

Annual Report and Accounts for the year ended 31 March 2012

The Accountable Officer authorised the enclosed accounts for issue on 10 September 2012.

SG/2012/84

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National Records of Scotland Annual Report

Foreword by the Registrar General and the Keeper of the Records of Scotland, George MacKenzie



This is the first Annual Report and Accounts for National Records of Scotland (NRS), which was formed by the merger of the General Register Office for Scotland and the National Archives of Scotland on 1 April 2011. We report on key business objectives identified from the strategic plans of the predecessor organisations. We also show how we used our budget and what it achieved during the year.

We have made good progress on realising benefits from the merger, particularly with the sharing of expertise across the organisation. One outward sign was the opening in October of a new service allowing adopted persons access to the records of their own cases which previously were split between the register office and archives. This was welcomed by the agencies advising adopted people and appreciated by all who have used it.

We also saw progress on implementing the Public Records (Scotland) Act 2011, with the launch of a consultation on the model records management plan and guidance in February 2011. We have benefited from valuable input from stakeholders from the local authority and voluntary sector and will continue to work with them in the run up to 2013 when the Act comes fully into force.

With the help of the National Heritage Memorial Fund, NRS has acquired for the nation the archive of the Dundas family, Viscounts Melville. Offices held by First Viscount, Henry Dundas and his son Robert make the archive a unique resource for aspects of Scottish and wider British history between about 1780 and 1830. Also during the year, a 700-year-old letter believed to have once been in the possession of William Wallace returned to Scotland on loan to NRS from The National Archives, and we published a new edition of our perennially popular book, *Tracing Your Scottish Ancestors*.

The results of the 2011 Census held on 27 March continue to be processed and we look forward to releasing the first results to our customers towards the end of 2012. We continued our series of publications of population statistics throughout the year. There was a good level of public and media interest in Scotland's changing demographic patterns, but it was once again baby names which fascinated the most. The [Registrar General's Annual Report](#) on Scotland's population is being published separately.

Looking forward, NRS will continue to provide high quality services to all our customers and look for further opportunities for improvement from the merger.

Introduction

What is covered in this Annual Report.

The Annual Report describes our status and the functions of the National Records of Scotland. We provide a review of our general performance and our performance against business objectives. In our accounts we detail how we used our budget and the governance structure of NRS.

Our Remit – Who we are

We are a non-ministerial Government Department, headed by the statutory roles of the Registrar General and the Keeper of the Records of Scotland. We are associated with the Scottish Government and are part of the Scottish Administration under Section 128(6) of the Scotland Act 1998.

All the functions of the Registrar General in relation to registration, statistics and the census are devolved. The Scottish Parliament has legislative responsibility for these functions and the Registrar General is responsible to Scottish Ministers for them.

The National Archives of Scotland were designated as one of Scotland's five National Collections in 2006. Following the merger with the General Register Office for Scotland, NRS now has the responsibility for the National Archive. The Keeper of the Records of Scotland is responsible to Scottish Ministers for its management, performance and future development.

The Scottish Government Minister responsible for NRS during the period 1 April 2011 – 31 March 2012 was Cabinet Secretary for Culture and External Affairs, Fiona Hyslop MSP.

NRS has a wide and diverse community of stakeholders and plays a central role in the cultural, social and economic life of Scotland, supporting several of the Scottish Government's key National Outcomes and measuring its Population Purpose Target. We continue to perform the registration and statistical functions of GROS and the archival functions of NAS, including maintaining the archives as one of Scotland's five National Collections, and our leadership role for Scottish archive and record professionals.

We have built on existing close relationships between the two former bodies, forged in the service for family history when the highly successful ScotlandsPeople brand was formed. Combining the resources of the former NAS and GROS has created a stronger organisation with wide skills in recording, acquiring, processing, analysing, preserving and making available records and information.

NRS now assumes responsibility for important and high profile tasks which must be completed successfully; administration of the decennial Scottish Census which took place on 27 March 2011 and preparation of guidance resulting from the Public records (Scotland) Act 2011 which is due to come into force in 2013.

How we serve the public and support government

The National Records of Scotland holds records spanning the 12th to the 21st centuries, touching on virtually every aspect of Scottish life. We are the repository for the public and legal

records of Scotland but we also accept many local and private archives. We hold one of the most varied collections of records in Britain.

We administer the registration of life events such as births, deaths, marriages, civil partnerships, divorces and adoptions. We are also responsible for the statutes relating to the formalities of marriage and the conduct of civil marriage.

We take the census of Scotland's population every ten years and prepare and publish demographic and other statistics for central and local government, for medical research and for the private sector.

How what we do develops expertise

NRS employs a variety of specialist staff including archivists, conservators, statisticians and researchers.

The NRS has a long history of supporting academic research and has strong relations with Scottish universities. We have funded two PhD students, doing research that is relevant to our statistical work, and both of them have been awarded their PhDs this year. We also continue to provide support for researchers working in the Centre for Population Change and on the Scottish Longitudinal Study.

We run two 'Postgraduate Training Visits to Edinburgh Repositories' each year, to introduce Scottish postgraduates to the resources available in archives and the particular research skills required to use them, plus a 'Scottish Handwriting 1500-1700' course through Edinburgh University's Open Studies programme. Specialist workshops for students are provided on request from course lecturers and several university departments visit NRS on an annual basis. Several NRS staff pursue private research and are regularly recommended to PhD students by their supervisors as sources of advice and guidance.

The Keeper of the Records of Scotland is head of the archive and records management profession in Scotland. Staff play an important role in developing expertise in these areas through close relations with the two Scottish postgraduate archive courses at Glasgow and Dundee. We provide seminars, student placements and speakers for these courses, as well as staff sometimes acting as tutors or external examiners. We also provide two pre-course training posts for individuals wishing to gain experience before applying for an archives/records management course, and have other undergraduate students working as volunteers on various cataloguing projects.

Archive and Conservation staff are encouraged to pursue CPD opportunities and more experienced staff act as Mentors for newly qualified colleagues undertaking the Association of Records and Archives (ARA) Registration Scheme. NRS is a registered conservation training office, and our Head Conservator a registered instructor, for the ARA. She is also an accredited assessor for the Institute of Conservation (ICON) Preservation Accreditation Scheme and an assessor for ICON's para-professional Conservation Training Technician qualification.

NRS also has strong national and international links within the archives, conservation and records management communities, sharing expertise and contributing to the work of bodies like the International Council on Archives and the European Archives Group.

Our ICT staff research and develop innovative solutions in the field of survey technology which was used in the 2011 census programme and will be further developed to inform future work. We exchange and share our specialist expertise with other national statistical agencies worldwide on a regular basis, for example in the field of delivering and integrating robust online census questionnaire systems to enhance the user experience and improve data quality. NRS contributes to the International Census Forum, United Nations Economic Commission for Europe (UNECE) Group of Experts on Population and Housing Censuses and dedicated topic specific working sub-groups on the future of large scale national surveys.

The 2011 Census was subject to an Independent Information Assurance Review by a team of industry experts. This team produced two very complimentary reports on how Information Assurance (IA) was carried out across the census programme and the NRS approach is being seen and adopted as an example of not only best practice for IA within that arena, but also best practice for information management.

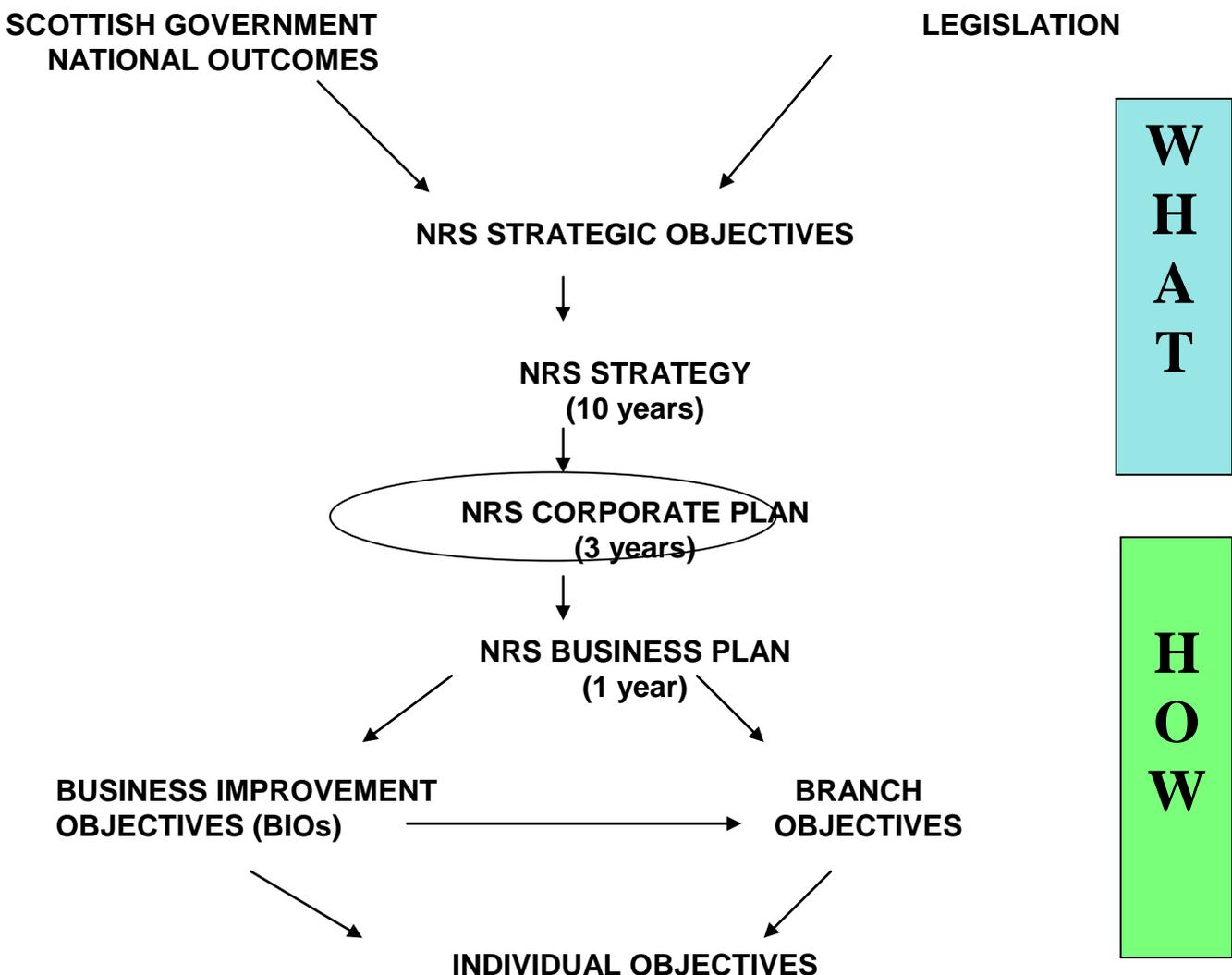


'Deaths lowest since records began in 1855' (8 March 2012)
The number of deaths in Scotland fell to 53,661 in 2011, the lowest number since records began in 1855.

Business Plan 2011-12 and Performance

NRS published a [Business plan](#) for 2011 -12 which explained how the two former organisations would merge more fully over the year, building a shared working culture and developing a vision for the new organisation.

Both GROS and NAS had undergone a strategic planning exercise prior to merger considerations and this provided a strong starting point for NRS. The initial seven strategic objectives identified in the Business Plan 2011-12 have been refined to produce our [Strategic Plan](#) which sets out our Priority Outcomes for the 10 year period to 2012-2022. The following diagram shows the planning process adopted in NRS, to consider the link between the Scottish Government National Outcomes through the NRS objectives to NRS staff's individual objectives.



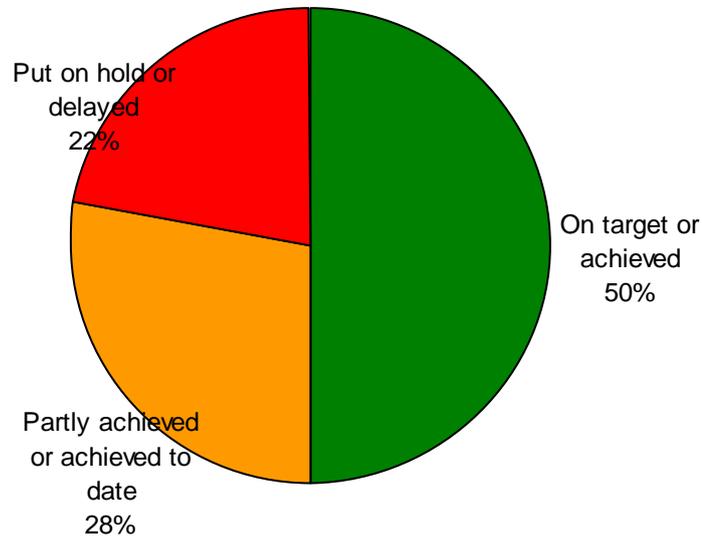
For 2011-12 the [NRS Business Plan](#) identified 18 Business Improvement Objectives (BIOs) as the strategic and corporate objectives of the organisation. The objectives are identified as the main tasks to drive business development improvements for NRS, designed to be completed over time and not necessarily be achieved within the reporting year. These BIOs are:

Ref no.	Title
BIO 1	To design and implement an innovative new Information Discovery System that will enable customers to search and access electronic images and information about the records more effectively
BIO 2	Design and implement an integrated ICT service for NRS
BIO 3	To work with Registers of Scotland, in co-operation with the National library of Scotland to develop long term preservation solutions for public digital assets.
BIO 4	To implement the provisions of the Public Records (Scotland) Act 2011 and publish supporting Model Records Management Plan and guidance
BIO 5	To implement the provisions of the Public Records (Scotland) Act 2011, establishing protocols and procedures for dealing with court records.
BIO 6	To create a knowledge base or similar consisting of critiqued guidance and best practice on electronic records with particular emphasis on the public sector
BIO 7	Direct and manage the introduction of new records management procedures for NRS and produce a records management plan in line with the Public Records (Scotland) Act 2011 by end July 2012
BIO 8	To provide a cross sectoral data linkage service and expanded safe haven facility
BIO 9	Develop Digital Resources
BIO 10	Assessment of alternatives to the census: working with the SG and ONS assess the feasibility of replacing traditional census enumeration in Scotland with a more efficient system for producing population statistics based on administrative data
BIO 11	2011 Census Data Analysis: 1) Manage the outsourced capture and coding and phased delivery of personal census information to the Downstream Processing (DSP) solution between August and November 2011. 2) Via the DSP solution, undertake a range of statistical processes and robust quality assurance (externally reviewed by Census Data Quality Advisory Working Group)
BIO 12	2011 Census Data Outputs: To deliver complete, accurate and accessible population statistics, which meet user requirements, on a consistent and comparable basis nationally and for small areas and small population groups. To be delivered through a series of phased data releases and reports between July 2012 and late 2013.
BIO 13	Design and implement an integrated NRS website
BIO 14	Produce a 2012-15 Corporate Plan for NRS by 31 January 2012
BIO 15	To progress the sale of Station Road and optimise the available storage space within NRS properties, following the merger, in order to reduce our overall storage costs.
BIO 16	Establish Local Family History centres
BIO 17	Implement, develop and maintain a Business Continuity Management System across NRS which ensures there are BC measures in place to continue to operate selected services following a disruption.
BIO 18	Adopt the Carbon Management Programme with the Carbon Trust to improve energy efficiency in NRS by the required targets to comply with the mandatory Carbon Reduction Commitment requirements

A more detailed review of the end of year position for each BIO can be found at Annex A.

