



NORFOLK RECORDS COMMITTEE

Date: Friday, 26 June 2009

Time: 10.30am*

* Members of the Norfolk Records Committee are asked to arrive by 10.00am for an informal meet-and-greet prior to the meeting. There will also be a tour of the Archive Centre for Members following the meeting for those interested.

Venue: Cranworth Room
County Hall, Martineau Lane, Norwich

Please Note:

Arrangements have been made for committee members to park on the county hall front car park (upon production of the agenda to the car park attendant) provided space is available.

Persons attending the meeting are requested to turn off mobile phones.



Map of King's Lynn, c. 1588. Plan of a nineteenth-century copy by A.H. Swatman of an original map of Castle Rising Chase, made around 1588.

Norfolk Record Office, BL 71.

Membership

Mr R Blower
Mr J W Bracey

Mrs M Coleman
Mr P J Duigan

Mrs V R Gay
Mr S Jeraj
Mr C J Kemp
Ms R Makoff
Mr D Murphy
Mrs E A Nockolds

Mr R Rockcliffe
Dr F Williamson

Norwich City Council
Broadland District Council
Substitute: Mrs S Hayes
Great Yarmouth Borough Council
Breckland District Council
Substitute: Mrs S Matthews
North Norfolk District Council
Norwich City Council
South Norfolk District Council
Norwich City Council
Norfolk County Council
King's Lynn and West Norfolk Borough
Council
Norfolk County Council
Norfolk County Council
Substitute: Mr J Joyce

Non-Voting Members

Mr M R Begley
Mr R Jewson
Dr G A Metters

Dr V Morgan
Prof. C Rawcliffe
Revd C Read
Prof. R Wilson

Co-opted Member
Custos Rotulorum
Representative of the Norfolk Record
Society
Observer
Co-opted Member
Representative of the Bishop of Norwich
Co-opted Member

**For further details and general enquiries about this Agenda
please contact the Committee Officer:**

Kristen Jones on 01603 223053
or email kristen.jones@norfolk.gov.uk

A g e n d a

- 1. To receive apologies and details of any substitute members attending.**
- 2. Election of Chairman** (Page 1)
- 3. Election of Vice-Chairman** (Page 1)
- 4. Welcome to New Members**
- 5. Minutes** (Page 2)

To confirm the minutes of the meeting of the Norfolk Records Committee held on 1 May 2009.

- 6. To Note Whether Any Items Have Been Proposed as Matters of Urgent Business**
- 7. Members to Declare any Interests**

Please indicate whether the interest is a personal one only or one which is prejudicial. A declaration of a personal interest should indicate the nature of the interest and the agenda item to which it relates. In the case of a personal interest, the member may speak and vote on the matter. Please note that if you are exempt from declaring a personal interest because it arises solely from your position on a body to which you were nominated by the County Council or a body exercising functions of a public nature (e.g. another local authority), you need only declare your interest if and when you intend to speak on a matter.

If a prejudicial interest is declared, the member should withdraw from the room whilst the matter is discussed unless members of the public are allowed to make representations, give evidence or answer questions about the matter, in which case you may attend the meeting for that purpose. You must immediately leave the room when you have finished or the meeting decides you have finished, if earlier.

These declarations apply to all those members present, whether the member is part of the meeting, attending to speak as a local member on an item or simply observing the meeting from the public seating area.

- 8. Accounts Approval and Urgent Business Sub-Committee** (Page 9)
Report by Head of Democratic Services

9. **2008-2009 Final Accounts** (Page 10)
Report by the Head of Finance
10. **Audit of the Statement of Accounts 2007-08** (Page 55)
Report by the Head of Finance
11. **Norfolk Records Committee: Annual Governance Statement 2008-09 and the Review of the Effectiveness of the Governance Framework including the system of Internal Control** (Page 77)
Report by the Chief Internal Auditor
12. **Norfolk Audit Services: Annual Report 2008/09 on the Norfolk Records Committee** (Page 97)
Report by the Chief Internal Auditor
13. **Norfolk Record Office Budget Report 2008/09** (Page 109)
Report by the County Archivist
14. **Archives for the 21st Century: Consultation Draft** (Page 115)
Report by the County Archivist
15. **Date and Time of Next Meeting**

Members are reminded that the 24 July 2009 meeting of the Norfolk Records Committee had been moved forward to today's date and that this meeting included the business that would normally have been taken by at the annual meeting of the Accounts Approval and Urgent Business Sub-Committee. Therefore the next meeting of the Norfolk Records Committee will take place at **10:30am on Friday 13 November 2009.**
16. **Any Item of Urgent Business** which the Chairman decides should be considered as a matter of urgency pursuant to Section 100B(4)(b) of the Local Government Act 1972.

Chris Walton
Head of Democratic Services
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 18 June 2009



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26 June 2009

Item Nos. 2&3

ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

Report by the Head of Democratic Services

In connection with the election of Chairman and Vice-Chairman, the Committee will wish to note that the current membership is as follows:-

Norfolk County Council

Mr D Murphy
Mr R Rockcliffe
Dr F Williamson

Norwich City Council

Mr R Blower
Mr S Jeraj
Ms R Makoff

Borough Council of King's Lynn and
West Norfolk

Mrs E A Nockolds

Breckland District Council

Mr P J Duigan

Broadland District Council

Mr J W Bracey

Great Yarmouth Borough Council

Mrs M Coleman

North Norfolk District Council

Mrs V R Gay

South Norfolk District Council

Mr C J Kemp

Non-Voting Members

Custos Rotolorum

Mr R Jewson

Representative of the

Norfolk Records Society

Dr G A Metters

Representative of the Bishop of Norwich

Revd C Read

Co-opted Members

Mr M R Begley
Prof. C Rawcliffe
Prof. R Wilson

Observer

Dr V Morgan

Norfolk Records Committee

Minutes of the Meeting held on 1 May 2009

Present:

Norfolk County Council

Mr C B A Lloyd Owen (Chairman)

Mr J R Shrimplin

Breckland District Council

Mr P J Duigan

Great Yarmouth Borough Council

Mrs M Coleman

Norwich City Council

Mr R Blower

Mr S Jeraj

Ms R Makoff

North Norfolk District Council

Mrs V R Gay

South Norfolk District Council

Mr C J Kemp

Non-Voting Members

Co-Opted Member

Mr M R Begley

Observer

Dr V Morgan

Representative of the Bishop of Norwich

Revd Charles Read

Representative of the Norfolk Record Society

Dr G A Metters

County Councillors Also Present:

Mr J Gretton

Mrs I Floering Blackman

Apologies for Absence:

Apologies for absence were received from Mr J W Bracey, Mrs E A Nockolds, Mr M Taylor, Mr R Jewson, Professor C Rawcliffe, and Professor R Wilson.

1 Miss Jean Kennedy, MBE, MA

The Committee stood in silent tribute to the memory of Miss Jean Kennedy, the former County Archivist, who had died in January 2009. Jean would be sadly missed by everyone who knew her.

2 Minutes

The minutes of the previous meeting held on 16 January 2009 were confirmed by the Committee and signed by the Chairman subject to the words (at page 4) "receiving accessions" being replaced by the words "delivering requests".

3 Items of Urgent Business

There were no items of urgent business.

4 Declarations of Interest

There were no declarations of interest.

5 Annual Governance Statement 2008/09 and Value for Money

The annexed report (5) by the Chief Internal Auditor was received. The report introduced the Annual Governance Statement for 2008/09 and explained that the statement would report on whether the governance framework for the Norfolk Record Office was adequate and effective. The report also explained the new requirement for an assessment of the Audit Commission's Value for Money conclusion.

The Committee noted and approved the following:

- (a) The requirement for an Annual Governance Statement and an annual review.
- (b) The County Council's (and therefore the Records Committee's) Code of Corporate Governance would be reviewed by the Monitoring Officer.
- (c) "Key" partnerships would be included in the annual review.
- (d) The Chief Officer would take corporate ownership of the governance requirements.
- (e) The Annual Governance Statement would be included within the Annual Statement of Accounts.
- (f) The new requirement for the Value for Money conclusion would be considered along with the Annual Governance Statement and reported to the Norfolk Records Committee on Friday 26 June 2009.

6 Norfolk Record Office Budget Monitoring Report

The annexed report (6) by the County Archivist was received and presented by John Perrott (Finance and Business Support Manager). The report provided the Committee with a progress report on the Norfolk Record Office (NRO) revenue and capital budgets and reserves and provisions for 2008/09. The Finance and Business Support Manager explained that a break-even budget was expected with the budget shortfall being met by NRO savings together with a transfer of funds from Cultural Services relating to support services.

During discussion the following key points were noted:

- Expenditure on Freedom of Information and Data Protection issues remained at a break-even position.
- There had been a significant increase in energy costs throughout the year and this remained an issue of some concern.
- Good progress continued to be made with post-Fire conservation work. Some 91% of this work had now been completed.
- The NRO was likely to use some of the IT reserve of £34,000 during the current financial year.

Resolved –

That the Committee note the NRO's expected revenue out-turn for 2008/09 and progress with reserves and provisions.

7 Annual Review of Charges for Services

The Committee received the annexed report (7) by the County Archivist, which reported the annual review of NRO charges. These were reviewed annually to ensure that they kept pace with inflation.

During discussion the following key points were noted:

- The NRO was expected to comply with the measure of inflation that was used by the County Council. This called for a minimum average inflationary increase in Record Office charges of 2%.
- The County Archivist explained that certain charges which, if increased, would be detrimental to the NRO and its users, were pegged at a certain rate, while others were raised higher than 2% to compensate for this.
- The revised charges would allow the NRO to provide a value for money service.
- By giving the County Archivist the discretion to charge film, television and video companies a variable facility fee, he was able to have some influence on NRO exposure to these types of media. This had worked well in the past, for example, where BBC Look East filmed the Miniature Windows on the World exhibition and conducted an interview with the County Archivist about it. This had been shown several times and had been cited by many visitors to the Long Gallery as the reason for their visit.

Resolved –

That the Committee approves the proposed changes to charges outlined in the report.

8 Risk Register

The Committee received the annexed report (8) by the County Archivist, which asked Members to comment on the latest version of the NRO risk register.

During discussion the following key points were noted:

- The NRO relied on Charles House Services for IT services and, like other services, sometimes had to wait their turn because Charles House Services provided IT services for all departments at the County Hall site.
- The County Archivist gave some examples of the ways in which the NRO and its services could help to support people at a time of economic recession.
- Members strongly felt that if the impending review of Local Government in Norfolk resulted in more than one unitary authority, the best solution for archives was to retain a joint service, as at present, and one which was

democratically accountable via a joint Records Committee which continued to operate across any new decision-making authorities for Norfolk. In this way, the NRO would be able to maintain its high reputation as one of the best local authority archive services in the country and continue to deliver a high quality service for the people of Norfolk.

Resolved –

That the Committee notes the NRO's risk register as revised by the NRO Management Team on 12 March 2009.

9 Norfolk Record Office Service Plan 2009-12

The Committee received the annexed report (9) by the County Archivist, which sought its views on the development of the NRO's Service Plan for 2009-12. The report brought together all of the key service developments, which were planned by the NRO for the next three years.

During the course of discussion the following key points were noted:

- The NRO website had been developed in 1997, and its content was one of the best in the country, but its overall appearance was in need of some improvement. A project to maintain and develop the online presence of the NRO was currently out to tender; the Committee would be kept informed of developments.
- During the period of the Service Plan, preparation of documents for microfilming would result in several thousand more items being available to users as copies, thus helping to preserve the originals. The digitisation of documents would continue as a separate process.
- The County Archivist said that he would be happy to attend by invitation appropriate meetings of the District Councils to explain the work of the NRO. This could be in addition to inviting District Council Members to take part in the induction process for new Members of the County Council, following the County Council elections in June 2009. The induction training session about the work of the NRO would be held at County Hall on 24 July 2009 at 10.30 am.
- The NRO was investigating the possibility of entering into a partnership project on rural education; if the project were deemed viable, the NRO would collaborate in a bid to the HLF and look to make an "in kind" contribution to the project.

Resolved –

To note the key activities within the NRO Service Plan 2009-12.

10 Periodic Report by the County Archivist for the Period 1 November 2008 to 31 March 2009

The Committee received the annexed report (10) by the County Archivist.

The County Archivist highlighted the following points:

- During stock taking fortnight, 395 or about 10% of the rolled cartoons from the G King and Son Ltd stained glass archive were cleaned. A Project Archivist was due to start work on the collection very shortly.
- It was pointed out that if a Member wanted to take up an issue of study space at the Forum then this should be done with the Director of Cultural Services after the meeting.
- Three PCs for public access to the Norfolk Sound Archive had been delivered to the Listening Room.
- King's Lynn and West Norfolk Borough Council had set up a Working Group to look into the feasibility of recommendations for a new museum and improved archive facility at the Town Hall complex, while maintaining civic functions.
- Five new information leaflets had appeared, all related to school records and education in Norfolk. All the information leaflets were available on the NRO website, as were the newsletters and annual reports.
- The exhibition showcased in the Long Gallery entitled *Miniature Windows on the World* had proved exceptionally popular, attracting an average of 140 additional visitors a week to The Archive Centre.
- The NRO, together with other parts of Cultural Services, were engaged in a Norfolk "Singing Histories" project. This was part of a national project, and Norfolk would be producing the booklet for the eastern region, containing a collection of Norfolk songs. It was hoped to have copies of the booklet available at the Norfolk Show later in the year.

Resolved –

That the report be noted.

11 Annual Report 2008-09

The Committee received the annexed report (11) by the County Archivist, which provided an overview of activity during the year.

Resolved –

That the report be approved and 1,500 copies published in newsletter format, with additional features and illustrations.

12 Exclusion of the Public

The Committee noted the following reasoning for the exclusion of the public and the conclusion in respect of the public interest test:

- The NRO bids at auctions and acquires by private treaty sales documents of relevance to Norfolk, which fit within its Collections Policy. The prices of documents are increasing all the time, particularly because dealers' attitudes are "to charge what the market can stand". If prices paid by the NRO for documents were to become generally known publicly, this will have the effect

of inflating the market. (Also, persons who might otherwise have donated or deposited documents might feel encouraged to charge for them). Since public funds are involved in its purchases, the NRO operates a strict value for money policy and strives to pay no more than is necessary, while, at the same time, trying to ensure that no important documents are lost to Norfolk. Releasing information about prices paid for documents would have a significant detrimental impact on NCC's commercial revenue and might put documents out of the NRO's financial reach, thereby losing part of the county's written heritage. It was therefore not in the public interest to release information about prices paid for document purchases.

Resolved –

To exclude the public from the following item.

13 Report by the County Archivist for the period 1 November 2008 to 31 March 2009 – Manuscripts Purchased

The Committee noted an Appendix to the Periodic Report, which listed six accessions that had been acquired by purchase during the period.

Resolved –

To note the report.

14 Date and Time of Next Meeting

Resolved –

That the next meeting of the Records Committee be held at 10.30 am on Friday 26 June 2009 in the Colman Room at County Hall.

15 To Answer Formal Questions (If Any) of Which Due Notice Has Been Given

There were no other formal questions.

16 Mr Christopher Lloyd Owen

Members paid tribute to the work of Mr Christopher Lloyd Owen who was not standing for re-election to the County Council and would therefore be retiring from the Records Committee in June 2009. Mr Lloyd Owen had been Chairman since being appointed to the Committee in July 2001, and had made a significant contribution to the Committee's many achievements, particularly with work leading to the successful opening of The Archive Centre, and the NRO becoming the first county record office to have all its collections Designated as being of outstanding importance by the Museums, Libraries and Archives Council. In reply, Mr Lloyd Owen said that he had enjoyed being a Member of the Records Committee and looked forward to hearing of its continued achievements.

