

**NORFOLK JOINT MUSEUMS & ARCHAEOLOGY COMMITTEE
ACCOUNTS APPROVAL & URGENT BUSINESS SUB-COMMITTEE**

Minutes of the Meeting held on 4 November 2011

Present:

Mr D Bradford
Mr P Duigan

Mr B Stone
Mr M Wilby

Substitute Member Present:

Mr J Ward for Dr C Kemp

Also Present:

Mr H Bullen for the Head of Finance
Mr P King from the Audit Commission who introduced the Audit Commission Annual Governance Report for 2010/2011

1 Election of Chairman

Resolved –

That Mr P Duigan be elected Chairman of the Sub-Committee for the ensuing year.

(Mr P Duigan in the Chair)

2 Election of Vice-Chairman

Resolved –

That Mr B Stone be elected Vice-Chairman of the Sub-Committee for the ensuing year.

3 Apologies

Apologies for absence were received from Mr P Hardy and Dr C Kemp (with Mr J Ward attending as Substitute).

4 Minutes

The minutes of the previous meeting held on 25 June 2010 were confirmed by the Sub-Committee and signed by the Chairman.

5 Declarations of Interest

There were no declarations of interest.

6 Urgent Business and Additional Information

There were no items of urgent business.

The Sub-Committee received on the table additional information from the Head of Finance which stated that since the Sub-Committee agenda papers were issued, the auditors had completed their audit and identified some further changes. Details of the amendments were enclosed at Appendix A to these minutes. The Sub-Committee were asked to consider and approve these as part of their approval of the 2010/2011 Statement of Accounts.

7 Letter of Representation

The annexed report by the Head of Finance was received.

The Sub-Committee received a report that included a draft Letter of Representation to the external auditors about the audit of the financial statements for 2010/2011. The letter was required by the auditors before they issued their opinion and conclusion on the accounts.

Resolved –

That on behalf of the Sub-Committee, the Chairman of the Joint Museums and Archaeology Committee and the Head of Finance be authorised to sign the Letter of Representation to the external auditors that is enclosed within the attached report.

8 Audit of the Statement of Accounts 2010/2011

The annexed report by the Head of Finance was received.

The Sub-Committee received a report that summarised the Statement of Accounts for the Norfolk Joint Museums and Archaeology Committee for 2010/2011 which had been subject to external audit by the Audit Commission.

The Sub-Committee noted the following:

- The Sub-Committee was reminded of the tabled amendments (referred to in Minute 6).
- The Statement of Accounts was presented to the Sub-Committee in the format required for statutory external reporting requirements.
- The report summarised changes to the accounts as a result of the implementation of International Financial Reporting Standards (IFRS) and summarised changes which had been made as a result of audit and officer review during the audit period.
- The Head of Finance anticipated that the Sub-Committee would receive an unqualified audit report.

Resolved –

That the Sub-Committee approve the 2010/2011 Statement of Accounts as set out in the report and inclusive of the amendments that had been tabled in the meeting.

9 Audit Commission – Annual Governance Report 2010/2011

The annexed report by the Head of Finance was received.

The Sub-Committee received a report from the Head of Finance that introduced the Audit Commission Annual Governance Report for the Norfolk Joint Museums and Archaeology Committee audit 2010/2011.

The Sub-Committee also received with the report the Audit Commission Annual Governance Report which was introduced by Mr Philip King from the Audit Commission.

Resolved –

That the Sub-Committee note the Audit Commission Annual Governance Report including:

- The proposed unqualified audit opinion and that there were proper arrangements to secure value for money.
- The material adjustments to the financial statements which were set out in the report.
- Approve the Letter of Representation, provided alongside this report, on behalf of the Sub-Committee before the District Auditor issued his opinion and conclusion.

