

CODE OF PRACTICE
for
MEMBERS OF THE BOARD
of
THE BRITISH LIBRARY

**The British Library
Adopted July 1997
Amended December 1999**

CODE OF PRACTICE FOR MEMBERS OF THE BOARD OF THE BRITISH LIBRARY

1. The Code of Practice for Members of the Board of the British Library was adopted by the British Library Board at its meeting in July 1997. It is derived from a model Code developed by the Office of Public Service for Board members of executive non-departmental public bodies (NDPBs) and similar organisations, modified - with the agreement of the Department for Culture, Media and Sport - to take account of the particular characteristics and circumstances of the British Library. The material is arranged as follows:

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Public service values

2. Public bodies and their boards must at all times:

observe the highest standards of propriety involving **impartiality, integrity and objectivity** in relation to the stewardship of public funds and the management of the bodies concerned;

maximise **value for money** through ensuring that services are delivered in the most efficient and economical way, within available resources, and with independent validation of performance achieved wherever practicable;

be **accountable** to Parliament, users of services, individual citizens and staff for the activities of the bodies concerned, their stewardship of public funds and the extent to which key performance targets and objectives have been met;

in accordance with Government policy on **openness**, comply fully with the principles of the Citizen's Charter and the Code of Practice on Access to Government Information

Relationship with the sponsor department

3. The Secretary of State for National Heritage is answerable to Parliament for the policies and performance of all public bodies sponsored by the Department for Culture, Media and Sport, including their use of resources and the policy framework within which they operate. The respective roles of the Department for Culture, Media and Sport and the British Library are set out in the British Library Act 1972, supplemented by a Financial Memorandum specifying the terms on which the Library receives and spends its funds.

The role of the Chairman of the British Library Board

4. The Chairman has particular responsibility for providing effective strategic leadership on matters such as:

formulating the Board's strategy for discharging its statutory duties;

encouraging high standards of propriety, and promoting the efficient and effective use of staff and other resources throughout the organisation, without prejudice to the particular and personal responsibilities and duties of the Chief Executive, conferred by virtue of his designation as the Library's Accounting Officer as set out in both the Library's Financial Memorandum and the NDPB Accounting Officer Memorandum;

ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Minister or sponsor department;

representing the views of the Board to the general public; and

providing an assessment of performance of individual Board members, on request, when they are being considered for reappointment to the Board or for appointment to the board of some other public body.

5. The Chairman should ensure that the Board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Board members.
6. Communications between the Board and the Secretary of State for National Heritage will normally be through the Chairman except where the Board has agreed that an individual member should act on its behalf. Nevertheless, an individual member has the right of access to Ministers on any matter which he or she believes raises important issues relating to his or her duties as a member of the Board. In such cases the agreement of the rest of the Board should normally

be sought. The main point of contact between the Library and the Department for Culture, Media and Sport on day-to-day matters will normally be the Chief Executive.

7. The Chairman should ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities. The Chairman and other members of the Board should each have a copy of the Code of Practice for members of the Board of the British Library and other relevant background material such as: the British Library Act 1972, the Library's Financial Memorandum, its Statement of Strategic Objectives, its latest Corporate Plan and Annual Reports and Accounts, the Treasury's memorandum "The Responsibilities of a NDPB Accounting Officer", the Treasury's handbook "Regularity and Propriety"; notes describing the Library's organisational structure and statutory basis of operation, and the rules and procedures of the Board. The Chairman should encourage new Board members to attend an induction course on the duties of board members of public bodies or some other suitable form of induction programme.

Corporate responsibilities of Board members

8. Members of the Board have corporate responsibility for ensuring that the British Library complies with any statutory or administrative requirements for the use of public funds. Other important responsibilities of Board members include:

ensuring that high standards of corporate governance are observed at all times;

establishing the overall strategic direction of the organisation under the terms of the British Library Act 1972 and within the policy and resources framework agreed with the responsible Minister;

overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets;

ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with its sponsor department, the Department for Culture, Media and Sport, and in accordance with any other conditions relating to the use of public funds, without prejudice to the particular and personal responsibilities and duties of the Chief Executive, conferred by virtue of his designation as the Library's Accounting Officer as set out in both the Library's Financial Memorandum and the NDPB Accounting Officer Memorandum;

ensuring that, in reaching decisions, the Board has taken into account any guidance issued by the sponsor department;

formulating a strategy for implementing the Code of Practice on Access to Government Information, including prompt response to public requests for information; and

ensuring that the Board operates sound environmental policies and practices in accordance with the approach set out in the 1990 White Paper "This Common Inheritance" (Cm 1200) and other relevant guidance.

