

**Glamorgan Archives**  
**Statement of Accounts**  
**2012/2013**

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## Explanatory Foreword

### 1. Introduction

This document presents the Statement of Accounts for the Glamorgan Archives Joint Committee. These are prepared on a going concern basis in accordance with proper accounting practices as contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 and supported by International Financial Reporting Standards (IFRS).

This is the third year that the Statement of Accounts has been prepared on an IFRS basis, the Joint Committee having adopted the IFRS-based Code of Practice on Local Authority Accounting in the United Kingdom. Adoption of this Code has had no impact on the financial contributions required from the Member Authorities to fund the Glamorgan Archives Joint Committee.

Glamorgan Archives collects, preserves and makes accessible to the public, documents relating to the area it serves, and maintains the corporate memory of its constituent Local Authorities. It currently serves the largest population base of any record office in Wales (circa one million people). The service currently attracts circa 7,000 visitors a year.

Glamorgan Archives has operated as a joint service since 1974. From 1<sup>st</sup> April 2009, The County Council of the City and County of Cardiff (Cardiff Council) became the host authority for the Joint Committee, taking over from Rhondda Cynon Taf County Borough Council.

Glamorgan Archives is managed and administered by the Glamorgan Archives Joint Committee under powers conferred by the Local Government Act 1994. The Member Authorities of the Joint Committee are Bridgend CBC, Caerphilly CBC (for the population of the former Rhymney Valley District Council only), the City and County of Cardiff, Merthyr Tydfil CBC, Rhondda Cynon Taf CBC, and the Vale of Glamorgan CBC, who appoint representatives to the Joint Committee.

The voting rights and population in respect of each Authority is:

Constituent Authority	Voting Rights	Population	
		No.'s	%
Bridgend	2	130,600	14
Cardiff	5	305,200	32
Merthyr Tydfil	1	59,700	6
Rhondda Cynon Taf	4	238,900	25
Caerphilly	2	104,300	11
Vale of Glamorgan	2	118,800	12
<b>Total</b>	<b>16</b>	<b>957,500</b>	<b>100</b>

The population numbers are based on the 2001 Population Census. A Census took place on March 27<sup>th</sup> 2011 however the result of the census has had no impact on the accounts for 2012/2013.

Up to six further members with an interest in archives and records may be co-opted

by the Committee to make a contribution to the Committee's work. These members do not have voting rights.

Current co-opted members are:

**Murray McLaggan, MA JP**

Former Lord Lieutenant and chair of pre 1996 Glamorgan Archives Joint Committee. Represents private depositors.

**Mrs K Thomas**

HM Lord Lieutenant of Mid Glamorgan.

The new Glamorgan Archives Office in Leckwith was opened to the public on 16<sup>th</sup> February 2010. The building has been purpose built to house about 8 kilometres of records in the form of either paper, parchment, books, maps, plans, photographs, prints, films, videos or computer-generated records. These are an important and fascinating source of information for historical research.

Cardiff Council as the host authority provides committee, legal, financial, human resources, payroll, IT and procurement support.

**2. Summary of Financial Performance for 2012/2013**

The Comprehensive Income and Expenditure Account provides an analysis of the Glamorgan Archives costs and income.

The table below gives a summary of the controllable budgets against actuals analysed by the Chartered Institute of Public Finance and Accountancy (CIPFA) groupings.

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expenditure</b>			
Employees	633,450	638,514	5,064
Premises	233,400	213,150	(20,250)
Transport	16,050	8,904	(7,146)
Supplies & Services	67,750	74,451	6,701
Third Party Payments	0	1,025	1,025
Support Services	38,500	48,474	9,974
<b>Gross Expenditure</b>	<b>989,150</b>	<b>984,518</b>	<b>(4,632)</b>
<b>Income</b>	<b>(226,080)</b>	<b>(251,003)</b>	<b>(24,923)</b>
<b>Net Expenditure</b>	<b>763,070</b>	<b>733,515</b>	<b>(29,555)</b>

There was a net underspend against the budget of £29,555. Local Authorities were invoiced for the full budget sum of £763,070 as it had been forecast that there would not be an underspend at the year end. An analysis of the 2012/2013 constituent authority contributions can be found in Note 3. of the Notes to the Core Financial Statements.

The reasons for the main variances between budgeted and actual expenditure were:

### **Employee Expenditure**

There were a number of elements that contributed to the overspend of £5,064. The first of these was an overspend of £37,294 on agency staff. This was due to the recruitment of temporary staff to cover the vacancy arising from the resignation of a Records Assistant and the maternity leave of an Archivist. Agency staff were also used to provide cover whilst the induction of the replacement Records Assistant took place and to carry out duties which have been funded by grant income.

There was a further overspend as a result of the impact of the implementation of the Single Status agreement, which took place after the 2012/13 budget was approved. As a consequence, a number of employees experienced a change in spinal point which increased the cost of employing them. The impact of this in 2012/13 equated to £14,364.

Offsetting these overspends was an underspend of £13,773 due to vacancies arising from the maternity leave and resignation outlined above. Also, the employee budget included £24,651 to cover the cost of employing an Archivist. It had been intended to replace this post with that of a Conservator and to fill the post for the last 3 months of the year. However this did not materialise resulting in a full year saving.

Bursary costs for trainees on the CLOCH project were lower than budgeted providing a further saving of £8,983. There were additional staff training expenses of £4,276 for attendance at conferences, on investors in people and on digital preservation.

### **Premises Expenditure**

There was a significant underspend on premises expenditure of £20,250.

By far the largest saving was against the £45,000 budget for gas charges. At the time the budget was set there were ongoing issues with obtaining backdated gas invoices and the receipt of accurate monthly invoices. During 2012/2013 these issues were resolved and accurate monthly invoices are now being received. The actual costs for gas supplied in the year was £21,503 resulting in an underspend against budget of £23,497.

A general provision of £10,000 was built into the 2012/2013 budget to cover the cost of any unforeseen repairs to plant outside of the new building warranty period. The majority of this budget was not required resulting in a saving of £9,684.

In addition there were small savings on contract cleaning and buildings insurance. Further details of the issues surrounding insurance can be found in Note 19 of this Statement of Accounts.

Partly offsetting these savings are additional costs associated with the upgraded security systems, maintenance contracts and electricity. An annual Carbon Reduction Commitment (CRC) provision of £5,616 has been made. There was no budget for this in 2012/2013 as it is a new provision which was not known about at the time of setting the budget.

### **Transport Costs**

There was a significant saving of £6,093 on travel expenses associated with the CLOCH project and a further saving of £1,160 on staff car allowances.

### **Supplies & Services Expenditure**

In total there was an overspend against the supplies and services budget of £6,701.

Costs were incurred on the purchase of perimeter seating, chairs and a freestanding screen which contributed to the overspend against the purchase of office equipment budget of £9,942.

