

**THE CITY OF CARDIFF COUNCIL, COUNTY BOROUGH COUNCILS OF  
BRIDGEND, CAERPHILLY, MERTHYR TYDFIL, RHONDDA CYNON TAF  
AND THE VALE OF GLAMORGAN**

**THE GLAMORGAN ARCHIVES  
JOINT COMMITTEE  
26 September 2014**

**REPORT OF:**

**THE TREASURER TO THE  
GLAMORGAN ARCHIVES JOINT  
COMMITTEE**

AGENDA ITEM NO.
<b>ANNUAL STATEMENT OF ACCOUNT 2013/14</b>

**Annual Statement of Accounts 2013/14**

**Purpose of Report**

1. This report provides Members with the Glamorgan Archives Audited Statement of Accounts for 2013/14.
2. The International Standard on Auditing (ISA) 260 requires the Appointed Auditor to report to those charged with governance, on the key matters arising from the audit examination of the Statement of Accounts for the year ending 31 March 2014.

**Background**

3. The Statement of Accounts for 2013/14 is the fourth to be prepared in accordance with International Financial Reporting Standards (IFRS).
4. The Draft Statement of Accounts for 2013/14 were made available for public inspection in accordance with relevant statutory requirements between 30<sup>th</sup> June and 25<sup>th</sup> July 2014.
5. The accounts have now been audited by the appointed auditors. The audited Glamorgan Archives Statement of Accounts for 2013/14 is included at **Appendix 1**.
6. The appointed auditor has issued an unqualified audit report on the financial statements and has provided a Letter of Representations to be signed by the Corporate Director of Resources and the Chair of the Glamorgan Archives Joint Committee (**Appendix 3**). **The unqualified audit report is subject to final audit clearance.**

7. Attached is the auditor's report "Audit of Financial Statements Report", which is presented to the Joint Committee in order to fulfil the requirement of the International Auditing Standard (ISA) 260 and in discharge of the External Auditor's duty (**Appendix 2**). This report is in draft form until the Committee has approved the 2013/2014 accounts.
8. Appendix 3 of the Wales Audit Office report lists corrections that the Auditor has requested should be drawn to the attention of the Joint Committee. During the audit, some amendments were deemed to be required in the accounts. The main correction required an increase to the accrual for external audit fees and the reduction to the value of debtors in the balance sheet. Some narrative amendments were also required.
9. There are no misstatements identified in the Financial Statements which remain uncorrected.
10. The audit does not seek to obtain absolute assurance that the financial statements present fairly the financial position, or assurance that they are accurate in every regard, but instead a concept of materiality is adopted. The report highlights that there were:
  - No significant concerns about the qualitative aspects of the accounting practices and financial reporting.
  - No material weaknesses in internal control identified
  - No other significant matters, discussed and corresponded with management upon, which need to be reported.
  - No other matters significant to the oversight of the financial reporting process, which need to be reported.

### **Legal Implications**

11. This report is presented to the Joint Committee for information only and therefore there are no financial implications arising from it.

### **Financial Implications**

12. This report is presented to the Joint Committee for information only and therefore there are no financial implications arising from it.

## **RECOMMENDATIONS**

13. The Joint Committee is requested to:
- Approve the audited Statement of Accounts for the year ended 31 March 2014 - **Appendix 1**
  - Note the report of the Wales Audit Office on the Statement of Accounts of for the year ended 31 March 2014 – **Appendix 2**
  - Provide signatures in the Statement of Accounts 2013/2014.
    - Page 15 Statement of Responsibilities. To be signed by the Chair.
    - Page 36 Certification by the Chair and the Glamorgan Archivist.
  - Provide a signature on the Letter of Representation at **Appendix 3**. To be signed by the Chair.

**CHRISTINE SALTER**  
**TREASURER TO THE GLAMORGAN ARCHIVES JOINT COMMITTEE**

The following Appendices are attached:  
Appendix 1 - Audited Statement of Accounts 2013/14.  
Appendix 2 - Audit of Financial Statements Report.  
Appendix 3 - Letter of Representation.

## **APPENDIX 1**

# **Glamorgan Archives Statement of Accounts 2013/2014**

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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 2013/14 and supported by International Financial Reporting Standards (IFRS).

This is the fourth 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). During 2013/2014 there were circa 6,500 visitors to the Glamorgan Records Office and the Service responded to over 5,000 remote enquiries.

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
Caerphilly	2	104,300	11
Cardiff	5	305,200	32
Merthyr Tydfil	1	59,700	6
Rhondda Cynon Taf	4	238,900	25
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 2013/2014.