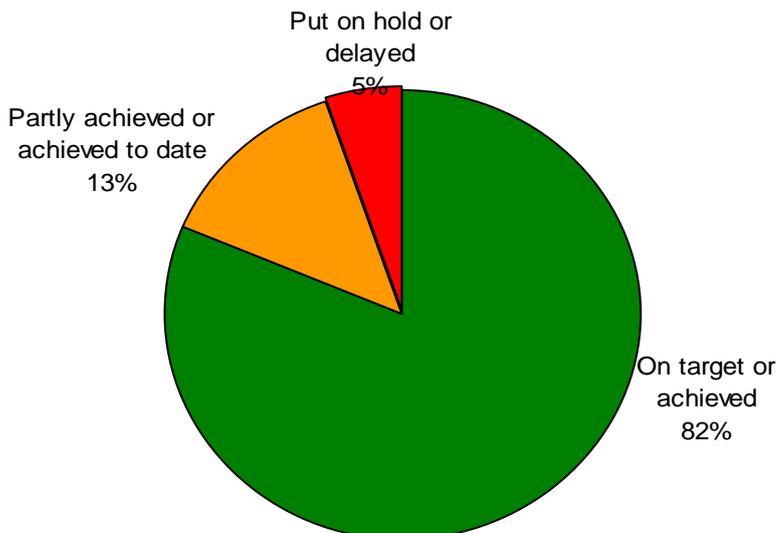
The end of year summary on the final performance follows in the chart below:

Progress on Business Improvement Objectives to end March 2012



As reported in the [Business Plan 2011-12](#), NRS is organised into six Divisions. Objectives and tasks identified as key to the business of NRS at Divisional level is reported within the branch plans of each Division. This year we identified 134 business objectives key to NRS. Performance of these objectives is summarised in the chart which follows:

Business Objectives end year position



The detail of the business objectives and the reported outturn of these can be found at Annex B.

The responsibilities of each Division are summarised below.

Records Services: Deals with issues related to archives and record-keeping. It selects, preserves and conserves, and catalogues records of permanent historical value in all formats created by outside bodies and NRS. It leads on the development of guidance for the new Public Records (Scotland) Act 2011 and advises government bodies, the courts, private and corporate owners about their record-keeping responsibilities. This Division has an important role in ensuring that, along with other national archives around the world, NRS remains at the fore-front of new developments in record keeping.

Public Services: Encompasses NRS's public services, both on-site and on-line. On-site services include Extract Services, ScotlandsPeople, the Historical Search Room and the Legal Search Room, as well as a special service for adopted individuals. It meets NRS's statutory duty to provide extracts from various legal registers including the registers of births, deaths, marriages, civil partnerships, adoptions, and sasines. The NRS's education and outreach programmes, its online resources team, digital imaging unit and the Scottish Register of Tartans are also housed in this division.

Registration: Responsible for the administration of civil registration of vital events (births, deaths, stillbirths, marriages, civil partnerships, divorces, dissolution of civil partnerships, gender recognition and adoptions). It is also responsible for the administration of the statutes relating to the legal preliminaries to marriage and civil partnership, and the solemnisation of civil marriages and registration of civil partnerships. It looks after the IT systems which make possible the electronic capture and distribution of information for registration purposes.

Census: Responsible for the delivery of the results from the 2011 Census programme. Census results help to plan a better future for Scotland and its local communities. Central and local government, health authorities, businesses and community groups all benefit from the availability of Census information.

Demography: Publishes statistical information about the people of Scotland such as births, deaths, migration, population estimates and projections. These statistics are used by the Scottish Government, local authorities and others to inform policies and also to help in planning.

Corporate Services: Supports the work of other branches in the department. It is responsible for budgeting and spending reviews and revisions, coordinating and monitoring the corporate planning process. It arranges the supply of accommodation, voice and data communications, ICT, learning and development and office services. It liaises with the Scottish Government divisions who provide NRS with personnel, ICT and financial services.



Sustainable Development and Environmental Policy

To further improve our environmental performance by reducing resource consumption and carbon emissions during 2011-12 we joined the Carbon Management Programme with the Carbon Trust in order to develop a Carbon Management Plan which would become an integral part of the 'Sustainability' programme within NRS. This marked the beginning of our journey to embed carbon management into our operational activities through a programme of focused carbon reduction projects, which are both behavioural and technical, aimed at improving energy efficiency and reducing the carbon footprint of the organisation.

By April 2016 NRS expects to have reduced carbon emissions by at least 20% against the baseline carbon emissions recorded for the 2010-11 financial year. To achieve this our Carbon Management Plan concentrates on the following areas:

- **Reducing consumption of energy, water, paper and other resources** – We will continue to monitor energy and water consumption and have set reduction targets to measure our performance. We will focus the required maintenance and upgrading of plant and equipment within our buildings towards reducing energy consumption to improve both energy and financial efficiency of our business operations. The programme of works during 2011-12 reduced our energy consumption by 15.3%.
- **Waste management** – We have continued to focus on our recycling initiatives to reduce the amount of waste we produce by re-using and recycling products and materials. In September we implemented food recycling with our waste management contractor for 2 of our buildings. A total of 72.3% of our waste was recycled this year. Where possible we also arrange for the disposal of our old mobile phones, IT equipment and furniture through recycling, or reconditioning for use by charities.
- **Refurbishment** - We ensure any refurbishment work on our buildings is carried out to achieve a good standard of environmental performance and any essential repairs and ongoing maintenance is carried out timely to meet statutory regulations and official codes of practice.
- **Business Travel** – We have a Business Travel policy to promote alternatives to travel (tele and video conferencing), reducing air travel and the use of environmentally friendly transport options for official business (local bus & rail tickets) to support the emissions reductions target set in the Climate Change (Scotland) Act 2009.
- **Sustainable Procurement** - We aim to build sustainable procurement into our culture to take proper account of sustainability in procurement activity and to be able to demonstrate how this is achieved – where feasible buying goods and services which are derived from natural and sustainable sources and which are manufactured, delivered and disposed of in an environmentally responsible way.

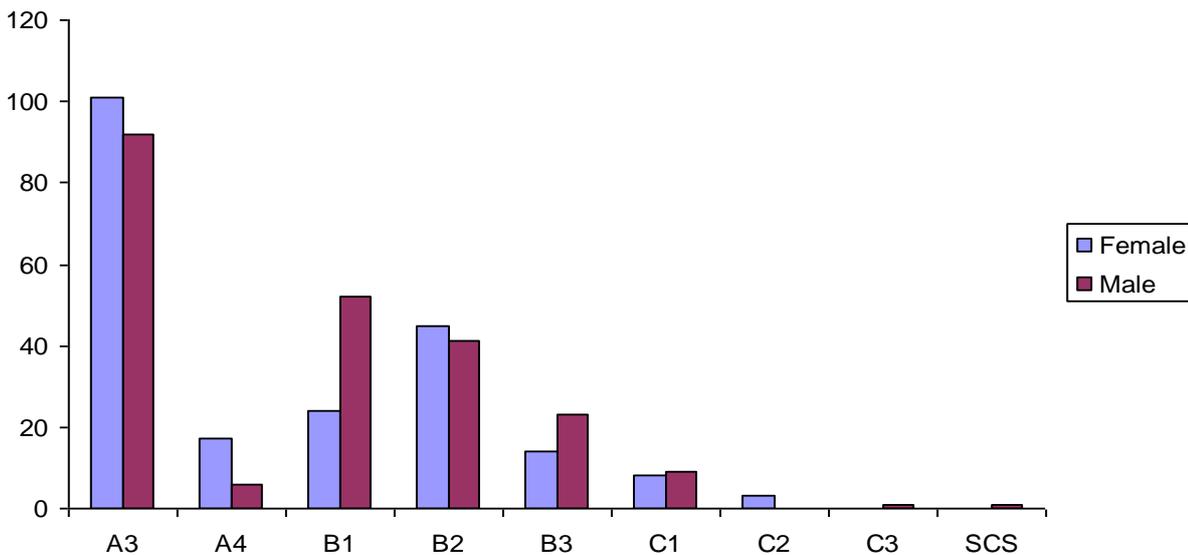
Our People Related Performance

Our Staff

We share a common pay and HR service with the Scottish Government and our terms and conditions of service are the same as those of SG staff.

Our staff in post figure at the end of the reporting period was 438. These figures were taken from e-HR system which we use to monitor and measure the diversity of our organisation.

Staff numbers by grade and by gender March 2012

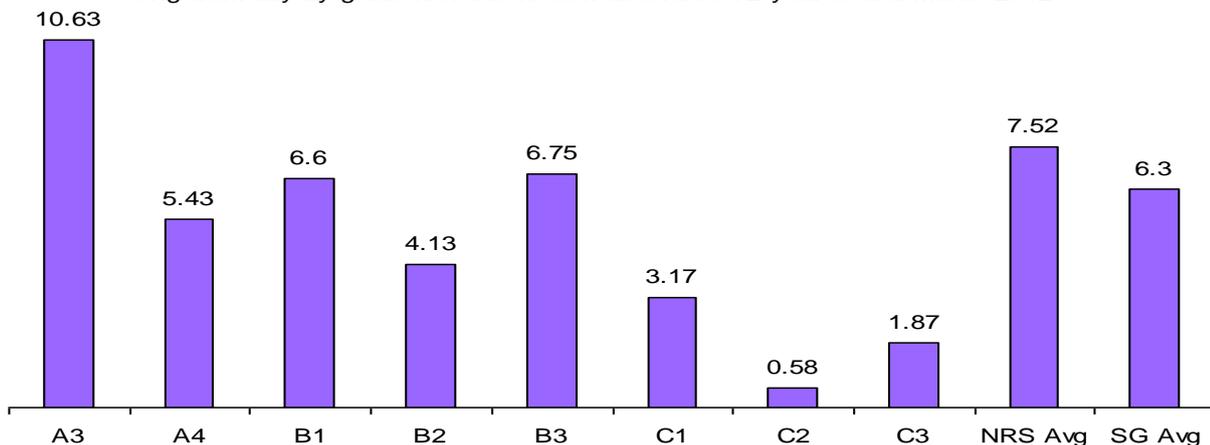


Sick absence

This table provides summary statistics on staff sick absences. In 2011/12, the average number of working days per staff year lost was 7.52 days, compared to Civil Service average of 8 working days lost. This compares favourably to the public sector (9.1 days CIPD, 8.1 days CBI).

The table below provides a breakdown of staff sick absence by grade.

Avg work day by grade lost due to sick absence/FTE year to end March 2012



Employee Survey 2011

This year's Employee Survey was once again part of the Civil Service People Survey which covered 98 UK Departments. This was the first survey since the amalgamation and captured the views of NRS staff.

The purpose of the survey was to obtain staff views about various aspects of working in the Scottish Government and NRS. It looked to identify what works well and what could be improved with a particular focus on employee engagement. It provided us with information on how we can become a more effective organisation through a better engaged workforce. 68% of our staff responded to the survey and using the results from this and staff focus groups, we actively identified measures for improvement in the short and longer term. A copy of our results can be found at:

<http://www.gro-scotland.gov.uk/aboutgros/nrs-employee-engagement.html>



'Scotland sees rise in the number of households' (19 May 2011)

2.8 per cent of dwellings in Scotland are vacant and 1.4 per cent are second homes, though there is wide variation across the country.



'Scotland's Population to Continue to Rise' (26 October 2011)

The number of people of working age is projected to increase from 3.27 million in 2010 to 3.45 million in 2020 (an increase of 6 percent)

Review of the year

Records Services

Public Records (Scotland) Act 2011

The Public Records (Scotland) Act received Royal assent on 20 April 2011. It is the first new public records legislation in Scotland since 1937.

The Act fulfils one of the main recommendations of the 2007 Historical Abuse Systemic Review: Residential Schools and Children's Homes in Scotland 1950-1995 (The Shaw Report) which identified significant failures in public record keeping in the looked after children sector. The Shaw Report made several recommendations to Scottish Ministers for improvements, and a further review in 2009 by the Keeper confirmed that problems with record keeping extended into other sectors as well.

The Act offers an opportunity to create a public sector culture that acknowledges the importance of records, one that recognises how they underpin corporate rights and responsibilities, and understands how they guarantee the rights of citizens. It requires named Scottish public authorities to submit a records management plan (RMP) to be agreed by the Keeper. It also requires the Keeper to issue a model records management plan and guidance on the form and content of that plan. An authority must '*have regard to the model records management plan*' when preparing their own RMP.

To develop the model plan and supporting guidance we set up a Public Records Stakeholder Forum. The forum was made up of representatives from various sectors and relevant professions, bringing together a wide range of professional public sector expertise and knowledge. The resulting draft plan and guidance were made available by way of a public consultation that ran from 27 Feb - 18 May 2012. Responses to the consultation will inform further development of the model plan and guidance. Full implementation of the Act is scheduled for January 2013, when the first public authority will be invited to submit its RMP.

NRS also accepts records from a wide range of public authorities. The Public Records (Scotland) Act has stimulated significant client activity by these bodies, with NRS seeing a 30% increase in business from them.

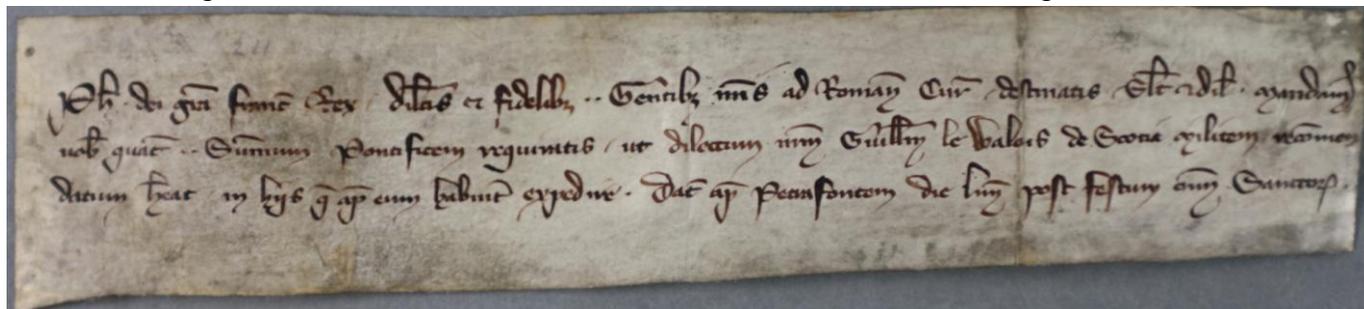


'Scotland's Population to Continue to Rise' (26 October 2011)

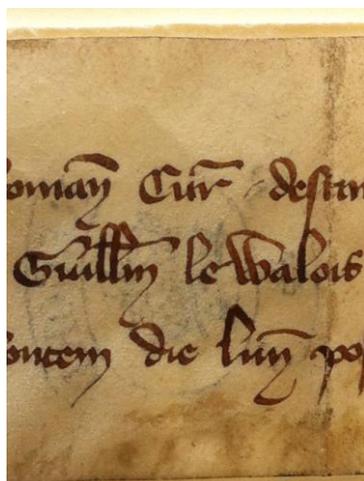
The number of people aged 75 and over is projected to increase by around 23 percent, from 0.41 million in 2010 to 0.50 million in 2020.

Wallace letter returns to Scotland (January 2012)

A 700-year-old letter believed to have once been in the possession of William Wallace returned to Scotland in January. The letter, which was discovered in the Tower of London in the 1830s, is now on long-term loan to the National Records of Scotland after an agreement was reached



with The National Archives in Kew.