10 Chairman's Concluding Remarks

It was noted that the meeting had been preceded by an informative half-hour Induction training session that gave Members a more clear understanding of the accounting policies adopted by the Joint Committee and the need to ensure there was a sound system of internal control, which included arrangements for the management of risk. On behalf of the Sub-Committee, the Chairman said that he was grateful to Mr Harvey Bullen (Head of Budgeting and Financial Management) for conducting the training session that preceded the meeting and to Mr Philip King from the Audit Commission for taking the time to attend the meeting and introduce the Audit Commission's Annual Governance Report for 2010/2011.

The meeting concluded at 2.45pm

Chairman



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Appendix A

**Norfolk Joint Museums and Archaeology Committee
Accounts Approval and Urgent Business Sub-Committee
4 November 2011
Item No:**

**Norfolk Joint Museums and Archaeology Committee
Annual Statement of Accounts 2010/11**

Report by the Head of Finance

Since the Committee papers were issued, the auditors have completed their audit and identified some further changes. These have been amended in the accounts and details of the amendments are listed here. The revised pages are attached and members are asked to approve these as part of their approval of the 2010-11 Statement of Accounts.

Changes to Accounts in November Committee papers

Page	Review	Section	Reason for adjustment	Adjustment	Amount £m
24	Audit	Statement of responsibilities	Change of page reference	Certificate by the Head of Finance has been amended to pages 28 to 51.	-
25-27	Audit	Audit Opinion	Title of the Committee has been corrected in the detailed narrative.	Audit opinion shows Norfolk Joint Museums and Archaeology Committee	-
32	Audit	Cash Flow Statement	Note cross reference incorrect.	Note reference amended from note 10 to note 11.	-
41	Audit	Note 7 Financial Instruments	Creditors amounts amended to reflect balance sheet and note 10 for 2009-10 and 2010-11	2009-10: Decrease financial liabilities carried at contract amounts 2010-11: Decrease financial liabilities carried at contract amounts	-0.021 -0.018
42	Audit	Note 9 Debtors	Analysis of debtors note amended to correct the breakdown provided.	Public corporations and trading funds line deleted; central government bodies and cash debtor adjustment figures amended	-
49	Audit	Note 16 Grant Income	Note amended to comply with the Accounting Code of Practice	Norfolk County Council contribution line removed and a breakdown of the grant income has been provided.	-

Certificate by the Head of Finance

I certify that the Statement of Accounts set out on pages 28 to 51 presents a true and fair view of the financial position of the Joint Committee at 31 March 2011 and its income and expenditure for the year ended 31 March 2011. These financial statements replace the unaudited financial statements certified by the Head of Finance on 13 July 2011

P. D. Brittain,
Head of Finance
Date: 4 November 2011

Independent Auditors' Report to Members of Norfolk Joint Museums and Archaeology Committee

Opinion on the financial statements

I have audited the accounting statements of Norfolk Joint Museums and Archaeology Committee for the year ended 31 March 2011 under the Audit Commission Act 1998. The accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement 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 Joint Museums and Archaeology Committee in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and of Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of the Head of Finance and auditor

As explained more fully in the Statement of the Head of Finance's Responsibilities, the Head of Finance is responsible for the preparation of the Committee's Statement of Accounts in accordance proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. My responsibility is to audit the accounting statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements sufficient to give reasonable assurance that the accounting statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee; and the overall presentation of the accounting statements. I read all the information in the explanatory foreword to identify material inconsistencies with the audited accounting statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on accounting statements

In my opinion the accounting statements:

- give a true and fair view of the state of Norfolk Joint Museums and Archaeology Committee's affairs as at 31 March 2011 and of its income and expenditure for the year then ended; and

- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

Opinion on other matters

In my opinion, the information given in the explanatory foreword for the financial year for which the accounting statements are prepared is consistent with the accounting statements.

Matters on which I report by exception

I have nothing to report in respect of the governance statement on which I report to you if, in my opinion the governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007.

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

Committee's responsibilities

The 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 to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

I am required under Section 5 of the Audit Commission Act 1998 to satisfy myself that the Committee has made place proper arrangements 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 relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

I report if significant matters have come to my attention which prevent me from concluding that the Committee has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. I am not required to consider, nor have I considered, whether all aspects of the Committee's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Basis of conclusion

I have undertaken my audit in accordance with the Code of Audit Practice, having regard to the criteria for other local government bodies published by the Audit Commission in October 2010.