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 in January 2010. The building has been purpose built to house about 17 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 2013/2014**

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

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

	<b>Budget £</b>	<b>Actual £</b>	<b>Variance £</b>
<b>Expenditure</b>			
Employees	582,780	539,067	(43,713)
Premises	228,900	222,010	(6,890)
Transport	6,550	2,824	(3,726)
Supplies & Services	48,020	63,462	15,442
Third Party Payments	0	310	310
Support Services	37,700	53,928	16,228
Contributions to reserves	0	34,543	34,543
<b>Gross Expenditure</b>	<b>903,950</b>	<b>916,144</b>	<b>12,194</b>
<b>Income</b>	<b>(146,520)</b>	<b>(164,442)</b>	<b>(17,922)</b>
<b>Net Expenditure</b>	<b>757,430</b>	<b>751,702</b>	<b>(5,728)</b>

The above table excludes the actual grant funded costs and income of Conserving Local Communities Heritage (CLOCH). These are shown later in this Statement of Accounts.

There was a net underspend against the budget of £5,728. Local Authorities were invoiced for the full budget of £757,430 as it had been forecast during the year that there would not be any underspend at the year end. An analysis of the 2013/2014 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 several factors which resulted in the saving on employee costs.

Total savings on direct staff costs amounted to £38,495 as a result of

- The post of Conservator being vacant for a number of months.
- An Archivist post becoming vacant during the year and not being filled.
- Some staff members not being part of the superannuation scheme thereby saving on employer superannuation contributions.
- The impact of the implementation of the Single Status agreement.

The savings above were partly offset by the cost of employing casual staff. Part of the cost of casual staff was funded by additional income.

There was also an underspend of £9,520 against the budget held to fund the costs of a part-time Administrative Officer to provide support to the Archives & Record Council for Wales (ARCW). Due to the fact that responsibility for this post has transferred away from Glamorgan Archives no costs were incurred this year.

Additional costs of £6,031 were incurred on staff training. Welsh language training cost £4,200 and attendance at an Archives and Records Association conference cost £940. Both of these were partly funded by grants from ARCW totalling £1,926 shown as income in the table.

### **Premises Expenditure**

The projected saving on gas and electricity materialised, saving £36,680. The savings resulted from measures taken by the Glamorgan Archivist to reduce the level of expenditure. Tighter control over the heat and light usage and more efficient use of these utilities was put into place. A further £6,500 was saved on premises insurance due to the fact that insurance for the Glamorgan Records Office is now covered by the buildings insurance policy for Cardiff Council.

As a result of an increase in the rateable value of the Glamorgan Record Office which took effect in January 2014 there was an additional Non Domestic Rate invoice paid for £26,910 for the period January 2014 to the end of March 2014. Unforeseen levels of repairs and maintenance required at the Glamorgan Records Office incurred an additional £11,911 of expenditure.



### **Transport Costs**

There appears to be a saving in transport costs. However this is due to the fact that the leased vehicle costs have been recharged to the Service as a Central Support cost rather than a transport cost.

### **Supplies & Services Expenditure**

The budget for printing and stationery was overspent by £2,620. This is mainly as a consequence of the purchase of items for sale such as maps and pencils along with the purchase of necessary consumables such as ink cartridges and paper.

As forecast there were additional catering charges incurred (£5,369) but this has been more than offset by additional income from the provision of food in conjunction with the provision of room hire.

There was a private circuit rental charge of £5,428 for the cost of the data link between Glamorgan Records Office and County which had not been budgeted for.

### **Support Services Expenditure**

The cost of support services provided by Cardiff Council in 2013/2014 was £11,830 more than budgeted mostly due to higher charges for the provision of ICT and Human Resources services.

As previously stated there is a charge of £3,294 for the leased vehicle included under the heading of support services. There is also a charge of £1,070 for the provision of a Welsh translation service and this had been budgeted for under supplies and services.

### **Contributions to Reserves**

In the Month 11 monitoring report it was reported as part of the projected outturn for supplies and services that it was likely that there would be expenditure in the region of £30,000 incurred before the end of the year in respect of the creation of a dividing wall to the search room at the Glamorgan Records Office. This improvement would allow continued provision of services to schools and other groups and would also assist with the maximisation of income from 2014/15 onwards. In the monitoring report it stated that if the work could not be completed before the end of the financial year that the intention was to create an earmarked reserve for £30,000 for use in 2014/2015, thereby ensuring that this expenditure did not place an additional burden upon the 2014/15 budget. However, despite best efforts this work did not get underway before the end of the financial year and an earmarked reserve for £30,000 was therefore created. Should the cost of the dividing wall be less than £30,000 then each contributing Authority will receive back a share of the remaining reserve in the same proportion as their contributions. Should the cost be greater than £30,000 then any excess cost will need to be funded from the 2014/2015 budget.