The letter, from the French King, was sent to his officials in the Vatican in the name of William Wallace and Andrew De Moray shortly after the Battle of Stirling Bridge in 1297 and informed European trading partners that Scottish ports were once again open for business. It and the famous Lubeck letter are the only two surviving documents directly connected to William Wallace.

The document will be on display side by side with the Lubeck letter in the Scottish Parliament from August 10 to 31 2012. Accompanying lectures and debates planned as part of the Parliament's annual Festival of Politics, will help visitors explore the documents' impact on Scottish history.

Cabinet Secretary for Culture and External Affairs, Fiona Hyslop said: "I am delighted to welcome the Wallace letter back to Scotland. It is one of the few surviving artefacts with a direct link to William Wallace and a fascinating fragment of our nation's history. To have it here in Scotland, where it can be viewed by the Scottish public, is very significant indeed."



[Scotland's Population to Continue to Rise](#) (26 October 2011)

Scotland's population is projected to rise from 5.22 million in 2010 to 5.49 million in 2020, and to reach 5.76 million by 2035

Melville Papers

In late March 2012, NRS concluded a formal purchase of the archive of the Dundas family, Viscounts Melville. The archive had been deposited with the former Scottish Record Office (SRO) in 1951 and extends to some 31 linear metres on our shelves. It is fully catalogued, with over 10,000 individual items, bundles and volumes. Although the archive concerns the Dundas family from about 1750 to 1940, their importance lies in the papers of the First Viscount, Henry Dundas (1742-1811) and his son Robert (1771-1851).



Melville Monument, St Andrew Square, Edinburgh © Dr David Brown

Between about 1780 and 1830 they were the dominant politicians in Scotland, acting as de facto secretaries of state. The father was Solicitor General and Lord Advocate at the time of the American Revolution and formed a close friendship with William Pitt the Younger, Prime Minister 1784-1806. He sat in Cabinet from 1791 to 1801 as Home Secretary and Secretary for War and then as First Lord of The Admiralty, 1804-5. He was

also a member of the Board of Control for the East India Company from 1784 to 1801. His son was Secretary for Ireland, 1809 and then followed his father into the Admiralty from 1812 to 1830.

The archive consequently has an extraordinary body of papers relating to Scottish politics and administration, the politics of Great Britain and Ireland, the effects of the French Revolution on British politics and the first stirrings of democracy in the 1790s. Both Dundases were at the heart of British military and naval strategy in the Revolutionary and Napoleonic wars and both took a close concern in the expansion and government of British India. There is a mass of material for showing the Scottish role in world affairs at this period. Not surprisingly, the collection has long been regarded as one of the 'Crown Jewels' of the NRS's private family collections. It has always been popular with our public and has been used and cited in hundreds of academic books and articles since it arrived here.

The Melville family had sold parts of the collection at auction in the 1920s before depositing the remainder with the SRO. Consequently there are now Melville Papers in archives across the World. This was the last part still owned by the family. The final agreed price was £1,350,000, a sum that included a discount to recognise our cataloguing and care of the collection over 60 years. This purchase would have been impossible without a generous grant of £625,000 from the Trustees of the National Heritage Memorial Fund, which NRS gratefully acknowledge.

Exhibitions and events

[Admiral Cochrane, The Real Master and Commander](#) (19 October 2011)

During the year, and in partnership with NRS, the National Museums of Scotland held an exhibition on Thomas, Lord Cochrane, (1775 – 1860), the man behind the naval heroes of Frederick Marryat, C S Forrester and Patrick O'Brian, who all took inspiration from his incredible story.

Thomas, Lord Cochrane, was one of Britain's outstanding naval heroes. A daring officer in the Royal Navy, he went on to become the legendary fleet commander who served the cause of liberation in Chile and Brazil. Dogged by political controversy, scandal and disgrace, Cochrane was later restored to favour. Having succeeded his father as Earl of Dundonald, he was appointed an admiral in the Royal Navy, and served until his death at the age of 84.



Address by the Government of Brazil to Lord Cochrane, Marquis of Maranhão and 'Hero of Brazil', 1823 (GD233/19/442)

Fascinating personal documents from family papers in the National Records of Scotland were on show for the first time alongside Cochrane's own mementoes and dramatic paintings of his most famous exploits.

[NRS hosts Archives and Records Association conference reception](#) (September 2011)

The Archives and Records Association UK and Ireland held their annual conference in Edinburgh this year in conjunction with the International Council on Archives' Section for Professional Associations. To mark the occasion National Records of Scotland hosted an evening reception at General Register House on Wednesday 31 August.

The event, sponsored by brightsolid Online Publishing, was attended by the Cabinet Secretary for Culture and External Affairs, Fiona Hyslop, who welcomed archivists, records managers and conservators from around the world, as far afield as Hong Kong, China, Australia and the Republic of Burundi.

Ms Hyslop told delegates: "Archives and records have a huge cultural importance throughout the world and Scotland is no exception. Our archives reflect the long tradition of Scots living and working abroad as merchants, soldiers, explorers and entrepreneurs. There are few countries in the world where Scots have not made their mark, and we can trace that in the records held here. Today archives are an important tool of cultural diplomacy, reminding us about the heritage we share with other countries."

The evening also saw the launch of the Scottish Council on Archives' brochure Scotland's Archives Matter. This publication showcases the work of Scotland's archives and illustrates their importance as both cultural treasures and an important element of modern Scottish society. For further information see <http://www.scoarch.org.uk/notice-board/234>.

[300 'Closed' Government Files Released Early](#) (4 January 2012)

On 4 January 2012, the National Records of Scotland (NRS) made available around 300 government files which would previously have remained closed for 30 years. This was in response to Scottish Ministers' commitment to greater openness, transparency and the proactive release of historical information on government files under freedom of information.

The Scottish Government and NRS are continuing the process of releasing files up to 15 years earlier than had previously been the case. This follows a decision by Scottish Ministers to reduce restrictions on 'historical' records. The January 2012 release follows three earlier file release exercises, the first of which occurred in September 2009. In total, around 12,000 files have been released under this initiative for the period 1979 to 1995.

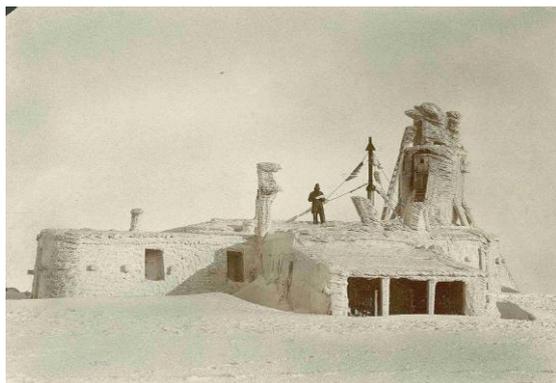
The files released in January mostly date from 1996. They covered topics as diverse as the Monklands Inquiry of 1995 which investigated alleged nepotism in Monklands District Council; the Dunblane (Cullen) Inquiry into the tragic killings of schoolchildren and their teacher by Thomas Hamilton at Dunblane primary school; the future development of Prestwick airport, flood prevention policies on major Scottish rivers, whisky taxation including a proposed 4% reduction in tax to promote sales; the development of the Higher Still exam; proposals about the registration of birth certificates for transsexuals; a proposal to develop a Scottish National Science Centre in Glasgow and the E.coli outbreak in Lanarkshire in which several people died.

NRS also contributed to updating the revised s.61 Code of Practice which was published by Scottish Ministers in December 2011.

[New Accessions](#)

This year saw a number of notable key deposits. NRS received records from a major Scottish public inquiry (The Fingerprint Inquiry) following publication of its report in December 2011. Many records were transferred only in an electronic form and have been successfully added to the Digital Data Archive, or digital store. The Scottish Government has opened a consultation on the proposed amendments to The Inquiries (Scotland) Rules 2007 to which the Keeper will submit a response regarding safeguarding these important records.

We also received the first transfer of historical records from the Met Office. Though a UK body, these records reflect its Scottish operation. They included a series of photographs of the weather observatory at Ben Nevis unique climate recordings from Scottish observatories since the eighteenth century and two private collections of influential Scottish meteorologists, Alexander Buchan and Arthur Forbes of Culloden.



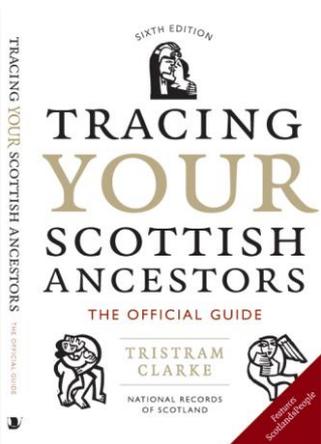
Photograph of iced-up Ben Nevis Observatory, c1894
MET 1/8/1/35



Photograph of Ben Nevis Observatory, c 1894
MET 1/8/1/46

Public Services

Some changes have been made over the year which have affected visitors to our buildings. In February, the public search room at West Register House was closed, with services transferring to the Historical Search Room at General Register House. The majority of our users can now access our on-site facilities in a single building rather than having to travel across central Edinburgh between two sites. Access to maps and plans is now largely digital, but if we are unable to make a plan available in this way owing to its condition, or for technical, ownership or copyright reasons, it is possible to inspect the original plan by appointment at a new plans facility at Thomas Thomson House in the west of Edinburgh.



In December, we published a new edition ***of Tracing Your Scottish Ancestors***. This official guide to the records in ScotlandsPeople and the National Records of Scotland is indispensable for family historians, historians and biographers, whether visiting in person or researching online. The sixth edition is packed with up-to-date information about how to trace Scottish genealogy in the unique treasure trove of Scotland's national archives. New features include searching the 1911 census, pre-1841 censuses, valuation rolls and Roman Catholic records, and how to find prison staff and witches.

The book can be purchased from the ScotlandsPeople shop (cost GBP 12.99); or can be ordered from our website <http://www.nas.gov.uk/learning/publications.asp>

1911 Census

On 5 April 2011, one of the first tasks of the newly formed National Records of Scotland was to release information collected from more than 4.7 million Scots in the 1911 Census. The census information was released to the public on the same day at both the ScotlandsPeople centre and the internet website at www.scotlandspeople.gov.uk .

The archives were opened after 100 years in line with the closure period for all personal data collected by each census. This release was seen as a fascinating snapshot of pre-war Scotland as it was taken before the outbreak of the First World War during which many tens of thousands of the young people recorded in 1911 would have been killed.

Unlike previous censuses, the images of the census pages can be viewed in colour. There was much media interest in the famous Scots who feature in the 1911 census, who include the actor and director Alastair Sim, the musician Jimmy Shand and the physician and surgeon Elsie Inglis, who was best known for her heroic role in founding the Scottish Women's Hospitals for Foreign Service during the First World War.

This is the first census that details of the number of children born from a marriage, making it easier to track children between census years. In 1911, the Scottish population was growing quickly, partly as a result of better health and the resulting improvements in child mortality rates, and partly because of immigration. Compared to the previous census of a decade beforehand, the total population had grown by six per cent.

It was the first time ever that mechanical tabulation was used in the form of Hollerith machines to process the statistical results.



The Register General for Scotland Duncan Macniven, who has since retired, attended a launch ceremony and display at the ScotlandsPeople centre. Staff dressed in period costumes and two centenarians attended, who couldn't recall the enumerator visiting their houses back in 1911, but who were pleased to be able to view their own entries!

Adoption Unit

The General Register Office for Scotland and the National Archives of Scotland each had separate adoption services based on records in their care. The creation of NRS has allowed us to combine the records and services required to operate a single Adoption Unit which covers:

- Registering current Scottish Adoptions, Scottish Parental Orders and certain Foreign Adoptions.
- Producing current Scottish adoption certificates for newly adopted children.
- Linkage of adopted people with their original birth details by post and in person. This may also include showing the original birth entry in the Scottish birth register.
- Accessing Scottish Adoption court process papers.

The new service was launched on 31 October 2011 coinciding with National Adoption Week. A new appointment based interview service has been introduced to enable adopted people to plan a visit to the Adoption Unit, although we also endeavour to offer a service to anyone who comes into the office unannounced.

Education services

The NRS Schools Programme had another successful year. Nine new topics were introduced across the programme, two of which *Tartan: a Chequered Tale* and *Scottish Census Records* were created to link up with The Scottish Register of Tartans and the Census. Other new topics, *Study Skills - using primary sources*, *The Reformation* and *Migration and Empire* were introduced to support National Qualifications Higher history.



This year, delivery of the Schools Programme was increased from one to three days per week from September 2011 to March 2012. This resulted in a 50% increase in the number of workshops and an 18% increase on the number of Glow Meet web conferencing sessions delivered. A total of 64 events were delivered to 1180 pupils, ranging from P3 – S6, across 13 different local authorities. Staff also delivered CPD training to 70 teachers in the

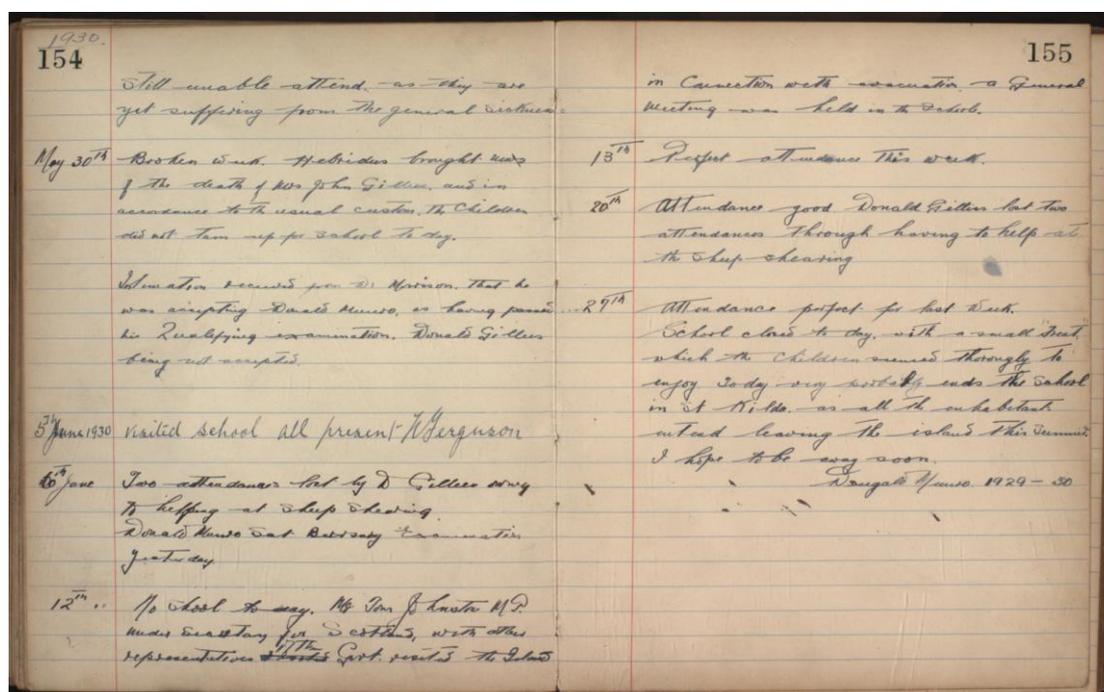
Borders and Aberdeenshire on how to use archives in the classroom.

Staff welcomed 10 students from Purdue University, Indiana, USA, investigating the construction of the Forth Railway Bridge, and 29 6th form students from Farnborough College for a workshop on 16th and 17th century Scottish witchcraft trials.