Strategic planning and control

9. One of the main tasks of the Board is oversight of the production of a corporate plan. The process of preparing such a document provides an opportunity for agreeing, with the Secretary of State for National Heritage or officials on his or her behalf, the policy and resources framework within which the Library will discharge its duties, and for determining its key strategic objectives and targets. Such targets should normally cover areas such as the Library's financial performance, the efficiency and effectiveness of its operations, and the quality of the services it provides. In some areas of operation the Library may not be able easily to measure final outputs. Where this makes it difficult to set suitable performance targets, the Board should aim to agree carefully formulated strategic objectives and milestones.

Delegation

10. Board members normally serve on a part-time basis. To the extent permitted by the British Library Act 1972, responsibility for day-to-day management matters should be delegated to staff so far as is practicable, within a clearly understood framework of strategic control. The Board will want to consider internal guidance covering those matters delegated to staff and those reserved for decision by the Board. The latter are likely to include: issues of corporate strategy, key strategic objectives and targets, major decisions involving the use of financial and other resources, and personnel issues including key appointments and standards of conduct.
11. The Board may decide to delegate, where it has power to do so, responsibility for specified matters to individual members or committees of the Board. Decisions taken by individual members or committees of the Board under delegated powers should be recorded in written minutes available to the Board as a whole.

Responsibilities of individual Board members

12. Individual Board members should be aware of their wider responsibilities as members of the Board. Like others who serve the public, they should follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life (the Nolan Committee). The principles are printed at Annex 1. Board members must

undertake on appointment to comply at all times with the Code of Practice for members of the Board of the British Library and with rules relating to the use of public funds;

act in good faith and in the best interests of the British Library;

not misuse information gained in the course of their public service for personal gain or for political purposes, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations; and

ensure that they comply with the Board's rules on the acceptance of gifts and hospitality. (See Annex 2).

13. Board members, whether full or part-time, are expected not to occupy paid party political posts or hold particularly sensitive or high-profile unpaid roles in a political party. Subject to that, part-time members are free to engage in political activities, provided that they are conscious of their general public responsibilities and exercise a proper discretion, particularly in regard to the work of the British Library Board. On matters directly affecting that work, they should not make political speeches or engage in other political activities. Full-time members of the British Library Board should abstain from all controversial political activities.
14. The restrictions in paragraph 13 do not apply to Board members who are MPs, to local councillors, or to Peers in relation to their conduct in the House of Lords. The position of Peers in this regard is covered by a statement reproduced as Annex D to "Non-Departmental Public Bodies: A Guide for Departments".
15. The arrangements for appointing individual Board members normally make it possible to remove them from office if they fail to perform the duties required of Board members to the standards expected of persons who hold public office.

Handling conflicts of interests

16. The Chairman and other Board members should declare any personal or business interests which may conflict with their responsibilities as Board members.
17. The Board has agreed that this requirement is best met through the establishment of a Register of Interests of Board Members. (See Annex 3).
18. Copies of the Register are made available for public inspection on application to the Secretary of the Board, and copies of the information will be supplied on request. Reference will be made in the Library's Annual Report to these arrangements. The Register is compiled annually by the Secretary of the Board to show Members' interests as at 31 December. The Secretary of the Board maintains and updates the Register during the year, and will remind the Members of their obligations under these provisions on an annual basis at a meeting of the

Board. It is the responsibility of Members to notify changes in their registerable interests to the Secretary of the Board.

19. In the absence of specific statutory provisions, the common law requires:
 - that members of public bodies should not participate in the discussion or determination of matters in which they have a direct pecuniary interest; and
 - that when an interest is not of a direct pecuniary kind, members should consider whether participation in the discussion or determination of a matter would suggest a real danger of bias. This should be interpreted in the sense that members might unfairly regard with favour, or disfavour, the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, members should assess whether they, a close family member, a person living in the same household as the board member, or a firm, business or other organisation with which the board member is connected are likely to be affected more than the generality of those affected by the decision in question. This would cover, for example, a decision to invite tenders for a contract where a firm with which a member was connected would be significantly better placed than others to win it as a result of that association.
20. Where, in accordance with the above, members do not participate in the discussion or determination of a matter, they should normally withdraw from the meeting, even if it is held in public. This is because the continued presence of someone who had declared an interest might be thought likely to influence the judgement of the other members present.
21. The Board should obtain legal advice on the effect of any specific statutory provisions applying to it. In cases where members are authorised by law to represent a group likely to be affected by the Library's decisions, the relevant statutory framework may permit members to be involved, notwithstanding any direct pecuniary interest that they may have in the decision. However, the Board should not overlook the possibility that specific statutory provisions may impose restrictions that are stricter than those described in paragraph 19 for interests that are not of a direct pecuniary kind.
22. Whether or not Board members are able in the light of the considerations above to participate in the discussion or determination of a matter, they should declare as soon as practicable after a meeting begins if they have an interest, pecuniary or other, in a matter being considered. They should also disclose any interests in it of which they are aware on the part of close family members and persons living in the same household as the Board member. In addition, Board members should consider whether they need to disclose relevant interests of other persons or organisations which members of the public might reasonably think could influence the member's judgement.
23. Because executive NDPBs are required, other than exceptionally, to follow generally accepted accounting practice, Board members must facilitate