The meeting commenced at 10.30am and ended at 12.45pm

Chairman



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Accounts Approval and Urgent Business Sub-Committee

Report by Head of Democratic Services

1. In order for the Norfolk Record Office to continue to deal with matters of urgent business which require a Committee decision between scheduled meetings of the Records Committee, Members are recommended -
 - To re-appoint four Members (two County Councillors and two District Councillors) to serve on an Urgent Business Sub-Committee with the following Terms of Reference:
 - To exercise all the powers of the main Committee in dealing with matters which are urgent (having been agreed as such by the Head of Democratic Services and the Chief Officer(s) concerned) and which fall, partly or wholly, within the Terms of Reference of the Committee.
2. Mr P Duigan and Mrs E Nockolds (from the District Councils) were two of the previous Members of the Urgent Business Sub-Committee.



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2008-09 Final Accounts

Report by the Head of Finance

<p>This report details the final accounts of the Norfolk Records Committee for 2008-09.</p>

1. Introduction

- 1.1 As part of the formal process of closing the Norfolk Records Committee's 2008-09 accounts, members are required to approve the draft Statement of Accounts by 30 June.

2. Background

- 2.1 The Accounts and Audit Regulations issued by the Secretary of State set out the requirements for the preparation and publication of final accounts. These regulations include the requirement for the formal approval of the Norfolk Records Committee's Statement of Accounts.
- 2.2 The County Council's Head of Finance is satisfied that the Statement of Accounts has been prepared in accordance with both the current Code of Practice on Local Authority Accounting in Great Britain and the Best Value Accounting Code of Practice. The Statement is required to present a true and fair view of the Joint Committee's financial position at 31 March 2009 and also the income and expenditure for the financial year.
- 2.3 The Statement of Accounts will be available for public inspection during the four-week period running from 13 July to 7 August 2009.
- 2.4 The Audit Commission plan to start their detailed examination of the Statement of Accounts in September. They will only be able formally to conclude the audit, and issue their report and certificate if they have received a copy of the Statement of Accounts as approved by this Committee.
- 2.5 Any significant amendments to the 2008-09 accounts will be notified to members of the Committee after the audit has been completed. At the same meeting the District Auditor should also present the Annual Governance Report.
- 2.6 The Accounts and Audit Regulations require that the 2008-09 Statement of Accounts must be published by 30 September.

3. Statement of Accounts - Content

- 3.1 The content and the format of the Accounts are as prescribed in the Accounting Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Accounting Code of Practice has approval from the Accounting Standards Board as a Statement of Recommended Practice (SORP).

Explanatory Foreword

- 3.2 The purpose of the foreword is to offer interested parties an easily understandable guide to the most significant matters in the accounts.

Statement of Responsibilities

- 3.3 This statement sets out the respective responsibilities of the Norfolk Records Committee and the Head of Finance in relation to the production of the final accounts.

Annual Governance Statement

- 3.4 The Accounts and Audit Regulations require that an Annual Governance Statement, signed by the Chairman and Chief Officer, is included in the Norfolk Records Committee's approved Accounts.

- 3.5 This statement is included on pages 27 to 38. It confirms that, during the 2008-09 financial year, and up to the date on which the accounts are published, overall Corporate Governance arrangements and internal controls in the Norfolk Records Committee were in place and effective in terms of business as well as financial risk. It also confirms that areas where controls need to be developed or improved are known about and are being actioned.

Statement of Accounting Policies

- 3.6 This section summarises the accounting rules and conventions that have been used in preparing the accounts.

Income and Expenditure Account

- 3.7 The Income and Expenditure account shows, in the format required by the Accounting Code of Practice, the income and expenditure for the year, which resulted in a net deficit of £7,328. This has been funded from a transfer from reserves, resulting in an overall breakeven position.

Statement of movement on the General Fund Balance

- 3.8 This statement is intended to show how the surplus/deficit on the income and expenditure account links with the raising of Council Tax. However, as the Norfolk Records Committee does not have tax-raising powers it shows how any surplus/deficit on the income and expenditure accounts has been transferred to/from reserves.

Statement of Total Recognised Gains and Losses

- 3.9 This statement brings together all the gains and losses of the Norfolk Records Committee for the year and shows the aggregate movement in its net worth. The statement is likely only to show the surplus/deficit on the income and expenditure account. If the Joint Committee had responsibility for fixed assets or pension arrangements, any valuation changes would be included in this statement.

Balance Sheet

- 3.10 The Balance Sheet statement sets out the financial position of the Norfolk Records Committee at 31 March 2009. The statement shows the net current assets employed and reserves at the Joint Committee's disposal. The Joint Committee does not hold any fixed assets.

Notes to the Core Financial Statements

- 3.11 The SORP requires that some specific notes have to be included in Statement of Accounts, for example disclosure of related parties transactions. In addition, other notes may be added in order that a reader of the accounts has sufficient information to have a good understanding of the Joint Committee's activities.

4. Next Steps

- 4.1 After approval of the accounts by this Committee, the Head of Finance will submit the Statement of Accounts to the District Auditor for auditing.
- 4.2 Subject to satisfactory progress on the audit of the accounts, any changes to the accounts together with the District Auditor's Annual Governance Report will be reported to the November Committee meeting.

5. Resource Implications

- 5.1 There are no finance, staff, property or IT implications arising from this report.

6. Other Implications

- 6.1 There are no legal, human rights, and communications implications arising from this report. The contents of this report do not directly impact on equality, in that it is not making proposals that will have an impact on equality of access or outcomes for diverse groups.

7. Risk Implications/Assessment

- 7.1 There are no risk implications arising from this report.

8. Section 17 Crime and Disorder Act

8.1 There are no implications of this report for the Crime and Disorder Act.

9. Alternative Options

9.1 There are no alternative options that the Norfolk Records Committee needs to consider.

10. Conclusion

10.1 This report and the accompanying Statement of Accounts detail the final position for 2008-09.

11. Recommendation

11.1 **The Norfolk Records Committee is requested to consider and approve the Joint Committee's Statement of Accounts for 2008-09.**

Officer Contact

If you have any questions about matters in this paper please get in touch with:

Name	Telephone Number	Email address
Harvey Bullen	01603 223330	harvey.bullen@norfolk.gov.uk

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Norfolk Records Committee

Statement of Accounts 2008-09

If you need this statement in large print, audio, Braille, alternative format or in a different language please contact Maria Fox on 01603 222805 or textphone 0344 8008011, and we will do our best to help.



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Introduction

This report presents the statutory financial statements of Norfolk Records Committee for the period from 1 April 2008 to 31 March 2009.

This statement of accounts has been prepared in accordance with the Accounts and Audit Regulations. The form and content of this report follows the guidance laid down in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2008: A Statement of Recommended Practice (the SORP), as required by the Local Government and Housing Act 1989.

The document is divided into three main sections:

- ♦ An overview of the Norfolk Records Committee
- ♦ The detailed accounts including the External Auditor's opinion
- ♦ Glossary of Financial Terms

The Norfolk Records Committee's statement of accounts is a statutory document produced to inform stakeholders of the activities of the Joint Committee. Publication of the accounts is an essential feature of public accountability, since the accounts provide the stewardship report on the use of funds raised from the public and business ratepayers.

Further information sources:

The Joint Committee's meetings, reports and minutes can be accessed via Norfolk County Council's website at <http://www.norfolk.gov.uk/> under Council and Democracy, and then Committees.

Overview of the Norfolk Records Committee

The County Council and all the District Councils within Norfolk have made joint arrangements, under Section 101(5) of the Local Government Act 1972, for the exercise of the functions of the participating local authorities under the Local Government (Records) Act 1962.

Norfolk County Council employs all the staff working for the Norfolk Records Committee, and processes all financial transactions through its bank accounts. However, within the Accounts and Audit Regulations, the Norfolk Records Committee is a separate statutory body from the County Council and District Councils.

Terms of Reference

The authorities have appointed a Joint Committee to exercise these functions and for the control of the Norfolk Record Office with a view to ensuring, as far as possible, that:

- Storage and maintenance facilities are provided to it for archives relating to or deriving from the areas of the participating local authorities; and
- There is at the Record Office an adequate means of reference to the archives and facilities are provided for the public to inspect and take copies of deposited documents.

Joint Committee Structure

Norfolk Records Committee consists of members from each participating Council: Norfolk County Council and Norwich City Council appoint 3 members each; and the remaining District Councils appoint 1 member each. Each of these appointees is a voting member, and each is a member of their appointing authority. There are also 6 non-voting members: the Lord Lieutenant, as *Custos Rotulorum*, a representative of the Bishop of Norwich, a representative of the Norfolk Record Society, and 3 co-opted members. In the current financial year, the Chairman of the committee was a member of Norfolk County Council and the vice-Chairman was a member of Breckland District Council.

The rules of Norfolk County Council apply to the conduct and proceedings of the Joint Committee. Joint Committee meetings are held in public in accordance with Local Government legislation.

Staff

The number of people directly employed by Norfolk County Council on behalf of the Norfolk Records Committee as at 31 March 2009 was 30.43 full time equivalents (FTE) (34.68 at 31 March 2008). These figures include permanent, temporary, sessional and supply staff.

Explanatory Foreword

The Norfolk Records Committee's statement of accounts for the 2008-09 financial year is set out on the following pages. Information on the accounts is presented as simply and clearly as possible. However, due to the technical nature of the accounts, the use of accounting terms is required in certain cases. A glossary of the meaning of these terms is provided at the end of this document to help the reader's understanding.

The Main Accounting Statements

The accounts are prepared in accordance with the SORP, the Best Value Accounting Code of Practice and guidance notes issued by CIPFA on the application of Statements of Standard Accounting Practice and Financial Reporting Standards (SSAP's and FRS's). Together, these define the content and layout of the accounts.

In addition to the financial statements, the accounts also include a statement of the accounting policies, explanatory notes to the main accounting statements to inform the reader, and a glossary of financial terms. The accounting policies explain the main principles used in producing the figures in the accounts. Many of the accounting principles are specified by the SORP and this ensures that the accounts of local authorities (including Joint Committees) across the country are prepared on a consistent and comparable basis.

The main financial statements comprise:

- ◆ The Income and Expenditure Account – this shows the Norfolk Records Committee's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months.
- ◆ Statement of the Movement on the General Fund Balance – this reconciles the surplus/deficit on the Income and Expenditure account with the movement on the General Fund for setting the Council tax. The Norfolk Records Committee does not have tax raising powers and will therefore show no movement on the General Fund balance.
- ◆ Statement of Total Recognised Gains and Losses – this brings together all of the recognised gains and losses of the Norfolk Records Committee.
- ◆ The Balance Sheet – this statement shows the financial position of the Norfolk Records Committee at 31 March 2009.

Overview

In 2008-09 Norfolk County Council was the primary source of funding for the Norfolk Records Committee, and there were no contributions from any of the District Councils. Other income consisted of funding from ear-marked reserves and monies received from external sources, including other public authorities, donations, and charges to users of services.

The Norfolk Records Committee does not own any fixed assets, as Norfolk County Council owns all of the assets that the Norfolk Records Committee uses. However, it does monitor capital expenditure costs on behalf of Norfolk County Council.

There was no planned or actual capital expenditure during 2008-09 in relation to Norfolk Records Committee. In accordance with the Capital Strategy, departments have submitted bids for capital funding to the Norfolk County Council's Corporate Capital and Asset Management Group (CCAMG). No capital bids from the Norfolk Record Office were submitted for CCAMG to consider.

Revenue Budget and Outturn

The net revenue budget for the Joint Committee for 2008-09 was £1.927m (£2.688m in 2007-08)

Spending against the cash limited budget has been monitored regularly throughout the year, and reports have been received at each of the Joint Committee's meetings.

The final outturn position for the year against the revised budget is set out in the table below together with the sources of income from which the Joint Committee's net revenue expenditure was financed.

	Budget	Outturn	Variance
	£000s	£000s	£000s
Expenditure:			
Employee Costs	778	756	(22)
Non- employee Costs	1,149	1,141	(8)
Gross Expenditure	1,927	1,897	(30)
Funded by:			
Contributions	(1,772)	(1,772)	0
Reserves	(7)	(7)	0
Fees and Charges	(129)	(108)	21
Other Income	(19)	(10)	9
Total Funding	(1927)	1,897	30
Net Outturn Position	0	0	0

Accounting Policies

The accounting policies adopted by the Joint Committee comply with the relevant recommended accounting practice, except where stated. The Joint Committee's policies are fully explained on pages 27 to 30.

Pension Contributions

Actual pension contributions in respect of employees delivering the Joint Committee's activities have been charged to the income and expenditure account. The statutory requirements of Financial Reporting Standard 17 in respect of these staff have been complied with in the accounts of Norfolk County Council. The underlying commitment that Norfolk County Council has in the long term to pay retirement benefits to their employees has been incorporated in the County Council's Statement of Accounts.

Further Information

Interested members of the public have a statutory right to inspect the accounts before the audit is completed. This has been advertised in the local press. The authority complies with the Freedom of Information Act 2005 requirements in responding to queries from the general public.

Further information about the financial statements and accounts is available from the Head of Finance, P. D. Brittain, Norfolk County Council, County Hall, Martineau Lane, Norwich, NR1 2DW.

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 one of its officers has the responsibility for the administration of those affairs. The Joint Committee has agreed that this officer is Norfolk County Council's Head of Finance (hereafter referred to as the Head of Finance).
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

The Head of Finance's Responsibilities

The Head of Finance is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) and Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code of Practice on Local Authority Accounting in Great Britain ("the Code").

In preparing this Statement of Accounts, the Head of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Head of Finance has also:

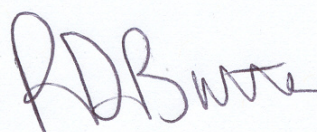
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate by the Head of Finance

I certify that the Statement of Accounts set out on pages 27 to 38 gives a true and fair view the financial position of the Joint Committee at the accounting date and its income and expenditure for the year ended 31 March 2009.

Date: 12 June 2009

Signature:



P. D. Brittain,

Head of Finance

Certification of Committee Resolution

In accordance with the requirements of Regulation 10 of the Accounts and Audit Regulations I confirm that the Statement of Accounts was approved by a resolution of the Norfolk Records Committee on 26 June 2009.

Date: 26 June 2009

Signature:

Chairman of Norfolk Records Committee

Independent Auditors' Report To the Members of Norfolk Records Committee

Wording for this to be inserted

Intentionally left blank

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Wording for this to be inserted

Annual Governance Statement for Norfolk Records Committee

1. Scope of responsibility

- 1.1. The Norfolk Records Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Norfolk Records Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Norfolk Records Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.2. Norfolk County Council (NCC) has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.
- 1.3. A copy of the code is on Norfolk County Council's website at www.norfolk.gov.uk or can be obtained from Mr P D Brittain, Head of Finance, Norfolk County Council, County Hall, Martineau Lane, NR1 2DW. This statement explains how the Committee has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2. The purpose of the governance framework

- 2.1. The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled, and through which it is accountable to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not 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 the Committee's 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.
- 2.3. The governance framework has been in place at Norfolk Records Committee for the year ended 31 March 2009 and up to the date of approval of the statement of accounts.

The key elements of the systems and processes that comprise the Committee's governance arrangements include arrangements for:

- Identifying and communicating the Committee's vision of its purpose and intended outcomes for citizens and service users.

The County Council Plan takes a three-year look ahead and is updated every year to ensure that it remains relevant. It sets out Norfolk County Council's three Strategic Ambitions for Norfolk:

- An inspirational place with a clear sense of identity
- A vibrant, Strong and sustainable economy
- Aspirational people with high levels of achievement

The plan includes the objectives :

- Improve the health and well-being of Norfolk's residents.
- Improve opportunities for people to learn throughout life.
- Build vibrant, confident and cohesive communities.
- Improve Norfolk's cultural heritage and resources.

