

National Library of Scotland

2024/25 Annual Audit Report



Prepared for the National Library of Scotland and the Auditor General for Scotland
September 2025

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Accessibility

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Key messages

Audit of the Annual Report and Financial Statements

- 1** All audit opinions stated that the Annual Report and Financial Statements were free from material misstatement.

Wider scope and Best Value audit

- 2** National Library of Scotland has appropriate arrangements in place:
 - for Financial Management; Financial Sustainability; Vision, Leadership and Governance; Use of Resources to Improve Outcomes; and for securing Best Value.
 - 3** There is scope for enhancing internal controls over journal entries.
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Introduction

Purpose of the Annual Audit Report

1. The purpose of this Annual Audit Report is to report the significant matters identified from the 2024/25 audit of National Library of Scotland (NLS) Annual Report and Financial Statements and the wider scope areas specified in the [Code of Audit Practice \(2021\)](#).
2. The Annual Audit Report is addressed to National Library of Scotland, and the Auditor General for Scotland, and will be published on [Audit Scotland's website](#) in due course.

Appointed auditor and independence

3. Andrew Kerr (Senior Audit Manager), of Audit Scotland, was appointed as external auditor of NLS for the period from 2022/23 until 2026/27. As reported in the [Annual Audit Plan](#), Andrew Kerr and the audit team are independent of NLS in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. There have been no developments since the issue of the Annual Audit Plan that impact on the continued independence of the engagement lead or the rest of the audit team from NLS, including no provision of non-audit services. Following Andrew's departure from Audit Scotland in July 2025, the Auditor General appointed Kerry Tonner (Audit Scotland - Senior Audit Manager) as the appointed external auditor of NLS. Kerry has assumed responsibility for the 2024/25 audit of NLS.

Acknowledgements

4. We would like to thank NLS and its staff, particularly those involved in preparation of the Annual Report and Financial Statements, for their cooperation and assistance during the audit. We look forward to working together constructively over the remainder of the five-year audit appointment.

Audit scope and responsibilities

Scope of the audit

5. The audit is performed in accordance with the Code of Audit Practice, including supplementary guidance, International Standards on Auditing (ISA) (UK), and relevant legislation. These set out the requirements for the scope of the audit which includes:

- An audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement, including the regularity of income and expenditure.
- An opinion on statutory other information published with the financial statements in the Annual Report and Financial Statements, namely the Annual Report of the Board and Governance Statement.
- An opinion on the audited part of the Remuneration and Staff Report.
- Conclusions on NLS's arrangements in relation to the wider scope areas: Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.
- Reporting on its arrangements for securing Best Value.
- Providing assurance on the Whole of Government Accounts return and summary financial statements.
- Provision of this Annual Audit Report.

Responsibilities and reporting

6. The Code of Audit Practice sets out the respective responsibilities of the auditor and NLS. A summary of the key responsibilities is outlined below.

Auditor's responsibilities

7. The responsibilities of auditors in the public sector are established in the Public Finance and Accountability (Scotland) Act 2000. These include providing an independent opinion on the financial statements and other information reported within the Annual Report and Financial Statements and concluding on NLS's arrangements in place for the wider scope areas and Best Value.

8. The matters reported in the Annual Audit Report are only those that have been identified by the audit team during normal audit work and may not be all that exist. Communicating these does not absolve NLS from its responsibilities outlined below.

9. The Annual Audit Report includes an agreed action plan at [Appendix 1](#) setting out specific recommendations to address matters identified and includes details of the responsible officer and dates for implementation.