compliance with the need under Financial Reporting Standard 8 (FRS 8) for material transactions with related parties to be disclosed in financial statements. "Related parties" in FRS 8 include close members of the family of an individual, who are defined for the purposes of the standard as those family members, or members of the same household, who may be expected to influence, or be influenced by, that person on their dealings with the reporting entity.

24. The Board will adopt safeguards to prevent conflicts of interests arising from the acceptance of outside appointments during or after tenure as a board member, taking account of guidance in chapter 10 of "Non-Departmental Public Bodies: A Guide for Departments".

Personal liability of Board members

25. Although any legal proceedings initiated by a third party are likely to be brought against the Board, in exceptional cases proceedings (civil or, in certain cases, criminal) may be brought against the Chairman or other individual Board members. For example, a Board member may be personally liable if he or she makes a fraudulent or negligent statement which results in loss to a third party. Board members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation.
26. However, the Government has indicated¹ that individual Board members who have acted honestly and in good faith will not have to meet out of their own personal resources any personal civil liability which is incurred in the execution or purported execution of their board functions, save where they have acted recklessly.
27. Board members who need further advice should consult the Board's legal advisers.

Openness and responsiveness

28. Board members and their staff should conduct all their dealings with the public in an open and responsible way and ensure full compliance with the principles of the Freedom of Information Act. Wherever possible, the Board should make provision for access to records of its decisions and should publicise the arrangements made.
29. The Board should ensure that the Library can demonstrate that it is using resources to good effect, with propriety, and without grounds for criticism that public funds are being used for private, partisan or party political purposes. The Board should act consistently with the nature of the Library's business and the possible need for confidentiality on commercial or other grounds, always subject

¹ Revised in line with DAO(GEN)2/99, March 1999

to the rights of Parliament and the Comptroller and Auditor General to obtain information. There should be internal procedures available to deal with complaints, including those on failure to provide information.

Accountability for public funds

30. Board members have a duty to ensure the safeguarding of public funds - which for this purpose should be taken to include all forms of receipts from fees, charges and other sources - and the proper custody of assets which have been publicly funded. They must take appropriate measures to ensure that the body at all times conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to relevant guidance in Government Accounting.
31. Without prejudice to the particular and personal responsibilities and duties of the Chief Executive, conferred by virtue of his designation as the Library's Accounting Officer as set out in both the Library's Financial Memorandum and the NDPB Accounting Officer Memorandum, members of the Board are responsible for ensuring that the Library does not exceed its powers or functions, whether defined in statute or otherwise, or through any limitations on its authority to incur expenditure. They are normally advised on these matters by the Chief Executive, in his role as Accounting Officer, and by its legal advisers.

Annual Report and Accounts

32. As part of its responsibilities for the stewardship of public funds, the Board must ensure that it includes a full statement of the use of such resources in its Annual Report and Accounts. Such accounts should be prepared in accordance with the Accounts Direction issued by the responsible Minister and such other guidance as may be issued, from time to time, by the sponsor department and the Treasury, including "Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance".
33. Subject to any existing statutory requirements, all self-accounting executive NDPBs should aim to produce an Annual Report and Accounts as a single document and should give it appropriate publicity. If the Annual Report is published separately, it should normally contain at least a summary of the annual accounts and in any case give details of how to obtain the full accounts. A statement by the auditors should be included in the summary to confirm that it is consistent with the annual accounts. It should also state whether the report on the annual accounts was qualified and provide details if this was the case.
34. The Annual Report and Accounts should provide a full description of the Board's activities; state the extent to which key strategic objectives and agreed financial and other performance targets have been met; list the names of the current members of the board and senior staff; and provide details of remuneration of

Board members and senior staff in accordance with Treasury guidance. The Annual Report should contain information on access to registers of interests in accordance with paragraph 18 above.

