completeness of the valuations of heritage assets referred to in the financial statement as "stock assets" in note 12. These doubts were first identified in my audit of the 2009-10 financial statements and have remained since then.

Background

1. NILA has included in its financial statements heritage assets (Note 12). These consist of individual and collections of rare and/or fine books and pamphlets to be retained for use by future generations because of their cultural and/or historical heritage associations, and also some pieces of artwork. The Education and Library Boards (ELBs) were responsible for libraries prior to the formation of NILA on 1 April 2009 but such heritage assets were not considered a material item within the financial statements of ELBs. The valuation issues that are the subject of this report arise because the heritage assets, transferred to NILA from the five ELBs, are considered a material asset within the NILA financial statements.

2. Prior to the formation of NILA there was no uniform definition of a heritage 'stock asset' or a consistent policy for the valuation of such assets across Northern Ireland. The Belfast ELB valued books above a threshold amount whereas the other ELBs did not use any threshold. NILA has been unable to determine what the equivalent figure for the Belfast ELB would be with no threshold. The adoption of an appropriate accounting policy for heritage stock assets (including a valuation approach) and its application across all libraries should have been considered during the formation of NILA.

Heritage Stock Assets

3. NILA'S financial statements included heritage assets with a value of £11.1 million at 31 March 2014. During the financial year 2014-15, NILA carried out further work on heritage assets, which resulted in several adjustments to the carrying value in the financial statements. These movements are detailed below.

   Revaluations

4. Certain heritage assets were revalued during the financial year 2014-15. A selection of heritage assets was subject to an exercise by a NISRA statistician, who identified a statistically significant sample of books in that selection. This sample of books was then valued by a professional valuer. This exercise resulted in a 16% decrease in the value for the items selected, which was then applied to the population as a whole. Additionally, NILA utilised the services of the same professional valuer to value a further separate selection of heritage assets. These two exercises resulted in an upwards revaluation of £0.8 million and these heritage assets are now valued at £1.8 million.

   De-recognitions

5. Included within this £11.1 million value of heritage stock assets was an amount of £0.6 million in respect of stock assets for which adequate records were not retained. As a consequence of this, NILA is unable to ascertain which stock assets made up the original valuation in 2006. Having exhausted all possible avenues to determine the make-up of this, NILA has now concluded that these stock assets should be derecognised. NILA has advised me that it has drawn its conclusion based on extensive investigations into the records existing for heritage stock assets transferred from the five ELB's. NILA is satisfied beyond reasonable doubt that

these assets, if identified, would not meet the definition of heritage stock assets in the current year. As such, NILA has de-recognised £0.6 million of heritage stock assets.

NILA were unable to provide me with adequate evidence as to the completeness and valuation of the amounts de-recognised and therefore, I have qualified my audit opinion in this respect.

6. Additionally, NILA, in conducting a review of certain heritage stock assets, namely the newspaper and microfilm collections, NILA concluded that these items did not meet the definition of Heritage assets, as these items were considered to be a method of storage and preservation, rather than an asset. Therefore, on that basis, NILA de-recognised these items, previously valued at £1.6 million. As there are sufficient records to support the de-recognition of these assets, I have not qualified my audit opinion in this respect. .

Conclusion

7. Taking into account the movements set out above, the total heritage assets value recorded in NILA's financial statements at 31 March 2015 is £9.7 million (2013-14: £11.1 million). Included within this amount are heritage assets of £1.7 million (2013-14: £4.9 million). These assets consist of book collections and collections of postcards and maps. There remains significant concern over the completeness and valuation of these assets and therefore I have continued to qualify my audit opinion in this respect. However, I acknowledge that NILA is currently taking action to resolve these issues.

8. There were no other procedures I could have undertaken as part of my audit to satisfy myself on the completeness and valuation of these heritage stock assets.

9. As I have been unable to obtain sufficient audit evidence concerning the completeness and valuation of the heritage stock assets derecognised of £0.6 million and, as there remains significant doubt over the accuracy and completeness of £1.7 million of the valuation of heritage stock assets remaining, I have qualified my audit opinion on the truth and fairness of the financial statements due to these limitations on the scope of my audit. I am satisfied with the approach that NILA is taking to try and resolve these issues and I will keep NILA's actions and progress in resolving this matter under review.

KJ Donnelly

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

6 October 2015