NLS responsibilities

10. NLS has primary responsibility for ensuring proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety, and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of its affairs.
- Preparation of the Annual Report and Financial Statements that gives a true and fair view and other specified information.
- Establishing arrangements for the prevention and detection of fraud, error and irregularities, and bribery and corruption.
- Implementing arrangements to ensure its financial position is soundly based.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

11. In line with ISA (UK) 240 (*The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*), in presenting this report to the Audit Committee we seek confirmation from those charged with governance of any instances of actual, suspected, or alleged fraud that should be brought to our attention. Should Board members have any such knowledge or concerns relating to the risk of fraud within the Library, we invite them to communicate this to the appointed auditor for consideration prior to the Annual Report and Financial Statements being certified.

Audit of the Annual Report and Financial Statements

Main judgements

All audit opinions stated that the Annual Report and Financial Statements were free from material misstatement.

Audit opinions on the Annual Report and Financial Statements

12. The Library's Annual Report and Financial Statements were approved by the Board on 17 September 2025. The Independent Auditor's Report is included in the Annual Report and Financial Statements, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.

Audit timetable

13. The unaudited Annual Report and Financial Statements and all working papers were received on 9 June 2025 in accordance with the agreed audit timetable. The document submitted was of a high standard as were the working papers. Finance staff provided good support to the audit team which helped ensure the final accounts audit process ran smoothly.

Audit Fee

14. The audit fee for the 2024/25 audit was reported in the Annual Audit Plan and was set at £31,070. There have been no developments that impact on planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.

Materiality

15. The concept of materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the annual report and accounts.

16. Broadly, the concept of materiality is to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual report and accounts. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.

17. Materiality levels for NLS were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan, which also reported the judgements

made in determining materiality levels. These were reassessed on receipt of the unaudited Annual Report and Financial Statements. No changes were required to the materiality levels, which are outlined in [exhibit 1](#).

Exhibit 1
2024/25 materiality levels for NLS

Materiality	
Materiality: set at 1.5% of 2024/25 net assets.	£2.130 million
Performance materiality: set at 65% of materiality. As outlined in the Annual Audit Plan, this acts as a trigger point. If the aggregate of misstatements identified during the audit exceeds performance materiality, this could indicate further audit procedures are required.	£1.385 million
Reporting threshold: level of error that we will consider reporting to Trustees.	£0.040 million

Source: Audit Scotland

Significant findings and key audit matters

18. ISA (UK) 260 requires auditors to communicate significant findings from the audit to those charged as governance, which for NLS is the Audit Committee.

19. The Code of Audit Practice also requires public sector auditors to communicate key audit matters. These are the matters that, in the auditor’s professional judgement, are of most significance to the audit of the financial statements and require most attention when performing the audit.

20. In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement ([exhibit 3](#))
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.
- Significant events or transactions that occurred during the year.

21. We have key audit matters to report ([exhibit 2](#)). This relates to our work in response to the valuation of land and buildings (significant risk of material misstatement per our [Annual Audit Plan](#)) and our assessment of the Childe Harold manuscript purchase.

Exhibit 2
Key audit matters

Key audit matters	Outcome
Revaluation of land and buildings A full revaluation of NLS’s land and buildings was undertaken by a professional qualified external valuer. The valuation resulted in an increase of £9.967 million to the net book value of the assets.	Given the material movement this is included for information. We are satisfied that NLS’s disclosure and accounting treatment complies with required accounting practices. This was highlighted as an area of significant risk in our Annual Audit Plan. Further details of our work in response to this risk are set out at exhibit 3.
Purchase of heritage asset The Library purchased the Childe Harold manuscript for £4.970 million. This was a significant in year addition to the heritage collection. The valuation was established by an expert third-party valuer. This purchase was funded following an application to the John Murray Trust.	Given the significant value and estimation involved with the transaction, we have included this for information. We are satisfied with the accounting treatment of this addition, including the external valuer’s rational for its valuation.

Source: Audit Scotland

Qualitative aspects of accounting practices

22. ISA (UK) 260 also requires auditors to communicate their view about qualitative aspects of NLS’s accounting practices, including accounting policies, accounting estimates, and disclosures in the financial statements.