The role of the Chief Executive

35. The Chief Executive has responsibility, under the Board, for the overall organisation, management, and staffing of the Library and for its procedures in financial and other matters, including conduct and discipline. This involves the promotion by leadership and example of the values embodied in the Nolan Committee's Seven Principles of Public Life. Board members should support the Chief Executive in undertaking this responsibility.
36. The Chief Executive of the British Library is designated as the Accounting Officer for the Library. NDPB accounting officers are responsible to Parliament and the accounting officer of the sponsoring department for the resources under their control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in their charge. The Accounting Officer has a responsibility to see that appropriate advice is tendered to the Board on all these matters. The Accounting Officer has to determine how and in what terms such advice is to be tendered, and whether in a particular case to make a specific reference to his own duty, as Accounting Officer, to justify to the Public Accounts Committee transactions for which he is responsible. Satisfactory performance of these responsibilities is fundamental to the role of the Chief Executive.
37. More detailed guidance on the role of an accounting officer is set out in "The Responsibilities of a NDPB Accounting Officer", which covers appearances before the Committee of Public Accounts of the House of Commons. All Board members should ensure that they have a copy of this document. The Treasury's handbook, "Regularity and Propriety", describes what these concepts mean in a financial context. Although the handbook is intended primarily for accounting officers, Board members should also familiarise themselves with it.

Audit Committees

38. Unless agreed otherwise with the sponsor department, all public bodies should establish an Audit Committee as a committee of the Board. The Audit Committee should consist of non-executive Board members and should be chaired by a non-executive Board member, other than the Chairman, who has experience of financial matters. Since the responsibilities of the Audit Committee will overlap with those of the Accounting Officer, he or she will normally attend all meetings of the Audit Committee, unless, exceptionally, his or her own performance is

being discussed. The terms of reference of the British Library's Audit Committee are attached as Annex 4.

The Board as employer

39. The Board should ensure:

that it complies with all relevant legislation and that it employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff employed by such bodies as the British Library. All staff should be familiar with the Library's main aims and objectives;

that the organisation adopts management practices which use resources in the most efficient and economical manner;

that the body's rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff. In filling senior staff appointments, the Board should satisfy itself that an adequate field of qualified candidates is considered, and should always consider the merits of full open competition. In recruiting external candidates, full open competition should normally be used;

that its staff, and the Board's own members, have appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively.

40. A Code of Conduct for Library staff has been adopted, derived from the model issued for executive NDPBs by Cabinet Office (OPS) in August 1996. The Code of Conduct covers arrangements enabling members of staff to raise concerns about propriety with a nominated member of the Board in the first instance and subsequently, if necessary, with a nominated official in the Department for Culture, Media and Sport, and includes safeguards to prevent conflicts of interests when staff leave.

41. All Boards have a responsibility to monitor the performance of the Chief Executive and other senior staff. Where the terms and conditions of employment of the Chief Executive and other senior staff include an entitlement to be considered for performance-related pay, and where such payments are assessed by Board members, the Board should ensure that they have access to the information and advice required to make the necessary judgements.

*Adopted by the British Library Board, July 1997
Amended December 1999*

The Seven Principles of Public Life

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

The Government endorsed the Seven Principles of Public Life in "Spending Public Money, Governance and Audit Issues". Cm 3179, March 1996.

RULES ON THE ACCEPTANCE OF GIFTS AND HOSPITALITY

ACCEPTANCE OF GIFTS AND REWARDS

- (a) Gifts, rewards or benefits should not be solicited from others.
- (b) It should be borne in mind that even innocent acceptance of some gifts might, because of their cost or other overtones, give an impression that individuals may be open to corruption. Such gifts should be reported to the Secretary of the Board, who may decide that the gift may be kept, should be handed over to the Library or returned to the donor. The donor should then be told that it is not permitted for such gifts to be retained and should be informed of this procedure.
- (c) The only exceptions to this rule are as follows:
- i. isolated gifts of a trivial character or inexpensive seasonal gifts such as trade calendars;
 - ii. conventional hospitality, provided it is normal and reasonable in the circumstances. In considering what is normal and reasonable, regard should be had:
 - to the degree of narrow personal involvement. There is of course no objection to the acceptance of, for example, an invitation to the annual dinner of a large library, trade association or similar body with which the British Library is in much day-to-day contact; or of working lunches (provided the frequency is reasonable) in the course of Library duties. If in the latter case, a travel claim is involved it must not include a claim for the lunch.
 - to the usual conventions of returning hospitality, at least to some degree. The isolated acceptance of, for example, a meal would not offend the rule whereas acceptance of frequent or regular invitations to lunch or dinner on a wholly one-sided basis even on a small scale might give rise to a breach of the standard of conduct required.
- (d) If there is any doubt about the propriety of accepting any gift, reward or benefit the Secretary of the Board should be consulted. Similarly, if it is felt that there are circumstances surrounding a particular gift or occasion which merit special consideration, the Secretary of the Board should be consulted.