I planned my work in accordance with the Code of Audit Practice. Based on my risk assessment, I undertook such work as I considered necessary to form a view on whether, in all significant respects, the Committee had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of my work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2010, I am satisfied that, in all significant respects, Norfolk Joint Museums and Archaeology Committee put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2011.

Certificate

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

Rob Murray

Officer of the Audit Commission
3rd Floor, Eastbrook
Shaftesbury Road
Cambridge, CB2 8BF

4 November 2011

Cash Flow Statement

2009/10 (Restated)		2010/11
£000s		£000s
446	Net (surplus) or deficit on the Provision of Services	40
(448)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(41)
<u>(2)</u>	Net (increase) or decrease in cash and cash equivalents	<u>(1)</u>
6	Cash and cash equivalents at the beginning of the reporting period (note 11)	8
8	Cash and cash equivalents at the end of the reporting period (note 11)	9

Details of earmarked reserves

Information Technology

Monies are set aside for specific IT projects.

Museums Income Reserve

This reserve is to assist with the budget management of fluctuations in income from visitors due to unpredictable seasonal variations. In years of unfavourable weather conditions, visitor number can decrease which would result in a service overspend.

Repairs and Renewals Reserve

This reserve is to meet the cost of emergency conservation works to collections at Norwich Castle.

Unspent Grants and Contributions Reserve

This reserve contains the balances on the Joint Committee's unconditional grants and contributions.

Note 7 Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

	Current	
	31 March 2010 (Restated) £000s	31 March 2011 £000s
Debtors		
Loans and receivables	1,906	1,222
Total Debtors	1,906	1,222
Creditors		
Financial liabilities at amortised cost	0	0
Financial liabilities carried at contract amounts	1,393	649
Total Creditors	1,393	649

The fair value of short term debtors and creditors is taken to be the invoiced or billed amount.

Note 8 Inventories

	Consumable Stores	
	2009/10	2010/11
	£000s	£000s
Balance outstanding at start of year	165	205
Purchased	446	331
Recognised as an expense in year	(402)	(364)
Written off balances	(4)	(71)
Reversals of write offs in previous years	0	0
Balance outstanding at year end	205	101

Note 9 Debtors

	31 March	31 March	31 March
	2009	2010	2011
	£000s	(Restated)	£000s
		£000s	
Central government bodies	91	869	471
Other local authorities	4	2	32
Prepayments	0	65	1
Other entities and individuals	111	116	93
Cash debtor adjustment	1,394	854	625
Less: Bad debt provision	(61)	0	0
Total	1,539	1,906	1,222

The significant increase is due to a greater emphasis on the use of scale fees based on the Joint Committee's gross expenditure. The Joint Committee incurred no costs in relation to certification of grant claims, statutory inspections and to non audit services provided by the Joint Committee's external auditors.

Note 16 Grant Income

The Joint Committee credited the following grants, contributions and donations to the Cost of Service within the Comprehensive Income and Expenditure Statement:

	2009/10 £000s	2010/11 £000s
Grant Income:		
MLA Council Grant	1,999	2,170
Department for Work and Pensions	103	68
Heritage Lottery Fund	116	55
English Heritage	194	0
Arts Council Grant	23	21
Department for Culture, Media and Sport	20	0
Creative Partnerships	29	0
Museums and Libraries Sponsorship Unit	36	0
East Anglia Art Fund	20	0
Other small grants	209	90
Contributions:		
Breckland District Council	20	0
Broadland District Council	8	0
Great Yarmouth Borough Council	41	47
King's Lynn and West Norfolk Borough Council	13	126
North Norfolk District Council	45	68
Norwich City Council	37	18
Total	2,913	2,663

Note 17 Related Parties

The Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Committee or to be controlled or influenced by the Joint Committee. Disclosure of these transactions allows readers to assess the extent to which the Joint 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 the Joint Committee.