

# National Library of Scotland

2021/22 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the National Library of Scotland and the Auditor General for Scotland

August 2022

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# Key messages

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## 2021/22 annual report and accounts

- 1 Our audit opinions on the annual reports and financial statements of National Library of Scotland are unmodified.
- 2 The financial statements give a true and fair view of the state of affairs of the Library as at 31 March 2022.
- 3 The Annual Report of the Board and Governance Statement were consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.

## Financial management

- 4 The Library operated within its budget for 2021/22.
- 5 Controls within the main financial systems were operating effectively while standards for the prevention and detection of fraud remain appropriate.

## Financial sustainability

- 6 NLS has approved its 2022/23 budget and prepared scenario planning for future financial years. These forecasts have taken account of the continuing impact of the Covid-19 pandemic.

## Governance and transparency

- 7 Arrangements have been adapted to reflect the impact of the pandemic. We have considered these measures and have concluded that NLS has appropriate and effective governance arrangements in place.

## Value for money

- 8 The Library has an appropriate and effective best value framework in place.
- 9 Performance monitoring has continued throughout 2021/22, with the Library performing well against its key performance indicators in 2021/22. However, as a result of closures and Covid-19 restrictions the levels of public visits remains significantly lower than pre pandemic levels.

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# Introduction

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1. This report summarises the findings from our 2021/22 audit of National Library of Scotland (referred to as “NLS” or “the Library” throughout).
2. The scope of our audit was set out in our Annual Audit Plan presented to the 9 May 2022 meeting of the Audit Committee. This report comprises the findings from:
  - an audit of the Library’s annual report and financial statements
  - consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#).
3. The main elements of our audit work in 2021/22 have been:
  - an audit of the Library’s 2021/22 annual report and accounts including the issue of an independent auditor’s report setting out our opinions
  - a review of the Library’s key financial systems
  - consideration of the four audit dimensions.
4. The Covid-19 pandemic has continued to have a considerable impact on the Library during 2021/22. National and local lockdowns affected the Library’s operations with Reading Rooms closed or restricted during the year and visitors not able to attend planned exhibitions. However the Library factored much of this into plans for 2021/22 and good progress has been made against their objectives during the year.

## Adding value through the audit

5. We add value to NLS through the audit by:
  - identifying and providing insight on significant risks, and making clear and relevant recommendations
  - sharing intelligence and good practice through our national reports ([Appendix 2](#)) and good practice guides
  - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

## Responsibilities and reporting

6. The Library has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing an annual report and

financial statements that are in accordance with the account's direction from the Scottish Ministers.

**7.** Also, the Library is responsible for establishing appropriate and effective arrangements for governance, propriety, and regularity.

**8.** Our responsibilities as independent auditor are established by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice 2016, and supplementary guidance and International Standards on Auditing in the UK. As public sector auditors we give independent opinions on the annual report and accounts. Additionally, we conclude on the appropriateness and effectiveness of the performance management arrangements, the suitability and effectiveness of corporate governance arrangements, the financial position, and arrangements for securing financial sustainability. Further details of the respective responsibilities of management and the auditor can be found in the Code of Audit Practice 2016 and supplementary guidance.

**9.** This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

**10.** Our annual audit report contains an agreed action plan at Appendix 1. It sets out specific recommendations, the responsible officers, and dates for implementation. It also includes any outstanding actions from last year and progress against these.

## Auditor Independence

**11.** Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements, auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

**12.** We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and the 2021/22 audit fee of £22,020 as set out in our 2021/22 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

**13.** This report is addressed to both the Library and the Auditor General for Scotland and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course.

## Audit appointment from 2022/23

**14.** The Auditor General for Scotland is responsible for the appointment of external auditors to central government bodies. External auditors are usually appointed for a five-year term either from Audit Scotland's Audit Services Group or a private firm of accountants. The current appointment round was due to end in 2020/21 but this was extended for a year so that 2021/22 is the last year of the current appointment round.

**15.** The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23 Audit Scotland will continue to be the appointed auditor for NLS. We will work closely with the new audit team to ensure a well-managed transition.