Accounting policies

23. The appropriateness of accounting policies adopted by NLS was assessed as part of the audit. These were appropriate to the circumstances of the Library, and there were no significant departures from the accounting policies set out in the Government Financial Reporting Manual (FReM).

Accounting estimates

24. Accounting estimates are used in number of areas in NLS’ financial statements, including the valuation of property, plant, and equipment. Audit work considered the process management has in place around making accounting estimates, including the assumptions and data used in making the estimates, and the use of any management experts. Audit work concluded:

- There were no issues with the selection or application of methods, assumptions, and data used to make the accounting estimates, and these were considered to be reasonable.

- There was no evidence of management bias in making the accounting estimates.

25. Further commentary on the valuation of the Library's land and buildings is detailed at [exhibit 2](#).

Disclosures in the financial statements

26. The adequacy of disclosures in the financial statements was assessed as part of the audit. The quality of disclosures was adequate. We also reviewed the Annual Report of the Board, the Governance Statement, and the audited section of the Remuneration and Staff Report and found these to be consistent with the financial statements and compliant with relevant guidance.

Significant matters discussed with management

27. All significant matters identified during the audit and discussed with NLS management have been reported in the Annual Audit Report. The main matter related to the valuation of property, plant, and equipment exercise.

Audit adjustments

28. No audit adjustments were required to the financial statements greater than the reporting threshold of £0.040 million.

Significant risks of material misstatement identified in the Annual Audit Plan

29. Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of audit work performed is summarised in [exhibit 3](#).

Exhibit 3

Significant risks of material misstatement to the financial statements

Risk of material misstatement	Planned audit response	Outcome of audit work
Fraud caused by management override of controls Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.	The audit team will: • Evaluate the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries. • Test journals entries, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements. • Assess changes to the methods and underlying assumptions used to prepare accounting estimates and assess these for evidence of management bias.	Audit work performed found: • From review of the design and implementation of controls over journal processing, one control weakness was identified – see paragraph 44. • No inappropriate or unusual activity relating to the processing of journal entries was identified from discussions with individuals involved in financial reporting. • No significant issues were identified from testing of journal entries. • No significant issues were identified from transactions outside the normal course of business. • The controls in place for identifying and disclosing related party relationships and transactions were adequate. • No significant issues were identified with changes to methods and underlying assumptions used to prepare accounting estimates and there was no evidence of management bias. Conclusion: We found no evidence of fraud caused by management override of controls.

Risk of material misstatement	Planned audit response	Outcome of audit work
Valuation of tangible assets NLS held £114.762 million of tangible assets at 31 March 2024, of which £106.024 million was land and building assets. In line with the government financial reporting manual (FRoM) these assets are revalued on a five-year rolling basis. A full revaluation was undertaken in 2019/20 with indexation applied in the following years. A full revaluation of these assets is due in 2024/25. NLS is required to value land and building assets at existing use value where an active market exists for these assets. Where there is no active market, these assets are valued on a depreciated cost replacement (DRC) basis. As a result, there is a significant degree of subjectivity in these valuations which are based on specialist assumptions, and changes in the assumptions can result in material changes to valuations.	The audit team will: • Evaluate the design and implementation of controls over the valuation process. • Review the information provided to the valuer and assess this for completeness and accuracy. • Evaluate the competence, capabilities, and objectivity of the valuer. • Obtain an understanding of management's involvement in the valuation process to assess if appropriate oversight has occurred. • Review the appropriateness of the key data and assumptions used in the 2024/25 valuation process, and challenge these where required. • Review management's assessment that the value in the balance sheet of assets not subject to a valuation process in 2024/25 is not materially different to current value at the year-end, and challenge this where required.	Audit work performed found: • The design and implementation of controls over the valuation process were appropriate. • The information provided to the valuer was accurate and complete. • The valuer had sufficient competence, capability, and objectivity to perform their work. • Management was involved in the valuation process and have an appropriate level of oversight. • The data and assumptions used in the 2024/25 valuation process were appropriate. • Management's assessment of assets not subject to a valuation process in 2024/25 was reasonable and concluded there was unlikely to be a material difference to the current value at the year-end. Conclusion: The valuation of land and buildings was appropriate, and no misstatements were identified.