[St Kilda and Mingulay log books go online](#) (September 2011)

The last school log books for the abandoned islands of St Kilda and Mingulay have gone online, revealing glimpses of community life on these remote Scottish islands.

Thanks to a partnership between the National Records of Scotland (NRS) and the Tasglann nan Eilean Siar (Hebridean Archives), the two unique books have been conserved and digitised in Edinburgh before being returned to Stornoway. The log books are now available as virtual books on the [Comhairle nan Eilean Siar](#) website, allowing readers to flip through the pages and zoom in to read individual text from the comfort of their computer.



St Kilda School Log Book (GB3002.LBStK, pages 154-155), Tasglann nan Eilean Siar (Hebridean Archives), Comhairle nan Eilean Siar (Western Isles Council)

These fascinating documents give a weekly account of life on these islands from the school teachers' point of view, commenting on discipline, the weather and the progress being made by the students. Attendance is often an issue, with children being kept away from school to help with picking potatoes, cutting peat or unloading the supply boats.

Images from the St Kilda log book also feature on the Scottish Ten website. This site gives details of the laser scanning work being undertaken by Historic Scotland at Scotland's five World Heritage sites, including St Kilda, and features the log book, and select documents illustrating the NRS's extensive holdings of records for more than 300 years of the island's history.

The Keeper of the Records of Scotland, George Mackenzie said "Working with local authority archives to make our nation's heritage more accessible is an important part of our remit"

New Ellis Island tartan marks Tartan Day 2011 (April 2011)

In April the Ellis Island tartan was included on the Scottish Register of Tartans. It was designed to commemorate the 10th annual observance of National Tartan Day at the Ellis Island Immigration Museum. The tartan celebrates the substantial contribution of immigrants to America. From 1892 to 1954 more than 12 million immigrants passed through the Ellis Island gateway on route to new lives as American citizens. Half a million Scots alone arrived; many more came even earlier. The colours in the tartan reflect aspects of the immigrants' journeys to America.

During 2011-12 a total of 200 tartans were registered. Further information on how to register a tartan can be found on the [Scottish Register of Tartan](#) website

Registration

Registration Division oversees the work of a large and complex registration system in Scotland – more than 700 registrars in several hundred offices across 32 local authority areas, registering 150,000 births, deaths, marriages and other life events each year, as well as recording key statistical information.

The past year has been busy and challenging. We received 15,459 pieces of correspondence and 97% of this correspondence was completed within the target time of 10 working days.

Work has also taken place to improve procedures for facilitating the despatch of congratulatory messages from the Queen to people celebrating special anniversaries.

We give daily advice and support on registration law and practice to both registrars and the wider public and a monthly programme of study is offered to registrars sitting for the Certificate of Proficiency in the Law and Practice of Registration in Scotland, the longstanding qualification for registrars in Scotland.

We also take the lead in co-ordinating training sessions for all councils. Recently, training undertaken with the UK Border Agency (UKBA) has highlighted to registrars a suspected increase in the number of sham marriages, and this training function – in partnership with relevant agencies and other public bodies – enables NRS to extend its strong, shaping influence in these areas. The positive relationship between NRS and local registrars continues to be an outstanding example of how good communication and collaborative working can result in effective working partnerships.



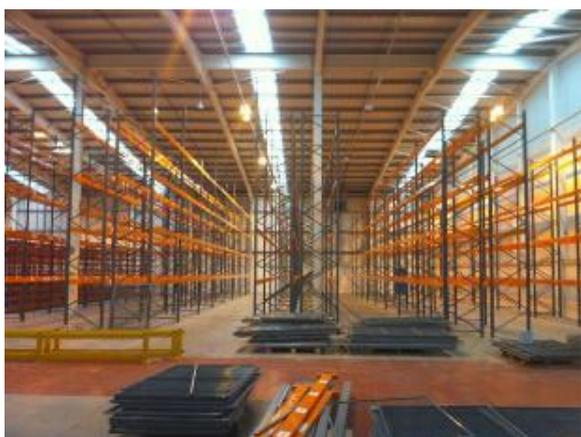
'Increase in Scottish Life Expectancy' (19 October 2011)

Life expectancy has increase by almost three years for men and two years for women over the past decade. Life expectancy is now 75.8 years for men and 80.4 years for women in Scotland.

Census

In the last GROS annual report, we highlighted the scope and size of the data collection exercise for the 2011 Census, in which a census questionnaire was delivered to every household and communal establishment in Scotland.

The returned census questionnaires (around 2.4m) were subsequently transported to our data processing centre in Livingston, where all the information was captured and coded into electronic format by the end of 2011. This was a huge operation with a wide range of complex technical processes undertaken in a tightly controlled secure environment. The outcome was a comprehensive database of all coded returns that provide the first step towards producing



Getting the site ready - it's a big job.



The first pallet of questionnaires arrives.

statistical results from the census.

However, before reliable results can be published, the information requires careful statistical checking and cleaning. Cleaning is required to take account of any missing responses on the census questionnaires; to remove duplicate questionnaires; to correct data captured erroneously during the data capture operations; to remove inconsistencies (such as children born before their parents); and to prepare the data for dissemination to users. The systems developed to clean and adjust the data, so that a fully consistent database of census records can be prepared as the basis for output data dissemination, are collectively known as 'downstream processing' (DSP).

DSP has progressed steadily since the data was received from Livingston. It is important that we produce high quality data that can be used to inform decisions as to how billions of pounds are allocated for service provision across Scotland. More information on our data quality strategy can be found at <http://www.gro-scotland.gov.uk/files2/the-census/scotlands-census-2011/cen-dat-qual-assur-2011.pdf>.

Public confidence that personal census information will be securely handled is a vital ingredient for success and we have given firm undertakings that this data will be used solely for statistical purposes, and that it will be treated in strict confidence. The governance statement section of this annual report summarises the outcome of the recently completed Independent Information Assurance Review of our arrangements.

We worked closely with users to define the scope and design of the statistical results they need. A summary of the type of results to be released and when is available in our outputs prospectus at <http://www.gro-scotland.gov.uk/files2/the-census/progress-reports/census-2011->

[outputs-prospectus.pdf](#). The first counts from the 2011 Census, national and local authority age and gender information, are expected to be published in December 2012.

Getting the data right is of the highest importance, but we have also been planning for how the data will be disseminated to users. We intend to deliver 2011 Census results through the internet in a modern and inclusive way that reflects our overall strategy to maximise the use of census data across the widest spectrum of Scotland's people. We developed that strategy because we want the people of Scotland to engage with the results they helped to deliver, to understand what these results mean and how they can be used to find out more about Scotland's people at both national and local level.

Statistics

In May 2011 the UK Statistics Authority (UKSA) published their assessments of our 'Statistics on population and demography in Scotland' and our 'Statistics on household estimates and projections in Scotland'. These assessment reports can be found on our website, along with the assessment of 'Statistics on vital events in Scotland', which was published in March 2011, at: <http://www.gro-scotland.gov.uk/statistics/about/national-and-official/uk-statistics-authority.html>

NRS implemented the enhancements required by the UKSA to allow these statistics to be designated as National Statistics, in accordance with the [Statistics and Registration Service Act 2007](#) and signifying compliance with the [Code of Practice for Official Statistics](#).

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

We updated our projections of the Scottish population in October 2011 and our projections of the number of Scottish households in June 2012. These projections are used extensively for planning and policy development.

In October 2011 we held a conference on 'Scotland's People – Past, Present and Future'. This meeting brought together a range of speakers to describe how administrative sources are being used to inform population statistics, quality assure the Census and contribute to potential alternatives to the Census. It also gathered views to help shape the requirements for any future demographic system. Other topics discussed were ethnic population estimates and projections, new data zones, and policy uses of demography statistics.)

NATIONAL RECORDS OF SCOTLAND

FOREWORD TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

Basis of Accounts

1. In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The accounts direction is reproduced at page 59 of these accounts.

Departmental Accounting Boundary

2. There are no associated bodies that require to be included within the departmental boundary.

Review of Financial Results

3. The 2011-12 NRS budget was created at the 2011-12 Autumn Budget Revision, after amalgamating budgets set for General Register Office for Scotland (GROS) and National Archives of Scotland (NAS) as set out in the 2011-12 Budget Bill.

4. The results for the year are reported in the attached accounts. They record a Net Resource Outturn of £31,076K, compared to the Resource Budget of £32,231K. This large underspend (£1,155K) arose mainly as a consequence of the agreed accounting treatment for a receipt from a third party, which was a contribution toward the costs for a capital acquisition (historic Melville Papers). Prior to this purchase it became clear that the vendor wanted to receive one remittance, and so we raised an invoice (for £625K) from our donor for their contribution. This accounting treatment was discussed with Scottish Government Finance, who gave approval for us to overspend up to £625K on capital expenditure with a corresponding underspend on operating costs. This allowed us to remain within our overall parliamentary approved budget of £34,531K.

5. The remaining operating costs underspend of £530K (net) was mainly derived from underspends in staff costs (£329K) and depreciation charges (£190K). These underspends arose due to difficulties in filling key ICT and Statistician posts and delays in progressing ICT projects.

6. A significant proportion of our overall budget is allocated to the 2011 Census Programme. Against the budget (£15,816K) assigned to the planning of the 2011 Census there was a small overspend of £109K.

7. Capital expenditure was £2,855K, compared with budget of £2,300K. As mentioned (para 4 above), this overspend (£555K) arose through the treatment of the donated element (£625K) in relation to the purchase of the historic Melville Papers, which cost £1,350K. Further capital spends included ICT projects (£949K), equipment and machinery (£424K) and specialist shelving (£132K). After accounting for the authorised £625K overspend, capital budgets were underspent by £70K, which was mainly arose across our ICT projects.

Ministers and Senior Officers

8. The Scottish Government Minister responsible for NRS during the period 1 April 2011 to 31 March 2012 was the Cabinet Secretary for Culture and External Affairs, Fiona Hyslop MSP.

9. Following the retirement of Mr Duncan Macniven the roles of Registrar General for Scotland and Keeper of the Records (Registrar General / Keeper) were undertaken by Mr George MacKenzie.

10. Senior Management for NRS during the year was as follows:

Mr Duncan Macniven	Registrar General for Scotland (until 14 September 2011)
Mr George MacKenzie	Keeper of the Records and (from 15 September 2011) Registrar General for Scotland
Ms Audrey Robertson	Head of Corporate Services and Accountable Officer
Mr Peter Scrimgeour	Head of Census
Mrs Kirsty MacLachlan	Head of Demography

Equality

11. NRS is an equal opportunities employer. We adhere to the Scottish Government Diversity policy which states that all staff should be treated equally irrespective of sex, marital status, age, race, ethnic origin, sexual orientation, disability religion or belief, working pattern, gender identity, caring responsibility or trade union membership. We employ and promote people on the basis of their merit, skills, aptitudes and attitude.

12. The Cabinet Office is responsible for developing, formulating and promulgating equal opportunities for the civil service as a whole, but operational responsibility rests with individual departments. The Scottish Government Equality Unit is responsible for developing and promulgating equal opportunities policies and acting as the inter-departmental liaison with the Cabinet Office.

13. The Equality Act 2010 introduced a new public sector equality duty. The Act sets out a “general duty” which requires us to advance equality of opportunity across our functions. In employment matters we do this through the use of diversity monitoring. We maintain statistics such as the number of staff who consider themselves to have a disability. For the year ending 31 March 2012, 26 people had self declared a disability.

14. In addition to the general duty Scottish Ministers introduced “specific duties” which set out the steps that Scottish authorities should take to meet the general duty. These specific duties came into effect on 27 May 2012 and we are working with the Scottish Government Equality Implementation Group in our approach to delivering the new requirements.

Payments of Suppliers

15. As part of its plan for supporting economic recovery in Scotland, the First Minister announced on 9 October 2008 that the Scottish Government would aspire to a 10-day target for paying bills to businesses in Scotland. This aspiration is above and beyond our contractual commitment to pay suppliers within 30 days. Paying supplier bills within ten working days is seen as a key objective, and an important expression of the Scottish Government’s commitment to supporting business through the current economic downturn. Improvements in

methodology have been introduced and continue to be introduced to improve payment performance.

16. In line with Scottish Government policy, NRS requires that all suppliers' invoices not in dispute are paid within this 10 day target. NRS aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, within this 10 day target. During the year ended 31 March 2012, NRS paid 95% of all invoices within the terms of its payment policy of 10 days.

Independent auditors

17. The accounts of NRS are audited by auditors appointed by the Auditor General for Scotland. Pricewaterhouse Coopers LLP were appointed as NRS external auditors for the period 1 April 2011 to 31 March 2016.

18. The external auditors were remunerated in the sum of £60,000 in respect of statutory audit services for the financial year 2011/12. The fees payable to the external auditors are shown in the Operating Cost Statement and in note 3 to the accounts. The external auditors did not provide any non-audit services

Disclosure of information to Auditors

19. As Accountable Officer, I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also made aware of this information.



Audrey Robertson
Accountable Officer
27 August 2012

STATEMENT OF RESPONSIBILITIES FOR NATIONAL RECORDS OF SCOTLAND'S REGISTRAR GENERAL / KEEPER AND ACCOUNTABLE OFFICER

In accordance with an accounts direction issued under article 19(4) of The Public Finance and Accountability (Scotland) Act 2000 the National Records of Scotland is required to prepare resource accounts for each financial year in the form and on the basis set out in the FReM, detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the National Records of Scotland, the net resource outturn, resources applied to objectives and cash flows for the financial year.

In preparing the accounts the Accountable Officer was required to comply with the FReM and in particular to:

- observe the accounts direction including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

Following best practice described in the FReM, NRS publishes an Annual Report alongside these accounts which provides further background to the Department and describes what the Department has achieved in the year with its resources.

Section 70 of the Scotland Act 1998 requires Scottish legislation to provide for members of staff of the Scottish Administration to be designated as answerable to the Scottish Parliament in respect of expenditure and receipts. Such members of staff are called Accountable Officers. The Registrar General for Scotland/Keeper of the Records of Scotland is a statutory office-holder who is a member of the Scottish Administration and not part of the staff of the Scottish Administration. A consequence of Section 70 is that the Registrar General/Keeper cannot be designated as Accountable Officer. The Head of Corporate Services Division has been appointed by the Principal Accountable Officer as Accountable Officer for the National Records of Scotland.

The Registrar General/Keeper, as statutory office-holder, remains accountable to the Parliament for the performance of his duties, including that of preparing accounts. The Accountable Officer has a separate, and independent, duty to ensure certain standards and to take action if these are not met.

The responsibilities of the Accountable Officer are described in the Memorandum to Accountable Officers from the Principal Accountable Officer published in the Scottish Public Finance Manual.

GOVERNANCE STATEMENT

Scope of Responsibility

As Head of Corporate Services I act as the Accountable Officer for NRS as it is not possible for the RG or Keeper, as Officers of the Scottish Administration, to exercise the functions of Accountable Officer.

As Accountable Officer, I have the responsibility for maintaining a sound system of internal control that supports the achievement of our Department's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible.

Purpose of the Governance Statement

The governance statement, for which the Accountable Officer takes personal responsibility, is a key feature of the organisation's annual report and accounts. It covers the accounting period and the period up to the date of signature and provides the reader with a clear understanding of the organisation's internal control structure and its management of resources. The statement is informed by work undertaken throughout the period to gain assurance about performance and risk management, providing an insight into the organisation's risk profile and its responses to identified and emerging risks.