As forecast, there was also an overspend against both the conservation budget and the hospitality allowances budget. These costs relate to income generating activities and this is reflected in the additional income received.

During the year a film was commissioned, at a cost of £2,992, to promote the work of the Service specifically in relation to box making. It is hoped that this publicity will continue to generate requests for the provision of this specialised service thereby generating future revenues.

Public liability insurance of £1,024 was paid for which there has not historically been a budget provision. A budget provision has been made for 2013/2014.

As forecasted there was a significant underspend of £20,707 against ICT related budgets. During 2011/2012 there was a programme of purchasing ICT hardware and software therefore the need to incur costs on such purchases in 2012/2013 was vastly reduced.

### **Third Party Payments**

At the very end of 2011/2012 it came to light that the Service would be responsible for the cost of actuaries in respect of the bulk transfer of pension rights from the Rhondda Cynon Taf CBC Pension Fund to the Cardiff & Vale of Glamorgan Pension Fund. Invoices totalling £1,025 plus vat have been received from Rhondda Cynon Taf County Borough Council who incurred these costs as part of the transfer process.

### **Support Services Expenditure**

Additional costs have been incurred on support provided by Cardiff Council in relation to accountancy, human resources, welsh translation and media services. There was an audit of the Glamorgan Archives Service by Cardiff Council's internal audit service during 2012/2013 for which there was a charge of £1,500.

**Income**

The income target budgeted for in 2012/2013 was exceeded by £24,923.

Conservation income and hire of rooms with catering earned income of £35,857 above budget. Costs were incurred in the generation of this income although the income generated outweighed the costs incurred.

During the year, access was given to the Archives for filming purposes by external organisations and this generated income of £2,402.

Investment of the monies held in the Glamorgan Archives useable reserve earned interest of £2,625.

Grant income received from Museums Archives and Libraries Wales (CyMAL) and the Archives and Records Council Wales (ARCW) was £3,777 more than budgeted. The ARCW grants were one off small grants to cover the cost of a digital preservation course and a poverty workshop.

**Conserving Local Communities Heritage (CLOCH)**

The Service has in place a grant agreement with the Heritage Lottery Fund to provide practical work based skills training opportunities in digitisation, research and local history, basic conservation and community engagement. The grant agreement was originally for 3 years but this has been extended to cover a 4<sup>th</sup> year and additional grant awarded to bring the total grant awarded to £322,500. In 2012/2013, the 2<sup>nd</sup> year of the project, costs of £79,897 were financed using part of the grant awarded.

## **Guide to the Financial Statements**

### **Statement of Accounting Policies (pages 10 -13) \***

The purpose of this statement is to explain the basis of the figures in the accounts. It outlines the accounting policies adopted.

### **Critical Assumptions in Applying Accounting Policies (page 14) \***

Assumptions applied to material transactions affecting accounting policies of the Joint Committee.

### **Statement of Responsibilities (page 15)**

This sets out the responsibilities of the Joint Committee and the arrangements for the preparation of the Statement of Accounts. The Statement is to be signed by the Joint Committee Chair on behalf of the Committee.

### **Certificate of the Interim Section 151 Officer (page 16)**

This is the certificate of the true and fair presentation of the accounts by the Interim Section 151 Officer.

### **Comprehensive Income and Expenditure Statement (page 17) \***

This statement is prepared in accordance with generally accepted accounting practices to record the day-to-day expenditure on an accruals basis on items such as salaries and wages, running costs of the service and income received in order to calculate the net operating expenditure of the Glamorgan Archives.

### **Movement in Reserves Statement (page 18) \***

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves.

### **Balance Sheet (page 19) \***

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Glamorgan Archives Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee.

### **Cash flow Statement (page 20) \***

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

### **Notes to the Core Financial Statements (pages 21- 31) \***

These notes provide any further analysis required to explain those figures contained in the financial statements.

### **Annual Governance Statement (pages 32 - 36)**

This statement sets out the framework within which the Glamorgan Archives Joint Committee manages and reports on the effectiveness of its system of internal controls. It outlines the main components of the system including details of the other parties involved in ensuring that internal control is exercised.

\* These are covered by the Statement of Responsibilities and the Independent Auditor's Report

## Statement of Accounting Policies

In accordance with the Accounts and Audit (Wales) Regulations 2005, this Statement of Accounts summarises the Joint Committee's transactions for the 2012/2013 financial year and its position at the year end of 31 March 2013. The accounts are prepared in accordance with proper accounting practices as contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 and supported by International Financial Reporting Standards (IFRS).

### 1. Heritage Assets

A new accounting policy for Heritage Assets was incorporated into the Code of Practice on Local Authority Accounting in 2011/12. There has been no financial impact of this in the accounts. Further detail on Heritage Assets can be found in note 23.

### 2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not when cash payments are made or received. Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

### 3. Property, Plant and Equipment

#### Recognition:

Expenditure on the acquisition, creation or enhancement of Property, Plant & Equipment is capitalised on an accruals basis in the accounts. A de-minimus policy for recording assets in the asset register is £50,000 for Plant & Equipment.

#### Measurement:

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the specific asset into working condition for its intended use.

Assets are then carried in the Balance Sheet using the following measurement bases:

Operational Land & Buildings are included in the balance Sheet at Fair value (EUV). Vehicles, plant, furniture & equipment have been valued on the basis of Historic Cost, depreciated over its useful life.

Land and buildings were valued when they became operational, to be re-valued at least every 5 years. The Glamorgan Archives Office was re-valued as at 1st April 2012 by Cardiff Council Strategic Estates and is based on Depreciated Replacement Cost.

#### Depreciation:

Depreciation is provided for on all Property, Plant & Equipment assets by an allocation of their depreciable amounts over their estimated useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets). A full year's depreciation is charged on Capital Expenditure incurred in the year.

Operational buildings have been depreciated on a straight-line basis over the estimated life of the asset. It had originally been assumed that the new Glamorgan

Archives building would have a useful life of 40 years but upon re-valuation this was amended to 96 years, applicable from 1st April 2012.

Vehicles, plant, furniture & equipment have been depreciated on a straight-line basis over the useful life of the asset, which in this instance is between 7 and 15 years.

#### **Impairment and downward revaluation:**

Assets are assessed at each year-end as to whether there is any indication that an asset may be reduced in value, either due to a reduction in service potential (impairment) or general market fluctuations (downward revaluation). Where either type of loss is identified they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written out to the Comprehensive Income and Expenditure Statement
- Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

#### **Upwards Revaluation:**

Assets are revalued at least every 5 years. Where the new valuation is higher than the carrying value, the gain is accounted for as follows:

- Where the asset has not previously suffered any impairment losses or downward revaluation charges, the full amount of the gain is posted to the Revaluation Reserve
- Where an asset that has previously suffered an impairment loss is subsequently revalued upwards, the gain is credited to the Comprehensive Income and Expenditure up to the amount of the original loss, with any excess being credited to the Revaluation Reserve.