NCC's organisation values were developed in 2007-08 and launched in April 2008, taking into account the Employee Survey 2007 and refined through focus groups from staff at all levels:

- Ambitious - passionate about being the best
- Customer focus - customers at the heart of everything we do
- Working together - with each other and our partners
- Accountable - taking personal responsibility for making a positive difference
- Learn and improve - growing from our experiences

	<ul style="list-style-type: none"> Trust and respect - our foundations for building strong relationships <p>The County Council Plan 2008-2011 and a 2009-12 County Council Plan supplement is available electronically on Norfolk County Council's website. Alternatively, to obtain a hard copy, contact the Policy and Performance team by calling (01603) 228852 or email them policyandperformance@norfolk.gov.uk</p> <p>The Record Office publishes an annual Service Plan and this was reported to the Committee on 1 May 2009.</p>
<ul style="list-style-type: none"> Reviewing the authority's vision and its implications for the authority's governance arrangements. 	<p>To ensure Norfolk County Council is always working in the best interests of the people of Norfolk it reviews its Medium Term plan (The County Council Plan) annually.</p> <p>Agendas and minutes for all County Council meetings, including The Norfolk Records Committee, are accessible on Norfolk County Council's website.</p>
<ul style="list-style-type: none"> Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources. 	<p>The Audit Commission carries out a corporate assessment of Norfolk County Council over a three-year period, this is known as the Comprehensive Performance Assessment (CPA).</p> <p>CPA looks at how well we are performing, including how well we use resources, and gives us a score.</p> <p>The Cultural Services Department, of which the Norfolk Record Office forms part, maintained their CPA score of four.</p> <p>In 2009 Norfolk County Council were</p>

	<p>awarded 4 stars and judged to be improving well. The CPA framework is replaced by Comprehensive Area Assessment for 2009 onwards.</p> <p>The Audit Commission is an independent public body responsible for ensuring that public money is spent economically, efficiently, and effectively in the areas of local government, housing, health, criminal justice and fire and rescue services.</p> <p>In order to measure the quality of services we provide in trying to achieve our objectives, the Council produces performance indicators. Each objective in the County Council Plan has an expected outcome for people in Norfolk.</p> <p>The Norfolk Record Office (NRO) is assessed annually by The National Archives (TNA) under TNA's self-assessment programme for local authority archive services.</p> <p>In 2008-9, the Norfolk Record Office maintained its ranking as a four-star (the top rating) archive service under TNA's self-assessment programme for local authority archive services.</p> <p>With 86.5%, it improved its previous year's score by 2.5% and was described by TNA as a 'champion in the archive sector'. It achieved the highest scores nationally for Buildings, Security and Environment (96.5%) and Preservation and Conservation (93%).</p> <p>TNA also inspects archive repositories against <i>The National Archives' Standard for Record Repositories</i> (TNA, 2004). If a repository meets the requirements in the Standard in all essential respects, it is awarded TNA Approval. The Norfolk Record Office enjoys such approval.</p>
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	<p>The Museums, Libraries and Archives Council has 'Designated' the Record Office's collections in their entirety, as being of outstanding international importance.</p> <p><i>The New Performance Framework for Local Authorities and Local Authority Partnerships: Single Set of National Indicators</i> (Department for Communities and Local Government, 2007) contains no national performance indicators for archive services. The Norfolk Record Office therefore uses local indicators to monitor its performance.</p> <p>The Norfolk Record Office also uses the annual Archive Service Statistics compiled by the Chartered Institute of Public Finance and Accountancy (CIPFA) to benchmark its performance against that of other local authority archive services.</p> <p>The Norfolk Record Office also participates in the Public Services Quality Group's (PSQG) Survey of Visitors to UK Archives, the most comprehensive survey of archive user satisfaction and demographics in the world, which has been taken every 18 months since 2001. The PSQG for archives and local studies was, established by the National Council on Archives in 1996, as a network for archivists interested in best practice and quality issues. A PSQG Survey of the Norfolk Record Office is being undertaken in June 2009.</p>
<ul style="list-style-type: none"> Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication. 	<p>Norfolk County Council has a constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The law requires us to have some of these processes, whilst</p>

	<p>others are a matter for the Council to choose.</p> <p>The Norfolk Record Office follows Norfolk County Council's Constitution which can be found on Norfolk County Council's website. A review of the Constitution will be completed in 2009-10.</p> <p>The Norfolk Record Office has its own <i>NRO Style Sheet</i>, to give its staff some general advice and to set some rules for them on the writing, editing and production of publications, posters, web pages, newsletters, reports, letters, e-mails, etc. produced by the Norfolk Record Office. The keynote is consistency of approach.</p>
<ul style="list-style-type: none"> Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff. 	<p>Norfolk County Council's Constitution includes codes of conduct for both members and staff. Our Corporate Human Resources (HR) department produces a HR Practices Manual, in which there is also a code of conduct for staff.</p> <p>The Norfolk Record Office follows Norfolk County Council's Constitution. The Constitution can be found on Norfolk County Council's website.</p> <p>The Council has an Anti Fraud and Corruption Strategy, which includes roles of members and staff.</p>
<ul style="list-style-type: none"> Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks. 	<p>Norfolk County Council produces both Financial Procedures and Financial Regulations. The Financial Regulations form part of the Constitution and are required to be reviewed annually to ensure they incorporate the latest changes. Corporate Finance is responsible for updating the Financial Regulations and the accompanying procedures. Financial regulations are considered by both the Audit Committee and</p>

	<p>Cabinet prior to approval by the County Council on an annual basis.</p> <p>The Norfolk Record Office follows Norfolk County Councils Financial Procedures and Financial Regulations.</p> <p>Agendas and minutes for all County Council meetings, including the Norfolk Records Committee, are accessible on Norfolk County Council's website.</p>
<ul style="list-style-type: none"> Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities. 	<p>Norfolk County Council set up an Audit Committee in October 2005. The main purposes of the Audit Committee is to provide proactive and effective leadership on audit and governance issues and champion both audit and the embedding of risk management throughout the council and to review the effectiveness of the system of internal control.</p> <p>The Audit Committee receives reports on the adequacy of risk management and internal control and the scope includes Norfolk Records Committee functions.</p> <p>The minutes and agendas from its quarterly meetings are available on Norfolk County Council's website. There is also general information on the website about the Audit Committee, including which councillors sit on the committee.</p>
<ul style="list-style-type: none"> Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. 	<p>The Head of Law is given the duty of being the Monitoring Officer for Norfolk County Council. This means that they are responsible for ensuring compliance with relevant laws and regulations. A protocol covering the role and functions of a Monitoring Officer is contained within the Constitution.</p>

	<p>The Norfolk Record Office follows Norfolk County Council's Constitution. The Constitution is available on Norfolk County Council's website.</p>
<ul style="list-style-type: none"> Whistle-blowing and for receiving and investigating complaints from the public. 	<p>Whenever a member of the public contacts Norfolk County Council, either to complain or praise the Council, the contact will be dealt with in accordance with Norfolk County Council's Complaints and Compliments Policy and procedures. Both of these are available on Norfolk County Council's website.</p> <p>The Norfolk Record Office follows Norfolk County Council's Complaints & Compliments Policy and procedures.</p> <p>Norfolk County Council operates an Anti Fraud and Corruption Strategy which is linked to our Whistle-blowing policy. These are internal policies which all staff are expected to follow.</p>
<ul style="list-style-type: none"> Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training. 	<p>Within Norfolk County Council there is a Member Support Services Officer who is part of the Democratic Services team. It is their job to look after the pastoral needs of the County Councillors, arranging training, keeping an updated register of interests, and also a hospitality register. They arrange travel and conference attendance and also deal and resolve IT queries for Members.</p> <p>On-line training was developed during 2007-08 for Members and staff and this will be rolled out during 2009-10.</p> <p>Norfolk County Council is committed to Continuing Professional Development and has established a Leadership Programme since 2007-08.</p>

<ul style="list-style-type: none"> Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation 	<p>Norfolk County Council publishes several magazines for members of the public. <i>Your Norfolk</i> magazine is delivered to every household in Norfolk, whereas <i>Norfolk Matters</i> magazine is specifically for members, partners and stakeholders. Both are available electronically on Norfolk County Council's website.</p> <p>Norfolk County Council's website contains a variety of useful information, including latest news, and allows users to sign up for email updates. Users can ask the Council Leader, Daniel Cox, questions via the website as well as contacting the council or access online services such as the Norfolk Consultation Finder. This is a website dedicated to current consultations and allows members of the public to participate easily in the council's activities.</p> <p>The Norfolk Record Office maintains a website which contains useful information for its users, news and online study resources, as well as an online catalogue. The Norfolk Record Office also publishes a regular Newsletter and other information leaflets in hard copy.</p> <p>The Norfolk Record Office's Archive Education and Outreach Service engages closely with communities across Norfolk.</p>
<ul style="list-style-type: none"> Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements. 	<p>Norfolk County Council actively provides services in partnership with other organisations.</p> <p>The Audit Commission produced a report, 'Working in Partnerships – A Strategic Framework of Good Governance' in May 2008. This report suggested some points to ensure good control within partnerships and Norfolk County Council follows these guidelines with all partnerships.</p>

3. Review of effectiveness

3.1. The Norfolk Records Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's Annual Internal Audit report, and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework:	
The Authority and the Executive	
<ul style="list-style-type: none"> Statutory roles of Council's Monitoring Officer and Section 151 Officer to ensure internal control procedures are efficient and effective and are being complied with on a routine basis to ensure legality and sound financial standing. Risk Management policies and procedures are in place to ensure that the risks facing the authority in achieving its objectives are evaluated, regularly reviewed and mitigation strategies developed. These arrangements are approved and reviewed by Cabinet following advice from the Chief Executive and all Chief Officers. 	<p>The Committee has, where appropriate, received the full range of professional officer advice to enable them to carry out their functions effectively and in compliance with statutory requirements.</p> <p>The Cabinet approved the Risk Management Strategy in December 2002 and a further update on risk management, policy and practice for reporting on risk management was reported to Cabinet in March and September 2006. This strategy was reviewed in 2007 and was reported to the Audit Committee in 2008.</p> <p>The embedding of risk management in to business activity is continuing. Strong action is being taken throughout Norfolk County Council to ensure Risk management is fully embedded.</p> <p>An embedding risk management plan has been implemented and signed off.</p> <p>Corporate and departmental risk registers, including the Record Office, are in place and being used as a management tool. Reporting of risk management activity to Members is embedded with risk registers being reported six monthly to Review</p>

Statement of Accounts 2008-09

<ul style="list-style-type: none"> Performance monitoring processes are in place to measure progress against objectives and to provide for remedial action where appropriate. 	<p>Regular reports on Performance Indicators are presented to the Chief Officers Group via PRISM (NCC's corporate performance and risk management system) and Cabinet. This is against the Corporate Improvement Plan, which highlights the key areas for improvement.</p> <p>The County Archivist presents regular reports on Record Office Performance Indicators to the Norfolk Records Committee</p>
The Audit Committee/Overview and Scrutiny Committee/Risk Management Committee	
<ul style="list-style-type: none"> The audit and scrutiny function is carried out and developed through the Cabinet Scrutiny Committee, the Audit Committee. 	<p>The Cabinet Scrutiny Committee, the Audit Committee have continued to carry out reviews across a wide range of topics.</p>
The Standards Committee	
<ul style="list-style-type: none"> The role of the Standards Committee is to promote and maintain high standards of conduct by councillors and co-opted members. 	<p>The Committee met during 2008-09. Its business included:</p> <ul style="list-style-type: none"> Embedding the revised Code of Conduct Introducing and training Standards Committee members on the new local determination regime. Appointing additional independent and elected members to the Standards Committee. Improving the Council's website in relation to standards matters.
Internal Audit	
<ul style="list-style-type: none"> Internal Audit provide independent and objective assurances across the whole range of the authority's financial and non-financial activities 	<p>The External Auditor is able to place reliance on the work of Norfolk Audit Services (NAS) and has assessed that Internal Audit provides an effective service overall.</p> <p>NAS is continuing to develop its work programme such that resources are allocated based on a systematic assessment of all areas of risk facing</p>

	<p>the Council in carrying out its functions.</p> <p>The Norfolk Record Office was included in the Council's Audit Plan during 2009-10.</p> <p>The Committee receives an Annual Internal Audit Report.</p>
Other explicit review/assurance mechanisms	
<ul style="list-style-type: none"> External Audit provide a further source of assurance by reviewing and reporting upon the Council's internal control processes and any other matters relevant to their statutory functions and codes of practice. Codes of practice are issued by external bodies in respect of Council services and processes, with which the Council is expected to comply. 	<p>The overall key message in the Audit Commission's Annual Audit and Inspection Letter in March 2009 included that an unqualified opinion was issued on the Council's accounts and that the Council achieved a level 3 for use of resources.</p> <p>The Council has adopted the CIPFA Treasury Management in Public Services Code from November 2002.</p> <p>The Council has implemented the Accounts and Audit Regulations 2003 and the amendments made in the 2006 regulations.</p> <p>NAS has implemented the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.</p> <p>The Norfolk Record Office complies with all professional archival standards, which include <i>The National Archives' Standard for Record Repositories</i> (London, 2004), <i>BS 5454: Recommendations for the Storage and Exhibition of Archival Documents</i> (BSI, 2000), and International Association of Sound and Audiovisual Archives (IASA), <i>Guidelines on the Production and Preservation of Digital Objects</i> (2004). Record Office professional staff are bound by the Society of Archivists' Code of Conduct (1994).</p>

<ul style="list-style-type: none"> • Reviews by external agencies and inspectorates, which would encompass most major services, and other specific external evaluations, for example, the Local Government Ombudsman and Health and Safety inspectorates. 	<ul style="list-style-type: none"> • The Council's 'Four star ' status under Comprehensive Performance Assessment in 2008-09 was affirmed in February 2009 • The Record Office's own 'four star' (top ranking) status under TNA's self assessment programme was reaffirmed in December 2008
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We have been advised on the implications of the results of the review of the effectiveness of the governance framework by the Audit Committee.

Significant governance issues

There were no significant governance issues reported during the year.

Signed: Leading Member

.....

Signed: Chief Officer

.....

Statement of Accounting Policies

The accounts have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2008: A Statement of Recommended Practice (the SORP), the Best Value Accounting Code of Practice and guidance notes issued by CIPFA on the application of Statements of Standard Accounting Practice and Financial Reporting Standards (SSAP's and FRS's). They comply therefore with "proper accounting practice" under the terms of the Local Government and Housing Act 1989.

The accounts are prepared under the historical cost convention, except where specifically noted below.

1. Accounting Concepts

Relevance

The objective of the financial statements is to provide information about an Authority's financial performance and position that is useful for assessing the stewardship of public funds and for making economic decisions.

Reliability

Financial information is reliable if it can be depended on to represent faithfully what it either purports to represent or what it can be reasonably expected to represent and is free from deliberate, systematic or material error.

Comparability

The information in the accounts is more useful if it can be compared with information for some other period or point in time. This depends upon consistency in the application of the accounting policies, unless it can be shown that a new policy would introduce improved accounting practices.

Understandability

The accounting principles on which the SORP is based include accounting concepts, treatments and terminology which require reasonable knowledge of accounting and local government, and reasonable diligence in reading the financial statements if they are to be properly understood. However all reasonable efforts have been taken in the preparation of the financial statements to ensure they are as easy to understand as possible.

Materiality

Materiality is a threshold quality ensuring that the information is of such significance as to justify its inclusion in the financial statements. Information is material if its omission or misstatement might reasonably be expected to influence assessments made by readers of the accounts.

Whether an item (or items considered in aggregate) is material depends on both the size and nature of the item in question.

Strict compliance with the Code of Practice, both as to disclosure and accounting principles, is not necessary where the amounts involved are not material to the fair presentation of the financial position and transactions of the authority and to the understanding of the Statement of Accounts by a reader.

Accruals

This requires the non-cash effects of transactions (debtors and creditors) to be reflected in the financial statements for the accounting period in which those effects are experienced and not in the period in which any cash is received or paid.