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It 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 risks to the achievement of our 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. This process is integral to our business planning and progress monitoring regime and accords with the SPFM. The supervision of the regime is undertaken by the executive managers of business areas within our Department.

Governance of NRS

NRS is a Non Ministerial Department (NMD). This means that we sit slightly to the side of the Scottish Government. We are headed by the Registrar General (RG)/Keeper of the records of Scotland (Keeper) and not by a Minister. The RG and Keeper are both statutory office holders with specific responsibilities set out in legislation. The NRS budget is set by Parliament and the RG/Keeper reports to Scottish Ministers. NRS reports to the Cabinet Secretary for Culture and External Affairs, and through her to the First Minister. However, neither the Parliament nor Ministers can interfere in matters relating to the delivery of RG/Keeper statutory obligations.

Since September 2011, Mr George MacKenzie has held the posts of RG/Keeper and he reports to the Director General for Strategy and External Affairs in the SG.

Director Generals (DGs) have specific responsibilities with regard to NMDs which are set out in an individual framework document covering accountability arrangements and other relevant matters. The NRS framework document is currently being drafted in consultation with the Public Bodies Unit and SG Finance Business Partner, and the final version will be signed off by the DG/Minister.

The Management Board (MB) advises the RG/Keeper on the operations of NRS – particularly the strategic direction of the organisation – excluding financial accountability questions (on which the source of advice is the Audit and Risk Committee). The Board comprises the RG/Keeper (Chair), the Head of Corporate Services, 3 non-Executive Directors (NEDs) and, from April 2012 the NRS Division Heads. The Management Committee meets quarterly.

The Audit and Risk Committee supports the Board and Accountable Officer with regard to their responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge. The Committee is chaired by a non-executive member of the Management Board. The external and internal auditors, and representatives from SG Finance Directorate also attend. The Audit and Risk Committee meet quarterly.

NRS is organised into six Divisions: Record Services; Public Services; Registration; Census; Demography; and Corporate Services. Responsibilities for key functional areas have been allocated. Senior managers have been allocated areas of responsibility which reflect the functions of NRS.

The Departmental Planning Group (DPG) oversees the day to day management of NRS, and comprises senior managers from across NRS. It is chaired by the RG/Keeper.

In February/March 2012, internal audit examined our Corporate Governance and Risk Management and found that the management structure of NRS is appropriate to its needs. The DPG, Management Board and Audit and Risk Committee all have suitable membership and terms of reference, meet regularly, and feature proper agendas, discussion papers and minutes.

Planning and Risk Management Arrangements

Following the merger, a series of seven Strategic Objectives were identified for NRS which link to the Scottish Government's National Outcomes. In addition, NRS's priorities for its first year of existence were identified.

These Strategic Objectives and the priorities identified for 2011-12 were reflected in a series of 18 Business Improvement Objectives (BIOs). Some of these were completed during 2011-12, others are longer term pieces of work. The milestones and resources required to achieve each BIO are broken up into more detail in the plans of the branches and projects which support them. All this information is held and updated electronically each quarter.

In December 2011, the NRS 2012-2022 strategic plan identified five strategic objectives rather than the original seven. Although fewer in number, these encompass the work of NRS more comprehensively, and priorities previously in one area may now appear under a different strategic objective as a result of this change.

At a Branch or Team level, Business Objectives (BOs) which capture all the work of the Branch/Team are set, relevant to the overall NRS strategic objectives. Objectives are recorded and progress reported through the Business Improvement Objective and Branch Work Plan control sheets. These allow managers to track progress and highlight concerns. Where appropriate, these control sheets also contain details of performance indicators and record achievement of these to date.

All bodies subject to the requirements of the SPFM must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers. The general principles

for a successful risk management strategy are set out in the SPFM. Risk management is a fundamental part of our office-wide programme management regime and is also applied in key stand-alone projects such as the 2011 Census Development Programme.

The NRS Risk Management Policy Statement sets out its aims and provides background information on risk management. It also sets out the specific arrangements for the handling of risk within NRS. The Risk Management Toolkit provides practical guidance to managers and staff on how to identify, assess and manage risk. Taken together, they provide practical guidance to assist with the effective identification, evaluation and control of risk that may impact upon the achievement of NRS corporate and divisional business objectives and priorities.

NRS has a common office-wide Performance Management regime. This regime identifies and monitors risks at three levels, strategic, business improvement objectives and operational objectives as set out in Branch Plans. In all cases risks are given a score based on likelihood, impact and time horizon. This score is used to prioritise action on the risk.

For each Strategic risk included in the Strategic Risk Register, the identified risk owner formally reviews the register entry on a quarterly basis. The Strategic Risk Register is owned by the Head of Corporate Services who monitors the currency of the Strategic risks and controls detailed in the register; oversees additions, deletions or amendments; ensures management of Strategic Risks is effective; and leads a review of the Strategic Risk Register with the DPG and Audit Committee quarterly.

Risks identified at a Strategic level relating to specific Divisions are actively monitored by Programme Boards who review the Corporate Risk Register quarterly. Business Improvement Objective Risks are reviewed quarterly by the relevant Programme Board and there is a standard item for its review by DPG included on each quarterly meeting Agenda. The Audit Committee reviews the Strategic Risk Register quarterly and the Operational Risks Registers bi-annually.

Branch plans also contain a risk assessment. This assessment identifies any relevant risks linked to delivery of the objectives and priorities contained in the plan as well as the mitigating actions and risk owner.

Projects and change management programmes include an assessment of risk at the outset and risk management throughout the project or programme.

Service delivery through Partnership working is risk assessed at the outset and documented in a risk register. Risks are reviewed on a regular programmed basis. Additionally, where the partnership is significant, or NRS is the lead or accountable body, a joint Partnership risk register is maintained to monitor the risks associated with achievement of the Partnership objectives.

The Audit and Risk Committee provide independent assurance to NRS on the effectiveness of risk management and internal control arrangements and performance effectiveness. The Audit Committee review the Strategic Risk Register quarterly and the Operational Risks Registers bi-annually, or when risks scores worsen.

Our Audit Committee meets four times each year and considers reports from Corporate Services Division (on budgets and financial control), Internal Audit and External Audit. The Audit Committee also reviews key risks selected from our corporate risk register.

We currently have plans in place to extend our Business Continuity Management System across the whole organisation. Adequate arrangements are in place for the protection, preservation and restoration of our valuable records.

Financial Management

A list of Requisitioners and Delegated Authorities in NRS is maintained as spreadsheet and published on the Intranet. These delegated limits are checked by Procurement when authorisation to purchase is received. These delegated limits demonstrate a separation of duties between staff who can authorise spend and the limited number of appropriately qualified staff who have the authority to purchase once the spend authorisation is received.

Information Security

The core business of NRS is to collect, process, safeguard, and make available information about Scotland's people in a useful, responsible, and efficient way. Often this information is sensitive and we have a suite of information security policies in place to provide appropriate protection.

NRS has an ongoing commitment to Information Security and follows the principles of the International Security Standard (ISO27001), the Government Security Policy Framework and Information Assurance Standards.

All staff employed in NRS are required to undergo pre-employment checks. The minimum checks carried out are to the Baseline Personnel Security Standard (BPSS) which is outlined in the HMG Security Policy Framework. After taking up duty, all new staff attend a new entrant security/data handling seminar. During the year, 58 new staff received seminars. Existing staff receive quarterly security and data handling bulletins as well as ad-hoc bulletins during the year.

All staff are subject to Census legislation while staff who use information processing facilities are subject to the conditions of the IT Code of Conduct.

2011 Census

During 2010 the UK Census Committee appointed a team of experts to carry-out an independent Information Assurance review and a team of industry experts were appointed.

The team issued a very positive report prior to the census collection stage in 2011 and followed this up with a further review during the autumn of 2011. The report from the team was published in June 2012 and once again praised the work of the NRS teams involved in security and assurance. The following two paragraphs are direct quotes from the report which can be found on our external website at this link <http://www.nrscotland.gov.uk/>.

“..... the NRS approach is being seen and adopted as an example of not only best practice for IA within that arena, but also best practice within the region on information management. The use of a more locally managed system meant that the experience became more local also; NRS, as has been noted elsewhere, drove a very cost-effective model of Census operations, and also achieved the concentration of experience into members of a team who even now are taking those skills into other areas”

“We were impressed that the Information Assurance operations undertaken by each Office were matched to their particular business needs. We remain satisfied, therefore, that the public can be assured that the information they have provided has been well protected. Moreover, our report points up that, in many respects, the 2011 Census can serve as an exemplar in public sector IA Management.”

Projects/Procurement

It is standard practice in NRS to handle any major initiative as a project.

A Data Linkage Steering Group has been set up chaired by the Scottish Government incorporating representatives from across the public sector and academia. A project manager is being recruited to help establish the governance arrangements and develop the business plan for a National Data Linkage Centre.

The project to allow Local Family History Centres direct access to statutory records has been ongoing. Customers at the Mitchell library in Glasgow and the Burns Monument Centre in East Ayrshire already had access to the Scottish statutory records and the Scottish open census at www.scotlandspeople.gov.uk. These local family history centres were therefore selected as pilot sites and were connected to the ScotlandsPeople network in February 2012. The remaining local family history centres will be connected once the Service Level Agreement has been drafted and the legislative amendments that cover search fees and copy charges are in place around Autumn 2012.

NRS has prepared its own requisitioning and purchasing procedures based on SPFM and associated Scottish Government (SG) procurement policy and procedures. SG Procurement conduct Procurement Capability Assessments of all of our procurement activities annually.

Guidance on the use of Consultants is contained in our requisitioning and purchasing procedures and is compliant with the SG Consultancy Guidance.

The sale of Station Road is progressing and the appointed Agent marketed the property for sale on the open market in March 2012.

Review of Effectiveness

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:-

- the executive managers within NRS who have responsibility for the development and maintenance of the internal control framework;
- the work of the internal auditors (service provided by SG), who submit to me, and our Department's Audit and Risk Committee, regular reports on the adequacy and effectiveness of our Department's system of internal control, together with recommendations for improvement;
- the comments made by the external auditors in their management letters and other reports;
- the results of Gateway Reviews; and
- other specific reviews (e.g. IS Security) that are commissioned from time to time.

We rely on the Scottish Government (SG) for the provision of many important aspects of our corporate services. For example, most of our Human Resource related support comes from

the SG's "One HR" service. I receive assurances on the robustness of these services from the SG Directors who have responsibility for their delivery. In general, I am satisfied that these services meet our requirements and I recognise that economies of scale have been achieved from their use.

Appropriate actions have been taken to address any weaknesses that have been identified.

Based on these reviews and my own knowledge of internal control matters, I am satisfied that during the year the system of internal control was effective in helping us meet our Department's policies, aims and objectives and that there no significant matters arising.

A handwritten signature in black ink, appearing to read "Audrey Robertson". The signature is written in a cursive, flowing style.

Audrey Robertson
Accountable Officer
27 August 2012

REMUNERATION REPORT

1. NRS is a Government Department, associated with but not part of the Scottish Government. The Registrar General/Keeper and their staff are part of the Scottish Administration under the Scotland Act 1998. The Cabinet Secretary for Culture and External Affairs answers in the Scottish Parliament on matters relating to NRS, advised by the Registrar General/Keeper. The First Minister is responsible for appointing the Registrar General/Keeper and for laying before the Scottish Parliament the Annual Report of the Registrar General. In appointing the Keeper, agreement must be sought from the Lord President. Neither the Cabinet Secretary for Culture and External Affairs, nor the First Minister, receives specific remuneration relating to their responsibilities for NRS.

2. The remuneration for the Registrar General/Keeper was set by the Scottish Government. For other senior officials remuneration was determined by pay arrangements covering the Senior Civil Service and other staff in The Scottish Government and Associated Departments.

3. From 1 April 2012, a register of interests is maintained for management board and audit and risk committee members, where no appointments or significant interests were disclosed.

4. The salary and pension entitlements of our Management Board members, including the Registrar General/Keeper, were as follows:

	Salary	Performance Award ⁽³⁾	Real Increase in pension at age 60	Total Accrued pension at 60 as at 31/3/12 and related lump sum	CETV at 31 st March 2011	CETV at 31 st March 2012	Real increase in CETV ⁽⁴⁾	Benefits in Kind
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mr Duncan Macniven Registrar General	40-45	-	0-2.5	45-50 145-150	1,139	1,133	-	-
Mr George MacKenzie Keeper (and Registrar General)	75-80	-	5-7.5	35-40 110-115	726	865	113	-
Ms Audrey Robertson Head of Corporate Services	55-60	-	0-2.5	5-10 25-30	147	172	13	-
Mr Peter Scrimgeour Head of Census	45-50	-	0-2.5	30-35 90-95	720	718	-	-
Mrs Kirsty MacLachlan Head of Demography	60-65	-	0-2.5	10-15 40-45	269	307	14	-
Mr Frank Manson Non-Executive ⁽⁵⁾	0-5	-	-	-	-	-	-	-
Mr John Graham Non-Executive ⁽⁵⁾	0-5	-	-	-	-	-	-	-
Mr Michael Moss Non-Executive ⁽⁵⁾	0-5	-	-	-	-	-	-	-
Mr Ian Doig Non-Executive ⁽⁵⁾	0-5	-	-	-	-	-	-	-
Mrs Helen Froud Non-Executive ⁽⁵⁾	0-5	-	-	-	-	-	-	-

⁽¹⁾ The figures within the table above and the median reported at paragraph 6 below are the only parts of the Remuneration Report that are required to be audited by external audit.

⁽²⁾ Calculations for determining the figures in the above table are produced by DWP on behalf of SG for NRS.

⁽³⁾ In line with Scottish Government pay policy arrangements, no performance related awards apply for the 2011-12 reporting year.

⁽⁴⁾ The actuarial factors used in the calculation of Cash Equivalent Transfer Values (CETVs) were changed during 2010-11, due to changes in demographic assumptions and the move from the Retail Price Index (RPI) to the Consumer Price Index (CPI) as the measure used to uprate Civil Service pensions. The CETVs at 31 March 2011 and 31 March 2012 have been calculated using the new factors. Taking account of inflation, the CETV funded by the employer has decreased in real terms.

⁽⁵⁾ During the year Non-Executive Directors earned £225 per Management Board meeting attended. Appointments of Non-Executive Directors on the Management Board changed with Ian Doig and Helen Froud replacing John Graham and Frank Manson on 11 November 2011.

Salary

5. In accordance with the FReM, reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

6. The banded remuneration of the highest-paid director in NRS in the financial year 2011-12 was £75-80K. This was 3.5 times the median remuneration of the workforce, which was £20-25K.

7. Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions."

Civil Service Pensions

8. Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in Pensions Increase Legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

9. Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition a lump sum equivalent to three years' pension is payable on retirement. For premium benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

10. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

11. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium classic plus and 65 for members of nuvos.

12. Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk.

Cash Equivalent Transfer Values

13. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangements to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

14. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETV's are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

15. This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market factors for the start and end of the period.

Benefits in kind

16. The monetary value of benefits in kind covers any benefits provided by the employer and treated by the H.M. Revenue and Customs as a taxable emolument.