#### **Community Assets:**

Archived records held by the Service have been deemed as community assets as they meet the criteria set by CIPFA. Community assets are usually valued in the balance sheet at historic cost. However, the records acquired by the Joint Committee are mainly of an archival value therefore no entry has been made in the Statement of Accounts. Some of these records are owned by the Joint Committee and some are held on behalf of other people or organisations.

#### **4. Benefits Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Joint Committee. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on

the Provision of Services, but then reversed out through the Movement in Reserves Statement.

## **5. Retirement Benefits**

International Accounting Standard 19 (IAS 19) "Employee Benefits" requires that the accounts reflect the cost of retirement benefits in the period the Local Authority (or Joint Committee) is committed to paying them and not simply in the period the benefits are paid.

The Joint Committee does not have the legal power to directly employ staff. Staff involved in Joint Committee activities are therefore employed by a constituent authority. Each constituent authority participates in a defined benefit pension scheme. The Joint Committee meets the cost of the actual pension contributions and accounts for them in the income and expenditure account. Pension costs are therefore accounted for as if contributions had been made to a defined contribution pension scheme because it is not possible to determine the underlying assets and liabilities in the schemes relating to the staff involved in Joint Committee activities on a reasonable and consistent basis. Therefore, no liability for future payments of benefits is recognised in the Balance Sheet.

## **6. Grants - Revenue**

Grants and other contributions relating to revenue expenditure are accounted for on an accruals basis and recognised in the Comprehensive Income and Expenditure Statement when there is reasonable assurance that :

- the conditions for their receipt have been complied with
- the grant or contribution will be received.

The accounting treatment will vary depending on whether it is deemed that conditions inherent in the agreement have been complied with. Monies advanced as grants for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement.

## **7. Inventories**

Inventories are measured and held at the lower of cost or net realisable value and relates mainly to publications, maps and posters. When such inventories are sold, exchanged or distributed, the carrying amount is recognised as an expense in the Comprehensive Income and Expenditure Statement.

## **8. Operating Leases - The Joint Committee as a Lessee**

Payments for operating leases are charged to the revenue account on an accruals basis. The charges are made evenly throughout the period of the lease.

## **9. Overheads and Support Services Costs**

An element of central departmental support of Cardiff Council is allocated to the Service on a basis of the estimated time spent by staff on Glamorgan Archives work or on proportional use of internal systems. Charges will be reviewed annually.

**10. Value Added Tax**

The Comprehensive Income and Expenditure Statement has been prepared exclusive of Value Added Tax. The Joint Committee is not separately registered for VAT and therefore the net value of VAT incurred is recoverable from HM Revenue & Customs under the umbrella of Cardiff Council's VAT registration.

**11. Reserves**

The Joint Committee holds one usable reserve. This General reserve is used to hold accumulated operational surpluses which can be used to fund future expenditure and as a contingency against unforeseen events. The Joint Committee also holds certain unusable reserves to manage the accounting processes for non-current assets, and employee benefits. These do not represent usable resources for the Joint Committee.

## **Critical Assumptions in Applying Accounting Policies**

Accounting policies are only applied to material transactions of the Joint Committee. In applying policies, the Committee has had to make certain assumptions about complex transactions or those involving uncertainty about future events. The critical assumptions made in the Statement of Accounts are:

### **Fixed Interest Rate**

Due to the nature of the Joint Committee, Property, Plant & Equipment shown in the balance sheet are owned by the six contributing authorities. Each of the individual authorities has their own arrangements for the funding of their share of the Property, Plant & Equipment. As the entries in the Glamorgan Archives Statement of Accounts for interest payable is a notional charge only a fixed interest rate of 5.3% has been assumed in the calculations based on Cardiff Council's average rate of borrowing. In reality each individual authority will have their own arrangements for the repayment of their individual borrowing.

### **Fixed Prudent Minimum Revenue Provision**

The repayment terms (Prudent Minimum Revenue Provision) for the borrowing funded by the Constituent Authorities are assumed to be 4% of the original principal outstanding on a straight line basis.

## **Statement of Responsibilities**

### **The Joint Committee's responsibilities**

The Joint Committee is required to:

- Make arrangements for the proper administration of its financial affairs, and to secure that an appropriate officer has the responsibility for the administration of those affairs. In 2012/2013 this officer was Marcia Sinfield, Interim Section 151 Officer of Cardiff Council.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

**D.R. Bevan**  
**Chair of Glamorgan Archives Joint Committee**

**Date: 13 September 2013**

## **The Interim Section 151 Officer's Responsibilities**

The Interim Section 151 Officer is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

### **In preparing the Statement of Accounts, the Interim Section 151 Officer has:**

- Selected suitable accounting policies, and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.

### **The interim Section 151 Officer has also:**

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

## **Certificate of the Interim Section 151 Officer as Treasurer of the Joint Committee**

I certify that the foregoing Statement of Accounts presents a true and fair view of the financial position of the Joint Committee at 31<sup>st</sup> March 2013 and its income and expenditure for the year then ended.

**Marcia Sinfield**  
**Interim Section 151 Officer**

**Date: 13 September 2013**

## Comprehensive Income and Expenditure Statement for the year ended 31<sup>st</sup> March 2013

2011/2012 £		2012/2013 £	Note
545,887	Staff costs	638,514	1
184,848	Premises	213,150	
8,202	Transport	8,904	
111,979	Supplies and Services	74,451	
6,345	Third Party Payments	1,025	
37,700	Central Departmental Support	48,474	
226,636	Capital Charges	108,689	2
<b>1,121,597</b>	<b>Operating Expenditure</b>	<b>1,093,207</b>	
(1,459,535)	Contributions from Local Authorities	(1,358,344)	3
(32,622)	Grant income	(94,145)	
(15,551)	Fees and Charges	(53,970)	
<b>(1,507,708)</b>	<b>Operating Income</b>	<b>(1,506,459)</b>	
<b>(386,111)</b>	<b>Net Cost of Services</b>	<b>(413,252)</b>	
(3,222)	Interest and Investment Income	(2,625)	6
331,893	Interest Payable	317,152	
<b>328,671</b>	<b>Financing and Investment Income &amp; Expenditure</b>	<b>314,527</b>	
<b>(57,440)</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>(98,725)</b>	
0	Other Comprehensive Income & Expenditure	0	
<b>(57,440)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(98,725)</b>	