Source: Audit Scotland

Whole of Government Accounts (WGA) return

30. NLS is part of the WGA boundary and therefore prepares a return that is used by HM Treasury to prepare the WGA. The threshold for requiring audit procedures to be performed on the WGA return was set at £2 billion. NLS is below this threshold and therefore only limited audit procedures are required, and submission of an assurance statement to the National Audit Office (NAO).

Wider scope and Best Value audit

Conclusion

NLS has appropriate arrangements in place for Financial Management; Financial Sustainability, Vision, Leadership and Governance; Use of Resources to Improve Outcomes and for securing Best Value.

There is scope for enhancing internal controls over journal entries.

Audit approach to wider scope and Best Value

Wider scope

31. As reported in the Annual Audit Plan, the wider scope audit areas are:

- Financial Management.
- Financial Sustainability.
- Vision, Leadership and Governance.
- Use of Resources to Improve Outcomes.

32. Audit work is performed on these four areas and a conclusion on the effectiveness and appropriateness of arrangements NLS has in place for each of these is reported in this chapter.

Duty of Best Value

33. The [Scottish Public Finance Manual](#) (SPFM) explains that Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. [Best Value in public services: guidance for Accountable Officers](#) is issued by Scottish Ministers and sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

34. Consideration of the arrangements NLS has in place to secure Best Value has been carried out alongside the wider scope audit.

35. As reported in the Annual Audit Plan, specific work covering the 'fairness and equality' Best Value characteristic will be carried out later in the audit appointment.

Significant wider scope and Best Value risks

36. No significant risks in the wider scope areas or Best Value were identified from the risk assessment process.

Conclusion on wider scope

Financial Management

37. The audit work performed on the arrangements NLS has in place for securing sound financial management found that these were effective and appropriate. This judgement is evidenced by our review of the following key area.

NLS operated within budget in 2024/25

38. The main financial objective for NLS is to ensure that the financial outturn for the year is within the budget allocated by Scottish Ministers. NLS also must self-generate income and manage costs over the long-term to ensure its financial sustainability.

39. As a charitable Non-Departmental Public Body, NLS is primarily funded by the Scottish Government (SG) by way of Grant-in-Aid (GIA). For 2024/25, the Financial Statements for NLS show that it was due to receive £22.170 million from the SG. This comprised a resource grant of £16.770 million and capital of £5.400 million.

40. NLS has reported an underspend of £1.136 million against its budget for 2024/25. The underspend in capital funding relates to the timing of works on the Causewayside project. This funding will be carried forward and spent in 2025/26. The financial performance against fiscal resources is shown in [exhibit 4](#).

Exhibit 4 Performance against fiscal resource in 2024/25

Performance	Final budget £'million	Outturn £'million	Variance (under)/over £'million
Resource	16.770	16.752	(0.018)
Capital	5.400	4.282	(1.118)
Total	22.170	21.034	(1.136)

Source: National Library of Scotland Audited 2024/25 Annual Report and Financial Statements

41. Overall, NLS remains in satisfactory financial health. The balance sheet discloses what is owned and owed by NLS as at 31 March 2025. This currently shows net assets of £142.120 million, an increase of £16.349 million on the prior year primarily due to the 2024/25 valuation exercise and heritage asset additions.

42. NLS continued to comply with its reserve strategy of maintaining at least £0.795 million available for use in its unrestricted General Reserve, with £0.869 million being held as at 31 March 2025. This has slightly decreased from £0.913 million in 2023/24.