There was also a transfer to the Accumulated Absence Accrual Reserve of £4,543 which has been partly offset by a credit of £3,641 from the same reserve within employee expenditure. These transfers are in accordance with statutory

requirements and have been calculated on the basis of the outstanding leave of employees as at 31 March 2014.

### **Income**

There was a net increase in income for several reasons.

The receipt of grant income that was not known about at the time of setting the 2013/14 budget amounted to £8,689, having been secured from ARCW (£6,980) and the National Manuscripts Conservation Trust (£1,709). These grants fund expenditure incurred within the Service.

Income received in respect of the hire of rooms and sale of food was £17,111 above budget whilst royalty income, not budgeted for, amounted to £8,666.

As outlined under employee expenditure the responsibility for the CyMAL funded post has been transferred away from Glamorgan Archives. As a result there was a fall out of grant funding amounting to £10,470.

As the post of Conservator was vacant for a number of months the capacity to generate income was reduced. This fact when combined with a reduction in orders and faults with the box making machine resulted in conservation income being £5,881 less than budgeted.

### **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 2013/2014, the 3<sup>rd</sup> year of the project, costs of £120,623 were financed using part of the grant awarded.

Additional grant of £3,570 was awarded from CyMAL to cover the cost of CLOCH related training.

Below is a table showing an analysis of the expenditure and income for 2013/2014

	<b>Actual £</b>
<b>Expenditure</b>	
Employees	120,539
Transport	3,501
Supplies & Services	153
<b>Gross Expenditure</b>	<b>124,193</b>
<b>Grant Income</b>	<b>(124,193)</b>
<b>Net Expenditure</b>	<b>0</b>

## **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 Section 151 Officer (page 16)**

This is the certificate of the true and fair presentation of the accounts by the 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 cost of the Glamorgan Archives Service.

### **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- 30) \***

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

### **Annual Governance Statement (pages 31 - 35) \***

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 2013/2014 financial year and its position at the year end of 31 March 2014. 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 2013/14 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 its valuation 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 via the Movement in Reserves Statement.

## **5. Retirement Benefits**

International Accounting Standard 19 (IAS 19) Employee Benefits (amended 2011) requires that the accounts reflect the cost of retirement benefits in the period the 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 are 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 two usable reserves.

The 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 an Earmarked Reserve, created in 2013/2014, specifically to fund the cost of the creation of a dividing wall in the Glamorgan Records Office search room.

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 2013/2014 this officer was Christine Salter, 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.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Chair**  
**Glamorgan Archives Joint Committee**

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

The 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 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 Section 151 Officer has also:**

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

## **Certificate of the 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 2014 and its income and expenditure for the year then ended.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Christine Salter**  
**Corporate Director Resources & Section 151 Officer**

## Comprehensive Income and Expenditure Statement for the year ended 31<sup>st</sup> March 2014

2012/2013 £		2013/2014 £	Note
638,514	Staff costs	659,606	1
213,150	Premises	222,010	
8,904	Transport	6,324	
74,451	Supplies and Services	63,616	
1,025	Third Party Payments	310	
48,474	Central Departmental Support	53,927	
108,689	Capital Charges	108,689	2
<b>1,093,207</b>	<b>Operating Expenditure</b>	<b>1,114,482</b>	
(1,358,344)	Contributions from Local Authorities	(1,337,963)	3
(94,145)	Grant income	(132,882)	
(53,970)	Fees and Charges	(52,741)	
<b>(1,506,459)</b>	<b>Operating Income</b>	<b>(1,523,586)</b>	
<b>(413,252)</b>	<b>Net Cost of Services</b>	<b>(409,104)</b>	
(2,625)	Interest and Investment Income	(2,109)	6
317,152	Interest Payable	302,411	6
<b>314,527</b>	<b>Financing and Investment Income &amp; Expenditure</b>	<b>300,302</b>	
<b>(98,725)</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>(108,802)</b>	
0	Other Comprehensive Income & Expenditure	0	
<b>(98,725)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(108,802)</b>	