## Movement in Reserves Statement for the year ended 31<sup>st</sup> March 2013

	Usable Reserves (1)	Unusable Reserves (2)	Total Reserves
	£	£	£
<b>Balance at 31 March 2011</b>	<b>669,712</b>	<b>1,753,899</b>	<b>2,423,611</b>
<u>Movement in Reserves during 2011/2012</u>			
<b>Surplus or (Deficit) on Provision of Services</b>	<b>57,440</b>	<b>0</b>	<b>57,440</b>
Other Comprehensive Income & Expenditure	0	0	0
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>57,440</b>	<b>0</b>	<b>57,440</b>
Adjustments between Accounting Basis & Funding Basis under regulations (note 21)	(53,189)	53,189	0
<b>Net Increase / Decrease before Transfers to Earmarked Reserves</b>	<b>4,251</b>	<b>53,189</b>	<b>57,440</b>
Transfers To / From Earmarked Reserves	0	0	0
<b>Increase / Decrease in 2011/2012</b>	<b>4,251</b>	<b>53,189</b>	<b>57,440</b>
Other movement in reserves	0	0	0
<b>Balance at 31st March 2012 Carried Forward</b>	<b>673,963</b>	<b>1,807,088</b>	<b>2,481,051</b>
<u>Movement in Reserves during 2012/2013</u>			
<b>Surplus or (Deficit) on Provision of Services</b>	<b>98,725</b>	<b>0</b>	<b>98,725</b>
Other Comprehensive Income & Expenditure	0	0	0
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>98,725</b>	<b>0</b>	<b>98,725</b>
Adjustments between Accounting Basis & Funding Basis under regulations (note 21)	(169,170)	169,170	0
<b>Net Increase / Decrease before Transfers to Earmarked Reserves</b>	<b>(70,445)</b>	<b>169,170</b>	<b>98,725</b>
Transfers To / From Earmarked Reserves	0	329,652	<b>329,652</b>
<b>Increase / Decrease in 2012/2013</b>	<b>(70,445)</b>	<b>498,822</b>	<b>428,377</b>
Other movement in reserves	0	0	0
<b>Balance at 31st March 2013 Carried Forward</b>	<b>603,518</b>	<b>2,305,910</b>	<b>2,909,428</b>

1. Glamorgan Archives General Reserve - note 12
2. Comprises:
  - Capital Adjustment Account - note 13
  - Revaluation Reserve – note 14
  - Accumulated Absences Account - note 15

## Balance Sheet as at 31<sup>st</sup> March 2013

31/03/2012 £		31/03/2013 £	Note
7,807,501	Land and Buildings	8,057,598	
0	Assets Under Construction	0	
126,922	Vehicle, Plant, Furniture & Equipment	97,788	
<b>7,934,423</b>	<b>Property, Plant &amp; Equipment</b>	<b>8,155,386</b>	8
19,313	Inventories	18,780	17
323,956	Short Term Debtors	258,683	9
379,658	Cash & Cash Equivalents	358,077	18
<b>722,927</b>	<b>Current Assets</b>	<b>635,540</b>	
(48,044)	Short Term Creditors	(30,949)	10
<b>(48,044)</b>	<b>Current Liabilities</b>	<b>(30,949)</b>	
(6,123,055)	Long Term Borrowing	(5,844,933)	11
(5,200)	Provisions	(5,616)	19
<b>(6,128,255)</b>	<b>Long Term Liabilities</b>	<b>(5,850,549)</b>	
<b>2,481,051</b>	<b>NET ASSETS</b>	<b>2,909,428</b>	
<b>673,963</b>	<b>Usable Reserves - General</b>	<b>603,518</b>	12
1,811,368	Capital Adjustment Account	1,984,235	13
0	Revaluation Reserve	326,218	14
(4,280)	Accumulated Absences Account	(4,543)	15
<b>1,807,088</b>	<b>Unusable Reserves</b>	<b>2,305,910</b>	
<b>2,481,051</b>	<b>TOTAL RESERVES</b>	<b>2,909,428</b>	

## Cashflow Statement for the Year Ended 31<sup>st</sup> March 2013

31/03/2012		31/03/2013	Note
£		£	
(57,440)	Net (Surplus) /Deficit on the provision of services	(98,725)	
559,298	Adjust net surplus or deficit on the provision of services for non-cash movements	120,306	16
3,222	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	2,625	
<b>505,080</b>	<b>Net cash flows from operating activities</b>	<b>24,206</b>	
<b>0</b>	<b>Investing activities</b>	<b>0</b>	
<b>(3,222)</b>	<b>Financing activities</b>	<b>(2,625)</b>	
<b>501,858</b>	<b>Net (increase)/ decrease in cash and cash equivalents</b>	<b>21,581</b>	
881,516	<b>Cash and cash equivalents at the beginning of the reporting period</b>	379,658	
<b>379,658</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>358,077</b>	

Cardiff Council administers all cash transactions, as the Glamorgan Archives Joint Committee does not operate its own bank account.

## Notes to the Core Financial Statements

### 1. Officers' Remuneration

Under the Accounts and Audit (Wales) Regulations 2005 as amended, Local Authorities and Joint Committees must disclose in their accounts the number of staff whose remuneration exceeded £60,000 (listed in ranges, in multiples of £5,000). For the purpose of this disclosure, remuneration includes gross pay, employer's National Insurance contributions, redundancy payments etc., but excludes employer's Pension Contributions.

No individual member of staff received remuneration in the year above £60,000.

The total staff costs for the year were £638,514 analysed as follows:

	2011/2012 £	2012/2013 £
Pay	404,619	419,174
Pension costs	78,562	87,241
National Insurance	26,710	27,654
Agency Staff	23,802	40,293
Indirect employee costs	12,194	64,152
<b>Total staff costs</b>	<b>545,887</b>	<b>638,514</b>

Some staff have opted to participate in the Cardiff & Vale of Glamorgan Pension Fund, which is part of the Local Government Pension Scheme (LGPS).

### 2. Capital Charges

	2011/2012 £	2012/2013 £
Depreciation	226,636	108,689
	<b>226,636</b>	<b>108,689</b>

Depreciation of £79,554 has been charged on operational land & buildings (£197,500 in 2011/12) and £29,135 on vehicles, plant, furniture & equipment (£29,136 in 2011/12). Depreciation has been charged on a straight-line basis over the estimated useful life of the asset which, in the case of the new building, is 96 years from 1<sup>st</sup> April 2012. Depreciation which had previously been charged on the basis of a 40 year useful life has been written back.

The Glamorgan Archives Office was re-valued as at 1<sup>st</sup> April 2012 resulting in a revaluation up of £329,652.

### 3. Contributions Received

The joint agreement provides for contributions towards estimated expenditure for each year to be notified in advance to each Authority and to be made in two instalments. Contribution rates have been agreed in proportion to the relevant

populations of each Authority as per the 2001 Census and were calculated as follows for 2012/2013.