GIFTS FROM OVERSEAS GOVERNMENTS, ORGANISATIONS, ETC

- (e) It is possible that there may be difficulty about refusing a gift from an overseas Government or organisation without the risk of apparent discourtesy. Although the principles set out above apply to such gifts generally, on some occasions it may be desirable that a gift should be offered in return and in these circumstances the matter should be reported to the Secretary of the Board. An exchange of gifts of this kind should be initiated only after consultation with the Secretary of the Board.
- (f) If a gift is accepted its receipt should, in all cases, be reported to the Secretary of the Board who would decide whether it should be taken into stock, disposed of by sale, displayed or used within the Library, retained for up to 5 years for use or display on some future occasion as a mark of courtesy or, if it is of small value , retained by the recipient.

(Extracted from the British Library Staff Handbook, November 1990)

REGISTER OF INTERESTS OF BOARD MEMBERS

PURPOSE OF THE REGISTER

The purpose of the Register of Interests of Members of the British Library Board is to list direct or indirect pecuniary interests or other material benefits appropriate to the body's activities that a Member receives which members of the public might reasonably think could lead to a conflict of interest arising in his or her participation in the decisions of the British Library Board, or action taken in his or her capacity as a Member of the British Library Board. In line with Cabinet Office guidance, Board members should also register the interests of close family members and persons living in the same household as the Board member. Close family members include personal partners, parents, children (adult and minor), brothers, sisters, and the personal partners of these.

Members are required to keep that overall purpose in mind when registering their interests. It is left to individual Members to give the required information; each Member is ultimately responsible for his or her own entry. Registration of interests is an additional safeguard against the inadvertent omission of Members' declaration of any relevant interest at the time when they contribute to the discussions, considerations and decisions of the Board or when they communicate with other Members or with Library Management or staff.

THE CATEGORIES OF REGISTERABLE INTERESTS

British Library Board Members register their interests under six categories, which are represented by the following headings. The Acceptance of Gifts and Hospitality is covered elsewhere in the Code of Practice. When considering what interests to register, members should consider their own position under each of the categories and that of relevant family members and persons living in the same household as the member.

1. Remunerated Directorships, Partnerships and Trusteeships

Members are required to register remunerated directorships, partnerships or trusteeships which they may hold in public or private companies, partnerships or trusts with which the Library is currently contractually involved or where there is some reasonable likelihood of a future contractual involvement. This also applies to directorships which may themselves be unremunerated but where the companies in question are associated with or subsidiaries of a company in which the Member holds a remunerated directorship.

2. Remunerated employment, office, profession etc.

Members are required to register outside employment, professions and sources of remuneration not covered elsewhere. However, this would apply only to connections with public or private companies with which the Library is currently contractually involved or where there is some reasonable likelihood of a future contractual involvement.

3. Registerable shareholdings

Members are required to register the name of any public or private company or other body in which, to their knowledge, they have a beneficial interest in a shareholding having a nominal value greater than 1% of the issued share capital of the company or body. This requirement applies only to public or private companies with which the Library is currently contractually involved or where there is some reasonable likelihood of a future contractual involvement. The requirement does not apply to shareholdings controlled on a discretionary basis by investment managers and which are outside the Member's day to day control.

4. Registerable interest in land or property

Members are required to register the details of any land or property in which the Member has a direct interest. This requirement applies only in circumstances where the Library is contractually involved or where there is some reasonable likelihood of a future contractual involvement in relation to that land or property.

5. Miscellaneous and unremunerated interests

This is for use by Members wishing to register interests, including unremunerated interests, which do not clearly fall within any of the specific categories above but which they consider to be relevant to the definition of the Register's purpose.

6. Other interests

Members register their other interests under this section.