43. Our judgement in this area is further evidenced by:

- well-established budget monitoring and reporting processes in place that includes effective scrutiny and challenge to management's reporting by the Audit Committee.
- appropriate financial control arrangements that are in place.
- internal audit annual report which concluded that NLS had reasonable risk management, control, and governance arrangements in place during 2024/25.
- arrangements that have been put in place that enhance cyber security (discussed further at [appendix 1](#)).
- appropriate standards of conduct and arrangements for the prevention and detection of fraud and error such as the Library's ongoing participation in the National Fraud Initiative (NFI).

There is scope for enhancing internal controls over journal entries

44. Our review of the design and implementation of key controls over journal processing identified that three members of staff have the ability to both raise and approve journal entries. For these individuals, there is no control currently in place to enforce segregation of duties through independent authorisation of journal entries.

45. As a result of the control weakness identified, additional substantive testing of journals was carried out, with a focus on audit risk areas. No issues were identified.

Recommendation 1

Management should review the controls over journal processing to ensure adequate segregation of duties are in place.

Financial Sustainability

46. The audit work performed on the arrangements NLS has in place for securing financial sustainability found that these were appropriate, but national funding pressures make planning for the medium-term challenging. This judgement is evidenced by our review of the following key areas.

The 2025/26 budget is balanced

47. The Board approved a balanced budget for 2025/26 in February 2025. The Library noted this was achieved against the backdrop of a challenging financial settlement from the Scottish Government (SG).

48. The budget sets out £22.631 million of total expenditure in 2025/26 with a corresponding level of income, including £17.767 million in revenue Grant-in-Aid (GIA) from the Scottish Government (SG). This is an increase of £0.997 million from 2024/25 (6%). However, when the costs of pay awards, increases in employer national insurance rates and general inflation are included, management reports that there are still significant challenges, particularly around non-staffing costs, such as the recent trend of increases in IT/digital costs. The Board emphasised the importance of ongoing prudent financial planning and risk management to address medium and long-term uncertainties.

49. The narrative that supported the budget provided a good level of detail on the assumptions used. These appeared reasonable and were based on the latest and best available information to management.

50. The Library has good financial management arrangements in place and has a history of operating within its budget. We are satisfied from a review of the 2025/26 budget, consideration of the actual position in 2024/25, and the assumption of continued provision of services set out in the FReM and Practice Note 10, that it is appropriate to prepare the Financial Statements on a going concern basis, and that no material uncertainty on going concern exists. Management have made appropriate disclosures relating to going concern in the Annual Report and Financial Statements.

Planning for the medium-term remains challenging

51. Audit Scotland's [Fiscal sustainability and reform in Scotland](#) report published in November 2024 highlights that the SG continues to face significant fiscal challenges. There is a widening gap between projected funding and expenditure, forecast to reach £1.9 billion by 2027/28 if no corrective action is taken. Although steps have been taken to balance the budgets in the short-term, there remains a lack of detailed, long-term reform plans to achieve fiscal sustainability. This has created uncertainty for all public bodies, including the national collections, which must continue to deliver their statutory and cultural objectives with increasingly constrained financial resources.

52. The SG reform agenda, which the Library is participating in as a member of the Culture cluster group, has yet to deliver meaningful change for the sector. In August 2024, the finance leads across the three collection bodies submitted draft proposals to the SG on several potential fiscal levers. This included setting out proposals for greater flexibility in the holding and utilisation of reserves. A meeting with SG to discuss these proposals was held in January 2025 but to date there has been limited progress. The SG announced its [Public Service Reform Strategy](#) in June 2025. This aims to support organisational change through three key priorities: prevention, joined-up services, and efficiency. We will monitor any impact on NLS from the actions set out by the strategy.

53. The financial pressures facing the SG, and the wider public sector, have intensified as tougher economic conditions such as increased pay awards and high inflation continue. Despite this, planning for the medium-term term, while difficult, is necessary for NLS. The development of these forecasts brings into focus the identified challenges together with opportunities to address them.