Authority	Population	%	Cash Contribution based on Population % £	Notional Contribution based on Debt Funding £	Total Contribution £
Bridgend C.B.C.	130,600	14	106,830	106,576	213,406
Cardiff Council	305,200	32	244,182	99,475	343,657
Merthyr Tydfil C.B.C.	59,700	6	45,784	23,967	69,751
Rhondda Cynon Taf C.B.C.	238,900	25	190,768	190,315	381,083
Caerphilly C.B.C.	104,300	11	83,938	83,738	167,676
Vale of Glamorgan Council	118,800	12	91,568	91,203	182,771
	<b>957,500</b>	<b>100</b>	<b>763,070</b>	<b>595,274</b>	<b>1,358,344</b>

#### Comparative for 2011/2012

Authority	Population	%	Cash Contribution based on Population % £	Notional Contribution based on Debt Funding £	Total Contribution £
Bridgend C.B.C.	130,600	14	118,933	109,215	228,148
Cardiff Council	305,200	32	271,846	101,938	373,784
Merthyr Tydfil C.B.C.	59,700	6	50,971	24,560	75,531
Rhondda Cynon Taf C.B.C.	238,900	25	212,381	195,027	407,408
Caerphilly C.B.C.	104,300	11	93,447	85,812	179,259
Vale of Glamorgan Council	118,800	12	101,943	93,462	195,405
	<b>957,500</b>	<b>100</b>	<b>849,521</b>	<b>610,014</b>	<b>1,459,535</b>

#### **4.Related Party Transactions**

In accordance with IAS 24 – Related Party Disclosures, there is a duty to disclose any material transactions with a “related party”. This is to ensure that financial statements contain disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them.

The Glamorgan Archives Service is managed and administered by the Glamorgan Archives Joint Committee under powers conferred by the Local Government (Wales) Act 1994. The Joint Committee currently has 18 members in total, of which 16 are elected members, with voting rights.

Included in the accounts are contributions from Local Authorities totalling £763,070 (£849,521 in 2011/12). Contributions owing at year end from Local authorities shown as debtors in the accounts are as follows:

	<b>2011/2012</b>	<b>2012/2013</b>
	<b>£</b>	<b>£</b>
Bridgend C.B.C.	65,892	0
Merthyr Tydfil C.B.C.	28,239	27,470
Rhondda Cynon Taff C.B.C.	117,665	114,461
Caerphilly C.B.C.	51,773	50,363
Vale of Glamorgan Council	56,479	54,941
	<b>320,048</b>	<b>247,235</b>

During 2012/2013, Glamorgan Archives was charged £48,474 by Cardiff Council in respect of Central Departmental Support (£37,700 in 2011/12).

Cardiff Council also holds cash on behalf of Glamorgan Archives in its role as Lead Authority. The total cash balance held by Cardiff Council on behalf of Glamorgan Archives at 31<sup>st</sup> March 2013 is £358,077 (£379,658 at 31<sup>st</sup> March 2012).

### **5. Audit Fees**

The Income & Expenditure Account includes an accrual of £3,500 in respect of the anticipated cost of external audit services to be carried out by the appointed Auditor with respect to the 2012/2013 accounts (£3,200 in 2011/12).

### **6. Interest Receivable and Payable**

Interest is received on the balance invested by Cardiff Council on behalf of the Glamorgan Archives Joint Committee. During 2012/2013 interest of £2,625 was earned on the balance of the General Reserve (£3,222 in 2011/12).

Interest is payable, notionally, on the borrowing undertaken by constituent authorities to pay for their share of the Glamorgan Records Office. There is an equal and opposite entry in the contributions from Local Authorities line to ensure that this has no net revenue impact. The notional interest was £317,152 in 2012/13 (£331,893 in 2011/12).

### **7. Leases**

Operating leases exist in respect of a vehicle and other items of equipment. The following sums were charged to revenue in 2012/2013.

<b>Operating Leases</b>	<b>2011/2012</b>	<b>2012/2013</b>
	<b>£</b>	<b>£</b>
Vehicles	2,840	3,238
Plant & Equipment	4,532	4,768
	<b>7,372</b>	<b>8,006</b>

As at 31 March 2013 there was a commitment to making payments totalling £6,094 (£7,228 at 31 March 2012).

Operating Leases	2011/2012	2011/2012	2012/2013	2012/2013
	Vehicle Leases	Plant & Equipment Leases	Vehicle Leases	Plant & Equipment Leases
	£	£	£	£
Leases expiring within 1 year	3,123	4,105	3,238	0
Leases expiring between 2 and 5 years	0	0	0	2,856
Leases expiring after 5 years	0	0	0	0
	3,123	4,105	3,238	2,856

Glamorgan Archives does not have any Finance Lease agreements.

### 8. Movements in Property, Plant and Equipment

	Land & Buildings	Plant & Equipment	Total
	£	£	£
<b>Gross Book Value</b>	<b>8,400,001</b>	<b>224,710</b>	<b>8,624,711</b>
Accumulated Depreciation	(592,500)	(97,788)	(690,288)
<b>Net Book Value at 1<sup>st</sup> April 2012</b>	<b>7,807,501</b>	<b>126,922</b>	<b>7,934,423</b>
Upwards revaluation	329,652	0	329,652
Depreciation	(79,555)	(29,134)	(108,689)
<b>Net Book Value at 31<sup>st</sup> March 2013</b>	<b>8,057,598</b>	<b>97,788</b>	<b>8,155,386</b>

### Comparative for 2011/2012

	Land & Buildings	Plant & Equipment	Total
	£	£	£
<b>Gross Book Value</b>	<b>8,454,657</b>	<b>224,710</b>	<b>8,679,367</b>
Accumulated Depreciation	(395,000)	(68,652)	(463,652)
Additions & Impairment	(54,656)	0	(54,656)
<b>Net Book Value at 1<sup>st</sup> April 2011</b>	<b>8,005,001</b>	<b>156,058</b>	<b>8,161,059</b>
Depreciation	(197,500)	(29,136)	(226,636)
<b>Net Book Value at 31<sup>st</sup> March 2012</b>	<b>7,807,501</b>	<b>126,922</b>	<b>7,934,423</b>

### 9. Short Term Debtors

Short Term Debtors in the Balance Sheet consists of:

<b>2011/2012</b> <b>£</b>	<b>Debtor Category</b>	<b>2012/2013</b> <b>£</b>
288	Central Government Bodies	3,844
320,948	Other Local Authorities	250,057
2,720	Other Entities and Individuals	4,782
<b>323,956</b>		<b>258,683</b>

### **10. Short Term Creditors**

Short Term Creditors in the Balance Sheet consists of:

<b>2011/2012</b> <b>£</b>	<b>Creditor Category</b>	<b>2012/2013</b> <b>£</b>
0	Central Government Bodies	(5,886)
(6,345)	Other Local Authorities	(125)
(3,200)	Public Corporations & Trading Funds	0
(38,499)	Other Entities and Individuals	(24,938)
<b>(48,044)</b>		<b>(30,949)</b>

### **11. Borrowing**

Borrowing is included in the Glamorgan Archives balance sheet to reflect the method of funding used by some constituent authorities to contribute to the New Glamorgan Archives Building. These are notional entries only as the Joint Committee does not have any borrowing powers of their own.