**16.** A new [Code of Audit Practice](#) applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

**17.** We would like to thank Board members, Audit Committee members, Directors, and other staff, particularly those in finance for their co-operation and assistance over the last six years.

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# 1. Audit of 2021/22 annual report and financial statements

The principal means of accounting for the stewardship of resources and performance

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## Main judgements

Our audit opinions on the annual reports and financial statements of National Library of Scotland are unmodified.

The financial statements give a true and fair view of the state of affairs of the Library as at 31 March 2022.

The Annual Report of the Board and Governance Statement were consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.

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## Our audit opinions on the annual report and financial statements are unmodified

**18.** The annual report and financial statements for the year ended 31 March 2022 are due to be approved by the board on 28 September 2022. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- expenditure and income were regular and in accordance with applicable enactments and guidance
- the audited part of the annual report of the board and governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.

## The Covid-19 pandemic had a limited impact on audit evidence

**19.** The completeness and accuracy of accounting records and the extent of information and explanations that we required for our audit were not affected by the pandemic.

**20.** The working papers provided to support the annual report and financial statements were of a very good standard and the audit team received excellent

support from the finance team which helped ensure the final accounts audit process ran smoothly.

## The annual report and financial statements were submitted in line with our agreed audit timetable

**21.** The unaudited annual report and financial statements were received in line with our agreed audit timetable on 20 June 2022 and the pandemic had a limited impact on the audit process.

## Whole of Government Accounts 2020/21 and 2021/22

**22.** In accordance with the WGA (Whole of Government Accounts) guidance we completed the required assurance statement for the prior year financial statements and submitted it to the National Audit Office (NAO) by the revised deadline of 31st August 2022. We anticipate completing the required assurance statement for 2021/22 and submitting it to the National Audit Office (NAO) once further guidance is published, after approval and audit certification of the Library's annual report and financial statements.

## Overall materiality is £1.5 million

**23.** Our initial assessment of materiality was carried out during the planning phase of the audit. This was reviewed on receipt of the unaudited annual report and financial statements and we confirmed that the levels remained unchanged. The materiality levels are summarised in [Exhibit 1](#).

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### Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£1.5 million
Performance materiality	£1.1 million
Reporting threshold	£30 thousand

Source: Audit Scotland

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## We have two significant findings to report on the annual report and financial statements

**24.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. The significant findings are summarised in [Exhibit 2](#).

## Exhibit 2

### Significant findings from the audit of financial statements

Issue	Resolution
<p><b>1. Valuation of land and buildings</b></p> <p>Land and buildings included in the financial statements are valued every five years by an external valuer, with values updated in intervening years by applying indices. For 2021/22 revaluations were based on indices. As part of our audit work we identified that one of the indices used did not match the index information from Building Cost Information Services (BCIS). This resulted in the fixed asset revaluation in the financial statements being overstated by £560 thousand (0.83% of the total).</p>	<p>The financial statements were updated by management using the correct indices. This resulted in an overall reduction of £560 thousand in the net book value of fixed assets in the Balance Sheet.</p>
<p><b>2. Financial Reporting Requirements</b></p> <p>Some later notified change to the Government Financial Reporting Manual (FReM) included the requirement for Non Departmental Public Bodies (NDPB's) to disclose additional remuneration and staff details, either in report format or current note on staff costs expanded to include these required disclosures.</p>	<p>We discussed the changes required with management and they were able, within the timescales, to update Note 6 to the financial statements to include the additional disclosures.</p>

Source: Audit Scotland

**25.** We have obtained audit assurances over the identified significant risks of material misstatement to the financial statements [Exhibit 3](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan. It summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

## Exhibit 3

### Significant risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<b>1. Risk of material misstatement due to fraud</b>	Assess the design and implementation of controls over journal entry processing.	No unusual or inappropriate transactions were identified