## Movement in Reserves Statement for the year ended 31<sup>st</sup> March 2014

	Usable Reserves (1)	Unusable Reserves (2)	Total Reserves
	£	£	£
<b>Balance at 31st March 2012</b>	<b>673,963</b>	<b>1,807,088</b>	<b>2,481,051</b>
Movement in Reserves during 2012/2013			
<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 22)	(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	329,652
<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>
Movement in Reserves during 2013/2014			
<b>Surplus or (Deficit) on Provision of Services</b>	<b>108,802</b>	<b>0</b>	<b>108,802</b>
Other Comprehensive Income & Expenditure	0	0	0
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>108,802</b>	<b>0</b>	<b>108,802</b>
Adjustments between Accounting Basis & Funding Basis under regulations (note 22)	(173,074)	173,074	0
<b>Net Increase / Decrease before Transfers to Earmarked Reserves</b>	<b>(64,272)</b>	<b>173,074</b>	<b>108,802</b>
Transfers To / From Earmarked Reserves	0	0	0
<b>Increase / Decrease in 2013/2014</b>	<b>(64,272)</b>	<b>173,074</b>	<b>108,802</b>
Other movement in reserves	0	0	0
<b>Balance at 31st March 2014 Carried Forward</b>	<b>539,246</b>	<b>2,478,984</b>	<b>3,018,230</b>

1. Comprises:

Glamorgan Archives General Reserve - note 12

Glamorgan Archives Earmarked Reserve - note 13

2. Comprises:

Capital Adjustment Account - note 14

Revaluation Reserve – note 15

Accumulated Absences Accrual Reserve - note 16

## Balance Sheet as at 31<sup>st</sup> March 2014

31/03/2013 £		31/03/2014 £	Note
8,057,598	Land and Buildings	7,978,045	
0	Assets Under Construction	0	
97,788	Vehicle, Plant, Furniture & Equipment	68,652	8
<b>8,155,386</b>	<b>Property, Plant &amp; Equipment</b>	<b>8,046,697</b>	
18,780	Inventories	18,731	18
258,683	Short Term Debtors	133,079	9
358,077	Cash & Cash Equivalents	430,212	19
<b>635,540</b>	<b>Current Assets</b>	<b>582,022</b>	
(30,949)	Short Term Creditors	(37,288)	10
(5,616)	Provisions	(6,390)	20
<b>(36,565)</b>	<b>Current Liabilities</b>	<b>(43,678)</b>	
(5,844,933)	Long Term Borrowing	(5,566,811)	11
<b>(5,844,933)</b>	<b>Long Term Liabilities</b>	<b>(5,566,811)</b>	
<b>2,909,428</b>	<b>NET ASSETS</b>	<b>3,018,230</b>	
<b>603,518</b>	<b>Usable Reserves - General</b>	<b>539,246</b>	12 & 13
1,984,225	Capital Adjustment Account	2,157,102	14
326,228	Revaluation Reserve	322,784	15
(4,543)	Accumulated Absences Account	(902)	16
<b>2,305,910</b>	<b>Unusable Reserves</b>	<b>2,478,984</b>	
<b>2,909,428</b>	<b>TOTAL RESERVES</b>	<b>3,018,230</b>	

## Cashflow Statement for the Year Ended 31<sup>st</sup> March 2014

31/03/2013		31/03/2014	Note
£		£	
(98,725)	Net (Surplus) /Deficit on the provision of services	(108,802)	
120,306	Adjust net surplus or deficit on the provision of services for non-cash movements	36,667	17
2,625	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	2,109	
<b>24,206</b>	<b>Net cash flows from operating activities</b>	<b>(70,026)</b>	
<b>0</b>	<b>Investing activities</b>	<b>0</b>	
<b>(2,625)</b>	<b>Financing activities</b>	<b>(2,109)</b>	
<b>21,581</b>	<b>Net (increase)/ decrease in cash and cash equivalents</b>	<b>(72,135)</b>	
379,658	<b>Cash and cash equivalents at the beginning of the reporting period</b>	358,077	
<b>358,077</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>430,212</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 £659,606 analysed as follows:

	2012/2013 £	2013/2014 £
Pay	419,174	433,439
Pension costs	87,241	91,248
National Insurance	27,654	27,853
Agency Staff	40,293	3,520
Indirect employee costs	64,152	103,546
<b>Total staff costs</b>	<b>638,514</b>	<b>659,606</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

	2012/2013 £	2013/2014 £
Depreciation	108,689	108,689
	<b>108,689</b>	<b>108,689</b>

Depreciation of £79,554 has been charged on operational land & buildings (£79,554 in 2012/13) and £29,135 on vehicles, plant, furniture & equipment (£29,135 in 2012/13). 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 was written back in 2012/2013.