	<b>2011/2012</b> <b>£</b>	<b>2012/2013</b> <b>£</b>
<b>Balance as at 1<sup>st</sup> April</b>	<b>(6,401,177)</b>	<b>(6,123,055)</b>
Repayment in Year	278,122	278,122
<b>Balance as at 31<sup>st</sup> March</b>	<b>(6,123,055)</b>	<b>(5,844,933)</b>

### **12. General Reserve**

The balance on the General Reserve at 31<sup>st</sup> March 2013 was £603,518. This reserve is available for general use by Glamorgan Archives in future years. It is an accumulated working balance and is not ring fenced for any particular activity.

<b>Movements on Glamorgan Archives</b> <b>General Reserve</b>	<b>2011/2012</b> <b>£</b>	<b>2012/2013</b> <b>£</b>
Balance Brought Forward at 1 <sup>st</sup> April	669,712	673,963
Budgeted drawdown from reserve to fund in year expenditure	0	(100,000)
Revenue surplus	4,251	29,555
<b>Balance as at 31<sup>st</sup> March</b>	<b>673,963</b>	<b>603,518</b>

### 13. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

<b>Movements on Capital Adjustment Account</b>	<b>2011/2012 £</b>	<b>2012/2013 £</b>
<b>Balance as at 1<sup>st</sup> April</b>	<b>1,759,882</b>	<b>1,811,368</b>
New Building – Capital Receipts	0	0
Minimum Revenue Provision	278,122	278,122
in Year Depreciation	(226,636)	(108,689)
Historic cost Adjustment for Depreciation	0	3,434
<b>Balance as at 31<sup>st</sup> March</b>	<b>1,811,368</b>	<b>1,984,235</b>

### 14. Revaluation Reserve

The Glamorgan Archives Office was re-valued as at 1<sup>st</sup> April 2012 resulting in a revaluation up of £329,652 which was transferred to a revaluation reserve.

<b>Movements on Revaluation Reserve</b>	<b>2011/2012 £</b>	<b>2012/2013 £</b>
<b>Balance as at 1<sup>st</sup> April</b>	<b>0</b>	<b>0</b>
Revaluation Gains	0	329,652
Historic cost Adjustment for Depreciation	0	-3,434
<b>Balance as at 31<sup>st</sup> March</b>	<b>0</b>	<b>326,218</b>

### 15. Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to and from the Account.

2011/2012 £		2012/2013 £
(5,983)	<b>Balance at 1 April</b>	(4,280)
1,703	Amount by which remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis differs from remuneration chargeable in the year in accordance with statutory requirements	(263)
<b>(4,280)</b>	<b>Balance at 31 March</b>	<b>(4,543)</b>

#### **16. Reconciliation of the comprehensive Income and Expenditure Account to Cashflow**

2011/2012 £		2012/2013 £
<b>OPERATING ACTIVITIES</b>		
<b>The surplus on the provision of services has been adjusted for the following non-cash movements:</b>		
(226,636)	Depreciation and Impairment	(108,689)
278,122	Prudent MRP (Borrowing Repayment)	278,122
(5,200)	(Increase)/Decrease in Provisions	(416)
193,493	(Increase)/Decrease in Creditors	17,095
321,096	Increase/(Decrease) in Debtors & Prepayments	(65,273)
(1,577)	Increase/(Decrease) in Inventories	(533)
559,298	<b>Net cash flow from operating activities</b>	120,306
<b>559,298</b>	<b>Cash (Inflow)/Outflow from Revenue Items</b>	<b>120,306</b>

#### **17. Inventories**

Glamorgan Archives holds a stock of publications for sale which includes books, booklets, maps and posters. The stock is valued at year end and as at 31 March 2013 it was valued at £18,780.50 (£19,313.50 as at 31 March 2012).

#### **18. Cash and Cash Equivalents**

As disclosed in Note 4 Related Party Transactions Cardiff Council holds cash on behalf of Glamorgan Archives in its role as Lead Authority. The total cash balance held by Cardiff Council at 31<sup>st</sup> March 2013 is £358,077 (£379,658 at 31<sup>st</sup> March 2012).

31 March 2012		31 March 2013
62	Cash	148
379,596	Bank	357,929
<b>379,658</b>	<b>Total Cash and Cash Equivalents</b>	<b>358,077</b>

## 19. Provisions

Cardiff Council is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. This scheme is currently in its introductory phase which will last until 31 March 2014. The Council is required to purchase and surrender allowances, currently retrospectively, on the basis of emissions i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted (i.e. as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The accounts for 2012/13 recognises Glamorgan Archives Service's share of this liability based on the energy management records for the Glamorgan Archives Office.

	<b>Balance 1 April 2012</b>	<b>Utilised/released in year</b>	<b>Transfers to provisions</b>	<b>Balance 31 March 2013</b>
Carbon Reduction Provision	(5,200)	5,200	(5,616)	(5,616)
<b>Total Provisions</b>	<b>(5,200)</b>	<b>5,200</b>	<b>(5,616)</b>	<b>(5,616)</b>

## 20. Insurance

The Glamorgan Archives building and its contents are currently insured under Cardiff Council's 'block' property insurance policy. Cover is for 'standard' perils of Fire, Storm, Flood, Theft etc. Cardiff Council has placed its insurance for artwork/restoration type covers and will now look at the option of extending this cover together with an overall package written specifically for Glamorgan Archives.

The unique and potentially irreplaceable material deposited with the Service has meant that the current insurance arrangements do not fully cover all deposits should a disaster or theft occur. This position has arisen due to difficulties in placing a value on deposits upon which an insurance policy can be based.

From consultation with similar service providers, the above scenario is one that is prevalent across the industry. A review is on going by the Authority (in tandem with its Insurance Broker) to investigate possible means of providing further insurance provision for the relevant archived deposits.