Going Concern

A local authority's Statement of Accounts should be prepared on a going concern basis, that is, the accounts should be prepared on the assumption that the authority will continue in operational existence for the foreseeable future. This means in particular that the income and expenditure accounts and balance sheet assume no intention to curtail significantly the scale of the operation.

Primacy of Legislative Requirements

Local authorities derive their powers from statute and their financial and accounting framework is closely controlled by primary and secondary legislation. To the extent that law prescribes treatments the accounting principles outlined above may not apply in all cases. It is a fundamental principle of local authority accounting that, where specific legislative requirements and accounting principles conflict, legislative requirements shall apply.

2. Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees and charges due from customers are accounted for as income at the date Norfolk Records Committee provides the relevant goods or services.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the balance sheet.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Income and expenditure are credited and debited to the relevant revenue account, unless they properly represent capital receipts or capital expenditure.

3. Financial Instruments

Financial Assets

The financial assets relevant to the Norfolk Records Office are classified into one of two categories:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market - are initially measured at fair value and subsequently carried at amortised cost using the effective interest rate method. Annual credits to the Income and Expenditure Account for interest receivable are

based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

- Available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments - are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Income and Expenditure Account for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Income and Expenditure Account when it becomes receivable by the Council.

Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost using the effective interest rate method. Annual charges to the Income and Expenditure Account for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

4. Fixed Assets and Charges to Revenue for Fixed Assets

Norfolk Records Committee does not own any fixed assets. Whilst the Joint Committee has the use of land, buildings, vehicles, plant and equipment, ownership remains with Norfolk County Council. Norfolk County Council finances enhancements and major repairs to those assets, and an annual charge is made to the Joint Committee in respect of the use of the asset. This charge represents the cost of depreciation and any impairment losses. The charge then forms part of the contribution from Norfolk County Council, which is included within the net cost of services and has the effect of reversing it.

5. Government Grants and Contributions (Revenue)

Whether paid on account, by instalments or arrears, Government grants and third party contributions and donations are recognised as income at the date that Norfolk Records Committee satisfies the conditions of entitlement to the grant/contribution and there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred.

6. Overheads and Support Services

Overheads and support service costs are recharged from Norfolk County Council. These are calculated in accordance with the principles of the CIPFA Best Value Accounting Code of Practice and on an equitable basis.

The Norfolk Records Committee also receives a charge from Norfolk County Council for costs relating to Corporate and Democratic Core. These costs are in relation to Joint Committee's status as a democratic organisation.

Non-distributed costs are the cost of discretionary benefits awarded to employees retiring early. Any awarded by Norfolk Records Committee will be included as part of the net cost of services.

7. Reserves

Norfolk Records Committee sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts in the Statement of Movement on the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the revenue account in that year to score against the Net Cost of Services in the Income and Expenditure Account. The reserve is then appropriated back into the General Fund Balance Statement so that there is no additional contribution required from Norfolk County Council for the expenditure.

8. Retirement Benefits

Staff undertaking Norfolk Records Committee's activities are employees of Norfolk County Council. Employees undertaking Joint Committee activities are eligible for membership of the Local Government Pension Scheme, which is a final salary defined benefit scheme.

Norfolk County Councils' Local Government Pension Scheme employer contributions in respect of staff employed on Norfolk Records Committee activities are included in the Joint Committee's net cost of service.

The requirements of Financial Reporting Standard 17 – Retirement Benefits (FRS 17) relating to staff carrying out the Joint Committee's activities are fully reflected in the accounts of Norfolk County Council. Those accounts reflect the underlying commitment that Norfolk County Council has in the long term to pay retirement benefits to their employees and to make up any shortfall in attributable net assets in the pension fund.

9. Stocks

Stocks are included in the balance sheet at the lower of cost and net realisable value.

10. Value Added Tax (VAT)

All VAT collected is payable to HM Revenue and Customs and the income and expenditure excludes any amounts related to VAT, except where the VAT is irrecoverable. Irrecoverable VAT is included in the service revenue accounts as part of Net Cost of Services.

Income and Expenditure Account

2007-08 £000's	Note		2008-09 £000's
(63)		Fees & Charges	(108)
(21)		Other Income	(10)
(84)		Total Income	(118)
741		Employee Expenditure	756
1,938		Non-Employee Expenditure	1,141
2,679		Total Expenditure	1,897
2,595		Net Cost of Services	1,779
2,595		Net Operating Expenditure	1,779
(2,590)	5	Contribution from Norfolk County Council	(1,772)
5		(Surplus)/Deficit for the Year	7

Statement of Movement on the General Fund Balance

The Income and Expenditure Account shows the Norfolk Records Committee's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

The Joint Committee does not have tax raising powers and therefore the General Fund Balance is zero. The statement compares the Joint Committee's spending against its use of reserves.

2007-08	2008-09
£000s	£000s
5 (Surplus)/Deficit for the year on the Income and Expenditure Account	7
(5) Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	(7)
0 Decrease in General Fund Balance for the Year	0
0 General Fund Balance brought forward	0
0 General Fund Balance carried forward	0

Note of reconciling items for the Statement of Movement on the General Fund Balance

2007-08	2008-09
£000s	£000s
Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year	
(5) Net transfer to or from earmarked reserves	(7)
(5)	(7)
(5) Net additional amount required to be credited to the General Fund balance for the year	(7)

Statement of Total Recognised Gains and Losses

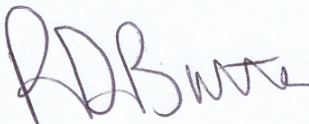
This statement brings together all the gains and losses of Norfolk Records Committee for the year and shows the aggregate change in its net worth.

2007-08 £000s		2008-09 £000s
5	(Surplus)/Deficit for the year on the Income and Expenditure Account	7
0	Other (gains)/losses	0
<hr/> 5 <hr/>	Total recognised (gains)/losses for the year	<hr/> 7 <hr/>

Balance Sheet

31 March 2008		31 March 2009	
Note		£000s	£000s
	Fixed Assets		
0	None		0
	Current Assets		
14	Stocks	14	
374	Debtors	383	
388	Total Assets		397
	Current Liabilities		
(1)	Creditors	(17)	
387	Total assets less current liabilities		380
0	Long Term Liabilities		0
387	Total Assets less liabilities		380
	Financed by:		
9	Earmarked reserves		
34	Information Technology		34
38	Manuscript Reserve		38
315	Residual Insurance and Lottery		308
387	Total net worth		380

P. D. Brittain
Head of Finance
Date: 12 June 2009



Notes To The Core Financial Statements

1. Publicity

Section 5 of the Local Government Act 1986 requires Norfolk Records Committee to maintain a separate account of expenditure on publicity. In 2008-09 Norfolk Records Committee spent £2,604 (£1,318 in 2007-08) on publicity, including £2,309 on staff recruitment and £295 on other advertising and public relations activities.

2. Overheads and Support Services

Non-employee expenditure, within the Income and Expenditure Account, includes a charge for Overheads and Support Services that are provided by central departments of Norfolk County Council to Norfolk Records Committee.

There is also a charge for costs relating to Corporate and Democratic Core, which is included within employee costs. In 2008-09 the Corporate and Democratic Core costs were £5,055 (£5,357 in 2007-08). Further information on these charges is available within Norfolk County Council's Statements of Accounts.

3. Audit Costs

Norfolk Records Committee incurred fees relating to external audit and inspection, the amount for 2008-09 was £10,000. (£11,000 in 2007-08)

4. Depreciation & Impairment Charge

Although Norfolk Records Committee does not own any assets, the committee receives a charge from Norfolk County Council that is equivalent to the cost of the annual provision for depreciation and impairment borne by Norfolk County Council for all fixed assets used in the provision of the service. The cost is charged to the Income and Expenditure Account, and the contribution received from Norfolk County Council covers the cost of this charge.

5. Norfolk County Council Contribution

Norfolk County Council made a contribution to Norfolk Records Committee for revenue expenditure of £1,771,558 (£2,589,587 in 2007-08).

The contribution from Norfolk County Council's consists of a number of elements, which include the amounts shown in the table below.

	2007-08	2008-09
	£'000s	£'000s
Depreciation & Impairment Charge	1,123	223
Grant Deferred	138	138
Overheads and Support Service Charge	162	188
Freedom of Information	4	4
Corporate and Democratic Core Costs	5	5
Contribution to Fund Budget	1,158	1,214
Total Norfolk County Council Contribution	2,590	1,772

The change in the Depreciation & Impairment Charge is due to an impairment charge of £0.9m in 2007-08. Following a revaluation exercise the value of the Archive Centre was reduced. This decrease in value was charged to revenue in 2007-08 as required by capital accounting requirements and was reimbursed as part of the County Council contribution.

6. Members Allowances and Employee Emoluments

Norfolk Records Committee does not pay members' allowances. The appointing Council pays members' allowances. The Chairman of Norfolk Records Committee is entitled to a Special Responsibility Allowance, which is paid by Norfolk County Council. This amount paid by Norfolk County Council in 2008-09 in respect of this allowance was £2,610 (£2,495 in 2007-08)

The SORP requires disclosure of employees' whose remuneration, excluding pension contributions, exceeds £50,000. In 2008-09 there was 1 (1 in 2007-08).

7. Related Party Transactions

Norfolk Records Committee is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence Norfolk Records Committee or to be controlled or influenced by Norfolk Records Committee. Disclosure of these transactions allows readers to assess the extent to which Norfolk Records Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with Norfolk Records Committee. These include:

Norfolk County Council – material transactions are disclosed elsewhere in the accounts.

Members of Norfolk Records Committee have direct control over the committee's financial and operating policies. The Norfolk Records Committee wrote to all

members requesting details of any related party transactions. There are no disclosures.

Officers – Norfolk Records Committee wrote to all Chief Officers requesting details of any related party transactions. There are no disclosures.

8. Retirement Benefits

Staff employed by Norfolk County Council in undertaking the Joint Committee's activities can participate in the Local Government Pension Scheme, a defined benefit statutory scheme, administered by Norfolk County Council. This is a funded scheme, meaning that the Council and staff pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Fund's Actuary, based on triennial actuarial valuations, determines employer's contribution rates. The review carried out by the Fund's Actuary at 31 March 2004 applies to the financial years 2005-06 to 2007-08. The latest review carried out by the Actuary was at 31 March 2007 and this applies to the financial years 2008-09 to 2010-11. Under Pension Fund Regulations contribution rates are set to meet the overall liabilities of the Fund.

In 2008-09 Norfolk Records Committee's expenditure includes employer's contribution of £94,000, representing 16.5% of employees pensionable pay. This has been paid into the Norfolk Pension Fund. (In 2007-08 this was £88,000, representing 15.8% of pensionable pay)

9. Earmarked Reserves

Norfolk Records Committee keeps reserves in the Balance Sheet that have been set up voluntarily to earmark resources for future spending plans. The table below shows the opening balances and movements during the year. Below are definitions of the purpose and usage of each reserve.

Information Technology

Monies set aside for specific IT projects.

Manuscript Reserve

This is to fund the cost of manuscripts that may become available.

Residual Insurance and Lottery Bid Development

When a cash settlement was agreed with Norfolk County Council's insurers in respect of the central Norwich library fire, some of the proceeds were paid into an earmarked reserve for Norfolk Records Committee. The remaining balance is mainly for conservation and building running costs.

	Balance at 31 March 2008 £'000's	Transfers (to) / from Revenue £'000's	Balance at 31 March 2009 £'000's
Information Technology	34	0	34
Manuscript Reserve	38	0	38
Residual Insurance and Lottery Bid Development	315	(7)	308
TOTAL	387	(7)	380

10. Authorised for Issue

The Statement of Accounts was authorised for issue by the Head of Finance on 12 June 2009.

Glossary of Terms

ACCRUAL ACCOUNTING

The inclusion of income and expenditure in the accounts for the period in which they are earned or incurred, rather than the period in which the cash is received or bills paid.

AMORTISATION

The measure of the wearing out, consumption, or other reduction in the useful economic life of a intangible fixed asset.

AMORTISED COST

This is cost that has been adjusted for amortisation.

ASSET

An item owned by Norfolk Records Committee, or that they have use of to support their activities, which has a value, for example cash.

BUDGET

The statement of Norfolk Records Committee expressed in financial terms usually for the current forthcoming financial year.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset which lasts normally for more than one year or expenditure which adds to the life or value of an existing fixed asset.

CIPFA

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional accountancy institute that sets the standards for the public sector. CIPFA publishes the Accounting Codes of Practice for local government.

CORPORATE & DEMOCRATIC CORE (CDC)

Corporate and Democratic Core represents costs associated with democratic representation and management and corporate management. Democratic representation and management includes all aspects of Members' activities. Corporate management concerns the cost of the infrastructure that allows services to be provided and the cost of providing information that is required for public accountability. Such costs form part of total service expenditure, but are excluded from the costs of any particular service.

CREDITORS

Amounts owed by Norfolk Records Committee for goods and services provided for which payment has not been made at the end of the financial year.

DEBTORS

Sums of money due to Norfolk Records Committee but not received at the end of the financial year.

DEFICIT

Arises when expenditure exceeds income or when expenditure exceeds available budget.

DEPRECIATION

The measure of the wearing out, consumption, or other reduction in the useful economic life of fixed asset.

FAIR VALUE

The price at which we could buy or sell an asset in a transaction with another organisation, less any grants we receive towards buying or using that asset.

FINANCIAL ASSET

A right to future economic benefits.

FINANCIAL INSTRUMENT

Any contract that gives rise to a financial asset in one organisation and a financial liability in another.

FINANCIAL LIABILITY

An obligation to transfer economic benefits.

GOVERNMENT GRANTS DEFERRED ACCOUNT

When a government grant or other contribution is received in respect of the acquisition of a fixed asset it is recorded in a government grants deferred account. The grant is subsequently charged to the revenue account over the life of the asset to match the depreciation charge and this is reflected in Norfolk County Council's contribution.

IMPAIRMENT

Impairment of an asset is caused either by a consumption of economic benefits e.g. physical damage or a deterioration in the quality of the service provided by the, or by a general fall in prices of that particular asset or type of asset.

MARKET PRICE

This is the price at which another organisation is prepared to buy or sell an asset.

NON-DISTRIBUTED COSTS

These are specific overheads relating to unused assets and certain pension costs for employees' service in previous years. These are not allocated to service departments because they do not relate to the in-year cost of providing the service.

OUTTURN

The actual amount spent in the financial year.

RESERVES

A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

REVENUE EXPENDITURE AND INCOME

Day to Day expenses, mainly salaries and wages, and general running expenses. Charges for goods and services.

SORP

The Code of Practice on Local Authority Accounting in the United Kingdom 2008: A Statement of Recommended Practice (the SORP) aims to achieve consistent financial reporting between all English local authorities. It is based in generally accepted accounting standards and practices.

SURPLUS

Arises when income exceeds expenditure or when expenditure is less than available budget.

VALUE ADDED TAX (VAT)

A tax on consumer expenditure which is collected on business transactions at each stage in the supply, but which is ultimately borne the final customer.

VARIATION

The difference between budgeted expenditure and actual outturn, also referred to as an over or under spend

Audit of the Statement of Accounts 2007-08

Report by the Head of Finance

This report details key issues identified during the audit of the 2007-08 Statements of Accounts by the Audit Commission.

1. Introduction

- 1.1 The 2007-08 Statement of Accounts was approved by the Norfolk Records Committee - Accounts Approval and Urgent Business Sub Committee at its meeting on 24 June 2008. At that time the Audit Commission, the Council's External Auditor, had not started examining the accounts. Their examination is now complete and they have issued an unqualified opinion.
- 1.2 This report sets out the key issues arising from the audit and the proposed action to address these points.
- 1.3 The Annual Governance Report from the Audit Commission and a detailed report on adjustments to the 2007-08 Statement of Accounts were presented to the Norfolk Records Committee – Accounts Approval and Urgent Business Sub-Committee. The reports were circulated via email as no meeting was called and all members were happy to approve the changes.