Independent auditor's report to the National Records for Scotland, the Auditor General for Scotland and the Scottish Parliament

We have audited the financial statements of National Records for Scotland for the year ended 31 March 2012 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Operating Cost Statement (except the budget information disclosed) Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2011/12 Government Financial Reporting Manual (the 2011/12 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of Accountable Officer and auditor

As explained more fully in the Statement of the Accountable Officer's Responsibilities set out on page 26, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and income.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and income in the financial statements sufficient to give reasonable assurance that the financial 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 body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the

state of the body's affairs as at 31 March 2012 and of its net operating cost for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2011/12 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Opinion on regularity

In our opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Opinion on other prescribed matters

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit; or
- the Governance Statement does not comply with Scottish Government guidance.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Appointed Auditor
141 Bothwell Street, Glasgow
August 2012

National Records of Scotland				
Operating Cost Statement for the Year Ended 31 March 2012				
		2011-12		
	Note	Outturn	Budget	Variance
		£'000	£'000	£000s
			(unaudited)	(unaudited)
Staff Costs	2	14,657	14,986	(329)
Directly Employed Staff		10,315	10,490	(175)
Temporary Staff Costs		995	1,133	(138)
Other Staff Costs		3,347	3,363	(16)
Administration Expenditure	3	24,294	24,515	(221)
Accommodation		4,489	4,485	4
Travel		150	159	(9)
Transport		8	8	-
Supplies & Services		17,277	17,289	(12)
Training		103	115	(12)
Hospitality		9	85	(76)
Depreciation		1,500	1,690	(190)
Auditors Remuneration		60	70	(10)
Impairments		139	60	79
Loss on Disposals		412	405	7
Grants		144	140	4
Other Office		3	9	(6)
Administration Income	4	(7,875)	(7,270)	(605)
Contract Income		(1,145)	(1,117)	(28)
Fees & Charges		(6,428)	(5,853)	(575)
Rental Income		(263)	(263)	-
Miscellaneous Income		(39)	(37)	(2)
TOTAL NET EXPENDITURE		31,076	32,231	(1,155)

The budget and variance information disclosed above has not been subject to external audit and therefore is not reflected in the Independent Auditors Report.

The notes on pages 43 to 58 form part of these accounts.

National Records of Scotland				
Statement of Financial Position as at 31 March 2012				
			2011-12	1 April 2011
	Note		£'000	£'000
Non-Current Assets				
Property, plant & equipment	7		18,558	17,598
Intangible assets	7		7,639	7,901
			26,197	25,499
Current Assets				
Inventories			-	16
Trade and other receivables	9		2,253	2,974
Cash and cash equivalents	10		1	35
			2,254	3,025
Total Assets			28,451	28,524
Current Liabilities				
Trade and other payables	11		2,575	4,139
Non-Current Assets Plus/Less Net Current Assets/Liabilities			25,876	24,385
Non-Current Liabilities				
Provisions for Liabilities and Charges	12		725	860
			725	860
Net Assets/Liabilities			25,151	23,525
Taxpayers' Equity				
General Fund			19,926	17,736
Revaluation Reserve			5,225	5,789
Total Taxpayers' Equity			25,151	23,525

The General Fund Reserve represents the excess of expenditure over funded activities. The Revaluation Reserve reflects the increase in value of buildings, plant and equipment and website images over their respective historical costs.

The notes on pages 43 to 58 form part of these accounts.



Audrey Robertson
Accountable Officer
27 August 2012

National Records of Scotland				
Statement of Cash Flows for the Year Ended 31 March 2012				
				2011-12
				£000's
<u>Cash flows from operating activities</u>			Note	
Net operating cost				31,076
<u>Adjustments for non cash transactions</u>				
- depreciation			3	(1,500)
- gain/loss on disposal of fixed assets				(412)
- net adjustment to general fund				(562)
- audit fee			3	(60)
- impairments			3	(139)
<u>Movements in working capital</u>				
- Decrease in inventories				(16)
- Decrease in trade and other receivables			9	(721)
- Decrease in trade and other payables			11	1,563
- Movements in provisions			12	135
Net cash outflow from operating activities				29,364
<u>Cash flows from investing activities</u>				
Purchase of property, plant and equipment			7	2,768
Purchase of intangible assets			7	87
Net cash flow from investing activities				2,855
<u>Cash flows from financing activities</u>				
Funding				32,185
Net cash outflow from financing				32,219
<u>Net decrease in cash and cash equivalents</u>			10	(34)
Cash and cash equivalents at beginning of period				35
Cash and cash equivalents at end of period				1

Note: The exact sum of Parliamentary funding drawn during the 2011-12 financial year was £32,185,171.74.

The notes on pages 43 to 58 form part of these accounts.

National Records of Scotland					
Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2012					
			General Fund	Revaluation Reserve	Total Reserves
			£'000	£'000	£'000
Net operating cost for the year			(31,076)	-	(31,076)
Net gain/(loss) on revaluation of property, plant and equipment			(122)	(124)	(246)
Total Comprehensive Expenditure for the year ended 31 March 2012			(31,198)	(124)	(31,322)
National Records of Scotland					
Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2012					
			General Fund	Revaluation Reserve	Total Reserves
			£'000	£'000	£'000
Balance at 1 April 2011			17,736	5,789	23,525
Total Comprehensive Expenditure for the year ended 31 March 2012			(31,198)	(124)	(31,322)
Transfers between reserves			440	(440)	-
Net adjustment to general fund			564	-	564
Non cash charges - auditor's remuneration & impairment			199	-	199
Net funding			32,185	-	32,185
Balance at 31 March 2012			19,926	5,225	25,151

The notes on pages 43 to 58 form part of these accounts.

NATIONAL RECORDS OF SCOTLAND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

1. Statement of Accounting Policies

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual (FReM) and where appropriate, in accordance with International Financial Reporting Standards (IFRS).

The preparation of financial statements require the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying its accounting policies.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets relating to land, buildings and website images at their value to the business by reference to their current costs. Other classes of assets are carried at depreciated historic cost.

1.2 Basis of Accounting

These accounts reflect the assets and liabilities and the results for the year of NRS. As NRS was formed on 1 April 2011 no comparative figures can be disclosed. However, access to accounts from former organisations, GROS and NAS, can be found at <http://www.nrscotland.gov.uk>.

1.3 Change of Accounting Policy – Capitalisation Thresholds

The Comprehensive Spending Review settlement presents a period of fiscal austerity for Scotland and a number of challenges to achieve a balanced budget in 2011-12 and subsequent years. In respect of the Scottish Government's overall Capital Expenditure budget for 2011-12, this budget represented a real terms cut of 25.7% when compared with 2010-11. Looking at the Comprehensive Spending Review horizon the Capital Expenditure budget available to Scotland will reduce, in real terms, by 36.5%.

In light of these budget reductions NRS has seen its capital budget reduced by 34% when comparing 2011-12 allocations to those for former organisations (GROS and NAS) in 2010-11. Although capitalisation policies between these organisations were broadly similar, it is necessary to adjust capitalisation thresholds in light of these capital budget reductions. Additional capital reductions of 78% will fall across the 2012-15 period and so a decision was taken to review capitalisation thresholds with effect from 2011-12.

1.4 Non Current Assets – Property, Plant and Equipment

Title to the freehold land and buildings shown in the accounts is held as follows:

- property on the departmental estate, title to which is held by Scottish Ministers;
- property, not being part of the departmental estate, held by NRS in the name of the Scottish Ministers.

Freehold land and buildings are shown at fair value less subsequent depreciation using professional valuations every 5 years and appropriate indices in intervening years. Other non current assets are shown at historic cost net of depreciation as a proxy for fair value. The minimum level for capitalisation of a non current asset between across asset categories are as follows:-

Tangible Non-Current Assets

Freehold Land and Buildings	£20,000
Specialised Shelving and Plant and Equipment	£10,000
Vehicles and Office Equipment	£5,000
ICT Systems	£1,000
Antiques and Works of Art	£20,000

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Intangible Non-Current Assets

Website (Digitised) Images	£5,000
Computer Software and Licences	£1,000

1.5 Depreciation

Freehold land and assets under construction are not depreciated.

Depreciation is provided on property, plant and equipment on a straight-line basis at rates sufficient to write down their cost or revalued amounts to their residual values over their estimated useful lives. The depreciation rates for the principal categories of assets are as follows:-

Freehold Land and Buildings	2-50 years (as per valuation)
Specialised Shelving	10-20 years
Plant and Machinery and Vehicles	5 years
Equipment and Computer Hardware	3-5 years
Antiques and Works of Art	25-30 years

Amortisation is provided on property, plant and equipment on a straight-line basis at rates sufficient to write down their cost or revalued amounts to their residual values over their estimated useful lives. The Amortisation rates for the principal categories of assets are as follows:-

Website (Digitised) Images	60 years
Computer Software and Licences	3-5 years

There was an impairment of £139K to General Register House, following a revaluation assessment across all land and buildings during the year.

1.6 Third Party Assets

The National Records of Scotland holds as custodian or trustee certain assets belonging to third parties. These are not recognised in the accounts since neither NRS nor government more generally has a direct financial beneficial interest in them.

1.7 Heritage Assets

Heritage Assets are defined as tangible items with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

NRS is responsible for holding and maintaining a wide range of range of historical records, portraits and current data in the care of Scottish Ministers. Given the nature of these assets it is not possible to obtain a reliable valuation for them. Accordingly they have not been capitalised.

Therefore these records have been treated as operational heritage assets in that they are held primarily for the purposes of the nation's heritage.

1.8 Operating Income

Operating income is income that relates directly to the operating activities of NRS. It includes fees and charges for services provided to external customers. It includes both income applied without limit and income applied with limit. For income categorised as being applied with limit any excess income over that approved, is surrendered to the Scottish Consolidated Fund.

NRS recognises the full income received from our ScotlandsPeople website with the payment to the appointed contractor recognised within Supplies and Services, which reflects our website contractors acting on our behalf as 'agent'.

Where contractually any income is paid in arrears, income will be recognised up to the year-end and a provision created to accrue, where necessary.

1.9 Administration Expenditure

The Operating Cost Statement analyses administration costs that reflect the costs of running NRS as defined under the administration cost control regime, together with associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. All operations of the NRS are deemed to be continuing operations.

1.10 Grants

Grants payable or paid are recorded as expenditure in the period in which the recipient carries out the activity which creates the entitlement. Where necessary obligations in respect of grant schemes are recognised as liabilities.

1.11 Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used.

1.12 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded and non-contributory. Portfolios, Agencies and other bodies covered by the PCSPS recognise the expected cost of providing pensions for their employees on a systematic and rational basis over the period during which they benefit from their services to the PCSPS of amounts calculated on an accruing basis. (Relevant disclosures are reported in Note 2). Liability for payment of future benefits is a charge to the PCSPS. Separate scheme statements for the PCSPS as a whole are published.

1.13 VAT

VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.14 Leases

The leases entered into by NRS are classified as operational leases and, as such, the rentals are charged to the Operating Cost Statement over the term of the lease.

2. Staff Numbers and Costs

2.1 The average number of whole-time equivalent persons employed (including senior management) during the year, analysed by Division, was as follows:

	2011-12
	Average W.T.E. Staff
Registration	40
Census	69
Demography	61
Records	41
Public Services	135
Corporate Services*	82
Senior Management	8
TOTAL	436

** Staff numbers reported against Corporate Services incorporate any staff assigned during the year to a centrally managed budget for the purposes of managing maternity leave and long-term sick.*

Average WTE staff numbers during 2011-12 can be broken down into 393 permanent staff and 43 temporary staff.

2.2 The aggregate payroll costs for all staff employed by NRS were as follows:

	2011-12	2011-12	2011-12
	£'000	£'000	£'000
	<u>Permanent Staff</u>	<u>Temporary Staff</u>	<u>Total Staff</u>
Wages and Salaries	10,315	995	11,310
Social Security Costs	755	-	755
Pension Costs	1,825	-	1,825
Other Staff Costs	767	-	767
TOTAL	13,662	995	14,657

Staff in NRS are members of the Principal Civil Service Pension Scheme. During the year there were no payments made from NRS to Ministers or Special Advisors.
Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme. The PCSPS is unable to identify the Scottish share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2007. Details can be found in the separate scheme statement for the PCSPS (Cabinet Office: Civil Superannuation www.civilservice-pensions.gov.uk).

For 2011-12 employers' contributions of £1.825m were payable to PCSPS at one of five rates in the range 16.7 to 24.3 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2011-12 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions (0.8 per cent of pensionable pay) were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. There were no contributions due to the partnership pension or prepaid at the balance sheet date.

For 2011-12 the value of Employers' Contributions relating to the partnership pension account was £12,812.07.

3. Operating Expenditure

3.1 Analysis of Programme Expenditure			
			2011-12
			£'000
Business Archive Grants			144
Total			144

3.2 Non Cash Items			
			2011-12
			£'000
Depreciation and amortisation			1,500
Impairments			139
Loss on disposal of assets			412
Audit fee			60
Total			2,111

A further breakdown of in year depreciation is provided in Note 7.

3.3 Other Operating Expenditure

There is £864K of expenditure relating to operating leases arrangements for properties recorded within Administration Expenditure.

4. Operating Income

4.1 Operating income analysed by classification and activity, is as follows:				
				2011-12
		Total	Income Not	Income
		Income	Applied	Applied
		£'000	£'000	£'000
Administration income:				
Fees and charges to external customers		6,730	-	6,730
Fees and charges to other departments		1,145	-	1,145
Total Administration Income		7,875	-	7,875

Administration Income includes recoverable VAT on business activities and that recoverable under Section 27(2A) of the VAT Act 1983 (subsequently replaced by Section 41(3) of the VAT Act 1994), together with rental income from minor occupiers of Civil Estate property.

Receipts from fees and charges arise from a range of services provided to customers, including income from the sale of extracts through both our ScotlandsPeople Centre and ScotlandsPeople Website, contracted income from the Scottish Government to maintain the

National Health Service Central Register and rental income from tenants.

NRS receives an income stream from the operation of the ScotlandsPeople website, which enables access to a range of information we hold in our registers. We have grossed up income in our accounts to include our website contractors share of income, following a review of our contractual position on 1 September 2010 that acknowledges that our website contractors act as an 'agent' on our behalf.

There is no interest receivable to be recorded within the Operating Cost Statement. Income Not Applied includes amounts for surrender to the Consolidated Fund.

4.2 Operating income received from external and public sector customers analysed by services provided is as follows:

<u>Service Provided</u>	Income Received £'000	Full Cost £'000	Surplus/ (Deficit) £'000
Change of name, vital events sales, extracts, microfilm, microfiche and public charges	2,876	2,891	(15)

Financial Objective:

In partnership with the Lyon Office, meet the cost of running the ScotlandsPeople Centre service to enable investment in making additional services and records more accessible to customers.

Performance against the Financial Objective:

In 2011-12 there was a small deficit arising from providing SPC campus services. A further review of the memorandum trading account arrangements will be necessary in early 2012-13 to reflect upon the performance of this objective alongside the wider remit of our Public Services across NRS.

Maintenance of the National Health Service Central Register (NHSCR) of patients and associated research data sales

985	1,005	(20)
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Financial Objective:

To meet the cost of running the National Health Service Central Register which we provide as a service to the NHS and the Improvement Service through funding received from the Scottish Government.

Performance against the Financial Objective:

In 2011-12 there was a small deficit arising from providing these services. A review of the memorandum trading account arrangements will take place in early 2012-13 to determine what the impact on the level of service provided to the NHS and Improvement Service will be, following proposed reductions of 7% in the level of NHS contract income.

This reporting of income received on a segmental basis complies with the requirements of HM Treasury's "Fees and Charges" Guide and the Scottish Public Finance Manual.