## **21. Adjustments Between Accounting Basis and Funding Basis Under Regulations**

	Usable Reserves General Reserve 2011/2012	Unusable Reserves 2011/2012
Adjustments involving the Capital Adjustment Account		
Charges for Depreciation of Non-Current Assets	226,636	(226,636)
Minimum Revenue Provision	(278,122)	278,122
Adjustments involving the Accumulating Compensated Absences Adjustment Account		
Accumulated Absences	(1,703)	1,703
<b>Total Adjustments</b>	<b>(53,189)</b>	<b>53,189</b>

	Usable Reserves General Reserve 2012/2013	Unusable Reserves 2012/2013
Adjustments involving the Capital Adjustment Account		
Charges for Depreciation of Non-Current Assets	108,689	(108,689)
Minimum Revenue Provision	(278,122)	278,122
Adjustments involving the Accumulating Compensated Absences Adjustment Account		
Accumulated Absences	263	(263)
<b>Total Adjustments</b>	<b>(169,170)</b>	<b>169,170</b>

## **22. Job Evaluation / Single Status**

Glamorgan Archives employees transferred onto Cardiff Council employee terms and conditions during 2010/2011. Cardiff Council, in line with other Welsh Councils has undergone a Pay and Grading Review as part of the Single Status Agreement and 2004 National Pay Award Agreement. Job Evaluation is the key to establishing a fair and transparent grading structure throughout the Council. This was implemented during 2011/2012, backdated to 1<sup>st</sup> April 2011. In 2011/2012 one-off payments totalling £2,510 were made. The income and expenditure account includes £14,364 representing the financial effect in 2012/2013 of implementing this review.

## **23. Heritage Assets**

The Code for 2011/12 includes new accounting guidance in respect of Heritage Assets with the requirement to comply with FRS30. Heritage assets are defined as assets of historic, artistic or scientific importance that are maintained principally for their contribution to knowledge and culture at either a national or local level. This requires their identification, recognition and disclosure in the accounts where relevant and material. Previously, heritage assets were either recognised as community assets (at cost) in the property, plant and equipment classification in the balance sheet, or were not recognised at all, due to the difficulties in obtaining a valuation.

Glamorgan Archives (GA) has no material intangible heritage assets however it does hold tangible heritage assets which can be identified into the following main categories:

- papers
- plans
- photographs
- parchments
- personal diaries
- council minutes

GA holds assets and data accumulated over time.

### **Recognition, Measurement, Impairment and Depreciation**

Given the nature of Heritage assets, determining a value for them is complex. Valuations may lack reliability, there may be no market, providing an estimate of replacement cost may be difficult and the cost of determining a valuation for accounting purposes only may not be justified on cost benefit grounds. These difficulties are recognised by the Code.

Heritage assets have not been recognised in the accounts. No valuations are recorded by GA for Heritage assets. There is therefore no impairment or depreciation costs.

### **Policy on acquisitions, disposals, care and conservation**

Glamorgan Archives exists to collect, preserve and provide access to records that relate to the people and places of the former counties of Mid and South Glamorgan. They are always keen to acquire records of historical significance. A Collection Policy exists which outlines the sort of records that they collect.

Records can be given to the Archives in a number of ways.

- By **gift**, where ownership of the material passes to the Glamorgan Archives Joint Committee on behalf of its constituent authorities.
- On **deposit**, where you retain the ownership of the items in question. Depositors enter into an agreement with the Glamorgan Archives regarding the use, retention and preservation of these items. This agreement is outlined

in the terms of deposit policy document which also outlines the policy on disposals.

- **Transfers** from constituent Local Authorities of records selected for permanent preservation.

The majority of holdings are on deposit so are not actually owned by Glamorgan Archives or the funding Local Authorities.

All documents are stored in secure strong rooms in carefully controlled atmospheric conditions to preserve them for the future, always adhering to the Preservation Policy.

All Policies listed above can be found on the Glamorgan Archives website.

## **Annual Governance Statement: Glamorgan Archives Joint Committee**

### **Scope of Responsibility**

Glamorgan Archives was established in 1939 to serve the former County of Glamorgan. It has operated as a joint service since 1974 when it continued to provide archive services to the newly created Mid, South and West Glamorgan. West Glamorgan County Council withdrew from the joint agreement in 1992 and thus in 1996, on Local Government re-organisation, the served area became Mid & South Glamorgan.

Glamorgan Archives is now a partnership between Bridgend CBC, Caerphilly CBC (for the former Rhymney Valley DC), the City and County of Cardiff, Merthyr Tydfil CBC, Rhondda Cynon Taf CBC, and the Vale of Glamorgan Council. These Authorities appoint representatives to the Joint Committee, pro rata to population, each of which have voting rights. The most recent Joint Archives Agreement was formally signed by the six Local Authority partners in April 2006 and covers a period of 25 years from the date of occupation of the new Glamorgan Archives building in Leckwith.

The partnership aims to provide an Archive Service to collect, preserve and make accessible documents relating to the area it serves, and which will ultimately maintain the corporate memory of its constituent Local Authorities.

Cardiff Council is responsible for ensuring that its business and that of the Joint Committee, for which it has administrative responsibility, is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.

This statement is a reflection of the principles set out in the CIPFA/SOLACE Framework – Delivering Good Governance in Local Government and also meets the requirements of regulation 4 of the Accounts and Audit (Wales) Regulations 2005 in relation to the publication of a statement on internal control by the Glamorgan Archives Joint Committee.

### **The Purpose of the Governance Framework**

The Governance Framework comprises the systems and processes, and culture and values by which the Joint Committee is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. The aim is, therefore, to provide reasonable, rather than absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Glamorgan Archives' policies, aims and objectives, to evaluate the likelihood of those risks being

realised and the impact should they be realised and to manage them efficiently, effectively and economically.

### **The Governance Framework**

The Joint Committee's key objectives are laid out in its Partnership Agreement which details how the six Authorities will work together to deliver the Glamorgan Archives Service. This includes an agreement on the financial commitments of the Councils, including making available sufficient internal funds to cover their share of the Service, as well as the liabilities of each Council.

In order to effectively deliver its priorities, the following components are in place to make up the overall Internal Control Framework:

- The Facilitation of Policy and Decision Making
- Establishing and Monitoring of Objectives
- Performance Management and the Reporting of Performance Management
- Compliance with Established Policies, Procedures, Laws and Regulations
- Identifying, Assessing and Managing the Risks to the Services objectives
- The Economical, Effective and Efficient Use of Resources and Securing Continuous Improvement in the Way Functions are Exercised
- The Financial Management of the Archives Service

### **The Facilitation of Policy and Decision Making**

The Glamorgan Archives Joint Committee has decision-making powers as stipulated in the Joint Agreement. Committee membership of the Glamorgan Archives joint committee comprises of nominated Members of the authorities participating in the joint arrangement together with other co-opted members. Voting rights are only assigned to Local Authority Members. This framework provides an assurance that all decisions taken comply with relevant policies, procedures, laws and regulations.

Glamorgan Archives Joint Committee shall:

- Provide, maintain, administer and develop the Service.
- Appoint a duly qualified Archivist to manage the Service.
- Provide and administer accommodation, offices and buildings as are necessary for the purpose of providing the Service.
- Have delegated powers and duties in connection with the care, preservation, maintenance and management of archived records.
- Approve an annual business plan.
- Approve a draft annual budget for submission to each Partner Authority.
- Only approve spending within the agreed annual budget.