2. Key Issues Arising from the Audit

- 2.1 There were no new issues arising from the audit, only the two outstanding issues from the 2006-07 audit. These are that there is no signed formal agreement and the committee needs to confirm that it agrees to abide by Norfolk County Council's governance arrangements.
- 2.2 With the impending announcement on Local Government Review it is proposed to wait until a final decision is known before requesting Legal Services to draw up a formal agreement. Once the government has decided whether unitary local government is to be introduced in Norfolk or not, a decision will be made as to whether a formal legal agreement is still required.

- 2.3 The Annual Governance Statement for 2008-09, approved by Members at the meeting held on 1 May 2009, includes confirmation that the Norfolk Records Committee agrees to abide by Norfolk County Council's governance arrangements, by delegating responsibility to the Chief Officer.

3. Adjustments Arising from the Audit

- 3.1 During the period of the audit, the Audit Commission identified a number of adjustments to correct non-trivial errors within the financial statements and associated notes.
- 3.2 Members of the Norfolk Records Committee – Accounts Approval and Urgent Business Sub Committee were informed of and endorsed the changes recommended by the Head of Finance, before the 2007-08 accounts were signed off by the external auditor. (See Appendix 2)

4. Resource Implications

- 4.1 There are no finance, staff, property or IT implications arising from this report.

5. Other Implications

- 5.1 There are no legal, human rights, and communications implications arising from this report. The contents of this report do not directly impact on equality, in that it is not making proposals that will have an impact on equality of access or outcomes for diverse groups.

6. Risk Implications/Assessment

- 6.1 There are no risk implications arising from this report.

7. Section 17 Crime and Disorder Act

- 7.1 There are no implications of this report for the Crime and Disorder Act.

8. Alternative Options

- 8.1 There are no alternative options that the Norfolk Records Committee needs to consider.

9. Conclusion

- 9.1 The 2007-08 Statement of Accounts was produced by the end of June 2008, in accordance with statutory regulations. The audit of the accounts is now complete and the Committee has received an unqualified audit report. There are two outstanding key issues arising from the 2006-07 audit, these are that there is no signed formal agreement and the committee needs to confirm that it agrees to abide by Norfolk County Council's governance arrangements.

10. Recommendation

- 10.1 **The Norfolk Records Committee is requested to note this report; note the comments in the 2007-08 Annual Governance Report in Appendix 1; and endorse the proposed actions in paragraphs 2.2 and 2.3 to address key issues as recommended by the Head of Finance.**

Officer Contact

If you have any questions about matters in this paper please get in touch with:

Name	Telephone Number	Email address
Harvey Bullen	01603 223330	harvey.bullen@norfolk.gov.uk

If you need this statement in large print, audio, Braille, alternative format or in a different language please contact Hazel Eyre on 01603 222828 or textphone 0844 8008011, and we will do our best to help.



Annual Governance Report

Norfolk Records Committee

Audit 2007/08

January 2009

DRAFT

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Summary

Purpose

- 1 This report summarises the findings from our 2007/08 audit, which is substantially complete. It identifies the key issues that you should consider before we issue our opinion, conclusion and certificate.
- 2 This report includes only matters of governance interest that have come to our attention in performing our audit. Our audit is not designed to identify all matters that might be relevant to you.

Financial statements

- 3 We intend to issue an unqualified audit opinion on the financial statements before the 31 January 2009.

Value for Money

- 4 Our work on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources is now complete. We propose issuing an unqualified value for money conclusion before 31 January 2009.

Next steps

- 5 We ask the members of the Norfolk Records Committee - Accounts Approval and Urgent Business Sub-Committee to:
 - consider the matters raised in the report; and
 - approve the representation letter on behalf of the Joint Committee;before we issue our opinion, vfm conclusion and certificate.

Financial Statements and Annual Governance Statement

- 6 The Joint Committee's financial statements and Annual Governance Statement are important means by which the Joint Committee accounts for its stewardship of public funds. As Joint Committee members you have final responsibility for the financial statements and Annual Governance Statement. It is therefore important that you consider our findings before we issue our opinion and certificate.
- 7 In planning our audit we identified specific risks and areas of judgement that we have focused on during our audit. We report to you the findings of our work in those areas.
- 8 In addition, auditing standards require us to report to you:
- the draft representation letter which we are asking management and you to sign;
 - our views about the Joint Committee's accounting practices and financial reporting;
 - errors in the financial statements;
 - any expected modification to our report;
 - weaknesses in internal control; and
 - certain other matters.

Key areas of judgement and audit risk

In planning our audit we identify any key areas of judgement and audit risk that we needed to consider as part of our audit. Our review of your business risks did not identify any specific areas of risk, although the extent of our work has been determined by materiality to the accounts.

Draft representation letter

- 9 Before we issue our opinion, auditing standards require us to obtain from you and management, written representations that:
- you acknowledge your collective responsibility for preparing financial statements in accordance with the applicable financial reporting framework;
 - you have approved the financial statements;
 - you acknowledge your responsibility for the design and implementation of internal controls to prevent and detect fraud and error;
 - you have told us the results of your assessment of the risk that the financial statements might be materially misstated because of fraud;

- you have told us any actual or suspected fraud by management, employees with significant roles in internal control or others (where the fraud could have a material impact on the financial statements);
- you have told us of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- you have told us about all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- you have assessed the reasonableness of significant assumptions;
- you are satisfied that all related parties requiring disclosure in the financial statements have been disclosed and that the disclosure is adequate; and
- cover areas where other sufficient appropriate evidence cannot reasonably be expected to exist, for example the completeness of the disclosure of contingent liabilities.

10 Appendix 1 contains the draft of the letter of representation we seek from you.

Accounting policies and financial reporting

11 We considered the qualitative aspects of your financial reporting and have not identified any significant issues to raise with you.

Errors in the financial statements

12 We did not identify any errors in the financial statements other than those relating to some comparative figures and minor disclosure notes. These errors have been amended.

13 We have not identified any errors that management has declined to correct.

The audit report

14 We plan to issue an unmodified report including an unqualified opinion on the financial statements. Appendix 2 contains a copy of our draft report.

Material weaknesses in internal control

15 We have not identified any weakness in the design or operation of internal controls that might result in a material error in your financial statements of which you are not aware.

16 We have not provided a comprehensive statement of all weaknesses which may exist in internal control, nor of all improvements which may be made. We have reported only those matters which have come to our attention because of the audit procedures we have performed.

Other matters

- 17 We reported, and made recommendations to you, on two governance issues in our 2006/07 Annual Governance Report. These issues remain extant for the 2007/08 audit and have not been repeated in our 2007/08 Report.

Value for money

- 18 We are required to conclude whether the Joint Committee put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. We assess your arrangements against nine criteria specified by the Commission for other local authorities.
- 19 We have assessed the arrangements of the Joint Committee as adequate in all nine areas and we therefore propose to issue an unqualified conclusion.

Formal audit powers

20 We have:

- a power to issue a public interest report. We do so where we believe this is necessary to draw a matter to your attention, or to that of the public;
- a power to apply to court for a declaration that an item in the Joint Committee's accounts is contrary to law;
- a power to issue an advisory notice. An advisory notice requires the Joint Committee to meet and consider the notice before:
 - making a decision that might give rise to unlawful expenditure; or
 - taking an unlawful course of action that would give rise to a loss; or
 - making unlawful entry in the accounts; and
- a power to seek judicial review of a decision of the Joint Committee.

21 We have not and do not propose to exercise these powers.

Independence

- 22** The Code of Audit Practice and the APB's Ethical Standards with which auditors must comply require that auditors act, and are seen to act, with integrity, objectivity and independence.
- 23** We confirm that we comply with the APB's Ethical Standards, that we are independent and that our objectivity is not compromised.
- 24** We communicate to you:
- any relationships between us and the Joint Committee, its members and senior management that might affect our objectivity and independence and any safeguards put in place;
 - total fees charged to you for audit and non-audit services; and
 - our arrangements to ensure independence and objectivity.

Relationships with the Joint Committee

- 25** We have identified no relationships that might affect objectivity and independence. We have comprehensive procedures to ensure independence and objectivity. These are outlined in Table 2.

Table 1 Arrangements to ensure independence and objectivity

Area	Arrangements
Independence policies	<p>Our policies and procedures ensure that professional staff or an immediate family member:</p> <ul style="list-style-type: none">• do not hold a financial interest in any of our audit clients;• may not work on assignments if they have a financial interest in the client or a party to the transaction or if they have a beneficial interest in a trust holding a financial position in the client; and• may not enter into business relationships with UK audit clients or their affiliates. <p>Our procedures also cover the following topics and can be provided to you on request:</p> <ul style="list-style-type: none">• the general requirement to carry out work independently and objectively;• safeguarding against potential conflicts of interest;

Area	Arrangements
	<ul style="list-style-type: none"> • acceptance of additional (non-audit) work; • rotation of key staff; • other links with audited bodies; • secondments; • membership of audited bodies; • employment by audited bodies; • political activity; and • gifts and hospitality.
Code of Conduct	The Code of Conduct forms part of the terms and conditions of all Audit Commission employees. The Code of Conduct states that staff have to comply with ethical guidance issued by their relevant professional bodies.
Confidentiality	All staff are required to sign an annual undertaking of confidentiality as a condition of employment.

Audit fees

26 Our audit fee for 2007/08 will be £11,000.

Appendix 1 – Draft Letter of Representation

To:

Mr A Perrin
Audit Commission
Regus House
1010 Cambourne Business Park
Cambourne, Cambridge
CB23 6DP

Audit of Norfolk Records Committee for the year ended 31st March 2008

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of the Council, the following representations given to you in connection with your audit of Norfolk Records Committee's financial statements for the year ended 31 March 2008.

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which present fairly the financial position and financial performance of the Council and for making accurate representations to you.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by Norfolk Records Committee have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all members' meetings, have been made available to you.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

There have been no:

- irregularities involving management or staff who have significant roles in the system of internal accounting control;
- irregularities involving other staff that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, staff who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by staff, former staff, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Related party transactions

I confirm the completeness of the information disclosed regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements.

Post balance sheet events

Since the date of approval of the financial statements by Members of the Accounts Approval and Urgent Business Sub Committee, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

Norfolk Records Committee has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Signed on behalf of Norfolk Records Committee

Signed

Name

Position

Signed

Name

Position

Date

Appendix 2 – Auditor's Report

Independent auditor's report to the Members of Norfolk Records Committee

Opinion on the accounting statements

I have audited the accounting statements and related notes of Norfolk Records Committee for the year ended 31 March 2008 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of the Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Norfolk Records Committee in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the [Responsible Financial Officer] and auditor

The Head of Finance's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007 the financial position of the Joint Committee and its income and expenditure for the year.

I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Joint Committee's corporate governance procedures or its risk and control procedures.

I read other information published with the Joint Committee's accounting statements, and consider whether it is consistent with the audited Joint Committee's accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the Joint Committee's accounting statements. My responsibilities do not extend to any other information

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Joint Committee in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Joint Committee's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

Opinion

In my opinion the financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of the Joint Committee as at 31 March 2008 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's Responsibilities

The Joint Committee is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Joint Committee for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. I report if significant matters have come to my attention which prevent me from concluding that the Joint Committee has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Joint Committee's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for other local government bodies specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Norfolk Records Committee made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2008.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Mr A Perrin
District Auditor

Audit Commission
Regus House,
1010 Cambourne Business Park
Cambourne,
Cambridge CB23 6DP

Date

**Report to Norfolk Records Committee - Accounts Approval
and Urgent Business Sub Committee**

Amendments to the Statement of Accounts 2007-08

Report by the Head of Finance

This report details issues identified since the approval of the 2007-08 Statements of Accounts and recommends proposed changes by the Head of Finance

1. Introduction

- 1.1 The 2007-08 Statement of Accounts was approved by the Norfolk Records Committee - Accounts Approval and Urgent Business Sub Committee at its meeting on 24 June 2008. At that time the Audit Commission, the Council's External Auditor, had not started examining the accounts. Their examination is now substantially complete and there is a separate report from them.
- 1.2 This report sets out the adjustments required to be made to the accounts arising from the audit.
- 1.3 The Audit Commission classify accounting adjustments into three categories:
 - Material adjustments – These are adjustments that if uncorrected would lead to a material misstatement in the accounts.
 - Non-Trivial adjustments – The Audit Commission set a limit where adjustments are required to the accounts. These are not material adjustments but by making the changes the overall quality of the accounts is improved.
 - Trivial adjustments – These are items that require no amendments to the accounts but may be issues that need to be reviewed to improve the quality of future years accounts.
- 1.4 From discussions with the External Auditor, the Head of Finance anticipates that the Committee will receive an unqualified audit opinion on the 2007-08 Statement of Accounts.
- 1.5 During the period of the audit, the Audit Commission identified a

number of adjustments to correct non-trivial errors within the financial statements and associated notes. The amendments to the 2007-08 Statement of Accounts are detailed in Section 2.

2. Adjustments arising from the Audit of the Accounts

- a) Following the audit of the 2006-07 Statement of Accounts some changes were made to figures in the financial statements, which has lead to some of the 2006-07 comparative figures being changed.
- b) An additional note, Note 10, has been included with the date the accounts were authorised for issue as required by the Statement of Recommended Practice.

3. Resource Implications

- 3.1 There are no finance, staff, property or IT implications arising from this report.

4. Other Implications

- 4.1 There are no legal, human rights, and communications implications arising from this report. The contents of this report do not directly impact on equality, in that it is not making proposals that will have an impact on equality of access or outcomes for diverse groups.

5. Risk Implications/Assessment

- 5.1 There are no risk implications arising from this report.

6. Section 17 Crime and Disorder Act

- 6.1 There are no implications of this report for the Crime and Disorder Act.

7. Alternative Options

- 7.1 There are no alternative options that the Norfolk Records Committee - Accounts Approval and Urgent Business Sub Committee needs to consider.

8. Conclusion

- 8.1 The 2007-08 Statement of Accounts was produced by the end of June 2008, in accordance with statutory regulations. The audit of the accounts is now substantially complete and it is anticipated the Committee will receive an unqualified audit report. There are some adjustments to be made to the 2007-08 accounts which, the Head of Finance has agreed with the Audit Commission, will be amended before the 2007-08 Statement of Accounts is published.

9. Recommendation

- 9.1 **The Norfolk Records Committee - Accounts Approval and Urgent Business Sub Committee is requested to note this report and endorse the changes to the 2007-08 Statement of Accounts recommended by the Head of Finance.**

Officer Contact

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26 June 2009

Item: 11

**Norfolk Records Committee
Annual Governance Statement 2008-09 and the
Review of the Effectiveness of the Governance Framework
including the system of Internal Control.**

A Report by the Chief Internal Auditor

This report introduces the proposed Annual Governance Statement 2008-09 and provides assurance that the organisation's governance framework, including the system of internal control, is adequate and effective.

1 Introduction and background

- 1.1 The Accounts and Audit (Amendment) (England) Regulations 2006 require the reporting of an Annual Governance Statement for 2008-09. The Governance Statement provides assurance that the organisation's governance framework is adequate and effective.
- 1.2 From 2007-08, the requirement is firstly to review the Council's existing Code of Corporate Governance and then to report an Annual Governance Statement. This statement needs to be signed by the Leader and Chief Executive.
- 1.3 Guidance for the review of the Council's existing Code and for the preparation, review and reporting of the statement has been issued by Cipfa /SOLACE and has been provided to the Chairman of the Committee. Subsequent to the recent election all members were provided with a copy of the Cipfa/SOLACE framework booklet.
- 1.4 The guidance was followed and a portfolio of evidence has been compiled. This report therefore:
 - includes the findings of the reviews of the system of internal control, to be considered by the Committee,
 - explains the review of the evidence, provides assurance on the controls in place and highlights any action that needs to be taken; and

- introduces the proposed Annual Governance Statement based on the information available at this time, to be included in the Statement of Accounts for 2008-09.
- 1.5 The Council is urged by the Cipfa/SOLACE guidance to test the current governance structures against the principles in the published Framework by:
- reviewing existing governance arrangements against the framework,
 - developing and maintaining an up-to-date local code of governance, including arrangements for ensuring its ongoing application and effectiveness; and
 - annually preparing a governance statement in order to report publicly on the extent to which we comply with our own code, including how we have monitored the effectiveness of the governance arrangements in the year, and on any planned changes in the coming period.
- 1.6 The Monitoring Officer and Head of Finance have considered and approved the Council's approach to these requirements.
- 1.7 This report presents the outcomes of the review of the effectiveness of our Code of Corporate Governance against the Framework.