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 2013/2014.

Authority	Population	%	Cash Contribution based on Population % £	Notional Contribution based on Debt Funding £	Total Contribution £
Bridgend C.B.C.	130,600	14	106,040	103,937	209,977
Caerphilly C.B.C.	104,300	11	83,317	81,665	164,982
Cardiff Council	305,200	32	242,378	97,011	339,389
Merthyr Tydfil C.B.C.	59,700	6	45,446	23,373	68,819
Rhondda Cynon Taf C.B.C.	238,900	25	189,357	185,602	374,959
Vale of Glamorgan Council	118,800	12	90,892	88,945	179,837
	<b>957,500</b>	<b>100</b>	<b>757,430</b>	<b>580,533</b>	<b>1,337,963</b>

#### Comparative 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
Caerphilly C.B.C.	104,300	11	83,938	83,738	167,676
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
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>

#### **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 £757,430 (£763,070 in 2012/13). Contributions owing at year end from Local authorities shown as debtors in the accounts are as follows:

	<b>2012/2013</b>	<b>2013/2014</b>
	<b>£</b>	<b>£</b>
Bridgend C.B.C.	0	53,020
Merthyr Tydfil C.B.C.	27,470	22,723
Rhondda Cynon Taff C.B.C.	114,461	0
Caerphilly C.B.C.	50,363	41,659
Vale of Glamorgan Council	54,941	263
	<b>247,235</b>	<b>117,665</b>

During 2013/2014, Glamorgan Archives was charged £53,927 by Cardiff Council in respect of Central Departmental Support (£48,474 in 2012/13).

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 2014 is £430,212 (£358,077 at 31<sup>st</sup> March 2013).

## **5. Audit Fees**

The Income & Expenditure Account includes an accrual of £6,019 in respect of the anticipated cost of external audit services to be carried out by the appointed Auditor with respect to the 2013/2014 accounts (£3,500 in 2012/13).

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

Interest is received on the balance invested by Cardiff Council on behalf of the Glamorgan Archives Joint Committee. During 2013/2014 interest of £2,109 was earned on the balance of the General Reserve (£2,625 in 2012/13).

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 £302,411 in 2013/14 (£317,152 in 2012/13).

## **7. Leases**

Operating leases exist in respect of a vehicle and other items of equipment. The following sums were charged to revenue in 2013/2014.

<b>Operating Leases</b>	<b>2012/2013</b>	<b>2013/2014</b>
	<b>£</b>	<b>£</b>
Land & Buildings	0	0
Vehicles	3,238	2,763
Plant & Equipment	4,768	4,138
	<b>8,006</b>	<b>6,902</b>

As at 31 March 2014 there was a commitment to making payments totalling £6,038 (£6,094 at 31 March 2013).

Operating Leases	2012/2013	2012/2013	2013/2014	2013/2014
	Vehicle Leases	Plant & Equip Leases	Vehicle Leases	Plant & Equip Leases
	£	£	£	£
Leases expiring within 1 year	3,238	0	2,763	2,391
Leases expiring between 2 and 5 years	0	2,856	0	884
Leases expiring after 5 years	0	0	0	0
	<b>3,238</b>	<b>2,856</b>	<b>2,763</b>	<b>3,275</b>

Glamorgan Archives does not have any Finance Lease agreements.

In 2013/2014 vehicle lease costs were reclassified as central support costs rather than transport costs.

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

	Land & Buildings	Plant & Equipment	Total
	£	£	£
<b>Gross Book Value</b>	<b>8,729,653</b>	<b>224,710</b>	<b>8,954,363</b>
Accumulated Depreciation	(672,055)	(126,922)	(798,977)
<b>Net Book Value at 1<sup>st</sup> April 2013</b>	<b>8,057,598</b>	<b>97,788</b>	<b>8,155,386</b>
Depreciation	(79,553)	(29,136)	(108,689)
<b>Net Book Value at 31<sup>st</sup> March 2014</b>	<b>7,978,045</b>	<b>68,652</b>	<b>8,046,697</b>

#### Comparative for 2012/2013

	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>

#### **9. Short Term Debtors**

Short Term Debtors in the Balance Sheet consists of:

2012/2013 £	Debtor Category	2013/2014 £
3,844	Central Government Bodies	110
250,057	Other Local Authorities	120,407
0	NHS Bodies	213
4,782	Other Entities and Individuals	12,349
<b>258,683</b>		<b>133,079</b>

## 10. Short Term Creditors

Short Term Creditors in the Balance Sheet consists of:

2012/2013 £	Creditor Category	2013/2014 £
(5,886)	Central Government Bodies	(14,003)
(125)	Other Local Authorities	0
(24,938)	Other Entities and Individuals	(23,285)
<b>(30,949)</b>		<b>(37,288)</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 Records Office. These are notional entries only as the Joint Committee does not have any borrowing powers of their own.