The Glamorgan Archives Joint Committee does not:

- Have the power to set an annual budget.
- Have the power to borrow money.

## **Establishing and Monitoring of the Committee's objectives**

Each year the Glamorgan Archivist prepares a plan which includes key aims and objectives. Where available it includes a target completion date and also identifies management responsibilities for each key objective.

## **Performance Management and the Reporting of Performance Management**

Performance against this plan is monitored at a local level and is regularly reported to the Joint Committee. This will enable Members to track progress against the key aims and objectives, monitor performance against targets and approve or support remedial action where required.

## **Compliance with Established Policies, Procedures, Laws and Regulations**

Glamorgan Archives is managed and administered by the Joint Archives Committee under powers conferred by the Local Government (Records) Act 1962. This Act empowers all Local Authorities in Wales to make records in their possession available for study and to contribute towards the expenses of persons looking after local records.

The Local Government Act 1972 Section 224 requires all principal councils to make proper arrangements for the care and preservation of any documents which belong to them or are in their custody and permits those Councils to discharge these functions through Joint Committees.

The Local Government (Wales) Act 1994 Section 60 states that councils can buy local records or accept them by way of gift or loan.

Since April 2009 Cardiff Council's policies and procedures have been adopted.

## **Identifying, Assessing and Managing the Risks to the Services' objectives**

Until recently the risk to service delivery has been identified as failure to provide appropriate accommodation. The risk register has concentrated on the provision of such accommodation and the risks associated with its procurement and the management of the building programme. Now that this has been achieved the risks to service delivery are identified and managed through the annual plan while a more detailed register is being developed for managing the new building.

## **The Economical, Effective and Efficient Use of Resources and Securing Continuous Improvement in the Way Functions are Exercised**

Cardiff Council, as host Authority, is responsible for ensuring that the operational budget is managed by the Archives Service. Advice is available on ways of obtaining greater value for money which is key to meeting the challenges of improving the Service within the resources available.

Cardiff Council procurement can offer support in ensuring that all procurement activities operate within the context of value for money, efficiency and continuous improvement.

## **The Financial Management of the Glamorgan Archives Service**

The system of financial management is based on a framework of regular management information, Financial Procedure Rules and a system of delegation and accountability. The Glamorgan Archives budget is managed within this framework. All staff and members have a duty to abide by the highest standards of probity in dealing with financial issues.

The Financial Procedure Rules are those of Cardiff Council as host Authority and these can be found on the Council's intranet site. Not all the rules apply to the Archives as many are specific to the role of the Council. The key controls for financial management are to ensure that it is promoted and reviewed for compliance.

Financial Management includes:

- Forecasting & monitoring budgets on a periodic basis with regular financial reports
- Setting targets to measure financial and other performance
- Clearly defined expenditure guidelines
- Maximisation of external income

Responsibility for management and financial information reporting rests with Cardiff Council and the Glamorgan Archivist.

The Committee's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

### **Review of the Effectiveness of the System of Internal Control**

Any review of the effectiveness of the system of internal control is in the main informed by external and internal audits.

#### **External Audit**

The Wales Audit Office undertakes the external audit requirements of the Glamorgan Archives Service. Reports are prepared, in relation to audit, under the relevant enabling legislation and the responsibilities detailed in the Code of Audit Practice, and in the context of the 'Statement of Responsibilities', issued by the Auditor General for Wales.

#### **Internal Audit**

Cardiff Council operates an independent internal audit function whose role is to review internal control arrangements. This function operates under the requirements of the CIPFA Code of Practice for Internal Audit in Local Government in the UK.

An internal audit was undertaken during 2012/2013. An independent opinion was given in May 2012 on the adequacy and effectiveness of Internal Control within Glamorgan Archives. The audit report produced determined whether the controls in place are satisfactory and made 19 recommendations to enhance internal controls

and provide greater assurance. These recommendations were subsequently implemented.

### **Significant Governance Issues**

The System of Internal Control, as summarised above, operated satisfactorily in 2012/2013. Following the implementation of the recommendations in the internal audit report during 2012/2013 controls were improved.

### **Monitoring**

No significant issues were identified throughout the year however, should any significant issues have arisen processes would have been in place to manage and monitor these.

**Certification by the Chair of Glamorgan Archives Joint Committee and the Glamorgan Archivist**

The Interim Section 151 Officer who acts as Treasurer to the Glamorgan Archives Joint Committee and the members of the Joint Committee are content that the process followed has been robust and has ensured the engagement of the Archives Services' partnering Authorities.

On the basis of this process we certify that we approve the Annual Governance Statement for 2012/2013

**D.R. Bevan**  
**Chair of Glamorgan Archives Joint Committee**

**Susan Edwards**  
**Glamorgan Archivist**

**Date: 13 September 2013**

## **Independent Auditor's Report to the Members of Glamorgan Archives Joint Committee**

The independent auditor is Wales Audit Office.

I have audited the accounting statements and related notes of the Glamorgan Archives Joint Committee for the year ended 31 March 2013 under the Public Audit (Wales) Act 2004.

Glamorgan Archives Joint Committee's accounting statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash Flow Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2012-13 based on International Financial Reporting Standards (IFRSs).

This report is made solely to the Glamorgan Archives Joint Committee in accordance with Part 2 of the Public Audit (Wales) Act 2004 and for no other purpose as set out in the *Statement of the Responsibilities* prepared by the Auditor General for Wales.

### **Respective responsibilities of the responsible financial officer and the independent auditor**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 15, the Chief Finance Officer is responsible for preparing the statement of accounts, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounting statements**

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Glamorgan Archives Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer; and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

## **Opinion on the accounting statements of the Glamorgan Archives Joint Committee**

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of the Glamorgan Archives Joint Committee as at 31 March 2013 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012-13.

## **Opinion on other matters**

In my opinion, the information contained in the Explanatory Foreword for the financial year for which the accounting statements and related notes are prepared is consistent with the accounting statements and related notes.

## **Matters on which I report by exception**

I have nothing to report in respect of the Annual Governance Statement on which I report to you if, in my opinion, it does not reflect compliance with 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE in June 2007, or if the statement is misleading or inconsistent with other information I am aware of from my audit.

## **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of the Glamorgan Archives Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit Practice issued by the Auditor General for Wales.

Anthony Barrett  
Appointed Auditor  
Wales Audit Office  
24 Cathedral Road  
CARDIFF  
CF11 9LJ

Date: 24 September 2013

*The maintenance and integrity of the County Council of the City and County of Cardiff web site is the responsibility of the Council; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the statement of accounts since it was initially presented on the web site.*