54. As part of the 2025/26 budget paper, management outlined forecasts for 2026/27 and 2027/28. Stress testing of positive, neutral, and negative scenarios indicates that the Library is most vulnerable to:

- uncertainties around medium-term financial planning, particularly reductions in GIA funding
- increased costs due to inflationary pressures.

55. The forecasts highlight a challenging financial position over the medium-term. The library's risk management acknowledges its vulnerability to reductions in SG funding, cyber security risks and inflation, especially in relation to staffing and

property costs. As further information is made available from the SG, NLS will have to assess the impact of its funding settlement, including any further efficiency targets, and reform announcements on its forecasts.

Vision, Leadership and Governance

56. The audit work performed on the arrangements NLS has in place around its Vision, Leadership and Governance found that these were effective and appropriate. This judgement is evidenced by our review of the following key area.

NLS has a clear vision and strategy

57. The National Library of Scotland Act 2012 confirms that NLS's Board of Trustees has the responsibility of:

- reserving, conserving, and developing its collections.
- making the collections accessible to the public and to persons wishing to carry out study and research.
- exhibiting and interpreting objects in the collections.
- promoting collaboration and the sharing of good practice with and between other persons providing library and information services, and the adoption of good practice by those persons.

58. To support the Board in achieving these responsibilities, NLS has established a clear strategic vision as set out in its Library Strategy 2025-30, "The Next Chapter". There was engagement with staff and Board sessions were held with Trustees. The specific strategic aims over this period are:

- Responsible Stewardship
- Connection
- Sustainability

59. Responsibility for delivering the Strategy and operational objectives is devolved to the National Librarian and the Board, supported by the Library Leadership Team.

60. The delivery of the Strategy will be monitored through a suite of key indicators. We have analysed the indicators covering last year of the previous 2020-25 strategy in [exhibit 5](#).

61. To help progress the priorities of the Strategy, each year an operational Library Plan is established that identifies key objectives linked to each of the strategic priority areas. The year's budget is included as part of this which helps link, and evidence, NLS's use of resource to its strategic aims and priorities. At each meeting of the Board, the National Librarian presents a report that is structured around the strategic priorities and Library Plan. The reports detail various activities the Library is involved in and features real life case studies to help evidence its impact.

62. The 2024/25 Library Plan was considered by the Board in June 2025 and indicates a good level of progress with the objectives (28 out of 30 achieved).

63. Our judgement in this area is further evidenced by the:

- effective governance and decision-making arrangements that were in place during 2024/25.
- business being conducted in an open and transparent manner.

Use of Resources to Improve Outcomes

64. The audit work performed on the arrangements NLS has in place around its Use of Resources to Improve Outcomes found that these were effective and appropriate. This judgement is evidenced by our review of the following key area.

There is an effective performance management framework in place. Following completion of the Library Strategy 2020-25 an assessment of what it delivered should be published

65. NLS's performance is monitored by the Board against several performance targets which supported the delivery of the priorities in its Library Strategy 2020-25. The responsibility for the detailed review and scrutiny of operational and financial performance lies with the Board, which meets quarterly.

66. At each meeting of the Board, the National Librarian presents a report to the Trustees covering key operations matters. Included within this is information on the key indicators assigned to the Strategy along with detailed information for each of these. These key indicators are then transparently reported within the Annual Report and Financial Statements.

67. This year has seen strong overall performance results with 9 of the 11 indicators exceeding their in-year performance target together with a similar number seeing an increase in performance when compared with 2023/24 ([exhibit 5](#)).

Recommendation 2

2024/25 was the final year of reporting against the Library Strategy 2020-25. NLS should publish an assessment of the strategy detailing:

- whether the strategy's objectives and outcomes were met
- the key achievements along with areas where improvements are still needed
- trend analysis of the KPIs over the period.

This assessment could be incorporated into the Annual Review that is published on the NLS website.