2 The Code of Corporate Governance

- 2.1 The Committee are fully aware of and endorse the principles set out in the current Cipfa/SOLACE framework document. The Council's Code of Corporate Governance was reviewed in 2006 and will be reviewed subsequently to the decision with respect to the local government structure in Norfolk review, as referred to in the Monitoring Officer's Annual Report which will be presented to the Audit Committee on 29 June 2009.
- 2.2 The Monitoring Officer has considered the guidance to determine if:
- there are any changes required to the Council's existing Code of Corporate Governance; and
 - there are any changes in the arrangements for ensuring its ongoing application and effectiveness.

3 The Proposed Annual Governance Statement

- 3.1 The Monitoring Officer has assured that, from a review of the key elements and processes that comprise the Council's governance arrangements, as included in the Annual Governance Statement in Appendix A, no significant shortcomings have been noted in the current

Code of Governance.

- 3.2 Much of the evidence that was gathered to support the previous Annual Governance Statement will be relevant to the 2008-09 Annual Governance Statement. The evidence has been gathered, reviewed and reported here by Internal Audit.
- 3.3 The Annual Governance Statement is incorporated into the annual Statement of Accounts and this appears elsewhere on this Agenda.

4 The Annual Review of Effectiveness of the Governance Framework including Internal Control

- 4.1 Once the Council's Code of Governance has been reviewed, the Framework requires that the Council should undertake regular, at least annual, reviews of its governance arrangements to ensure continuing compliance with best practice as set out in the framework. It is important that such reviews are reported on both within the Council, to the Audit Committee, and externally.
- 4.2 CIPFA have provided a recommended list of evidence to support the Annual Governance Statement. Key officers were asked to help complete a file of evidence. The contributions have been reviewed by Norfolk Audit Services to ensure that they are complete, accurate and that the control is current. The Chief Internal Auditor produces an Annual Internal Audit Report (elsewhere on this agenda) which provides his opinion that the adequacy and effectiveness of internal control and risk management systems for the year were "**adequate**".
- 4.3 The review of the evidence supporting the Annual Governance Statement has confirmed that the controls as described are complete, accurate and current. Based upon the evidence reviewed, the controls are considered to be adequate for the purposes of supporting the 2008-09 Annual Governance Statement. The Chair of the Committee and Director of Corporate affairs and Cultural Services can be reassured in signing the statement. The results of the review have been discussed with the Head of Finance.
- 4.4 The ongoing maintenance of controls and risk management rests with Chief Officers. Chief Officers will monitor their controls and ensure that policies, procedures and documents are kept up to date.
- 4.5 This report has fully taken into account any relevant issues arising from the Council's policy and strategy for risk management and any issues identified in corporate and departmental risk registers.

5 Partnerships and Section 17 Crime and Disorder Act

- 5.1 Effective Corporate Governance arrangements help to deter crime, or increase the likelihood of detection through making crime difficult, increasing the risks of detection and prosecution and reducing rewards from crime.
- 5.2 Key partnerships have been included in the annual review of the effectiveness described above.
- 5.3 During the year the Council's Anti Fraud and Corruption Strategy has been updated and it was considered by the April 2009 Audit Committee and a further revised version will be presented to the 29 June 2009 meeting.

6 Recommendation

- 6.1 The Committee should note:
- the above requirements for an Annual Governance Statement and support the annual review,
 - that the Council's Code of Corporate Governance has been reviewed by the Monitoring Officer and is considered adequate,
 - that the governance arrangements for 2008-09 are considered to be adequate and effective,
 - that based on the evidence provided and reviewed, the key controls are complete, accurate and current,
 - that Chief Officers recognise the 'corporate ownership' of its governance requirements and they are comfortable with the review approach set out in 4.2 and 4.3 and
 - that the Annual Governance Statement is incorporated into the Annual Statement of Accounts appearing separately on this agenda.
- 6.2 The Committee are asked to approve the Annual Governance Statement for signing by the Chairman and Director of Corporate Affairs and Cultural Services

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Norfolk Records Committee

Annual Governance Statement, 2008-09

1. Scope of responsibility

- 1.1. The Norfolk Records Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Norfolk Records Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Norfolk Records Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.2. Norfolk County Council (NCC) has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.
- 1.3. A copy of the code is on our website at www.norfolk.gov.uk or can be obtained from Mr P D Brittain, Head of Finance, Norfolk County Council, County Hall, Martineau Lane, NR1 2DW. This statement explains how the Committee has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2. The purpose of the governance framework

- 2.1. The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled, and through which it is accountable to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not 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 the Committee's 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.

- 2.3. The governance framework has been in place at Norfolk Records Committee for the year ended 31 March 2009 and up to the date of approval of the statement of accounts.

The key elements of the systems and processes that comprise the Committee's governance arrangements include arrangements for:

- Identifying and communicating the Committee's vision of its purpose and intended outcomes for citizens and service users.

The County Council Plan takes a three-year look ahead and is updated every year to ensure that it remains relevant. It sets out Norfolk County Council's 3 Strategic Ambitions for Norfolk:

- An inspirational place with a clear sense of identity
- A vibrant, Strong and sustainable economy
- Aspirational people with high levels of achievement

The plan includes the objectives:

- Improve the health and well-being of Norfolk's residents.
- Improve opportunities for people to learn throughout life.
- Build vibrant, confident and cohesive communities.
- Improve Norfolk's cultural heritage and resources.

NCC's organisation values were developed in during 2007-08 and launched in April 2008, taking into account the Employee Survey 2007 and refined through focus groups from staff at all levels:

- Ambitious - passionate about being the best
- Customer focus - customers at the heart of everything we do
- Working together - with each other and our partners
- Accountable - taking personal responsibility for making a positive difference
- Learn and improve - growing from our experiences
- Trust and respect - our

	<p>foundations for building strong relationships</p> <p>The County Council Plan 2008-2011 and a 2009-12 County Council Plan supplement is available electronically on Norfolk County Council's website. Alternatively, to obtain a hard copy, contact the Policy and Performance team by calling (01603) 228852 or email them policyandperformance@norfolk.gov.uk</p> <p>The Record Office publishes an annual Service Plan and this was reported to the Committee on 1 May 2009.</p>
<ul style="list-style-type: none"> Reviewing the authority's vision and its implications for the authority's governance arrangements. 	<p>To ensure Norfolk County Council is always working in the best interests of the people of Norfolk it reviews its Medium Term plan (The County Council Plan) annually.</p> <p>Agendas and minutes for all County Council meetings, including The Norfolk Records Committee, are accessible on Norfolk County Council's website and are available for everyone to look at.</p>
<ul style="list-style-type: none"> Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources. 	<p>The Audit Commission carries out a corporate assessment of Norfolk County Council over a three-year period, this is known as the Comprehensive Performance Assessment (CPA).</p> <p>CPA looks at how well we are performing, including how well we use resources, and gives us a score.</p> <p>The Cultural Services Department, of which the Norfolk Record Office forms part, maintained their CPA score of four.</p> <p>In 2009 Norfolk County Council were awarded 4 stars and judged to be improving well. The CPA framework is replaced by Comprehensive Area Assessment for 2009 onwards.</p>

The Audit Commission is an independent public body responsible for ensuring that public money is spent economically, efficiently, and effectively in the areas of local government, housing, health, criminal justice and fire and rescue services.

In order to measure the quality of services we provide in trying to achieve our objectives, the Council produces performance indicators. Each objective in the County Council Plan has an expected outcome for people in Norfolk.

The Norfolk Record Office is assessed annually by The National Archives (TNA) under TNA's self-assessment programme for local authority archive services.

In 2008-9, the Norfolk Record Office maintained its ranking as a four-star (the top rating) archive service under TNA's self-assessment programme for local authority archive services.

With 86.5%, it improved its previous year's score by 2.5% and was described by TNA as a 'champion in the archive sector'.

TNA also inspects archive repositories against *The National Archives' Standard for Record Repositories* (TNA, 2004). If a repository meets the requirements in the Standard in all essential respects, it is awarded TNA Approval. The Norfolk Record Office enjoys such approval.

The Museums, Libraries and Archives Council has 'Designated' the Record Office's collections in their entirety, as being of outstanding international importance.

The New Performance Framework for Local Authorities and Local Authority Partnerships: Single Set of National Indicators (Department for

	<p>Communities and Local Government, 2007) contains no national performance indicators for archive services. The Norfolk Record Office therefore uses local indicators to monitor its performance.</p> <p>The Norfolk Record Office also uses the annual Archive Service Statistics compiled by the CIPFA to benchmark its performance against that of other local authority archive services.</p> <p>The Norfolk Record Office also participates in the Public Services Quality Group's (PSQG) Survey of Visitors to UK Archives, the most comprehensive survey of archive user satisfaction and demographics in the world, which has been taken every 18 months since 2001. The PSQG for archives and local studies was, established by the National Council on Archives in 1996, as a network for archivists interested in best practice and quality issues.</p>
<ul style="list-style-type: none"> Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication. 	<p>Norfolk County Council has a constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The law requires us to have some of these processes, whilst others are a matter for the Council to choose.</p> <p>Norfolk Records Office follows Norfolk County Council's Constitution which can be found on Norfolk County Council's website. A review of the Constitution will be completed in 2009-10.</p> <p>The Norfolk Record Office has its own <i>NRO Style Sheet</i>, to give its staff some general advice and to set some rules for them on the writing, editing and production of publications, posters, web pages, newsletters,</p>

	reports, letters, e-mails, etc. produced by the Norfolk Records Office. The keynote is consistency of approach.
<ul style="list-style-type: none"> Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff. 	<p>Norfolk County Council's Constitution includes codes of conduct for both members and staff. Our Corporate Human Resources (HR) department produces a HR Practices Manual, in which there is also a code of conduct for staff.</p> <p>Norfolk Records Office follows Norfolk County Council's Constitution. The Constitution can be found on Norfolk County Council's website.</p> <p>The Council has an Anti Fraud and Corruption Strategy, which includes roles of members and staff.</p>
<ul style="list-style-type: none"> Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks. 	<p>Norfolk County Council produces both Financial Procedures and Financial Regulations. The Financial Regulations form part of the Constitution and are required to be reviewed annually to ensure they incorporate the latest changes. Corporate Finance is responsible for updating the Financial Regulations and the accompanying procedures. Financial regulations are considered by both the Audit Committee and Cabinet prior to approval by the County Council on an annual basis.</p> <p>Norfolk Records Office follows Norfolk County Councils Financial Procedures and Financial Regulations which can be found on Norfolk County Council's website.</p> <p>Agendas and minutes for all County Council meetings, including the Norfolk Records Committee, are accessible on Norfolk County Council's website.</p>

<ul style="list-style-type: none"> • Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities. 	<p>Norfolk County Council set up an Audit Committee in October 2005. The main purposes of the Audit Committee is to provide proactive and effective leadership on audit and governance issues and champion both audit and the embedding of risk management throughout the council and to review the effectiveness of the system of internal control.</p> <p>The Audit Committee receives reports on the adequacy of risk management and internal control and the scope includes Norfolk Records Committee functions.</p> <p>The minutes and agendas from its quarterly meetings are available on Norfolk County Council's website. There is also general information on the website about the Audit Committee, including which councillors sit on the committee.</p>
<ul style="list-style-type: none"> • Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. 	<p>The Head of Law is given the duty of being the Monitoring Officer for Norfolk County Council. This means that they are responsible for ensuring compliance with relevant laws and regulations. A protocol covering the role and functions of a Monitoring Officer is contained within the Constitution.</p> <p>Norfolk Records Office follows Norfolk County Council's Constitution. The Constitution is available on Norfolk County Council's website.</p>
<ul style="list-style-type: none"> • Whistle-blowing and for receiving and investigating complaints from the public. 	<p>Whenever a member of the public contacts Norfolk County Council, either to complain or praise the Council, the contact will be dealt with in accordance with Norfolk County Council's Complaints and Compliments Policy and procedures. Both of these are available on Norfolk County Council's website.</p>

	<p>Norfolk Records Office follows Norfolk County Council's Complaints & Compliments Policy and procedures. Norfolk County Council operates an Anti Fraud and Corruption Strategy which is linked to our Whistle-blowing policy. These are internal policies which all staff are expected to follow.</p>
<ul style="list-style-type: none"> Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training. 	<p>Within the council there is a Member Support Services Officer who is part of the Democratic Services team. It is their job to look after the pastoral needs of the County Councillors, arranging training, keeping an updated register of interests, and also a hospitality register. They arrange travel and conference attendance and also deal and resolve IT queries for Members.</p> <p>On-line training was developed during 2007-08 for Members and staff and this will be rolled out during 2009-10.</p> <p>Norfolk County Council is committed to Continuing Professional Development and has established a Leadership Programme since 2007-08.</p>
<ul style="list-style-type: none"> Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation 	<p>Norfolk County Council publishes several magazines for members of the public. <i>Your Norfolk</i> magazine is delivered to every household in Norfolk, whereas <i>Norfolk Matters</i> magazine is specifically for members, partners and stakeholders. Both are available electronically on Norfolk County Council's website.</p> <p>Norfolk County Council's website contains a variety of useful information, including latest news, and allows users to sign up for email updates. Users can ask the Council Leader, Daniel Cox, questions via the website as well as contacting the council or access online services such</p>

	<p>as the Norfolk Consultation Finder. This is a website dedicated to current consultations and allows members of the public to participate easily in the council's activities.</p> <p>The Norfolk Record Office maintains a website which contains useful information for its users, news and online study resources, as well as an online catalogue. The Norfolk Record Office also publishes a regular Newsletter and other information leaflets in hard copy.</p> <p>The Norfolk Record Office's Archive Education and Outreach Service engages closely with communities across Norfolk.</p>
<ul style="list-style-type: none"> Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements. 	<p>Norfolk County Council actively provides services in partnership with other organisations.</p> <p>The Audit Commission produced a report, 'Working in Partnerships – A Strategic Framework of Good Governance' in May 2008. This report suggested some points to ensure good control within partnerships and Norfolk County Council follows these guidelines with all partnerships.</p>

3. Review of effectiveness

- 3.1. The Norfolk Records Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's Annual Internal Audit report, and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework:

The Authority and the Executive	
<ul style="list-style-type: none"> Statutory roles of Council's Monitoring Officer and Section 151 Officer to ensure internal control procedures are efficient and effective and are being complied with on a routine basis to ensure legality and sound financial standing. Risk Management policies and procedures are in place to ensure that the risks facing the authority in achieving its objectives are evaluated, regularly reviewed and mitigation strategies developed. These arrangements are approved and reviewed by Cabinet following advice from the Chief Executive and all Chief Officers. 	<p>The Committee has, where appropriate, received the full range of professional officer advice to enable them to carry out their functions effectively and in compliance with statutory requirements.</p>
	<p>The Cabinet approved the Risk Management Strategy in December 2002 and a further update on risk management, policy and practice for reporting on risk management was reported to Cabinet in March and September 2006. This strategy was reviewed in 2007 and was reported to the Audit Committee in 2008.</p>
	<p>The embedding of risk management in to business activity is continuing. Strong action is being taken throughout the Council to ensure Risk management is fully embedded.</p>
	<p>An embedding risk management plan has been implemented and signed off.</p>
	<p>Corporate and departmental risk registers, including the Record Office, are in place and being used as a management tool. Reporting of risk management activity to Members is embedded with risk registers being reported six monthly to Review Panels. Further communications and training to members and staff are planned; with the objective of ensuring risk management and awareness are embedded in the Council's practices and procedures.</p>
	<p>The linking of risk mitigation measures to resource allocation was one of many issues incorporated in the Budget considerations.</p>
	<p>Insurance policies and funds are in place and are regularly reviewed at</p>