	2012/2013 £	2013/2014 £
<b>Balance as at 1<sup>st</sup> April</b>	<b>(6,123,055)</b>	<b>(5,844,933)</b>
Repayment in Year	278,122	278,122
<b>Balance as at 31<sup>st</sup> March</b>	<b>(5,844,933)</b>	<b>(5,566,811)</b>

## 12. General Reserve

The balance on the General Reserve at 31<sup>st</sup> March 2014 was £509,246. 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.

Movements on Glamorgan Archives General Reserve	2012/2013 £	2013/2014 £
Balance Brought Forward at 1 <sup>st</sup> April	673,963	603,518
Budgeted drawdown from reserve to fund in year expenditure	(100,000)	(100,000)
Revenue surplus	29,555	5,728
<b>Balance as at 31<sup>st</sup> March</b>	<b>603,518</b>	<b>509,246</b>

### 13. Earmarked Reserve

There was a new Earmarked Reserve created in 2013/2014 which is ring fenced specifically to fund the creation of a dividing wall in the Glamorgan Records Office Search room. Further details can be found in the Summary of Financial Performance for 2013/2014.

<b>Movements on Glamorgan Archives Earmarked Reserve</b>	<b>2012/2013 £</b>	<b>2013/2014 £</b>
Balance Brought Forward at 1 <sup>st</sup> April	0	0
Contribution to Earmarked Reserve	0	30,000
<b>Balance as at 31<sup>st</sup> March</b>	<b>0</b>	<b>30,000</b>

### 14. 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>2012/2013 £</b>	<b>2013/2014 £</b>
<b>Balance as at 1<sup>st</sup> April</b>	<b>1,811,368</b>	<b>1,984,235</b>
Minimum Revenue Provision	278,122	278,122
in Year Depreciation	(108,689)	(108,689)
Historic cost Adjustment for Depreciation	3,434	3,434
<b>Balance as at 31<sup>st</sup> March</b>	<b>1,984,235</b>	<b>2,157,102</b>

### 15. 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 in 2012/2013.

<b>Movements on Revaluation Reserve</b>	<b>2012/2013 £</b>	<b>2013/2014 £</b>
<b>Balance as at 1<sup>st</sup> April</b>	<b>0</b>	<b>326,218</b>
Revaluation Gains	329,652	0
Historic cost Adjustment for Depreciation	(3,434)	(3,434)
<b>Balance as at 31<sup>st</sup> March</b>	<b>326,218</b>	<b>322,784</b>

**16. Accumulated Absences Accrual Reserve**

The Accumulated Absences Accrual Reserve 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.

2012/2013 £		2013/2014 £
(4,280)	<b>Balance at 1 April</b>	(4,543)
(263)	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	3,641
(4,543)	<b>Balance at 31 March</b>	(902)

**17. Reconciliation of the Comprehensive Income and Expenditure Account to Cashflow**

2012/2013 £		2013/2014 £
<b>OPERATING ACTIVITIES</b>		
<b>The surplus on the provision of services has been adjusted for the following non-cash movements:</b>		
(108,689)	Depreciation and Impairment	(108,689)
278,122	Prudent MRP (Borrowing Repayment)	278,122
(416)	(Increase)/Decrease in Provisions	(774)
17,095	(Increase)/Decrease in Creditors	(6,339)
(65,273)	Increase/(Decrease) in Debtors & Prepayments	(125,604)
(533)	Increase/(Decrease) in Inventories	(49)
120,306	<b>Net cash flow from operating activities</b>	36,667
120,306	<b>Cash (Inflow)/Outflow from Revenue Items</b>	36,667

**18. 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 2014 it was valued at £18,731 (£18,780 as at 31 March 2013).

**19. 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 2014 is £430,212 (£358,077 at 31<sup>st</sup> March 2013).

31 March 2013		31 March 2014
148	Cash	227
357,929	Bank	429,985
<b>358,077</b>	<b>Total Cash and Cash Equivalents</b>	<b>430,212</b>

## 20. Provisions

Cardiff Council is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. 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 2013/14 recognises Glamorgan Archives Service's share of this liability based on the energy management records for the Glamorgan Archives Office.