5. Reconciliation of Net Operating Cost to Net Resource Outturn and Resource Budget Outturn

	2011-12 £'000
Net Operating Cost	31,076
<i>Less: Non-Supply expenditure/ income including income scored as Consolidated Fund Extra Receipts (CFER's)</i>	-
Net Resource Outturn	31,076
Of Which:	
Departmental Expenditure in DEL	31,076
Main Departmental Programmes in AME	-

Net operating cost is the total of expenditure and income appearing in the Operating Cost Statement. Net resource outturn is the total of those elements of expenditure and income that are subject to parliamentary approval and included in Scotland's Budget Document.

6. Analysis of capital expenditure, financial investment and associated income

	Capital Expenditure £'000	Capital Income £'000	2011-12 Net £'000
National Records of Scotland	2,855	-	2,855
Total	2,855	-	2,855

7. Non-current Assets - Property, Plant & Equipment									
	Freehold	Buildings	Office	Vehicles	Plant &	ICT	Specialised	Antiques &	Total
	Land		Equipment		Equipment	Systems	Shelving	Works of Art	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2011	2,090	11,469	857	52	867	4,077	3,130	1,690	24,232
Additions	-	-	48	32	344	862	132	1,350	2,768
Disposals	-	-	(30)	-	(112)	(290)	(401)	-	(833)
Revaluation	(108)	(780)	-	-	(379)	-	-	-	(1,267)
Indexation	78	401	-	-	-	-	-	-	479
At 31 March 2012	2,060	11,090	875	84	720	4,649	2,861	3,040	25,379
Accumulated Depreciation									
At 1 April 2011	-	-	785	33	559	3,122	1,888	247	6,634
Charged in year	-	531	10	5	51	376	142	68	1,183
Disposals	-	-	(18)	-	(40)	(165)	(230)	-	(453)
Adjustments	-	-	-	-	-	-	-	(1)	(1)
Revaluation	-	(546)	-	-	(11)	-	-	-	(557)
Indexation	-	15	-	-	-	-	-	-	15
At 31 March 2012	-	-	777	38	559	3,333	1,800	314	6,821
Net book value current year	2,060	11,090	98	46	161	1,316	1,061	2,726	18,558
Net book value prior year	2,090	11,469	72	19	308	955	1,242	1,443	17,598

As part of a rolling 5-year programme, General Register House, New Register House, West Register House, Thomas Thomson House and Station Road were valued independently as at 31 March 2012 by GVA Grimley, International Property Advisors, on the basis of Fair Value in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The result of this valuation was a revaluation loss of £246K of which £139K was impaired. Indices have been applied elsewhere as appropriate in order to obtain the 31st March 2012 valuation.

With exception to West Register House (long-term leased property) all non-current (tangible) assets disclosed within the asset classes above are owned by NRS.

7. Non-current Assets - Intangible Assets						
			Computer Licenses	Website Images	Computer Software	Total
			£'000	£'000	£'000	£'000
Cost or Valuation						
At 1 April 2011			871	7,880	984	9,735
Additions			25	24	38	87
Disposals			(52)	(6)	(2)	(60)
Adjustments			0	2	-	2
At 31 March 2012			844	7,900	1,020	9,764
Accumulated Amortisation						
At 1 April 2011			758	259	817	1,834
Charged in year			50	136	131	317
Disposals			(25)	-	(1)	(26)
At 31 March 2012			783	395	947	2,125
Net book value current year			61	7,505	73	7,639
Net book value prior year			113	7,621	167	7,901

All non-current (intangible) assets disclosed within the asset classes above are owned by NRS.

8. Movements in working capital other than cash					
					2011-12
					£'000
(Increase)/decrease in inventories					16
(Increase)/decrease in receivables					721
Increase/(decrease) in payables					(1,563)
Total					(826)

9. Trade and other receivables: Amounts falling due within 1 year					
					2011-12
					£'000
Trade receivables					724
VAT					419
Prepayments and accrued income					692
Other receivables					418
Total Receivables					2,253
Other Central Government Bodies					1,110
Local Authorities					5
NHS Bodies					15
Bodies External to Government					1,123
Total Receivables					2,253

There were no amounts falling due after more than one year.

10. Cash and Cash Equivalents				
				2011-12
				£'000
At 1 April 2011				35
Movement				(34)
At 31 March 2012				1
				2011-12
				£'000
Commercial banks and cash in hand				1
At 31 March 2012				1

11. Trade and other payables: amounts falling due within one year				
				2011-12
				£'000
Trade payables				6
Employee Benefits				777
Accruals				1,792
Total payables				2,575
Other Central Government Bodies				802
Bodies External to Government				1,773
Total payables				2,575

There were no amounts falling due after more than one year.

12. Provisions for liabilities and charges				
				2011-12
				£'000
Balance as at 1 April				860
Amounts utilised in year				(135)
Balance as at 31 March				725

During financial year 2011-12, no NRS employees were awarded early retirement.

This balance as at 31st March 2012 represents an estimate of the future annual payments that NRS must make in relation to retirements. Over time marginal variations may occur in the annual amount payable. NRS will review the accuracy of provision held as payments arise and, where necessary, review the level of the sum provided.

13. Reporting of Civil Service and other compensation scheme

Exit packages 2011-12			
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
less than £10,000	-	2	2
£10,000 to £25,000	-	10	10
£25,000 to £50,000	-	8	8
£50,000 to £100,000	-	2	2
£100,000 to £200,000	-	1	1
over £200,000	-	-	-
Total Number of exit packages	-	23	23
Total Resource cost	-	£705,303	£705,303

Departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full when departure is agreed. Where the Scottish Government and NRS has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

14	Commitments under Operating Leases	2011-12
		Land and Buildings
		£'000
	At 31 March 2012 the department was committed to making the following payments in respect of operating leases:	
	- Within one year	872
	- Between two and five years	3,496
	- After five years	2,615
	Total	6,983

15	Other Commitments	2011-12
		£'000
	Grant and other commitments at 31 March 2012 for which no provision has been made.	500

These commitments reflect the capital budget for the following year, which is fully committed to support the delivery of projects and the maintaining of our asset infrastructure.

16. Related party transactions

NRS maintains the National Health Service Central Register of patients on behalf of the Scottish Government. The Scottish Government is regarded as a related party with which NRS has had various material transactions during the year.

In addition, NRS has had a number of transactions with other government departments and other central government bodies.

None of the board members, key managerial staff or other related parties has undertaken any material transactions with the Scottish Government during the year.

17. Contingent Liabilities

There were no contingent liabilities for the 2011-12 financial year.

18. Financial Instruments

As the cash requirements of NRS are met through the Scottish Parliament's Budget Act process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with NRS's expected purchase and usage requirements and NRS is therefore exposed to little credit, liquidity or market risk.

19. Segmental Analysis as at 31 March 2012

NRS is currently organised into the following operating divisions:-

- Registration Division
- Census Division
- Demography Division
- Records and Archives Division
- Public Services Division
- Corporate Services Division

The key responsibilities of each Division for the year ending 31 March 2012 were:

Registration Division

- to administer civil registration of births, deaths, marriages, civil partnerships, divorces and adoptions; and implement statutes relating to the formalities and conduct of marriage and civil partnership registration;

Census Division

- to manage the enumeration of households and the population of Scotland in March 2011;
- to manage the capture, coding and cleaning of the information gathered;
- to disseminate the statistical information derived from the data; and
- to work in harmony with the other UK Census Departments (i.e. the Office for National Statistics and the Northern Ireland Statistical and Research Agency) to obtain appropriate statistical consistency across the UK.

Demography Division

- to prepare and publish demographic and household statistics for Scotland and its constituent areas on an annual basis;
- to maintain the National Health Service Central Register (NHSCR) of patients in Scotland on behalf of the Scottish Government Health Department;

- to consult widely with stakeholders regarding their requirements for demographic and household statistics;
- to investigate various sources of demographic and household information, and to match this information at unit record level for the production of statistical output;
- to promote the effective use of the statistics produced; and
- to conduct all its activities in accordance with the National Statistics Code of Practice.

Public Services Division

- to make available open public records about individuals to customers (for example, genealogists and other Government Departments);
- to promote public access to the information in the records and increase multi media access to the records by producing exhibitions, publications and programmes for school visits;
- to support lifelong learning and social inclusion in education and the wider public domain;
- to develop ScotlandsPlaces, in partnership with the Royal Commission on the Ancient and Historical Monuments of Scotland (RCAHMS); and
- to provide access to records by all means possible, whether that is through direct access to the records, providing duplicates of original documents and by answering remote enquiries.

Records and Archives Division

- to administer responsibilities for court and legal records in Scotland, including records created by the Court of Session and the High Court of Justiciary (the Supreme Courts), the Sheriff Courts, Registers of Scotland, the Crown Office, and other bodies;
- to provide advice on court and legal records to stakeholders, customers and staff.
- to select and catalogue records from the Scottish Government, Scottish Parliament and Government agencies;
- to provide advice on Records Management, Data Protection, Freedom of Information and Electronic Records to these clients, and shape policy in these areas;
- to have responsibility for the records of private depositors and some corporate bodies, and for the Church records collections. These are collections of records of national significance, the earliest of which date back to the 14th century;
- to work closely with owners and depositors of records to survey, catalogue and select records for permanent preservation and make records available for public access.
- to conserve and preserve the NAS collections;
- to advise for and prepare exhibitions and loans, monitor the environment of our stores, advise on handling and order packaging materials for NAS staff; and
- to provide conservation and preservation advice and information to the public, the archive profession in Scotland and depositors and owners of privately held records.

Corporate Services

- to assist the Registrar General / Keeper in the development of strategic issues across NRS and promote and ensure good Corporate Governance, while demonstrating strong Best Value characteristics;

- to coordinate all finance related activity, ensuring proper and prompt discharge of the Department's responsibilities;
- to manage the Department's central budgets and the main budgets for capital expenditure and help budget managers plan and monitor their budgets;
- to procure/purchase all goods and services on behalf of NRS, ensuring that legislation is adhered to and value for money is achieved;
- to maintain a safe, secure and comfortable working environment for customers and staff, in accordance with Health and Safety legislation, and exercise appropriate stewardship of NRS property (including "A listed" buildings);
- to maximise the use of office accommodation and storage space under our management, ensuring appropriate services are delivered to our tenants;
- to develop the Department's common information systems, in line with the agreed Information Systems Strategy, including the procurement of appropriate hardware, software and external expertise;
- to maintain, develop and manage the Department's information and communications technology infrastructure needed to support our business (using services provided externally where appropriate – e.g. the Scottish Government's SCOTS service);
- to maximise the overall effectiveness of each member of staff by coordinating HR activity and offering training and development opportunities; and
- to ensure that procedures are in place for the care and security of the information we hold on paper, microform and computer.

These divisions are the basis on which NRS monitors its operations and upon which decisions are made by Senior Management.

Senior Management review the operating cost income and expenditure to make decisions but do not allocate assets to the segments. Accordingly, asset information is not disclosed.

The table below analyses operating cost income and expenditure across all Divisions, including Senior Management.

	Staff Costs	Administration Expenditure	TOTAL EXPENDITURE	Administration Income	TOTAL NET OPERATING COSTS
	£'000s	£'000s	£'000s	£'000s	£'000s
Registration	1,255	95	1,350	(177)	1,173
Census	2,570	13,355	15,925	1	15,926
Demography	1,956	73	2,029	(1,044)	985
Public Services	3,496	1,944	5,440	(5,585)	(145)
Records & Archives	1,427	195	1,622	(635)	987
Corporate Services	2,548	6,445	8,993	(435)	8,558
Senior Management	544	76	620	0	620
	13,796	22,183	35,979	(7,875)	28,104

Reconciliations of the total segment measures to respective items included in the financial statements are as follows:-

	Note	Total
		£'000s
Segmental Total Expenditure		35,979
<u>Adjust for Non-cash Items:-</u>		
Depreciation	7	1,500
Auditor's Remuneration	3	60
Impairment	3	139
Loss on Disposals	3	412
<u>Adjust for Unallocated Centrally Managed Costs:-</u>		
Approved Early Severances	2	747
Employee Benefits	2	20
Unposted Staff	2	94
Total Expenditure as per Operating Cost Statement		38,951
Segmental Total Income		(7,875)
Total Net Operating Costs as per Operating Cost Statement		31,076



NATIONAL RECORDS OF SCOTLAND

Direction by the Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2012 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers

Dated 6 June 2012

Glossary of terms used within the accounts

Departmental Expenditure Limit (DEL)	Public Expenditure within departmental programmes which form departments' multi-year budget plan against which departments manage their spending. Departmental Expenditure Limits will identify separate elements for capital and current spending.
Annually Managed Expenditure (AME)	Public Expenditure within departmental programmes but outside the Departmental Expenditure Limit and managed annually because it cannot reasonably be subject to firm multi-year limits, or should be subject to special handling.
Depreciation	An annual charge to the Operating Cost Statement reflecting the consumption of Non-Current Assets. This is referred to as depreciation.
Resource Accounting	The application of accruals accounting for reporting the expenditure of central government and a framework for analysing expenditure by departmental objectives, relating these to outputs where possible.
Resource Budgeting	Planning and controlling public expenditure on a resource accounting basis.
Budget Document	A Statement presented to the Scottish Parliament of the estimated expenditure of a department which asks for the necessary funds to be approved.
Operating Cost Statement	A statement showing the resources consumed during the year in support of the department's programme expenditure or administration expenditure, net of income applied.

Annex A: Business Improvement Objectives

Ref no.	Title	NRS Strategic Objective	BIO performance end year position (RAG)	
BIO 1	To design and implement an innovative new Information Discovery System that will enable customers to search and access electronic images and information about the records more effectively	5. To give convenient access to our records and statistics onsite and online, in Scotland and elsewhere.	Objective	G
			Risk	G
BIO 2	Design and implement an integrated ICT service for NRS	7. To improve the efficiency and effectiveness of our organisation	Objective	R
			Risk	R
BIO 3	To work with Registers of Scotland, in co-operation with the National library of Scotland to develop long term preservation solutions for public digital assets.	2. To Improve the management of records including digital formats, by the public sector in Scotland in order to support good governance, accountability and the efficient use of public resources.	Objective	A
			Risk	A
BIO 4	To implement the provisions of the Public Records (Scotland) Act 2011 and publish supporting Model Records Management Plan and guidance	2. To Improve the management of records including digital formats, by the public sector in Scotland in order to support good governance, accountability and the efficient use of public resources.	Objective	G
			Risk	A
BIO 5	To implement the provisions of the Public Records (Scotland) Act 2011, establishing protocols and procedures for dealing with court records.	6. To maintain the security, integrity and accuracy of the personal information we hold, while increasing its usefulness for administrative purposes.	Objective	On hold
			Risk	
BIO 6	To create a knowledge base or similar consisting of critiqued guidance and best practice on electronic records with particular emphasis on the public sector	2. To Improve the management of records including digital formats, by the public sector in Scotland in order to support good governance, accountability and the efficient use of public resources.	Objective	G
			Risk	G
BIO 7	Direct and manage the introduction of new records management procedures for NRS and produce a records management plan in line with the Public Records (Scotland) Act 2011 by end July 2012	7. To improve the efficiency and effectiveness of our organisation	Objective	R
			Risk	A
BIO 8	To provide a cross sectoral data linkage service and expanded safe haven facility	2. To Improve the management of records including digital formats, by the public sector in Scotland in order to support good governance, accountability and the efficient use of public resources.	Objective	A
			Risk	A
BIO 9	Develop Digital Resources	5. To give convenient access to our records and statistics onsite and online, in Scotland and elsewhere.	Objective	G
			Risk	G
BIO 10	Assessment of alternatives to the census: working with the SG and ONS assess the feasibility of replacing traditional census enumeration in Scotland with a more efficient system for producing population statistics based on administrative data	4. To provide statistical information about Scotland's population which meets the needs of users.	Objective	A
			Risk	A
BIO 11	2011 Census Data Analysis: 1) Manage the outsourced capture and coding and phased delivery of personal census information to the Downstream Processing (DSP) solution between August and November 2011. 2) Via the DSP solution, undertake a range of statistical processes and robust quality assurance (externally reviewed by Census Data Quality Advisory Working Group)	4. To provide statistical information about Scotland's population which meets the needs of users.	Objective	G
			Risk	R