Audit risk	Assurance procedure	Results and conclusions
<p><b>caused by the management override of controls</b></p> <p>Although we have not identified any specific risks of management override of control at the Library, Auditing Standards require that audits are planned to consider the risk of material misstatement caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of management override of controls that results in fraudulent financial statements.</p>	<p>Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.</p> <p>Test journals at the year-end and post-closing entries and focus on significant risk areas.</p> <p>Consider the need to test journal entries and other adjustments during the period.</p> <p>Evaluate significant transactions outside the normal course of business.</p> <p>Assess the adequacy of controls in place for identifying and disclosing related party relationship and transactions in the financial statements.</p> <p>Assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</p> <p>Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.</p> <p>Focussed testing of accounting accruals and prepayments.</p>	<p>as part of our detailed journal testing.</p> <p>Focussed testing on accruals and prepayments did not identify any instances of management override of controls.</p> <p>Substantive testing of transactions around the year end identified was satisfactory.</p> <p><b>Conclusion:</b> We did not identify any incidents of management override of controls.</p>

## Other areas of audit focus

**26.** We identified in our 2021/22 Annual Audit Plan areas where we considered there to be other risks of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risk, we did not consider these to represent significant risks. The areas of specific audit focus were:

- Estimation in the value of land and buildings: NLS hold land and buildings with a NBV of £63m as at 31 March 2021, with land and buildings revaluated on a five-year rolling basis. RICS approved indexation factors for the valuation of NLS' land and buildings are applied in the years where a full revaluation is not undertaken.

**27.** We kept these areas under review throughout our audit. We did identify an issue with the indices used in revaluing land and buildings, as detailed in Exhibit 2 above.

**Identified misstatements of £560 thousand were adjusted in the accounts, these were less than our performance materiality and we did not need to revise our audit approach**

**28.** Adjustments made in the audited financial statements decreased net assets in the Balance Sheet by £560 thousand. There were no other misstatements identified that exceeded our reporting threshold.

**29.** We have reviewed the nature and causes of these misstatements and have concluded that they arose from issues that have been isolated and identified in their entirety and do not indicate further systemic error. We therefore did not need to revise our audit approach.

**30.** It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance considering advice from senior officers and materiality. Management have adjusted all identified misstatements above our reporting threshold; there are no unadjusted errors to report.

**Good progress was made on prior year recommendations**

**31.** The Library has made good progress in implementing our prior year audit recommendations. For actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

## 2. Financial management

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

### Main judgements

The Library operated within its budget for 2021/22.

Controls within the main financial systems were operating effectively while standards for the prevention and detection of fraud remain appropriate.

### The Library operated within its budget in 2021/22

**32.** The main financial objective for the body is to ensure that the financial outturn for the year is within the budget allocated by Scottish Ministers.

**33.** The Library has reported an outturn of £20.2 million against its overall budget for 2021/22 with an underspend of £0.4 million. The financial performance against Departmental Expenditure Limits (DEL) is shown in [Exhibit 4](#).

### Exhibit 4

#### Performance against DEL in 2021/22

Performance	Final budget £m	Outturn £m	Over/(under) spend £m
Resource DEL	14.9	14.6	(0.3)
Ring-fenced DEL (Non-cash items)	3.5	3.4	(0.1)
Capital DEL (including purchase grant)	2.2	2.2	0.0
Total DEL	20.6	20.2	(0.4)

Source: 2021/22 NLS annual report and financial statements

## **Budget processes were appropriate. There was limited financial impact due to Covid-19**

**34.** A large element of the Library's resource expenditure consists of staff costs, which amounted to £12.2 million. Expenditure is split into the various charitable activities of the Library. Collections Development and User Access to Collections continue to be the most significant areas of spend.

**35.** We reviewed the Library's budget setting and monitoring arrangements. From our review of budget monitoring reports, review of committee papers and attendance at Audit Committees we confirmed that senior management and board members continue to receive regular, timely and up to date financial information on the financial position. We concluded that NLS has effective budgetary processes that allow board members and officers to carry out effective scrutiny of its finances.

## **Financial systems of internal control are operating effectively**

**36.** As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that the body has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

**37.** During our interim audit work in March and April 2022 we reviewed key financial systems and assessed controls in the following areas: the general ledger, creditors, debtors, payroll, and cash & banking.

**38.** We confirmed our understanding of the key controls, carried out walkthroughs of each control and concluded that they are suitably designed to detect and/or prevent risk of material misstatement. No significant internal control weaknesses were identified during the audit which could affect the Library's ability to record, process, summarise and report financial and other relevant data resulting in a material misstatement in the financial statements.