<ul style="list-style-type: none"> • Provision of effective, efficient and responsive systems of financial management. • Delivery of services by trained, skilled and experienced personnel. • Performance monitoring processes are in place to measure progress against objectives and to provide for remedial action where appropriate. 	<p>least annually to ensure the Council is adequately safeguarded.</p> <p>The Council Plan 2008-2011 was approved in March 2008 This sets out a framework of 9 Objectives linked to resource availability, together with a framework for monitoring performance against the key objectives in order to provide clear accountability to the people of Norfolk for the Council's performance. The County Council Plan 2009-12 Supplement is available electronically on Norfolk County Council's Website.</p> <p>As part of the overall comprehensive Performance Assessment 2009, the Council scored a Level 4 for CPA and Level 3 for the Use of Resources. There is an enhanced focus on risk management as an aid to both decision-making and service planning and delivery with regular reports to be made to the Audit Committee and to Review Panels on both corporate and service risks.</p> <p>The Council has demonstrated its commitment through its IIP accreditation, which was successfully reassessed during September 2007.</p> <p>Regular reports on Performance Indicators are presented to the Chief Officers Group via PRISM (NCC's corporate performance and risk management system) and Cabinet. This is against the Corporate Improvement Plan, which highlights the key areas for improvement.</p> <p>The County Archivist presents regular reports on Record Office Performance Indicators to the Norfolk Records Committee.</p>
<p>The Audit Committee/Overview and Scrutiny Committee/Risk Management Committee</p>	

<ul style="list-style-type: none"> The audit and scrutiny function is carried out and developed through the Cabinet Scrutiny Committee, the Audit Committee. 	<p>The Cabinet Scrutiny Committee, the Audit Committee have continued to carry out reviews across a wide range of topics.</p>
The Standards Committee	
<ul style="list-style-type: none"> The role of the Standards Committee is to promote and maintain high standards of conduct by councillors and co-opted members. 	<p>The Committee met during 2008-09. Its business included:</p> <ul style="list-style-type: none"> Embedding the revised Code of Conduct Introducing and training Standards Committee members on the new local determination regime. Appointing additional independent and elected members to the Standards Committee. Improving the Council's website in relation to standards matters.
Internal Audit	
<ul style="list-style-type: none"> Internal Audit provide independent and objective assurances across the whole range of the authority's financial and non-financial activities 	<p>The External Auditor is able to place reliance on the work of Norfolk Audit Services (NAS) and has assessed that Internal Audit provides an effective service overall.</p> <p>NAS is continuing to develop its work programme such that resources are allocated based on a systematic assessment of all areas of risk facing the Council in carrying out its functions.</p> <p>The Norfolk Record Office was included in the Council's Audit Plan during 2009-10.</p> <p>The Committee receives an Annual Internal Audit Report.</p>
Other explicit review/assurance mechanisms	
<ul style="list-style-type: none"> External Audit provide a further source of assurance by reviewing and reporting upon the Council's 	<p>The overall key message in the Audit Commission's Annual Audit and Inspection Letter in March 2009</p>

<p>internal control processes and any other matters relevant to their statutory functions and codes of practice.</p> <ul style="list-style-type: none"> • Codes of practice are issued by external bodies in respect of Council services and processes, with which the Council is expected to comply. • Reviews by external agencies and inspectorates, which would encompass most major services, and other specific external evaluations, for example, the Local Government Ombudsman and Health and Safety inspectorates. 	<p>included that an unqualified opinion was issued on the Council's accounts and that the Council achieved a level 3 for use of resources.</p> <p>The Council has adopted the CIPFA Treasury Management in Public Services Code from November 2002.</p> <p>The Council has implemented the Accounts and Audit Regulations 2003 and the amendments made in the 2006 regulations.</p> <p>NAS has implemented the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.</p> <p>The Norfolk Record Office complies with all professional archival standards, which include <i>The National Archives' Standard for Record Repositories</i> (London, 2004), BS 5454: <i>Recommendations for the Storage and Exhibition of Archival Documents</i> (BSI, 2000), and International Association of Sound and Audiovisual Archives (IASA), <i>Guidelines on the Production and Preservation of Digital Objects</i> (2004). Record Office professional staff are bound by the Society of Archivists' Code of Conduct (1994).</p> <ul style="list-style-type: none"> • The Council's 'Four star ' status under Comprehensive Performance Assessment in 2008-09 was affirmed in February 2009 <p>The Record Office's own 'four star' (top ranking) status under TNA's self assessment programme was reaffirmed in December 2008.</p>
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We have been advised on the implications of the results of the review of the effectiveness of the governance framework by the Committee.

Significant governance issues

There were no significant governance issues reported during the year.

Signed: Chairman

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Signed: Director of Corporate Affairs and Cultural Services

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NORFOLK AUDIT SERVICES ANNUAL REPORT 2008/09
ON THE NORFOLK RECORDS COMMITTEE

Report by Chief Internal Auditor

This report introduces the Annual Report which summarises the internal audit work carried out in 2008/09, reports on Internal Audit's performance, provides assurance that financial, non-financial controls and risk management arrangements exist and are effective and provides details of the relevant sections of the 2009/10 internal audit plan.

The Committee is requested to note the contents of this report.

1 Introduction

- 1.1 The functions of the Norfolk Records Committee are largely delivered through the Cultural Services Department of Norfolk County Council and the Norfolk County Council Audit Committee covers that department's work.
- 1.2 Norfolk Audit Services (NAS) is responsible for internal audit of the Norfolk Record Office. Its role is to ensure that there is evidence of compliance with the Norfolk County Council Financial Regulations and departmental rules and procedures. Where such compliance does not exist, NAS makes recommendations to ensure that proper controls are in place. Some audits carried out are based on the perceived risk to the Norfolk Record Office as assessed using the NAS risk model, corporate and departmental risk registers and others are requested by the Head of Service.
- 1.3 This report introduces the Annual report which summarises the internal audit work carried out in 2008/09, reports on Internal Audit's performance and the effectiveness of the system of internal audit, provides assurance that financial, non-financial controls and risk management arrangements exist and are adequate and effective and provides details of the relevant sections of the 2009/10 internal audit plan.

2 NAS Annual Report

- 2.1 The Annual Report containing the key messages appears at Appendix A. The key messages include that the adequacy and effectiveness of risk management and internal control within the Norfolk Records Service is 'Acceptable'.
- 2.2 No specific audits were carried out for the Records Committee during 2008-09 however our main systems work covered the systems used by the Records Office. No specific exceptions were raised regarding the Records Office and therefore, in the opinion of NAS, the adequacy and effectiveness of internal control and risk management for the Record Office is "Acceptable".
- 2.3 An audit plan for 2009/10 has been agreed with the Director of Corporate Resources and Cultural Services and the Norfolk County Council Audit Committee in April 2009.

3 Ongoing Maintenance of Internal Controls

- 3.1 The ongoing maintenance of controls rests with the County Archivist who will monitor their controls and ensure that policies, procedures and documents are kept up to date.
- 3.2 Where action is required in reports internal audit has agreed action plans with the Chief Officer.

4 Risk Management

- 4.1 This report has fully taken into account any relevant issues arising from the Record Office's policy and strategy for risk management.

5 Equalities Impact Assessment

- 5.1 There are no equalities impacts arising from this report.

6 Compliance with the CIPFA Code of Practice 2006

- 6.1 During the year the Audit Commission completed its assessment of Norfolk Audit Services against the Cipfa Code of Practice 2006 and has reported that the Internal Audit function fully meets the Code.

7 Conclusion

- 7.1 The Norfolk Records Committee should note that based on the audit work carried out for 2008/09 internal controls and risk management are adequate and effective.
- 7.2 My opinion is that the adequacy and effectiveness of risk management and internal control within the Record Office is 'Acceptable'.
- 7.3 My opinion is based upon:
- the results of other 'main systems' work carried out by internal audit
 - the corporate significance of the reports.
- 7.4 The Norfolk Records Committee should note that the 2009-10 audit plan has been agreed with the Director of Corporate Resources and Cultural Services and the Audit Committee.

8 Section 17 Crime and Disorder Act

- 8.1 NAS work is planned in order to cover the higher risk areas including where weaknesses in controls might increase the risk of theft, fraud or corruption. An action plan is agreed for any weaknesses that are identified during audits. Audits help to prevent, detect and investigate possible fraud.
- 8.2 NAS work continues to evolve to cover all areas of risk as well as traditional financial audit.
- 8.3 Under section 17 of the Crime and Disorder Act the Council has a statutory general duty to take account of the crime and disorder implications of all of its work down to a local level, and do all that it reasonably can to prevent crime and disorder in Norfolk.
- 8.4 During 2008/09 internal audit contributed to the National Fraud Initiative data-matching scheme organised by the Audit Commission.
- 8.5 An action plan has been agreed to continue the ongoing development of a strong anti fraud culture within the Council, including the Records Office.

9 Responsibilities with respect to Fraud

- 9.1 During the year internal audit have reviewed the internal controls and risk management of the Council's main financial systems. Those systems cover the transactions, balances and assets of this Committee. That work and the assurance it provides helps this Committee to reasonably assess the risk that the financial statements are not materially misstated due to fraud.

- 9.2 Internal Audit has planned and delivered audits during the year which include reasonable measures to detect fraud and to give assurance on internal controls that would prevent it. Reports on the audit findings clearly set out those findings which increase the risk of fraud and who's responsibility it is to ensure that recommendations are completed.
- 9.3 The Council has an Anti Fraud and Corruption Strategy which covers the scope of this Committee. The Strategy has been applied where appropriate throughout the year and any significant fraud investigations have been reported where they have been completed. There have been no frauds investigated for the services covered by this Committee. The Committee are therefore aware of the process for identifying and responding to the risks of fraud generally and of the specific risks of misstatement in the financial statements when they are asked to approve those Annual Financial Statements at the end of the year.
- 9.4 Actual fraud cases that have been fully investigated would be reported to the Council's Audit Committee. The Chairman would be informed of any significant fraud which had implications for this Committee. There have been no such cases during the last year. The Committee is therefore aware of the arrangements in place for Chief Officers to report about fraud to the Committee. The Committee would therefore have knowledge of actual or suspected fraud and the actions that Chief Officers are taking to address it if it were required.
- 9.5 The Anti Fraud and Corruption Strategy, Whistle blowing Strategy, Money Laundering Policy and the Standards of Conduct are promoted through staff newsletters and on the Council's Intranet site as well as through training for non financial managers. The Committee is aware of the arrangements Chief Officers have in place for communicating with employees, members, partners and stakeholders regarding ethical governance and standards of conduct and behaviour.
- 9.6 The Council's Audit Committee has responsibility for reviewing the Anti Fraud and Corruption arrangements. The Audit Committee has considered a revised Anti Fraud and Corruption Strategy in April 2009 and will consider a further revision at its meeting on June 29 2009. This Committee receives this Annual Internal Audit Report, Risk Management reports and other reports from the Audit Commission giving assurance on the adequacy and effectiveness of risk management and internal control, Anti Fraud and Corruption measures and of the governance and value for money arrangements. These assurances support the Annual Governance Statement that this Committee considers and approves. The Committee therefore oversees management arrangements for identifying and responding to the risks of fraud and the establishment of internal control.

10 Alternative Options

- 10.1 There are no alternative options for the Norfolk Records Committee to consider.

11 Recommendation

11.1 It is recommended that the Norfolk Records Committee should:

- Note the Records Committee Annual Report for 2008/09 and the key messages:
- Based on an analysis of the audit work carried out and reports issued, NAS can assure Committee that, the adequacy and effectiveness of internal control and risk management during 2008/09 was acceptable.
- Note that the systems of internal audit and internal control were adequate and effective during 2008/09 for the purpose of the latest regulations.
- Note the content of the 2009-10 audit plan from the NAS Annual Report.
- NAS work continues to evolve to cover all areas of risk as well as traditional financial audit. Audit planning is partly based upon risk assessments and therefore internal audit is auditing higher risk areas.

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**NORFOLK RECORD OFFICE
NAS ANNUAL REPORT
2008/09**

Section Numbers	Contents
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1	Introduction
2	Audit Opinion Explanation
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8	Working with the Audit Commission
9	Responsibilities in relation to fraud

1. Introduction

- 1.1 The functions of the Norfolk Records Committee are largely delivered through the Cultural Services Department of Norfolk County Council and the Norfolk County Council Audit Committee covers that department's work.
- 1.2 Norfolk Audit Services (NAS) produces an annual report for the Norfolk Records Committee. The Annual Audit Report details the overall opinion on internal control and risk management within the Record Office and details the level of audit coverage for the Record Office for the year in question. This report details the audit work carried out and the opinion given to individual audits from April 2008 to March 2009.
- 1.3 During the year to March 2009, NAS reported detailed reports on every audit including where necessary, an audit opinion and an agreed action plan.
- 1.4 The approach that NAS takes to its role is set out in its Internal Audit Terms of Reference, Code of Ethics and Strategy. These were approved by the Norfolk County Council Audit Committee during the year.
- 1.5 The Internal Audit Team, as part of the system of internal control has provided an effective, efficient and economic function during the year, supporting the Audit Committee, the Norfolk Records Committee, Chief Officers and the service.

2. Audit Opinion Explanation

- 2.1 As part of the overall good governance framework reporting, the Chief Internal Auditor provides an annual opinion on the adequacy and effectiveness of internal control and risk management. This informs the reporting of the Annual Governance Statement which is published in the Annual Statement of Accounts for the Committee.
- 2.2 The NAS overall audit opinion is based on work undertaken during the year. Each report has one of two possible grades, which are explained in the table below:

Opinion	Assessment of internal control	Action required from the recipient – as agreed with the auditors
Acceptable	Few or no weaknesses, mostly insignificant	Remedial action required within six months
Key issues that need to be addressed	A number of weaknesses, mostly significant or one or more major weaknesses	Remedial action required immediately or within six months

3. Key messages

3.1 Our overall opinion on internal control:

Based on an analysis of the audit work carried out and reports issued, the Chief Internal Auditor can assure the Norfolk Records Committee that; the adequacy and effectiveness of internal control and risk management for the Record Office during 2008/09 was “Acceptable”.

Audit Coverage:

The work of NAS continues to evolve to cover all areas of the Record Office some audits are carried out based on the perceived risk to the Norfolk Record Office as assessed using the NAS risk model, the corporate and departmental risk registers and others may be requested by the County Archivist.

3.2 The key messages to note from the year are:

- The Norfolk Record Office’s systems of internal audit were effective during 2009/09 for the purposes of the latest regulations.
- The work of NAS continues to evolve to cover all areas of risk as well as traditional financial audit. Audit planning is partly based upon risk assessments and therefore internal audit is auditing higher risk areas.
- Anti Fraud arrangements are acceptable but, as the best practice standards are continually rising, ongoing improvements need to be considered.
- NAS has received overall positive feedback on audits during the year ended 31 March 2009.

4. Record Office Internal Audit Work

4.1 An audit of the NRO procurement process was planned for 2008/09 with 15 days. It was subsequently agreed with the Finance and Business Manager not to undertake this audit as it was deemed on a risk assessed basis to be a low risk area as our main systems work adequately covered the systems used by the Records Office.

Further review of the NRO risk register to identify an alternative audit area highlighted that key risk areas as shown on the register were adequately covered by NCC audit and NRO internal assessment processes.

It was therefore agreed that no additional audits would be performed within the NRO during the year.