*Members are not required to disclose the **amount** of any remuneration or benefit they receive in respect of their registerable interests.*

ADMINISTRATIVE ARRANGEMENTS AND INSPECTION

The Register is compiled twice-yearly by the Secretary of the Board. The Secretary writes to all Board Members twice yearly to ask them to submit an up-to-date list of all their interests. He maintains and updates the Register during the year. It is the responsibility of Members to notify changes in their registerable interests to the Secretary of the Board. The Board Audit Committee formally considers the resulting Register of Interests on a regular basis.

Copies of the Register may be obtained for public inspection on application to the Secretary, and copies of the information will be supplied on request. Reference will be made in the Library's Annual Report to the above arrangements.

BOARD AUDIT COMMITTEE TERMS OF REFERENCE

STATUS

The Board Audit Committee is a main committee of the British Library Board, without executive powers, comprising at least three non-executive members of the Board, one of whom acts as Chairman of the Committee *and a Quorum shall consist of at least two members*. The Chairman and members of the committee are appointed by the Board (on the recommendation of the Nomination Committee in consultation with the Chair of the Board Audit Committee), being Board members independent of management and free of any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgement as committee members.

The Secretary of the Board shall also be Secretary to the Audit Committee.

MEMBERSHIP/ATTENDANCE PROCESS:

The current members of the Audit Committee are:

Sir Kenneth Calman (Chairman)
Lord Fellowes
Eileen Mackay

At the request of the Chairman of the Audit Committee, the financial and other executive directors and further executives of the Library will be in attendance at committee meetings or for selected agenda items; and representatives of the Library's internal and external auditors may also be invited. The current participants in the Committee's meetings are :

Lynne Brindley	Chief Executive
Steve Morris	Director of Finance & Corporate Services
Andy Stephens	Board Secretary (Secretary)
Mike Roe	Head, Financial Operations
Ian Wallace	Internal Audit (RSM Bentley Jennison)
Sue Turner	Internal Audit (RSM Bentley Jennison)
Damien Brewitt	National Audit Office
Paula Jones	National Audit Office
Andy Hamer	National Audit Office

The Committee is able to obtain outside professional advice and, if necessary, to invite outsiders with relevant experience to attend its meetings.

The Secretary will make the minutes of the Audit Committee available to Board members who are not members of the Audit Committee, who shall also have the right of attendance at meetings of the Committee.

The Committee will meet as necessary, but at least three times a year.

RESPONSIBILITIES:

The Committee's purview extends to all the operations within the British Library, including the preparation of the Library's financial accounts and its systems of management control and internal audit.

The Audit Committee's detailed responsibilities are:

- To review the Library's internal and external financial statements and reports in the light of best practice;
- To review the effectiveness of the Library's internal control system in ensuring that the aims, objectives and key performance targets of the organisation are achieved in the most economic and effective manner;
- To review and advise the Board on the content of the corporate governance report and the statement of internal control in the Library's Annual Report and Accounts;
- To review and advise the Board on the Library's risk assessment and risk management process;
- To review the Library's internal audit service in the light of the standards specified in the Government Internal Audit Manual and agreed levels of service;
- To review the scope and nature of the work of the internal audit function which shall be in accordance with The Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors;
- To recommend the appointment and termination of employment of the internal auditors who shall have a right of access to the Chairman of the Committee at all times; to recommend to whom it should report; to receive and review reports from the internal auditors; and on occasion to recommend audit assignments to be conducted on the Committee's behalf;
- To consider and advise the Board on the Library's annual and long term internal audit programme;
- To consider internal audit reports, including value-for-money reports, and the arrangements for their implementation including the adequacy of the management responses to issues identified by audit activity;
- To discuss with the external auditors the nature and scope of each audit and to promote the fullest co-operation of the Library's management and staff with the external auditors;
- To consider all relevant reports by the external auditor, including reports on the Library's accounts, achievement of value for money, and the response to any management letters;
- To ensure that arrangements exist for effective co-operation between the internal and external auditors in line with HM Treasury Guidance;

- To review the operation of the Library's Code of Practice for Board Members and Code of Conduct for staff;
- To consider any other matters where requested to do so by the Board;
- To report at least once a year to the Board on the discharge of the above duties.

The Audit Committee shall, at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Training requirements for members of the Board Audit Committee will be identified and incorporated within a formal framework of training provision.

The Audit Committee shall, at least once a year, meet with the External Auditors without the Internal Auditors or Management present. Likewise the Audit Committee shall meet with the Internal Auditors at least once a year.

This revision approved by the British Library Board on 23rd November 2004