## **Internal audit operated in line with PSIAS**

**39.** The Library's internal audit function is carried out by BDO. The Public Sector Internal Audit Standards (PSIAS) require the 'chief audit executive' to provide an annual internal audit opinion and report that can be used to inform the annual governance statement. The opinion provided in 2021/22 is that 'The risk management activities and controls in the majority of areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. Based on our verification reviews and sample testing, the risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review'.

**40.** We reviewed the Library's internal audit function in terms of International Standard on Auditing (UK) 610 (Using the Work of Internal Auditors) to determine the extent to which we could use the work of internal audit. As our audit of the accounts is focused on substantive testing, we have not used the work of internal audit to support our opinion on the financial statements. We

consider internal audit reports and findings to provide assurance over the wider audit dimensions we comment on in this report.

### **Standards of conduct and arrangements for the prevention and detection of fraud and error are appropriate**

**41.** NLS is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption. Furthermore, the board is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

**42.** We have reviewed the arrangements in place to maintain standards of conduct including their risk management, fraud and whistleblowing policies. We concluded that there are appropriate arrangements for the prevention and detection of fraud, error and irregularities.

# 3. Financial sustainability

Financial Sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services

## Main judgements

NLS has approved its 2022/23 budget and prepared scenario planning for future financial years. These forecasts have taken account of the continuing impact of Covid-19.

## We have obtained audit assurances over the wider audit dimension risks relating to Financial Sustainability identified in our 2021/22 Annual Audit Plan

43. [Exhibit 5](#) sets out the significant risks of material misstatement we identified in our 2021/22 audit, our assurance procedures and the results and conclusions from our work. These risks influenced our overall audit strategy, the allocation of staff resources to the audit and informed where the efforts of the team were directed.

## Exhibit 5

### Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p><b>Financial sustainability</b></p> <p>The Library, like other public sector bodies, face challenges and uncertainty over future funding allocations. The main financial target for NLS is to maintain a stable and sustainable financial environment and adequate financial outturn for the year, compared to the budget allocated by Scottish Ministers. NLS are projecting a small surplus for 2021/22.</p> <p>Although NLS are on course to meet its financial target in</p>	<p>Effective budget monitoring and control by the finance team.</p> <p>Regular financial reporting to the Board and Audit Committee.</p> <p>Ongoing communication with the Scottish Government sponsor division.</p> <p>A 3-year financial forecast is produced by the finance team which includes scenario planning.</p>	<p><b>Results &amp; Significant Judgements:</b> We reviewed NLS' financial management arrangements and concluded that these are appropriate.</p> <p><b>Conclusion:</b> We have discussed financial sustainability and ongoing financial pressures with management and reviewed budgets and forecasts for 2022/23 and beyond.</p> <p>Regular financial reporting is provided to the Board and Audit Committee.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>2021/22, the organisation continues to face a risk over its financial sustainability in the coming years due to uncertainty over future funding allocations and the impact of Covid-19.</p>		

## NLS' medium-term financial plan has been revised to reflect the impact of the Covid-19 pandemic

**44.** The financial impact of the pandemic on NLS is likely to extend across several years, and the Library has acknowledged this in their most recent budget. Ongoing pressures on Library generated income is a potential medium term financial risk.

**45.** The budget for 2022/23 was presented to the Board on 30 March 2022. The budget includes a forecast of £19.1 million total expenditure for the year. This is matched by £19.1 million of income. £17.6 million grant in aid will be received from Scottish Government. This funding will therefore remain the Library's main source of income (92%). This is comprised of £15.4 million for revenue and £2.3 million for capital.

**46.** The budget acknowledge areas of concern going forward including the SG funding levels, rising cost of inflation and the impact this has on backlog maintenance and securing funds to implement future pay policies.

**47.** The document also includes information on outline budgets for 2023/24 and 2024/25. This is presented as scenario planning, with positive, neutral and negative scenarios for each year. Both the neutral and negative scenarios indicate substantial and increasing deficits. The budget acknowledges that the Library continues to identify compensating savings and may need to speed implementation of these should the circumstances require. Additional pressures as a result of the Russia – Ukraine conflict are likely to impact on the Library's medium term financial plans and this will also need to be kept under review by management and the Board.