	Balance 1 April 2013	Utilised/released in year	Transfers to provisions	Balance 31 March 2014
Carbon Reduction Provision	(5,616)	5,616	(6,390)	(6,390)
<b>Total Provisions</b>	<b>(5,616)</b>	<b>5,616</b>	<b>(6,390)</b>	<b>(6,390)</b>

### Comparative for 2012/2013

	Balance 1 April 2012	Utilised/released in year	Transfers to provisions	Balance 31 March 2013
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>

## 21. Insurance

The Glamorgan Archives Records Office and its contents are currently insured under Cardiff Council's 'block' property insurance policy but shown as a separate item so that any claims are subject to a £1,000 excess rather than the £150,000 excess carried by the Council. Cover is for 'standard' perils of fire, storm, flood, theft etc.

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.

Cardiff Council will be asking insurers if any wider insurance cover is available but there would be cost implications if any additional insurance was taken out.

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

	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>

	Usable Reserves General Reserve 2013/2014	Unusable Reserves 2013/2014
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	(3,641)	3,641
<b>Total Adjustments</b>	<b>(173,074)</b>	<b>173,074</b>

## **23. Heritage Assets**

The Code for 2011/12 included 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 C.B.C, Caerphilly C.B.C (for the former Rhymney Valley DC), the City of Cardiff Council, Merthyr Tydfil C.B.C, Rhondda Cynon Taf C.B.C, 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 Records Office 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 Service's 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 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.

There was no internal audit of Glamorgan Archives undertaken in 2013/2014.

### **Significant Governance Issues**

The System of Internal Control, as summarised above, operated satisfactorily in 2013/2014.

### **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 Corporate Director Resources & 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 2013/2014

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Chair  
Glamorgan Archives Joint Committee**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Susan Edwards  
Glamorgan Archivist**

## **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 2014 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 2013-14 based on International Financial Reporting Standards (IFRSs).

### **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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my 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 2014 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 2013-14.

## **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: September 2014

Archwilydd Cyffredinol Cymru  
Auditor General for Wales



WALES **AUDIT** OFFICE  
SWYDDFA **ARCHWILIO** CYMRU

# Audit of Financial Statements Report

## **Glamorgan Archives Joint Committee**

**Audit year:** 2013-14

**Issued:** September 2014

**Document reference:** 553A2014

# Status of report

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This document has been prepared for the internal use of Glamorgan Archives Joint Committee as part of work performed in accordance with statutory functions, the Code of Audit Practice and the Statement of Responsibilities issued by the Auditor General for Wales.

No responsibility is taken by the Wales Audit Office (the Auditor General and his staff) and, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales (and, where applicable, his appointed auditor) is a relevant third party. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@wao.gov.uk](mailto:infoofficer@wao.gov.uk)

# Contents

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The Appointed Auditor intends to issue an unqualified audit report on your financial statements. There are some issues to report to you prior to their approval.

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# Summary report

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## Introduction

1. Anthony Barrett as Appointed Auditor is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the Glamorgan Archives Joint Committee at 31 March 2014 and its income and expenditure for the year then ended.
2. We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
3. The quantitative levels at which we judge such misstatements to be material for Glamorgan Archives Joint Committee are £14,140 for income and expenditure items and working capital balances and £80,470 for other balances. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity.
4. International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
5. This report sets out for consideration the matters arising from the audit of the financial statements of Glamorgan Archives Joint Committee for 2013-14, that require reporting under ISA 260.

## Status of the audit

6. We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with relevant officers.

## Proposed audit report

7. It is the Appointed Auditor's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).
8. The proposed audit report is set out in [Appendix 2](#).

## Significant issues arising from the audit

### Uncorrected misstatements

9. There are no misstatements identified in the financial statements, which remain uncorrected.

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## Corrected misstatements

10. There are some misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 3](#).

## Other significant issues arising from the audit

11. In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you. There were some issues arising in these areas this year:
- **There is an area of concern about the qualitative aspects of your accounting practices and financial reporting.** We concluded that accounting policies and estimates are appropriate and financial statement disclosures unbiased, fair and clear. However, as there had been limited management review of the financial statements and supporting working papers the draft accounts contained a several misstatements that should have been identified and corrected prior to their presentation for audit.
  - **We did not encounter any significant difficulties during the audit.** We received the information requested in a timely and helpful manner and were not restricted in our work.
  - **There were no significant matters discussed and corresponded upon with management which we need to report to you.**
  - **There are no other matters significant to the oversight of the financial reporting process that we need to report to you.**
  - **We did not identify any material weaknesses in your internal controls.**
  - **There are no matters specifically required by auditing standards to be communicated to those charged with governance.**

## Independence and objectivity

12. As part of the finalisation process, we are required to provide you with representations concerning our independence.
13. We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and the Glamorgan Archives Joint Committee that we consider to bear on our objectivity and independence.