5. 2009/10 Audit Plan

- 5.1 An audit plan has not yet been finalised for 2009/10 for the Records Committee. Assurance may be gained from NCC Corporate Systems audits by ensuring that NRO transactions are included in the sampling undertaken.

6. Review of effectiveness of systems of internal audit

- 6.1 The Accounts and Audit (Amendment) (England) Regulations 2006 require the effectiveness of its systems of internal audit to be reviewed annually. There is currently no guidance or good practice available for meeting this requirement. Informal advice from CIPFA and discussions with other local authorities provided various options for reviewing the effectiveness of the system of internal audit.
- 6.2 The elements of the Norfolk Record Office's systems of internal audit and the assurance on their effectiveness is derived as follows
- Internal audit
 - the annual plan,
 - the results of internal audit work for 2008-09 as summarised in section four and
 - during the year the Audit Commission the Audit Commission completed its assessment of Norfolk Audit Services against the Cipfa Code of Practice 2006 and has reported that the Internal Audit function fully meets the Code.
 - Management processes of checking, reconciliation's, supervisions and controls

The annual internal audit plan includes NCC's main systems on a rotational basis and our opinion on these is "Acceptable" (section three).

7. Performance Reporting

- 7.1 NAS reports progress on the audit plan and feedback from customer satisfaction questionnaires to the Audit Committee.

8. Working with the Audit Commission

- 8.1 NAS has a very good working relationship with the Audit Commission and NAS's work is planned and co-ordinated to maximise the benefit of all audits to the Norfolk Record Office. The Audit Commission places reliance on the work of NAS where relevant.

9. Responsibilities in relation to fraud

- 9.1 The Norfolk Record Office has adopted the Norfolk County Council Anti Fraud and Corruption Strategy. Norfolk Audit Services risk based audit planning includes work that will help prevent, detect, investigate and prosecute fraud risks. Based upon the work carried out this financial year, the internal controls and risk management relating to fraud are considered to be adequate and effective for the Norfolk Record Office.

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NORFOLK RECORD OFFICE BUDGET REPORT 2008/09

A Report by the County Archivist

This report provides the Norfolk Records Committee with a service plan and budget out-turn report for the Norfolk Record Office for 2008/09 together with an early view of progress with the 2009/10 budget.

1. Background

- 1.1 The report brings together service plan progress during 2008/09 together with an out-turn report for the 2008/09 Revenue Budget, Capital Programme and Reserves and Provisions.
- 1.2 A progress update with the 2009/10 budget appears in Appendix 2.

2. Summary of 2008/09 Progress

2.1 Service Plan Progress Summary

During 2008/09, the Norfolk Record Office (NRO) delivered its service plan that contributes to the Corporate Improvement Plan (CIP) and the Council's overall performance framework.

The NRO revenue budget achieved a break-even budget position for 2008/09. There was no NRO capital budget during 2008/09 although Reserves and Provisions were used as planned.

2.2 Norfolk Record Office Year-end Update on Actions for 2008/2009

The NRO contributed to the nine County Council objectives through service objectives that are aligned to these. The following examples highlight the progress being made over the past year with the service plan. These are listed under service objectives:

Deliver cultural services that engage with and inspire all communities:

- The NRO contributed to a varied and full programme for Black History Month in October 2008.
- The NRO produced four free information leaflets on immigrant ancestry, detailing the resources, websites and other sources, which can help people, uncover their BME ancestry.

- The NRO has retained its top ranking in The National Archives' (TNA) Self-Assessment Programme for Local Authority Archive Services for 2008, as a four-star, or excellent service. The NRO's overall score of 86.5% was an improvement on its scores of 84% in 2007 and 79% in 2006. The score was also consistently well above the national and regional averages of 70% for archive repositories in the East of England region, 69% for County Council archive services as a whole and 61% for archive services in the whole of England and Wales. This keeps Norfolk firmly in the top 10% of highest performing local authority archive services in the country. It is particularly significant that the NRO achieved, by a large margin, the top scores nationally for Buildings, Security and Environment (96.5%) and for Preservation and Conservation (93%).

Improve access to and quality of arts, libraries, museums and records:

- The NRO was successful in its bid to TNA's National Cataloguing Grants Programme for Archives, 2008 for funding to catalogue the archive of G. King and Son Ltd, lead glaziers, of Norwich.
- Six exhibitions were held in the Long Gallery at TAC and were seen by almost 30,000 people. *Great Yarmouth: A Sand in the Sea* celebrated the 800th anniversary of the granting of the first borough charter to Yarmouth. (The original charter from King John making Yarmouth a borough was also displayed in St Nicholas's church in Great Yarmouth, for the visit of the Princess Royal.) *East meets East* celebrated Norfolk's historical connexions with the far east and coincided with the Beijing Olympics. *The Power of the Word: Norwich Library, 1608-1737* celebrated the library's 400th anniversary. A display of Christmas posters marked the festive season and this was followed by *Working in Partnership and Celebrating Success*, that show cased the work of Norfolk Adult Education Service. *Miniature Windows on the World* was a loan display of western and oriental illuminated manuscripts from the private collection of the late Denys Spittle. Travelling exhibitions went to 14 parishes and 5 other organizations across the county.
- Visits to the Record Office were made by 29,254 people, compared with 25,172 in 2007-8. This is an all-time record.

3. Detailed Budget Out-turn Information

3.1 Appendix 1 to this report provides detailed information on the budget out-turn and contains the following sections:

- Section 1 - Revenue budget out-turn
- Section 2 - Reserves and Provisions

Appendix 2 - provides information on early progress with the 2009/10 budget.

4. S17 Crime and Disorder Act

- 4.1 There are no implications of this report for the Crime and Disorder Act.

5. Equality Impact Assessment

- 5.1 The Norfolk Record Office Service Plan together places diversity, equality and community cohesion at the heart of service development and service delivery. It aims to ensure that activities included in the service plan are accessible to diverse groups in Norfolk and that all policies, practices and procedures undergo equality impact assessment. These assessments help the service focus on meeting the needs of customers in relation to age, disability, gender, race, religion and belief, and sexual orientation.

6. Resource implications

- | | |
|-----------------------------------|--|
| (a) <u>Finance</u> | The NRO achieved a break-even position with the revenue budget in 2008/09. Progress with reserves and provisions was satisfactory. |
| (b) <u>Property</u> | None |
| (c) <u>Staff</u> | None |
| (d) <u>Information Technology</u> | None |

7. Recommendations/Conclusions

The Norfolk Records Committee is asked to:

- Note the Record Office revenue budget and reserves and provision out-turn positions for 2008/09
- Note progress with the service plan during 2008/09.

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1. Revenue Budget Out-turn Report for 2008/09

- 1.1 Based on the position to the end of March 2009, the NRO achieved a break-even position with the net revenue budget, see table below:

Service	Revenue Budget £M	Actual expenditure at Year-end £M	Variance £M
Norfolk Record Office	£1.580	£1.580	£0

- 1.2 However, during 2008/09, the Record Office experienced budget pressures in respect of increased utility costs and reduced service income amounting to £97,000. These were met by service savings of £47,000, together with a transfer of £50,000 from Cultural Services relating to support service savings. The Record Office was therefore able to report a break-even budget position. These pressures continue into 2009/10, however, and are mentioned at Appendix 3 of this report.
- 1.3 Previous reports to this Committee highlighted a long-standing issue concerning business rates for The Archive Centre (TAC). It had been thought that TAC could have a lower business rating valuation if it were to be classed as one premise with County Hall. Eventually this was negotiated and in September 2008 we were informed that a considerable saving had accrued to the Norfolk County Council as a result of this work.

The Archive Centre share of this reduction amounted to £31,000 and has been included in the 2009/10 NRO budget.

- 1.4 For information, the table below shows how much the service actually spends and receives by way of income for 2008/09:

Service expenditure, income and net budget 2008/09

Service element	Expenditure £M	Income (£M)	Net expenditure £M
Record Office	1.701	(0.264)	1.437
Corporate Freedom of Information and Data Protection service	0.143	0	0.143
Total for the NRO	1.844	(0.264)	1.580

APPENDIX 1 (continued)

2. Reserves and Provisions

- 2.1 The Norfolk Record Office Residual Insurance and Lottery Bids Reserve is available to complete the conservation of records damaged in the Norwich Central Library fire.
- 2.2 The Manuscript Reserve is to fund the cost of manuscripts that may become available. Currently the budget shows no commitments but is expected to be fully utilised during 2009/10.
- 2.3 The ICT Reserve is to enable the cost of replacements to be managed across financial years. Provision is being made for replacements that will be required from 2008/09 into 2009/10 as part of an ongoing programme at The Archive Centre.
- 2.4 The table below shows the detailed position for reserves and provisions at 1 April 2008 and the movement during the year to 31 March 2009.

Reserves and Provisions 2008/09	Balances at 1 April 08	Forecast to 31 March 09	Change *
	£M	£M	£M
Residual Insurance and Lottery Bids	0.316	0.308	(0.008)
Manuscript Reserve	0.038	0.038	0
ICT Reserve	0.034	0.034	0
TOTAL	0.388	0.380	(0.008)

* Figures in brackets denote a reduction

Appendix 2

1. Budget Progress 2009/10

- 1.1 Committee Members may be aware of pressures on utility budgets (electricity and gas) and reduced income in 2008/09 that were paid for by in-year savings and use of service reserves. As these pressures were not permanently funded, the service has to find similar levels of funding again in 2009/10. The service will need to find £100,000 in total. At this stage, the NRO anticipates being able to find this either through a combination of efficiency savings, reviewed service charges, new income streams or from reserves, in order to achieve a break-even budget.

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NORFOLK RECORDS COMMITTEE
26 June 2009
Item No: 14

ARCHIVES FOR THE 21ST CENTURY: CONSULTATION DRAFT

Report by the County Archivist

This report summarizes the consultation paper on archives issued recently by HM Government and asks members to comment on it.

1. The Parliamentary Under-Secretary of State for Communities and Local Government, the Minister for Culture, Creative Industries and Tourism in the Department for Culture, Media and Sport, and the Minister of State for Justice have jointly issued a paper which sets out the strategic vision for the sustainable development of a vigorous, publicly funded archive service across England and Wales.
2. The full text of the consultation paper is available online at:

<http://www.nationalarchives.gov.uk/documents/archivesconsultation/archives-for-the-21st-century-england.pdf>
3. The paper replaces the government policy on archives which was issued by the Lord Chancellor in 1999. It builds on the positive achievements around public access to information and takes account of technological developments which have taken place over the past decade.
4. Responses to the consultation, *via* an online questionnaire available at the above website, are requested by 12 August 2009. Individual comments can also be sent to archivesconsultation@nationalarchives.gsi.gov.uk by the same date.
5. The paper defines 'the power of archives' as:
 - Shaping the shared sense of national, community and individual identity that creates the framework for our democracy and

accountability, gives people a frame of reference for their place in society, and helps them to understand how their location, community and family have developed.

- Providing a stimulating environment for individual, family and lifelong learning in formal education, personal research and outreach activities that foster an interest in people, places and our shared histories and experiences
 - Sourcing evidence that demonstrates the integrity and judgment of public and private decisions and actions, which lasts longer and is more reliable than individual memory, thus supporting evidence-based policy making and accountability
6. Section 1 of the paper outlines how the landscape in which archive services operate has also changed radically since 1999. It suggests that large organizations now keep most, if not all, of their information in electronic form, and many individuals and smaller organizations are also moving in that direction. Technology has made the traditional concept of the 'record' more complex, as new channels and tools for recording and communicating information proliferate. Individual citizens increasingly expect information to be accessible online as a right, not a privilege, while society is becoming more diverse, mobile and transient. At the same time, the expectations of public services, both by government and citizens, have become more demanding.
7. Section 2 provides a vision of the potential of publicly funded archives and what they can aspire to offer, stating that access to them and the historical information derived from them should be available to every citizen. Archives have the power to inspire, inform and entertain. They can provide accounts of the way individuals, families and communities interact, make decisions, learn and enjoy themselves and provide vital links between past, present and future generations. The value of this major resource should be recognized and harnessed for the benefit of all.
8. Section 3 outlines the challenges facing archive services in the delivery of their core task of maintaining historical information and helping people to access and understand the past. There is an inconsistency of provision across the country, while, historically, the value of archives has not been recognized in the same way as those of museums and libraries, thus archives have received a lower priority in budget-setting processes. The challenges include:
- Inequalities of funding, which mean major disparities in scale and quality of provision of service across England and Wales.
 - The size and condition of some buildings which house archives can place collections at physical risk and can also place a real constraint on accepting new material or providing wider public access.
 - There is a major challenge for managing digital records effectively, ensuring access now and in the longer term in a readable archive.

- The task of providing online access to catalogues is incomplete, and work to digitize collections is mostly small-scale and piecemeal.
 - Backlogs of uncatalogued material are growing, meaning that access to collections is denied.
 - There are many changes in the way in which local archive services are delivered, particularly in learning and culture, thereby highlighting the need to create opportunities to collaborate with other archives or other cultural services.
 - The need to further develop clear, strong and dynamic leadership within the sector at all levels is critical.
9. Section 4 sets out five key recommendations, which will help create a more vibrant and sustainable archive sector, that participates actively within the many diverse communities that it serves. The five recommendations are:
- Fewer, bigger, better – working towards increased sustainability within the sector.
 - Strengthened leadership and a responsive, skilled workforce.
 - Co-ordinated response to the growing challenge of managing digital information so that it is accessible now and remains discoverable in the future.
 - Comprehensive online access for archive discovery through catalogues and to digitized archive content by citizens at a time and place that suits them.
 - Active participation in cultural and learning partnerships promoting a sense of identity and place within the community.
10. Section 5 highlights the need for concerted action by all parties connected to the archive sector to ensure a sustainable future, allowing active participation in the activities that support a healthy and robust democracy and community. Implementing the principles outlined above will help to provide archive services with a firm foundation for the future and assist in raising their profile to demonstrate their value and importance within the wider community. The paper is presented as a call to action, particularly to the parent organizations of publicly-funded archive services in local authorities and universities, to recognize the essential value which archives can add to the delivery of services locally.
11. The paper gives a model for excellence for publicly funded archive services, stating that high-performing archive services should aim to:
- Broaden and deepen public access to their resources.
 - Support evidence-based policy making and the accountability of decision makers.
 - Ensure the sustainability of services by balancing resources across their responsibilities and placing continuous improvement at the heart of all activities.

- Perform to the highest levels and champion continuous professional development.
 - Integrate with other cultural, learning and information services to offer essential resources that meet people's needs.
 - Embed excellence, scholarship, creativity and diversity in all they do.
 - Innovate, be entrepreneurial and able to adapt to new working methods.
 - Provide attractive and enjoyable places for people to visit and use.
12. *Archives for the 21st Century* provides a sensible analysis of the current state of the archive domain and of the measures which need to be taken to improve it. It does not, however, provide a clear picture of how such improvements will actually be achieved. Nevertheless, it is the most significant national consultation on archives which has been undertaken to date, having the weight of three government departments behind it and the involvement of The National Archives and the Museums, Libraries and Archives Council in its drafting. This consultation paper is therefore to be welcomed, although its publication now is perhaps not particularly well-timed.
- 13. Equality Impact Assessment (EqIA)**
The Norfolk Record Office's Service Plan places diversity, equality and community cohesion at the heart of service development and service delivery. It aims to ensure that activities included in the service plan are accessible to diverse groups in Norfolk and that all policies, practices and procedures undergo equality impact assessment. These assessments help the service focus on meeting the needs of customers in relation to age, disability, gender, race, religion and belief and sexual orientation.
- 14. S.17 Crime and Disorder Act**
There are no implications of the report for the Crime and Disorder Act.
- 15. Financial Implications**
Financial implications are explained in the report and its appendixes.
- 16. Property, Staffing and IT Implications**
Property, Staffing and IT matters are not specifically considered in this report.
- 17. Recommended** that members note the report and comment on it.

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