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# 4. Governance and transparency

The effectiveness of scrutiny and oversight, and transparent reporting of information

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## Main judgements

Arrangements have been adapted to reflect the impact of the pandemic. We have considered these measures and have concluded that NLS has appropriate and effective governance arrangements in place.

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### The governance arrangements and controls operating during the year have been appropriate

**48.** Through our interim audit procedures we have concluded that overall, the Library has appropriate governance arrangements in place.

**49.** We reported in last year's annual report on the revised governance arrangements introduced by the Library in response to the pandemic, including:

- Hosting of online board meetings
- Improving online communication with staff and developing home working.

**50.** Responsibility for delivering the Strategy and Operational objectives is devolved to the National Librarian and the NLS Board, supported by the Library Leadership Team. The National Librarian is also the Chief Executive of the Library and the Accountable Officer for the use of public resources. A new National Librarian was appointed to the post in October 2021 following the retirement of the previous National Librarian.

**51.** The Board is supported in its governance role by the following Committees of the Board:

- Audit Committee.
- Governance Committee; and,
- Staffing and Remuneration Committee

**52.** From our attendance at Audit Committees, we note that committee papers are well prepared in advance of each meeting, and sufficient time is made available at each meeting to allow appropriate discussion of each item on the agenda. Committee members are well-prepared and provide effective scrutiny and oversight..

## The Library operates in an open and transparent manner

**53.** Openness and transparency in how a body operates and makes decisions is key to supporting understanding and scrutiny. Transparency means that the public have access to understandable, relevant and timely information about how the board is taking decisions and how it is using resources such as money, people and assets.

**54.** The Library's Board meetings are held in private. Board minutes are published on the Library's website and papers are available on request. We consider these arrangements to be adequate, however we did note that minutes for board meetings during 2021/22 had not been made available on the website.

**55.** A variety of information about the Library, the Board and its corporate governance arrangements continues to be available on the NLS website. The Library also engage with members of the public via social network channels and a regular NLS blog. Overall, we concluded that NLS conducts its business in a transparent and open manner.

## The Annual Report was of a good standard

**56.** In addition to the opinion on the performance report covered in Part 1 of our Annual Audit Report, we also consider the qualitative aspects of the Library's narrative disclosures. The annual report should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of a body's performance as well as helping stakeholders understand the financial statements.

**57.** Our review of the annual report found that it was of a good standard and covered all areas and disclosures required. We found it to be well presented and informative.

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# 5. Value for money

Using resources effectively and continually improving services

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## Main judgements

The Library has an appropriate and effective best value framework in place.

Performance monitoring has continued throughout 2021/22, with the Library performing well against its key performance indicators in 2021/22. However, as a result of closures and COVID restrictions the levels of public visits remains significantly lower than pre pandemic levels.

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## NLS has developed an appropriate Best Value arrangements and performance reporting in place

**58.** [Ministerial guidance to Accountable Officers](#) for public bodies and the [Scottish Public Finance Manual](#) (SPFM) sets out the accountable officer's duty to ensure that arrangements are in place to secure best value. The guidance sets out the key characteristics of best value and states that compliance with the duty of best value requires public bodies to take a systematic approach to self-evaluation and continuous improvement.

**59.** From our discussions with officers, review of Board and committee papers and attendance at committee meetings, we conclude that the Library has satisfactory best value arrangements and performance reporting in place.

## The Library were able to maintain service performance levels despite the pandemic

**60.** The Library continued to monitor key performance indicators throughout the year with performance reported to the Board on a regular basis.

**61.** The Library were able to maintain performance on targets related to expansion and maintenance of their collections, and promotion of online presence. The pandemic primarily impacted targets related to collection access and public engagement, with performance in these areas starting to improve in 2021/22. This is demonstrated by the information as summarised in [Exhibit 6](#).