Ref no.	Title	NRS Strategic Objective	BIO performance end year position (RAG)	
BIO 12	2011 Census Data Outputs: To deliver complete, accurate and accessible population statistics, which meet user requirements, on a consistent and comparable basis nationally and for small areas and small population groups. To be delivered through a series of phased data releases and reports between July 2012 and late 2013.	5. To give convenient access to our records and statistics onsite and online, in Scotland and elsewhere.	Objective	G
			Risk	A
BIO 13	Design and implement an integrated NRS website	5. To give convenient access to our records and statistics onsite and online, in Scotland and elsewhere.	Objective	G
			Risk	G
BIO 14	Produce a 2012-15 Corporate Plan for NRS by 31 January 2012	7. to improve the efficiency and effectiveness of our organisation	Objective	A
BIO 15	To progress the sale of Station Road and optimise the available storage space within NRS properties, following the merger, in order to reduce our overall storage costs.	7. to improve the efficiency and effectiveness of our organisation	Objective	A
			Risk	A
BIO 16	Establish Local Family History centres	5. To give convenient access to our records and statistics onsite and online, in Scotland and elsewhere.	Objective	G
			Risk	G
BIO 17	Implement, develop and maintain a Business Continuity Management System across NRS which ensures there are BC measures in place to continue to operate selected services following a disruption.	7. to improve the efficiency and effectiveness of our organisation	Objective	R
			Risk	R
BIO 18	Adopt the Carbon Management Programme with the Carbon Trust to improve energy efficiency in NRS by the required targets to comply with the mandatory Carbon Reduction Commitment requirements	7. to improve the efficiency and effectiveness of our organisation	Objective	G
			Risk	A

Annex B: Business Objectives

Records Services		
Branch	Objective	End year position (RAG)
Court, Legal & Private Records	1. Accession and catalogue 11,000 new records from the Scottish Courts, to improve public access.	G
	2. Add or expand catalogue entries for 41,000 civil and criminal court records, to improve public access.	G
	3. Add or expand catalogue entries for 3600 church and private records, to improve public access	R
	4. To assess 500 plans per month, improving descriptions and identifying 20% for inclusion in ScotlandsPlaces, to improve public access and benefit partnership working..	G
	5. To obtain final permissions for destroying 1000m of AIB records, to free NRS storage for records of greater value	G
	6. Develop plan for exhibitions in 2012 and 2014 of significant documents relating to William Wallace held outside Scotland	G
	7. Answer 95% of incoming correspondence and emails (including telephone-generated enquiries) within 20 working days	G
	8. To investigate the possibility of purchasing a major collection of private papers for the nation.	G
Government Records	1. Maintain and develop active client contacts and consider impact and inform stakeholder clients about requirements of the new public records legislation	A
	2. Continue to liaise with Scottish Government, public authorities and government agencies, advising on records management and selection of records for permanent preservation	A
	3. Continue FOISA opening of SG files over 15 years old under revised exemption periods for historical SG records, including release year 2012	G
	4. Finalise policy for access and FOI responsibilities for records generated by Scottish Public Inquiries	R
	5. Continue to participate in the review of s.61 Code of Practice with SG FOI Unit to achieve stricter compliance by Scottish public authorities.	G
	6. Continue to publicise GRB new collections content (e.g. Met Office transmissions; Northern Lighthouse Board) to assist production of material for NRS website or potential educational use, and maximise potential business opportunities from GRB collections.	A
	7. Continue to improve GRB section of NRS catalogue by creating 7,000 new NRS catalogue entries to maintain cataloguing for new accessions, reduce cataloguing backlogs and extend range of records for potential NRS business exploitation.	R
	8. Review retransmission system to ensure 97% of retransmission requests are met within 2 working days and achieve over 1,200 annual transmissions; and ensure that 97% of internal requests for existing files are met within 4 hours of receipt	A
Conservation	1. Establish long term plan for record locations across NRS sites in order to maximise storage efficiency and improve public access and minimise record movement and support changes in public search room organisation whilst maintaining professional standards.	A
	2. Undertake full condition survey, deliver recommendations and implement programme of storage housing upgrade for the Old Parish Register record series to ensure long term preservation and maintain uninterrupted access to the intellectual content of NRS collections in original or reformatted form.	A
	3. Maintain and complete established collaboration to complete surveying of archival collections using the Preservation Assessment Survey Tool methodology and result in ultimate production of a report to provide a resource for and to inform Scottish Ministers and on the state of Scotland's documentary cultural heritage Culminating in Ministerial launch event for the archival cultural sector and major stakeholders.	G

Records Services		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
	4. Research and investigate low energy and sustainable solutions for long term storage of national archival collections held by NRS and project parameters and scope and produce report to NRS Senior Management Board.	A
	5. Use conservation expertise to present the nation's archival collections both nationally and internationally in order to promote NRS and Scotland, and support ministerial initiatives at home and abroad.	A
E-records Unit	1 Achieve live running of Digital Data Archive (DDA) in order to take custody of born digital records	A
	2. Act as centre of expertise and first point of contact for electronic records and digital preservation issues in order to support colleagues with high quality advice	G
	3. Establish a 'shadow', non-live DDA in order to allow the testing of procedures and analysis of records prior to their ingest.	G
	4. Plan the establishment of a digital preservation laboratory in order to allow assess the value of third-party software and to maintain product knowledge	G
	5. Act as centre of expertise on copyright and information re-use issues in order to provide high quality advice to colleagues issues in order to support colleagues with high quality advice.	G

Public Services		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
Scotlands People Centre	1. Launch 1915 valuation rolls on the internet.	G
	2. Develop education sessions for schools and customers at the Centre	G
	3. 3 year strategy for ScotlandsPeople	G
	4. Develop subscription service for ScotlandsPeople	G
Records Enterprise	1. Revise Records Enterprise leaflets, forms, standard letters and website entries to incorporate new logo and updated NRS information.	G
	2. Create a comprehensive training manual covering all aspects of Extract Services section work.	G
	3. Review, standardise and then migrate Extract Services official extract templates to Quickr.	G
	4. Produce more extracts direct from image into templates.	G
Public Services	1. Improve Delivery of records from WRH	G
	2. Establish access to Plans	G
	3. Improve range of resources for answering enquiries	G
	4. Publish new version of Tracing Your Scottish Ancestors	G
	5. Run Schools Programme for NRS	G
	6. Redevelop Scottish Archives for Schools Website	G
	7. Launch Valuation Rolls on ScotlandsPeople	G
	8. Church Records Project	G
	9. Other Digitisation Projects	G
	10. Preparations for Cochrane Exhibition	G
ICT	1. Launch the Internet version of the new Scottish Criminal Cases Index	G

Public Services		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
	2. Introduce a new Tartan Database to support the interests of the tartan industry in Scotland, and to enhance the design and functionality of the Scottish Register of Tartans website to further promote tartan across the world	G
	3. Re-evaluate the business model and website solutions for ScotlandsImages , with the aim of establishing a sustainable business model for the partner organisations	G
	4. Develop new versions of the Transmissions, Seat Allocation, Records Tickets and Records Locations software systems, integrating fully with the Electronic Ordering System [note: to be aligned with the Information Discovery Solution BOI)	
	5. Upgrade the versions of the CALM Accession, Catalogue and Records Management software to the latest version (ver. 9.2) to deliver efficiency improvements and to maintain vendor support	G
	6. To work with Registration Branch IT colleagues and local archives to provide access to ScotlandsPeople facilities in local family history centres	G
	7. Implement the server reduction plan with the aim of reducing the IT carbon-footprint of the NASnet and ScotlandsPeople networks by at least 25% [Note: to take account of relevant IT merger planning and evaluation outcomes]	
	8. Complete the digitisation of a further 20,000 Sasine volumes as part of the on-going RAC project, delivering reductions in physical legal business related orders by providing electronic access to these records	G

Registration		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
Registration Policy	1. To set a fair and rigorous examination paper and mark completed papers, achieving the Examination Board's approval regarding the quality of the paper.	G
	2. To ensure the examination of recently created records, improving their accuracy and providing quick public access to them and to ensure production of an annual report to the Registrar General on the performance of local registration authorities.	G
	3. To work with local authority, SG and central government colleagues to update current legislation and implement new legislation.	G
Training and Development	1. To provide a correspondence course of structured training for registrars sitting the examination in the Law and Practice of Registration and to act as mentor during the course of study.	G
	2. To provide 2 Background Courses for new registrars and 1 Refresher Course for experienced registrars.	G
	3. To work with local authorities not meeting expected standards, to improve the accuracy rate in their registers and the training and guidance offered to their staff.	G
Registration Process	1. With COSLA and AROS, complete a review of the statutory fees and charges and implement any changes.	G
	2. To meet turnaround times in relation to workload measures.	G
	3. To set a fair and rigorous examination paper and mark completed papers, achieving the Examination Boards approval regarding the quality of the paper.	G
	4. Run a successful Scottish Registration Seminar for Registration Service Managers and Senior Registrars	G
	5. To complete the distribution of registrar's special stationery for use during 2012, to all registration districts.	G
	6. To timeously issue R&M letters, and maintain Registrars' Databases and the "shared" electronic copy of R's Handbook. To securely receive, log and check batches of examined register pages and schedules. Collate and bind for permanent preservation.	G
	7. To action promptly District Examiner's Reports, collate data and produce Performance Indicators. To provide administrative support to Registration Policy Branch	G

Registration		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
Registration IT	1. Modernise and migrate the operating platforms of NRS' business critical registration, family history and registration data sharing systems	G
	2. Extend the use of the Scottish Family History system to local family history centres, other government customers and NRS staff	G
	3. Decommission no longer required legacy hardware and systems	R
	4. Co-operate with other public bodies to facilitate registration data sharing of registration information	G
	5. Support Registration Process, Registration Policy and the ScotlandsPeople Centre in delivering improvements in service through the use of ICT	G

Census		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
Geography	1. Maintain Geography database	G
	2. Create and issue NRS Geography customer extracts	G
	3. Meet all requests for geographic data within published timescale	G
	4. Support 2011 Census	G
	5. NRS Address work	G

Demography		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
Population and Migration Statistics	1. Publish population, migration and life expectancy statistics	G
	2. Demographic policy support and analysis	G
	3. Improve the methodology and dissemination of our outputs and develop methods of revising our estimates after the 2011 Census	G
	4. 2011 Census Quality Assurance	G
Vital Events	1. Process and output preliminary Vital Events data every week and every quarter	G
	2. Disseminate Vital Events data for a year	G
Statistical Information Systems	1. Meet all customer requests for demographic data within published timescale (within 5 working days for almost all requests), providing appropriate advice and analysis as required.	G
	2. Disseminate via the web and other means, agreed statistical outputs and make improvements to the website to ensure it continues to meet the needs of users.	G
	3. Set up arrangements for appropriate business continuity for each significant service or product, allowing us to continue to operate selected services during and following a disruption.	G
	4. Initial Table Build Plans for 2011 Census outputs and identify issues to be resolved.	G
Household Estimates	1. Publish household estimates and projections	G
	2. Develop new information and provide support to our customers.	G
NHSCR	1. To manage the NHSCR records 90% within 5 working days, 95% within 10 working days and 100% within 15 working days of NHSCR being notified of the event).	G
	2. To manage the Medical Research and Improvement Service Updates	G

Demography		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
	3. To allow SG departments and others an identification verification source	G
	4. To manage SGHD SLA requirements	G
	5. To manage our Atos (IT) requirements for the Contract Management Team (CMT)	G
	6. To manage and develop our staff and processes	G
	7. To manage data linkage and quality	G
Alternative Sources	1. Provide support to other census and demography branches in broadening their use of administrative data and applying record linkage methodology	A
	2. Management of research using the Census linked to other records	A
	3. To collate and publish electoral statistics. Contribute to Electoral Commission assessment of completeness and accuracy of Electoral Register	G
	4. Data access, Stakeholders and Statistical Stream for work on Beyond 2011	A

Corporate Services		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
IT Development, Operations and Change	1. Maintain the operational efficiency and effectiveness of NRS (GROS) systems.	G
	2. Operate NRS (GROS) Systems and generate efficiencies through a range of actions to achieve VFM.	A
	3. Increase operational resilience of NRS (GROS) systems. By Mar 12.	G
	4. Maintain FER/ DIGROS system and domain in line with OGC & CSEG GSX operating parameters.	G
	5. Achieve GSX re-accreditation for the FER/ DIGROS domain.	G
Resourcing and Governance	1. Manage 2011-12 NRS Budget	G
	2. Spending Review (2012-15 period)	G
	3. Cash Releasing Efficiency Gains	G
	4. 2010-11 Annual Accounts Production	G
	5. Finance Amalgamation	G
	6. 2011-12 Annual Accounts Preparation	G
	7. Memorandum Trading Accounts	A
	8. Benchmarking	G
	9. Reporting and providing Financial Intelligence & Support to Customers/Stakeholders	G
	10. Income Generation Review	A
	11. Recharging for Services Provided (full cost)	G
	12. Workforce Planning (& Post Based Control)	G
Corporate Planning and Development	1. Enable Senior Management to make well-informed decisions by providing accurate and timely information about NRS	G
	2. Ensure that staff have the information they need to do their jobs effectively by making relevant corporate information easily accessible	A
	3. Enable staff to do their jobs as effectively as possible by facilitating corporate development	G
	4. Maintain good levels of staff wellbeing	G
	5. Support the Keeper in his role as head of the archive profession in Scotland	G

Corporate Services		
<i>Branch</i>	<i>Objective</i>	<i>End year position (RAG)</i>
Information Security and Assurance	1. Operates as a focus for IS security expertise for NRS providing authoritative advice and guidance on the application and operation of all types of security control.	G
	2. Leads and guides provision of Information assurance requirements across all the NRS' information and information systems.	A
Procurement	1. Provide procurement services to NRS business areas by procuring goods, services and works on their behalf, in accordance with procurement legislation and procedures to meet the Departments internal procurement processing targets	G
	2. Support Customers (Requisitioners) by ensuring they have access to the basic procurement information they need to be able to initiate a requisition for the goods and services required for their business area and contract management advice to ensure NRS interests are properly protected and value for money is achieved.	A
	3. Identify and calculate Procurement savings in accordance with Procurement BPI's and to meet the NRS Procurement Efficiency Gains Targets	G
Accommodation	1. To provide accommodation (including cleaning, office moves, health and safety, sustainable development and physical security), services to NRS staff, ensuring they have a safe and comfortable working environment.	G
	2. Take forward the sale of Station Road.	G
	3. Take forward the Business Continuity Model.	R
	4. Conduct a review of cleaning services for NRS.	G
Finance and Administration	1. To meet the Department's 10 day payment initiative for 98% of payments.	G
	2. To produce accruals lists, reconciliations of accounts and NCAR for input to 2010-11 accounts.	G
	3. Take on responsibility for all NAS accounts payable, accounts receivable, VAT return and NCAR processing	G
	4. Prepare Quarterly Finance Accounts to Trial Balance stage.	G
	5. Develop new objective to review NRS debtor management.	G