Exhibit 5

Library Strategy 2020-25 key performance indicators

	2023/24 Results	2024/25 Target	2024/25 Results
Environmental compliance	● 98%	95%	● 98%
Percentage reduction in hidden collections	● 76%	78%	● 79%
Number of research collaborations	● 62	50	● 63
Public events	● 356	200	● 352
Exhibition visitors	● 120,152	110,000 - 130,000	● 157,232
Website usage	● 7.2 million	6 - 6.5 million	● 7.5 million
Reading room visits	● 52,225	48,000 - 55,000	● 52,681
Staff absence rate (days per employee)	● 8.9	8.0 - 9.2	● 7.7
Percentage raised against fundraising target	● 81%	100%	● 93%
Central support costs as a percentage of income	● 7.8%	10%	● 7%
Reduction in CO2 emissions	● 1.96%	1%	● 7.40% increase

Source: National Library of Scotland Audited 2024/25 Annual Report and Financial Statements

Conclusions on duty of Best Value

NLS has arrangements in place to secure Best Value

68. The audit work performed on the arrangements NLS has in place for securing Best Value found these were effective and appropriate. This judgment is evidenced through:

- NLS having a clear strategy and performance reporting, including its framework for continuous improvement.
- NLS having established governance and decision-making arrangements.
- It recognises that strategic priorities must be delivered within the financial and workforce resources available.

Appendix 1

Action plan 2024/25

2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer, and timing
1. Controls over journal entries Our review of the design and implementation of key controls over journal processing identified that three members of staff have the ability to both raise and approve journal entries. For these individuals, there is no control currently in place to enforce segregation of duties through independent authorisation of journal entries. There is a risk that fraudulent or erroneous journal entries are not identified.	Management should review the controls over journal processing to ensure adequate segregation of duties are in place. Paragraph 44	Accepted: Independent authorisation will be built in part of the new Finance system development – most likely as part of the workflow for journals. In the interim, journals will be signed off by one three staff who have not entered the journal. Responsible officer: Chief Operating Officer Agreed date: Immediate
2. Assessment of Library Strategy 2020-25 2024/25 was the final year of reporting against the Library Strategy 2020-25.	NLS should publish an assessment of the strategy detailing: • whether the strategy's objectives and outcomes were met. • they key achievements along with areas where improvements are still needed. • trend analysis of the KPIs over the period.	Accepted: an assessment of the 2020-25 Library Strategy is now included in the Library's Annual Review. This is currently in draft. Responsible officer: Anthony Gillespie/Jackie Cromarty/Barbara Burke Agreed date: September 2025

Follow-up of prior year (PY) recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	2024/25 update
PY1. Digital business continuity/disaster recovery testing Digital business continuity plans have not been tested in the past year. Risk: There is a risk that the plans may not be implemented effectively in the event of a digital business continuity incident due to a lack of testing and corporate understanding of the documentation and required response.	A formal regular testing programme should be developed to ensure that digital business continuity plans are understood by staff and can be applied in practice.	Implemented There is an IT Business Continuity Management Plan in place and several playbook situations have been tested. There is a test recovery plan, and tests have been run during 2024/25. The Causewayside shut down exercise also provided learning regarding digital business continuity.
PY2. Cyber security risk Cyber security remains an ongoing risk and officers are still working towards Cyber Essentials Plus. Since 2020/21 the Library has not held the Cyber Essentials accreditation. Risk: There is a continued risk of data loss, ransomware, and reputational damage while the Library is exposed to cyber-attacks.	Management should continue to make the required improvements to achieve Cyber Essentials and Cyber Essentials Plus status.	Implemented The Library gained Cyber Essentials Certification in October 2024. It requires annual renewal, and progress is monitored against the annual Cyber Security Plan. Cyber Essentials will be reapplied for in September 2025 and longer-term consideration will be given to Cyber Essentials Plus during 2025/26.

National Library of Scotland

2024/25 Annual Audit Report



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