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## Exhibit 6

Key performance indicators – trend analysis

	2017/18	2018/19	2019/20	2020/21	2021/22
1. Environmental compliance	● 99%	● 98%	● 98%	● 99.2%	● 98.3%
2. Growth in the Collections	Information not available	Information not available	Information not available	● 2.25 million	● 2.03 million
3. Percentage reduction in hidden collections	● 7.2%	● 9.1%	● 22.8%	● 35%	● 61.4%
4. Percentage of collections available in a digital format	● 13.9%	● 19%	● 22.7%	● 26%	● 29%
5. Number of research collaborations	● 36	● 47	● 55	● 60	● 57
6. Reading room visit	● 68,787	● 63,340	● 68,371	● 3,463	● 20,976
7. On-site learning and community events/Outreach learning & community events	● 371	● 405	● 371	● 137	● 215
8. Exhibition visitors	● 118,950	● 51,398	● 99,548	● 5,248	● 27,945
9. Website usage (Web sessions)	● 5.1 Million	● 5.4 Million	● 5.6 Million	● 7.0 Million	● 5.1 million
10. Staff absence rate (Days per employee)	● 6.7	● 7.4	● 7.9	● 3.7	● 6.8
11. Percentage raised against fundraising target	● 91%	● 185%	● 116%	● 39%	● 181%
12. Central support costs as	● 8.4%	● 9.0%	● 9.0%	● 8.5%	● 9.1%

	2017/18	2018/19	2019/20	2020/21	2021/22
a percentage of income					
13. Reduction in CO <sub>2</sub> emissions	N/A	N/A	N/A	N/A	 2%

Source: NLS Annual Report and Financial Statements 2017/18 – 2021/22

**62.** The Library has developed a recovery plan, providing key milestones for the restoration of services during 2022 and already progress has been made against its agreed action plan.

### National performance audit reports

**63.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. In 2021/22 several reports were published which may be of direct interest to the body. These are outlined in [Appendix 2](#).

# Appendix 1. Action plan 2021/22

## Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>Cyber security risk</p> <p>Cyber security remains an ongoing risk and officers are still working towards cyber essentials plus. Since last year the Library has lost its cyber essentials accreditation.</p> <p>Risk – There is a continued risk of data loss, ransomware and reputational damage while the Library is exposed to cyber-attacks.</p>	<p>Management should continue to make the required improvements to achieve Cyber Essentials and Cyber Essentials Plus status.</p>	<p><b>In Progress</b></p> <p>An update on Digital projects at NLS was provided to the May 2022 Audit Committee.</p> <p>The Library’s Cyber Essentials accreditation has expired, and the estimated timescale for re-accreditation is 2023/24. Work carried out under the 2022/23 Cyber Security Plan will address many of the requirements for accreditation. It is estimated that the Library is currently 70% compliant with Cyber Essentials.</p> <p>The procurement of cloud services is in progress, with the request for purchase having been recently completed.</p> <p>The IT Support team have worked to modernise the Library’s personal computing technical estate, deploying more than 200 laptops to staff to support a mobile workforce that can work flexibly.</p> <p>A number of objectives relating to cyber security have been built into the 2022/23 Library Plan. In particular, the target of <i>“Continue to develop our cyber resilience, ensuring the</i></p>

Issue/risk	Recommendation	Agreed management action/timing
<p>Title Deeds</p> <p>NLS still does not possess title deeds for two properties (George IV Bridge and Sighthill) included in the balance sheet.</p> <p>Risk – There is a risk that NLS does not have appropriate documentation justifying ownership and disclosure of these properties in the Library’s financial statements.</p>	<p>We recommend that NLS and their lawyers follow up on the title deeds position for the Library’s properties, since they make up majority of the tangible assets balance</p>	<p><i>security of our systems, data and collections, with a view to achieving Cyber Essentials in 2023/24”</i></p> <p>Complete</p> <p>For both George IV Bridge and Sighthill properties, applications has been lodged with the land registry to have the title placed into the Library’s name.</p>

# Appendix 2. Summary of 2021/22 national performance reports and briefing papers

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## May

[Local government in Scotland Overview 2021](#)

## June

[Covid 19: Personal protective equipment](#)

## July

[Community justice: Sustainable alternatives to custody](#)

## September

[Covid 19: Vaccination programme](#)

## January

[Planning for skills](#)

[Social care briefing](#)

## February

[NHS in Scotland 2021](#)

## March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

# National Library of Scotland

## 2021/22 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)



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