# Appendix 1

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## Final Letter of Representation

Anthony Barrett  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

xx September 2014

## Representations regarding the 2013-14 financial statements

This letter is provided in connection with your audit of the financial statements of the Glamorgan Archives Joint Committee for the year ended 31 March 2014.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting 2013-14; in particular the financial statements give a true and fair view in accordance therewith.

We acknowledge our responsibility for the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

### Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.

- 
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - Our knowledge of fraud or suspected fraud that we are aware of and that affects the Glamorgan Archives Joint Committee and involves:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements.
  - Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
  - Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
  - The agreed recommendations set out in the 2012-13 WAO financial accounts reports have been satisfactorily implemented.
  - The identity of all related parties and all the related party relationships and transactions of which we are aware.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions.

## Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Glamorgan Archives Joint Committee on **XX September 2014**.



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Signed by:

Christine Salter

Corporate Director Resources

Date:

Signed by:

Councillor XXX

Chairman of Glamorgan Archives Joint  
Committee

Date:

# Appendix 2

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## Proposed audit report of the Appointed Auditor to the Glamorgan Archives Joint Committee

I have audited the accounting statements and related notes of the Glamorgan Archives Joint Committee for the year ended 31 March 2014 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 2013-14 based on International Financial Reporting Standards (IFRSs).

### 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

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## 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 2014 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 2013-14.

## 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: September 2014

## Appendix 3

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### Summary of corrections made to the draft financial statements which should be drawn to the attention of those charged with governance

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Value of correction	Nature of correction	Reason for correction
£114,462	To ensure that related parties note is comparable to 2012-13 information.	The 2012-13 contribution of £114,461 as per the 2012-13 signed accounts from Rhondda Cynon Taff had been removed from the 2012-13 column within the note and the central support charge for 2013-14 was noted as £53,928 instead of £53,927.
£23,480	To eliminate VAT from the debtors balance.	All debtors in the accounts which related to contributions from other Local Authorities had been presented gross, i.e. with VAT included. However, given that the VAT debtor is not a debtor of Glamorgan Archives, it should not have been included. Therefore the debtors figure was overstated by £23,480.

Value of correction	Nature of correction	Reason for correction
£2,519	To correct the audit accrual.	The audit accrual presented in the accounts required amendment to ensure it reconciled to the Wales Audit Office fee.
Narrative	To insert a line of narrative to explain that the classification of leased vehicle costs had changed between 2012-13 and 2013-14.	<p>In 2013-14 leased vehicle costs were reported within the central support costs, however these same costs were reported within the transport line in 2012-13.</p> <p>On review we determined that given these costs relate to recharges it was correct to account for them as per 2013-14, therefore the comparator needs to be amended for 2012-13, i.e. add narrative to explain that the cost was included under transport costs in 2012/13, but that classification has changed and that these costs are now included within support recharges in 2013/14.</p>
Narrative	To ensure all cross-referencing was correct.	There were four of occasions where the cross-referencing noted within the accounts was not correct.



Wales Audit Office  
24 Cathedral Road  
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@wao.gov.uk](mailto:info@wao.gov.uk)

Website: [www.wao.gov.uk](http://www.wao.gov.uk)

Swyddfa Archwilio Cymru  
24 Heol y Gadeirlan  
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: [info@wao.gov.uk](mailto:info@wao.gov.uk)

Gwefan: [www.wao.gov.uk](http://www.wao.gov.uk)

### Final Letter of Representation

Anthony Barrett  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ  
[xx September 2014]

### Representations regarding the 2013-14 financial statements

This letter is provided in connection with your audit of the financial statements of the Glamorgan Archives Joint Committee for the year ended 31 March 2014.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### Management representations

#### Responsibilities

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting 2013-14; in particular the financial statements give a true and fair view in accordance therewith.

We acknowledge our responsibility for the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

#### Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.



- Our knowledge of fraud or suspected fraud that we are aware of and that affects the Glamorgan Archives Joint Committee and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The agreed recommendations set out in the 2012-13 WAO financial accounts reports have been satisfactorily implemented.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions.

## Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Glamorgan Archives Joint Committee on 26 September 2014.

Signed by:

Christine Salter

Corporate Director Resources

Date:

Signed by:

Councillor

Chairman of Glamorgan Archives Joint Committee

Date: