

Finance and Audit Scrutiny Panel

Grand Jury Room, Town Hall
23 March 2010 at 6.00pm

The Finance and Audit Scrutiny Panel deals with the review of service areas and associated budgets, and monitors the financial performance of the Council. The panel scrutinises the Council's audit arrangements and risk management arrangements, including the annual audit letter and audit plans, and Portfolio Holder 'Service' decisions reviewed under the Call in procedure.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to meetings, with the exception of Standards Committee meetings. If you wish to speak at a meeting or wish to find out more, please pick up the leaflet called "Have Your Say" at Council offices and at www.colchester.gov.uk

Private Sessions

Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Mobile phones, pagers, cameras, audio recorders

Please ensure that all mobile phones and pagers are turned off before the meeting begins and note that photography or audio recording is not permitted.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to Angel Court Council offices, High Street, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

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Terms of Reference

Finance and Audit Scrutiny Panel

- To review all existing service plans and associated budget provisions against options for alternative levels of service provision and the corporate policies of the Council, and make recommendations to the Cabinet
- To have an overview of the Council's internal and external audit arrangements and risk management arrangements, in particular with regard to the annual audit plan, the audit work programme and progress reports, and to make recommendations to the Cabinet
- To monitor the financial performance of the Council, and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors
- To scrutinise the Audit Commission's annual audit letter
- To scrutinise executive 'service' decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel through the call-in procedure

The panel may a) confirm the decision, which may then be implemented immediately, b) refer the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the Panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.

**COLCHESTER BOROUGH COUNCIL
FINANCE AND AUDIT SCRUTINY PANEL
23 March 2010 at 6:00pm**

Members

Chairman : Councillor Dennis Willetts.
Deputy Chairman : Councillor Christopher Arnold.
Councillors Dave Harris, Gerard Oxford, Wyn Foster,
Martin Goss, Theresa Higgins, Jackie Maclean, Jon Manning,
Lesley Scott-Boutell and Nick Taylor.

Substitute Members : All members of the Council who are not Cabinet members or members of this Panel.

Agenda - Part A

(open to the public including the media)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief and items 6 to 9 are standard items for which there may be no business to consider.

Pages

1. Welcome and Announcements

(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Chairman's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched to off or to silent;
- location of toilets;
- introduction of members of the meeting.

2. Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3. Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any personal interests they may have in the items on the agenda.

If the personal interest arises because of a Councillor's membership of or position of control or management on:

- any body to which the Councillor has been appointed or nominated by the Council; or
- another public body

then the interest need only be declared if the Councillor intends to speak on that item.

If a Councillor declares a personal interest they must also consider whether they have a prejudicial interest. If they have a prejudicial interest they must leave the room for that item.

If a Councillor wishes to make representations on an item on which they have a prejudicial interest they may do so if members of the public are allowed to make representations. In such circumstances a Councillor must leave the room immediately once they have finished speaking.

An interest is considered to be prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice the Councillor's judgement of the public interest.

Councillors should consult paragraph 7 of the Meetings General Procedure Rules for further guidance.

5. Minutes

1 - 2

To confirm as a correct record the minutes of the meeting held on 23 February 2010.

6. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

7. Items requested by members of the Panel and other Members

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

8. Referred items under the Call in Procedure

To consider any Portfolio Holder decisions, taken under the Call in Procedure.

The panel may a) confirm the decision, which may then be implemented immediately, b) confirm the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.

9. Decisions taken under special urgency provisions

To consider any Portfolio Holder decisions taken under the special urgency provisions.

10. Free bulky waste special collections 3 - 24

See report from the Head of Street Services.

11. Annual Governance Statement briefing paper 25 - 28

See report from the Head of Resource Management.

12. Third quarter Internal Audit Assurance report. 29 - 60

See report from the Head of Resource Management.

13. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

FINANCE AND AUDIT SCRUTINY PANEL

23 FEBRUARY 2010

Present: - Councillors Foster, Goss, Harris, T Higgins, Maclean, Manning, G Oxford, Scott-Boutell and Willetts
Substitutions: - Councillor Sutton for Councillor Arnold
Apologies:- Councillor Taylor

45. Minute

The minute of the meeting held on the 26 January 2010 was confirmed as a correct record, subject to the following amendment, a new paragraph inserted between paragraphs seven and eight, on item 40, 'One Place Managing Performance', to read "Whilst it was agreed that Colchester had a history of understating its achievements, Mr. Davidson concluded the discussions by congratulating Colchester Borough Council on what it had achieved in the last year".

46. Have Your Say

Mr. Andy Hamilton addressed the panel saying he suggested that Colchester Borough Council should give an award to the Gazette for its magnificent support and promotion of the Town's iconic Roman Circus. Mr. Hamilton also said he would like to congratulate Councillor Harris for his support of 'Colchester in Bloom'. Mr. Hamilton hoped Councillors would attend the forum at the Officers Club this Saturday, between 10 a.m. and 4.00 p.m.

Mr Hamilton commented on the departure of Mr. Paul King, District Auditor for Colchester, believing that the rating of 2 out of 4 by the Audit Commission was unacceptable, and hoped that the incoming District Auditor Ms. Hanson would be more competent. In conclusion, Mr. Hamilton said he admired the success of the Mercury Theatre who had reported 121,000 paying customers, 76% of capacity, and hoped the theatre would not be penalised by financial cuts in 2010-11.

47. 3rd Quarter Risk Management Progress Report

Ms. Hayley McGrath, Risk and Resilience Manager, attended the meeting and presented the 3rd Quarter Risk Management Progress Report, setting out the areas to be agreed by the panel.

In response to Councillor Manning, Ms. McGrath said that in respect of risk 4e a reduction in public spending, level 3 of probability suggested that officers understand this may well happen, though they are not sure. It is on the 'radar', and as a key risk, will be considered at each review stage.

Ms. McGrath confirmed to Councillor Goss that she would update the risk report to include a column noting when the risk entry was last updated. In reference to risk 2b political awareness, Ms. McGrath confirmed the July 2009 date will be addressed and revised at the next review.

RESOLVED that the panel commented on, and noted, the risk management issues, the performance relating to implementing the 2009-10 Risk Management Action Plan and the Strategic Risk Register.

48. Financial Monitoring Report – April to December 2009

Mr. Sean Plummer, Finance Manager, attended the meeting and presented the Financial Monitoring Report for April to December 2009. Mr. Plummer explained in detail the projected outturn for the General Fund, currently a net underspend of £620,000 and the Housing Revenue Account, a net underspend of £470,000. The General Fund forecast reflected a number of

variances including the current situation in regards to LABGI and HPDG grants. Mr. Plummer explained that one of the assumptions in the 2010/11 budget was that there would be an underspend of £699,000.

In terms of risk around budget prediction, Mr. Plummer confirmed to Councillor Willetts that there is always risks around budget forecasting and predictions, but in so far as this year's budget was concerned, officers are working towards the projected 2010/11 budget underspend of £699,000, and were expecting to be there or close to this figure.

Following the comments from Councillors Harris, Oxford and Smith, Portfolio Holder for Resources, Diversity, Culture and the Arts, the panel were unanimous in their compliments and gratitude to the staff within Revenues and Benefits and the Customer Services Centre, thanking them for their dedicated hardwork and performance during a time of economic downturn, which had seen a significant increase in the number of benefit payments processed, and due to the complexity of many new claims from an ever increasing number of claimants in part time employment, the associated workloads.

Councillor Smith also confirmed to the panel that the recent harsh weather had resulted in a drop in anticipated income from car parking charges and planning applications, that had a subsequent knock-on effect to budgets. It was however anticipated that planning application income would pick up as the weather improved.

RESOLVED that the panel noted the financial performance of General Fund Services and the Housing Revenue Account (HRA) in the first nine months of 2009-10.

Councillor Theresa Higgins (in respect of being a Member of Essex County Council) declared a personal interest in the following item.

49. Capital Expenditure Monitor 2009-10

Mr. Steve Heath, Finance Manager, attended the meeting and presented the Capital Expenditure Monitor 2009-10. Mr. Heath explained in detail the 2009/10 position to 31 December 2009, a spend to date of £7,000,000, representing 45.4% of the projected spend for 2009/10. Whilst appearing low, this was mainly due to significant expenditure expected in the last quarter of 2009/10, as well as the position to date not including accrued spend. Mr. Heath confirmed to Councillor Willetts that this was not a typical position, but reflected the increased activity against a number of large projects such as the Visual Arts Facility, Decent Homes Programme and ICT Strategy in the last few weeks of the year.

In response to Councillor Harris, Scott-Boutell and Oxford, who said they were dismayed at the length of delays in Essex County Council Social Services in determining OT recommendations in respect of Mandatory Disabled Facilities (MDF) Grants, were assured by Mr. Heath that the capital money will not be lost at year end, but will be rolled forward to 2010/11. In response to Councillor Smith, the panel were unanimous in their agreement that the Portfolio Holder for Neighbourhoods should be requested to write to the Essex County Council Portfolio Holder to urge an improvement to the delays by Essex County Council in informing the Council of the MDF required at each property.

RESOLVED that the panel noted the level of capital spending during the period April to December 2009 and forecasts for future years.

50. Work Programme 2009/10

RESOLVED that the panel noted the work programme 2009-10.

Finance and Audit Scrutiny Panel

Item
10

23 March 2010

Report of	Head of Street Services	Author	Paul English ☎ 282309
Title	Review of free bulky waste special collections		
Wards affected	St. Andrew's; St. Anne's; Berechurch, Harbour and East Donyland		

This report concerns the review of the extension to the free special collection service to areas within Berechurch and Harbour Wards

1. Action Required

- 1.1 The Panel is asked to note and comment on the details of this report and its recommendations.

2. Reasons for Scrutiny

- 2.1 The original decision to extend the Free Freighter Service, taken by the Portfolio Holder for Street and Waste Services was agreed after a report was taken to Cabinet at their meeting on 10 June 2009. The original Portfolio Holder report from the 23 April 2009 is attached as Appendix 1.
- 2.2 The Cabinet report of 10 June 2009 built on the information provided within the original report and is attached as Appendix 2, and includes the additional information provided at the Finance and Audit Scrutiny Panel meeting on 19 May 2009. The Portfolio Holder also subsequently asked that the locations of the Summer Freighter service be reviewed when the area receiving the extension of the free bulky waste special collections scheme are agreed.
- 2.3 The Cabinet meeting of 10 June 2009 confirmed the Portfolio Holder decision to extend the free special collection service currently provided in selected roads within identified smaller output areas in St Andrew's and St Anne's to selected roads within identified smaller areas in the wards of Harbour and Berechurch including an area in East Donyland Ward adjacent to Berechurch. The Cabinet concurred with a future review of the scheme as requested by the Finance and Audit Scrutiny, at the meeting later agreed to be 23 March 2010.

3. Background

- 3.1 In 1988 a special collection scheme using a manned freighter commenced in the ward of St Andrews primarily aimed at reducing the levels of fly tipping in and around the estate of Greenstead. At that time fly tipping was a significant issue and was seriously affecting the environmental quality of the estate and impacting upon the quality of life of the residents.

- 3.2 In 2004 this scheme had outgrown its intended use and had become so popular with residents from St Andrews and surrounding wards that the Health and Safety implications of the site and its visitors forced its closure.
- 3.3 As a result of the schemes closure an alternative scheme was introduced in late 2004.
- 3.4 This new scheme, providing roving refuse freighters proved to be problematic and the advance notification of vehicle times led to fly tipping.
- 3.5 In 2006 the scheme was varied once again and a pre bookable collection scheme introduced. Sixteen collection slots were initially introduced and residents in the affected wards were able to book a collection through the Customer Service Centre. The collections had conditions attached and were only available for waste which could not be reused or recycled.
- 3.6 The number of slots was increased in 2008 to 25 as the time to undertake each collection was not as long as first estimated.
- 3.7 In 2009 the number of wards where collections are permitted was extended as mentioned in paragraph 2.3. The appendices to the Cabinet report of 10 June 2009 shows the existing and proposed roads within the scheme.
- 3.8 The 2007 indices of multiple deprivation (IMD) classified 21 small areas in Colchester as 'deprived' which meant they were ranked as within the 40% most deprived small areas in England. The IMD takes into account seven domains which cover education, skills and training; crime; employment; living environment; health deprivation and disability; income; barriers to housing and services. Using all these domains, which is the recommended approach, the table below shows the 21 areas with their ward, local area name and national ranking.

Deprivation %	Ward name	Local area name	Rank
11-20%	St Anne's	St Anne's Estate	4032
	St Andrew's	Magnolia	4338
	Harbour	Barnhall	5880
21-30%	St Andrew's	Salary Brook South	6766
	St Andrew's	Forest	6973
	Harbour	Speedwell	7008
	St Andrew's	Sycamore	7155
	Shrub End	Iceni Square	8124
	New Town	New Town North	8340
	Castle	Castle Central	8351
	New Town	Paxmans	8466
31-40%	Shrub End	Rayner Road	10492
	St Andrew's	Eastern Approaches	10573
	St Anne's	Harwich Road	10921
	Berechurch	Monkwick	11044
	St Anne's	East Ward	11617
	Berechurch	Friday Wood	11639
	Lexden	Collingwood	11932
	Tiptree	Maypole	11948
	Berechurch	Blackheath	12136
	Berechurch	Berechurch North	12405

In this table you can see that in terms of small areas St. Andrew's has 5; Berechurch has 4; St. Anne's has 3 and Harbour, Newtown and Shrub End have 2 each in the top 40%.

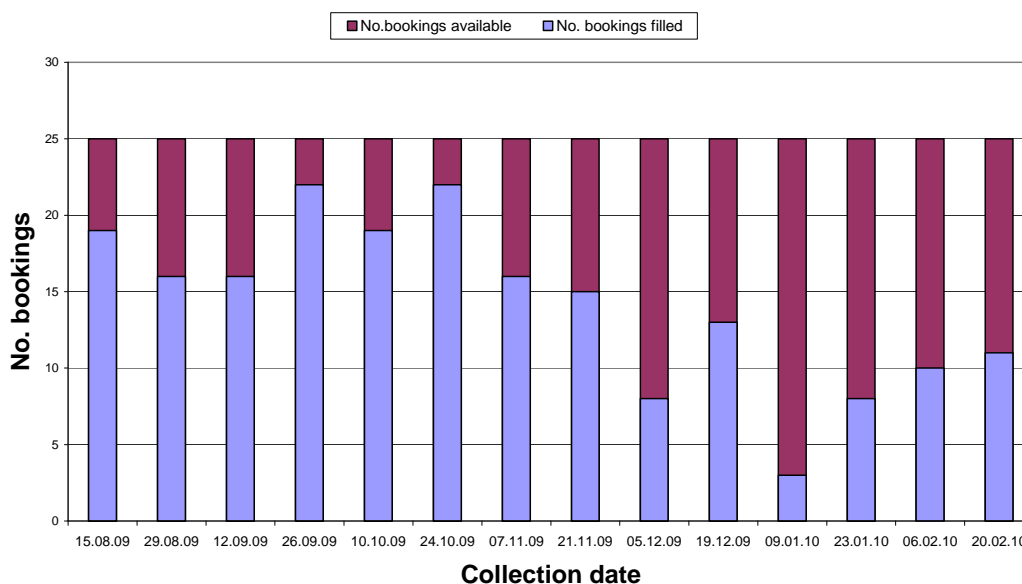
4. Scheme review

4.1 The background and history to the creation of this scheme are detailed in the original Portfolio Holder report of 23 April 2009.

4.2 Officers had identified that the original free bulky waste collection scheme had available capacity to be extended without the allocation of further resources. The extended scheme has been in place since 15 August 2009 and is available in selected parts of St Andrew's, St Anne's, Berechurch, Harbour and East Donyland wards, on a 'first come first served' basis with a maximum of 25 collection slots. These wards were selected using the index of multiple deprivation (2000), which was updated by the 2004 indices which refined the data to smaller areas within wards originally known as 'super output areas'.

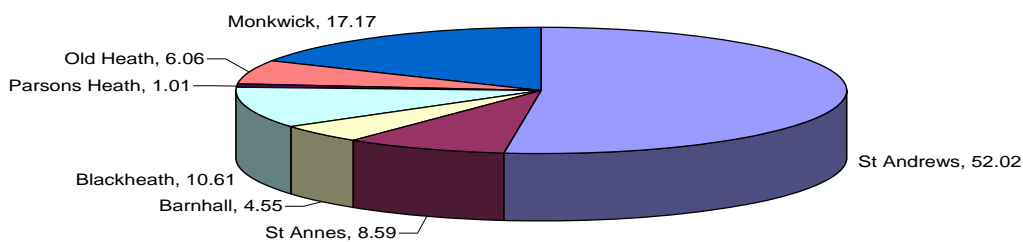
4.3 The uptake of the scheme since its extension has not been as high as was initially anticipated (see booking figures below). Over a period of 14 weeks following the introduction of the extended service, 2 weeks had over 20 bookings and the average take-up over this period was 14 booked collections out of a possible 25 available slots per week. Based on this 14 week period the uptake for the service was 56.57%.

Extended Free Collection Uptake



4.4 Of the figures shown in 4.3, the take-up of the service remained largely within St Andrew's ward which accounted for over half of the bookings made (see chart below). This could be due to several factors, including a familiarity with the service available (due to its inclusion in the wards covered in the original service) and a more general awareness through locally situated information points (Greenstead Community Housing Office). The general decline in the uptake of the service could also be attributed to the recent difficult economic climate, forcing people in already deprived areas to make do with items rather than replacing them.

Extended free service uptake % by area



5. Fly Tipping

- 5.1 Fly tipping is defined as the illegal dumping of waste including general household waste; domestic items such as fridges, beds and washing machines; garden waste and commercial waste such as builders' rubble, tyres and clinical waste. Members need to note that authorities are asked to include in the figures general household waste so black bag refuse bags put out early, or with the incorrect waste presented have to be reported to the National database as fly tipping.
- 5.2 In the previous report a total number of reported fly tipping were reported throughout the Borough and for 2008/09, a total number of 613 fly tipping incidents had been reported on public and private land. For 2009/10 to date the same data has been used for comparison and the number of fly tipping incidents reported is 370.
- 5.3 The reduction in fly tipping is generally Borough wide and difficult to associate directly with this scheme. It is though reasonable to assume the connection and the improved partnership working with Colchester Borough Homes.
- 5.4 From the information contained in 4.3 and 4.4, there are approximately 14 bookable slots available for use on each collection day.
- 5.5 Street Services are currently undergoing a Fundamental Service Review and this scheme, along with all other service provision, will be reviewed as part of that process.

6. Recommendations

- 6.1 It is recommended that the scheme is extended to allocate collection slots in to further areas within the Shrub End ward which had also been identified as one of the 21 areas classified as deprived within Colchester. By adding scheduled collection stops within the Shrub End ward, the vehicle will also be travelling towards its final destination, the landfill site and operational depot.
- 6.2 The existing scheme could be retained or the scheme could be extended beyond that proposed in 6.1. However, the latter would significantly reduce the number of collections available and lessen the effectiveness of the scheme because of the distances the freighter would have to travel on the morning it is operated. The scheme could be

extended further if it was decided to provide further funding to increase capacity by allocating extra staff resources.

- 6.3 It is further recommended that the Portfolio Holder for Street Services and Waste will approve service provision and extension for this scheme based upon information presented by officers and contained within this report.

7. Strategic Plan References

- 7.1 This initiative supports the Strategic Plan aim of being Clean and Green as this will contribute to a reduction on fly tipping.

8. Consultation

- 8.1 Ward councillors within the wards concerned have been consulted as part of the scheme extension in 2009.

9. Publicity Considerations

- 9.1 If agreed the extension of the scheme will be publicised to the roads identified in Appendix three. A press release will also be sent to the local media.

10. Financial Implications

- 10.1 There are no financial implications within the operation of the scheme. The existing scheme is funded through existing resources and the extension is within service capacity
- 10.2 In order to manage this scheme changes will be necessary to the electronic management systems within the Customer Service Centre.

11. Equality, Diversity and Human Rights Implications

- 11.1 Taking this decision will provide a service to smaller areas of wards in the Borough who rank in the top 40% nationally in index of multiple deprivation and are described as 'deprived'. The two highest small areas in the index are already served by this scheme.
- 11.2 The scheme is particularly beneficial to older people and people with disabilities who have difficulty in disposing of larger items of waste.
- 11.3 There are no particular equality, diversity or human rights implications. This is covered in the original EQIA for the Service found on the link here: www.colchester.gov.uk/Info_page_two_pic_2_det.asp?art_id=7977&sec_id=1988

12. Community Safety Implications

- 12.1 The disposal of bulky waste by householders in areas of high deprivation can be difficult. Fly tipping can often occur in these areas which in turn leads to poor environmental quality.
- 12.2 There is a direct correlation between litter, waste and crime and the prevention of fly tipping will in part improve the fear of crime in these areas.

13. Health and Safety Implications

13.1 Fly tipping of waste materials, including hazardous waste, is a danger to the public and the environment. It is the intention of this scheme to reduce fly tipping therefore reducing the risk of harm.

14. Risk Management Implications

14.1 The risk in not agreeing to this decision is that fly tipping in these wards will continue or increase

14.2 There is also a slight risk that by extending the scheme it will outstrip the slots available which could lead to customers waiting longer for a collection date. This will be monitored over the first six months of operation and reported to the Portfolio Holder.

Background Papers

Appendix one – Portfolio Holder report 23rd April 2009

Appendix two – Cabinet Report 10th June 2009

Appendix three – Extension of free bulky waste collections - existing scheme roads

Appendix four – FURTHER extension of free bulky waste collections

COLCHESTER BOROUGH COUNCIL

RECORD OF DECISIONS TAKEN UNDER DELEGATED POWERS

Explanatory Note

The Council has established Delegation Schemes by which certain decisions may be made by the relevant cabinet member or specific officers.

Such decisions are subject to review under the Call-in Procedure. From the date the decision is published there are five working days during which any five Councillors may sign a request for the decision to be reviewed and deliver it to the Proper Officer. If, at the end of the period, no request has been made, the decision may be implemented. If a valid request has been made, the matter will be referred to either the Finance and Audit Scrutiny Panel if the Type of Decision is Service, or the Strategic Overview and Scrutiny Panel if the Type of Decision is Strategic/Corporate.

For decisions which are deemed to be Key Decisions, these must be included in the Forward Plan and 14 days must elapse between publication of the Forward Plan and the decision being taken.

In addition, any report (excluding confidential ones) relating to a Key Decision must have been made available to the public at least five clear days prior to the decision being signed.

Part A – To be completed by the appropriate Cabinet Member/Officer

Title of Report

Extension of free bulky special collections

Delegated Power

To procure the specified service in the provision, implementation, maintenance and management of: - refuse collection

Decision Taken

To extend the free special collection service currently provided to St Andrew's and St Anne's to the wards of Berechurch, Harbour and East Donyland. The scheme will be provided to selected parts of these wards.

Key Decision

This is not a key decision

Appendix One

Forward Plan

N/A

Reasons for the Decision

The existing scheme has available capacity to be extended without the allocation of further resources. The existing scheme is available in selected parts of St Andrew's and St Anne's wards. These wards were selected using the index of multiple deprivation 2000. St Andrews and St Anne's are the two wards with the highest areas of deprivation in the Borough.

The capacity within the existing scheme is sufficient to extend to two more wards. Again using the index of deprivation Berechurch and Harbour are third and fourth highest in the Borough.

It is also recognised that a small part of East Donyland ward, Holt Drive, would fall within the criteria and the area served adjacent to Berechurch ward.

Alternative Options

There is no alternative option other than to retain the existing scheme. Any extension of the scheme beyond that proposed would significantly reduce the number of collections available and lessen the effectiveness of the scheme.

Conflict of Interest

N/A

Type of Decision

Service

Dispensation

N/A

Authorisation

Signature _____

Designation _____

Date _____

(NB For Key Decisions five clear days must have elapsed between the report being made available (see date in **Key Decision** box above) and the decision being taken i.e. signed)

Appendix One
Part B – To be completed by the Proper Officer

Call-in Procedure

Date published on The Hub and placed in Members' Room and Customer Service Centre

Date by which request for reference must be made to the Finance and Audit Scrutiny Panel if the Type of Decision is Service or the Strategic Overview and Scrutiny Panel if the Type of Decision is Strategic/Corporate

5pm _____

Signed _____

Proper Officer

Reference Number

Implementation

Date decision can be implemented if no request (Call-in) for the decision to be reviewed has been made

After 5pm _____



Portfolio Holder for Street and Waste

Item

23 April 2009

Report of	Head of Street Services	Author	Dave McManus
Title	Extension of free special collections		☎ 282625
Wards affected	Berechurch, Harbour and East Donyland		

This report concerns the extension of the free special collection service to parts of Berechurch, Harbour and East Donyland Wards

1. Decision(s) Required

- 1.1 To extend the free special collection service currently provided in St Andrew's and St Anne's to the wards of Berechurch, Harbour and East Donyland. The scheme will be provided to selected parts of these wards.

2. Reasons for Decision(s)

- 2.1 The existing scheme has available capacity to be extended without the allocation of further resources. The existing scheme is available in selected parts of St Andrew's and St Anne's wards. These wards were selected using the index of multiple deprivation 2000. St Andrews and St Anne's are the two wards with the highest areas of deprivation in the Borough.
- 2.2 The capacity within the existing scheme is sufficient to extend to two more wards. Again using the index of deprivation Berechurch and Harbour are third and fourth highest in the Borough.
- 2.3 It is also recognised that a small part of East Donyland ward, Holt Drive, would fall within the criteria and the area served adjacent to Berechurch ward.

3. Alternative Options

- 3.1 There is no alternative option other than to retain the existing scheme. Any extension of the scheme beyond that proposed would significantly reduce the number of collections available and lessen the effectiveness of the scheme.

4. Supporting Information

- 4.1 In 1988 a special collection scheme using a manned freighter commenced in the ward of St Andrews primarily aimed at reducing the levels of fly tipping in and around the estate of Greenstead. At that time fly tipping was a significant issue and was seriously affecting the environmental quality of the estate and impacting upon the quality of life of the residents.

Appendix One

- 4.2 In 2004 this scheme had outgrown its intended use and had become so popular with residents from St Andrews and surrounding wards that the Health and Safety implications of the site and its visitors forced its closure.
- 4.3 As a result of the schemes closure an alternative scheme was introduced in late 2004.
- 4.4 This new scheme, providing roving refuse freighters proved to be problematic and the advance notification of vehicle times led to fly tipping.
- 4.5 In 2006 the scheme was varied once again and a pre bookable collection scheme introduced. Sixteen collection slots were initially introduced and residents in the affected wards were able to book a collection through the Customer Service Centre. The collections had conditions attached and were only available for waste which could not be reused or recycled.
- 4.6 The number of slots was increased in 2008 to 25 as the time to undertake each collection was not as long as first estimated.

5. Proposals

- 5.1 Over the last 12 months the usage of the scheme has been monitored and it is considered that an extension to the scheme is currently possible.
- 5.2 When considering these extensions, areas of relatively high fly tipping and high deprivation were considered. For operational effectiveness the extension was determined to cover two wards only
- 5.3 It is proposed to allocate the 25 available collection slots equally across the four wards involved in the scheme.
- 5.4 It is also proposed to allocate dedicated areas within Berechurch, Harbour and East Donyland wards where the scheme will operate

6. Strategic Plan References

- 6.1 This initiative supports the Strategic Plan aim of being Clean and Green as this will contribute to a reduction on fly tipping.

7. Consultation

- 7.1 Ward councillors within the wards concerned have been consulted.

8. Publicity Considerations

- 8.1 If agreed the extension of the scheme will be publicised in the areas identified in paragraph 5.4 above. A press release will also be sent to the local media.

9. Financial Implications

- 9.1 There are no financial implications within the operation of the scheme. The existing scheme is funded through existing resources and the extension is within service capacity
- 9.2 In order to manage this scheme changes will be necessary to the electronic management systems within the Customer Service Centre. These changes may carry a

Appendix One

maximum cost of £1k. Savings will be identified within the service budget allocation to accommodate these costs.

10. Equality, Diversity and Human Rights Implications

- 10.1 Taking this decision will provide a service to three wards of the Borough who rank the third, fourth and fifth highest in the index of multiple deprivation. The two highest wards in the index are already served by this scheme.
- 10.2 The scheme is particularly beneficial to older people and people with disabilities who have difficulty in disposing of larger items of waste.

11. Community Safety Implications

- 11.1 The disposal of bulky waste by householders in areas of high deprivation can be difficult. Fly tipping can often occur in these areas which in turn leads to poor environmental quality.
- 11.2 There is a direct correlation between litter, waste and crime and the prevention of fly tipping will in part improve the fear of crime in these areas.

12. Health and Safety Implications

- 12.1 Fly tipping of waste materials, including hazardous waste, is a danger to the public and the environment. It is the intention of this scheme to reduce fly tipping therefore reducing the risk of harm.

13. Risk Management Implications

- 13.1 The risk in not agreeing to this decision is that fly tipping in these wards will continue or increase
- 13.2 There is also a slight risk that by extending the scheme it will outstrip the slots available which could lead to customers waiting longer for a collection date. This will be monitored over the first six months of operation and reported to the Portfolio Holder.

Background Papers

There are none



Cabinet

10 June 2009

Item

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Report of	Head of Street Services	Author	Matthew Young
Title	Extension of free bulky waste special collections		
Wards affected	St. Andrew's; St. Anne's; Berechurch, Harbour and East Donyland		
			282902

This report concerns the extension of the free special collection service to small areas within Berechurch and Harbour Wards

1. Decision(s) Required

- 1.1 To confirm the Portfolio Holder decision to extend the free special collection service currently provided in selected roads within identified smaller output areas in St Andrew's and St Anne's to selected roads within identified smaller areas in the wards of Harbour and Berechurch including an area in East Donyland Ward adjacent to Berechurch.

2. Reasons for Decision(s)

- 2.1 The original decision by the Portfolio Holder for Street and Waste Services was 'called in' and the Finance and Audit Scrutiny Panel (FASP) at their meeting on 19th May 2009 agreed to refer the decision back to the Portfolio Holder for Street and Waste Services for further consideration, asking him to extend the special collection scheme not on a ward basis, but to those super output areas having the greatest need regardless of ward.
- 2.2 Alongside this the Panel asked the Portfolio Holder to agree to a further review of the Free Freighter Service in 2009-10 and requested information in regards to car ownership by ward, the number of flytipping collections by ward with this information split by collections on private and public land.
- 2.3 This report was requested to build on the information provided with the original report, which is attached as Appendix One, and include the information provided at the FASP meeting on 19th May 2009. The Portfolio Holder has also subsequently asked that the locations of the Summer Freighter service be reviewed when the area receiving the extension of the free bulky waste special collections scheme are agreed.

3. Alternative Options

- 3.1 The existing scheme could be retained or the scheme could be extended beyond that proposed. However, the latter would significantly reduce the number of collections available and lessen the effectiveness of the scheme because of the distances the freighter would have to travel on the morning it is operated. The scheme could be extended further if it was decided to provide further funding to increase capacity by allocating extra staff resources.

4. Supporting Information

4.1 The background and history to the creation of this scheme are detailed in the original Portfolio Holder report attached as Appendix One.

4.2 Officers have identified that the existing free bulky waste collection scheme has available capacity to be extended without the allocation of further resources. The existing scheme is available in selected parts of St Andrew's and St Anne's wards. These wards were originally selected using the index of multiple deprivation (2000), which was updated by the 2004 indices which refined the data to smaller areas within wards originally known as 'super output areas'. St Andrews and St Anne's were the two wards with super output areas that had the highest levels deprivation in the Borough and this is still the case.

4.3 The capacity within the existing scheme is sufficient to extend to two more 'deprived' areas within Wards. The decision on where to extend balances the following three factors (the percentages in brackets indicate the weighting put on each factor).

- Deprivation (50%)
- Incidents of fly tipping (40%)
- Use of resources (10%)

4.4 *Deprivation*

The 2007 indices of multiple deprivation (IMD) classified 21 small areas in Colchester as 'deprived' which meant they were ranked as within the 40% most deprived small areas in England. The IMD takes into account seven domains which cover education, skills and training; crime; employment; living environment; health deprivation and disability; income; barriers to housing and services. Using all these domains, which is the recommended approach, the table below shows the 21 areas with their ward, local area name and national ranking.

Deprivation %	Ward name	Local area name	Rank
11-20%	St Anne's	St Anne's Estate	4032
	St Andrew's	Magnolia	4338
	Harbour	Barnhall	5880
21-30%	St Andrew's	Salary Brook South	6766
	St Andrew's	Forest	6973
	Harbour	Speedwell	7008
	St Andrew's	Sycamore	7155
	Shrub End	Iceni Square	8124
	New Town	New Town North	8340
	Castle	Castle Central	8351
	New Town	Paxmans	8466
31-40%	Shrub End	Rayner Road	10492
	St Andrew's	Eastern Approaches	10573
	St Anne's	Harwich Road	10921
	Berechurch	Monkwick	11044
	St Anne's	East Ward	11617
	Berechurch	Friday Wood	11639
	Lexden	Collingwood	11932
	Tiptree	Maypole	11948
	Berechurch	Blackheath	12136
Berechurch	Berechurch North	12405	

In this table you can see that in terms of small areas St. Andrew's has 5; Berechurch has 4; St. Anne's has 3 and Harbour, Newtown and Shrub End have 2 each in the top 40%.

4.5 Fly Tipping

Fly tipping is defined as the illegal dumping of waste including general household waste; domestic items such as fridges, beds and washing machines; garden waste and commercial waste such as builders' rubble, tyres and clinical waste. Members need to note that authorities are asked to include in the figures general household waste so black bag refuse bags put out early, or with the incorrect waste presented have to be reported to the National database as fly tipping.

The following table shows the reports of fly tipping during the 2008/09 year broken down by ward and private and public land as requested by FASP.

Ward	Public	Private	Total
Berechurch	32	2	34
Birch & Messing	16		16
Boxted & Langenhoe	14	1	15
Castle	27	2	29
Dedham	7		7
East Donyland	5		5
Fordham	6		6
Great Horkesley	3	1	4
Great Tey	1		1
Harbour	15		15
Highwoods	29	5	34
Lexden	2		2
Marks Tey	7		7
Mile End	10	2	12
New Town	61	4	65
Prettygate	2		2
Pyefleet	3		3
Shrub End	4		4
St Andrew's	203	9	212
St Anne's	46		46
St John's	10		10
St Mary's	9		9
Stanway	13		13
Tiptree	40		40
West Bergholt	3		3
West Mersea	3		3
Winstree	0		0
Wivenhoe	11	5	16
TOTAL	582	31	613

This data shows that the St Andrew's ward suffers from the majority of the annual fly-tipping reported. Since the introduction of the free collection service these reports have mainly been for black sack waste rather than the larger items, although we still do have some hot spot areas for larger items which are being targeted by officers. New Town is next on the list and in this area again it is the result of the number of black bag/household waste reports received.

St Anne's and Tiptree have the next largest number of reports. St Anne's tends to be more bulky waste such as white goods and larger household items whilst Tiptree tends to suffer larger fly-tips such as builder and construction waste. This ward is due to benefit from the deployment of a covert CCTV system in an attempt to identify those responsible. In many places this particular ward is rural and officers suspect that much of the waste deposited is done so locally by those people who work out of the Borough, bringing waste back with them where it is deposited illegally.

The next two highest wards are Berechurch and Highwoods. Data shows that the majority of reports in Berechurch are for the larger household items and centred on the smaller areas that are 'deprived' whilst the reports from Highwoods are linked to household waste. In the original report there was an area around Holt Drive which is adjacent to the Monkwick Estate in Berechurch, but located in East Donyland ward that has suffered recently from large fly tips.

Another factor that needs to be considered is access to a car as this can influence a resident who may be tempted to fly tip an item. Regular access to a car normally means that an item will be taken to the nearest Recycling Centre for Household Waste (for most people this is Shrub End). However, if transport is not readily available then fly tipping in the local area (normally the nearest open space to where an item can be carried) becomes an option. In the table below the Customer Insight team have mapped those areas least likely to have access to a car using Mosaic data.

Ward	Number of households rated mosaic type E28, F35, F36, F37, F39 and I48
Berechurch	99
Birch and Winstree	0
Castle	245
Christ Church	7
Copford and West Stanway	0
Dedham and Langham	2
East Donyland	0
Fordham and Stour	2
Great Tey	0
Harbour	115
Highwoods	208
Lexden	9
Marks Tey	0
Mile End	0
New Town	465
Prettygate	2
Pyefleet	0
St Andrew's	828
St Anne's	174
St John's	0
Shrub End	91
Stanway	159
Tiptree	44
West Bergholt and Eight Ash Green	4
West Mersea	71
Wivenhoe Cross	1
Wivenhoe Quay	0

Mosaic is a classification system designed specifically to support public sector policy decisions, communications activity and resource strategies. Its comprehensive analysis of citizens at postcode and household level provides deep insight into the socio-demographics, lifestyles, culture and behaviour of UK citizens. Using data from a wide range of public and private sources, Mosaic Public Sector has been linked to specific data sources from health, education, criminal justice and local and central government. The table counts number of households in the following mosaic types who are likely to have no access to a car compared to an average UK citizen. These are Mosaic type E28 (1.97 times more likely) F35 (2.00 times more likely) F36 (2.15 times more likely) F37 (1.99 times more likely) F39 (2.40 times more likely) and I48 (2.49 times more likely). Unfortunately the Mosaic data is not broken down to the smaller areas at present although this could be done if it was required.

The data shows us that in all the Wards that have smaller areas in the top 40% 'deprived' nationally all have a larger number of households least likely to have access to a car than the average ward in Colchester.

4.6 ***Use of resources***

The service is provided every other Saturday morning to 25 properties by one refuse freighter with a crew of two starting and finishing at Shrub End Depot. To make best use of this limited resource the most effective route has to be worked out for the vehicle that will take in the largest amount of properties in the most deprived areas of the Borough.

To use the freighter over a larger area, including all the small areas identified as 'most deprived', would significantly reduce the number of collections available and lessen the effectiveness of the scheme because of the distances the freighter would have to travel on the morning it is operated.

The scheme could be extended further if it was decided to provide further funding to increase capacity by allocating extra staff resources, but this would mean identifying resources from other budgets in the Street Services Group which would impact on service delivery elsewhere.

4.7 ***Summary***

Officers have reviewed and analysed all the above factors and data when planning the extension of the service to further areas in line with the weighting stated in paragraph 4.3. Looking at this the next recommended smaller areas it should be extended into are those in Harbour ward as the deprivation ranking is next highest, there is some fly tipping which is mainly larger household items (although it is not as much a problem here as in other wards) and the area is adjacent to the present route of the vehicle.

The primary factor of the deprivation indices show that small areas in Shrub End, Newtown or Castle rank higher than the next areas which are in Berechurch. However, when we look at the fly tipping data there is an appreciable difference between Shrub End and Berechurch and this would indicate that there is less demand for the bulky waste collection service. The difference is less so with Castle, however records show that the Castle Ward fly tipping reports do not occur in the 'Central' small area. As stated before the fly tipping in the Newtown Ward is mainly black bag domestic waste and not larger items which this service is there to collect.

Therefore, taking these main factors into account

- the service is offered to communities that deprivation indices indicate would most struggle to afford the charged service;
- where fly tipping of larger items is an issue;
- where the Council is making the best use of the resource that provides the service

it is the recommendation of officers that the smaller areas within Berechurch ward (including the adjacent roads in East Donyland ward) are included in the scheme.

5. Proposals

- 5.1 It is proposed to allocate the 25 available collection slots across the roads in the smaller 'deprived' areas located in St. Andrew's; St. Anne's; Harbour and Berechurch wards as well as a small area of East Donyland ward that is adjacent to Berechurch. The slots will be booked on a first come first served basis through the Customer Service Centre. The roads the scheme applies to are shown in Appendix Two to this report.
- 5.2 As a result of this decision the locations of the advertised summer freighter scheme will be looked at and adjustments made to reflect the fact that the free scheme is operating in certain areas.

6. Strategic Plan References

- 6.1 This initiative supports the Strategic Plan aim of being Clean and Green as this will contribute to a reduction on fly tipping.

7. Consultation

- 7.1 Ward councillors within the wards concerned have been consulted.

8. Publicity Considerations

- 8.1 If agreed the extension of the scheme will be publicised to the roads identified in Appendix two. A press release will also be sent to the local media.

9. Financial Implications

- 9.1 There are no financial implications within the operation of the scheme. The existing scheme is funded through existing resources and the extension is within service capacity
- 9.2 In order to manage this scheme changes will be necessary to the electronic management systems within the Customer Service Centre. These changes may carry a maximum cost of £1,000. Savings will be identified within the service budget allocation to accommodate these costs.

10. Equality, Diversity and Human Rights Implications

- 10.1 Taking this decision will provide a service to smaller areas of wards in the Borough who rank in the top 40% nationally in index of multiple deprivation and are described as 'deprived'. The two highest small areas in the index are already served by this scheme.
- 10.2 The scheme is particularly beneficial to older people and people with disabilities who have difficulty in disposing of larger items of waste.

11. Community Safety Implications

- 11.1 The disposal of bulky waste by householders in areas of high deprivation can be difficult. Fly tipping can often occur in these areas which in turn leads to poor environmental quality.
- 11.2 There is a direct correlation between litter, waste and crime and the prevention of fly tipping will in part improve the fear of crime in these areas.

12. Health and Safety Implications

- 12.1 Fly tipping of waste materials, including hazardous waste, is a danger to the public and the environment. It is the intention of this scheme to reduce fly tipping therefore reducing the risk of harm.

13. Risk Management Implications

- 13.1 The risk in not agreeing to this decision is that fly tipping in these wards will continue or increase
- 13.2 There is also a slight risk that by extending the scheme it will outstrip the slots available which could lead to customers waiting longer for a collection date. This will be monitored over the first six months of operation and reported to the Portfolio Holder.

Background Papers

There are none

Appendix 1

Berechurch ward – additional roads

Wethersfield Road

Finchingfield Way

Pebmarsh close

Thaxted Walk

Felsted Close

Berechurch Hall Road 1 to 71 and 2 to 52

East Donyland ward – additional roads

Garrod Court

Maraschino Crescent

Merton Court

Morello Court

Prunus Court

Sexton Close

Bober Court

Appendix Two

Pre-booked Special Collections - Existing Roads

St. Andrews Slots	St. Andrews Slots (Continued)
Affleck Road	Hewes Close
Acacia Avenue	Hickory Avenue
Alefounder Close	Holborough Close
Almond Way	Honeysuckle Way
Alyssum Walk	Howe Close
Antonio Walk	Hunwicke Road
Ariel Close	Jessica Close
Arnold Drive	Juniper Way
Arrow Road	Laburnum Grove
Ashdown Way	Laing Road
Aspen Way	Larch Close
Avon Way	Leam Close
Balfe Court	Imogen Close
Bennett Court	Jasmine Close
Berberis Walk	Lime Avenue
Berrimans Close	Linden Close
Blackthorn Avenue	Lugar Close
Bridgebrook Close	Macbeth Close
Britten Close	Magnolia Drive
Brockenhurst Court	Marigold Close
Bromley Road	Miranda Walk
Buckingham Drive	Oberon Close
Buffett Way	Patmore Road
Charles Pell Road	Penrice Close
Chase Court	Pickford Walk
Clarkia Walk	Primrose Walk
Clematis Way	Prospero Close
Conifer Close	Purcell Close
Cook Crescent	Redwood Close
Cooper Walk	Rochdale Way
Cypress Grove	Rosalind Close
Cyril Child Close	Scarfe Way
Dahlia Walk	Sebastian Close
Delius Walk	Sherbourne Road
Dewberry Close	Sherwood Close
Duffield Drive	Spruce Avenue
Elm Crescent	Stanley Wooster Way
Erica Walk	Stevens Walk
Ferdinand Walk	Sullivan Close
Forest Road	Sycamore Road
Foxglove Walk	Tamarisk Way
Gardenia Walk	Tangerine Close
Geranium Walk	Tara Close
Gorse Walk	Thelsford Walk
Hamlet Drive	Thorpe Walk
Handel Walk	Tippett Close
Hawthorn Avenue	Titania Close
Heatley Way	Tulip Walk
Orsino Walk	Veronica Walk
Othello Close	Viola Walk
Panton Crescent	Wheeler Close

Appendix Two

St. Andrews Slots (Continued)	St. Anne's Slots (Continued)
Whitethorn Close	Compton Road
William Boys Close	Compton Road, Dansie Court
Willingham Way	Fairfield Gardens
Woodcock Close	Fairhead Road North
Woodrow Way	Francis Way
Yew Tree Close	Frank Clater Close
St. Anne's Slots	Gascoigne Road
Alderton Road	Goring Road
Ayloff Road	Hazelton Road
Barkstead Road	Mary Frank House
Barnardiston Road	Orchard Gardens
Compton Road	Royal Court
Crown Bays Road	St Anne's Road
Dilbridge Road East	The Causeway
Dilbridge Road West	Wilson Marriage Road
Fairhead Road South	

Pre-booked Special Collections – Proposed new roads

Berechurch/East Donyland	Harbour
Bardfield Rd	Barn Hall Ave
Beeleigh Close	Bell Close
Berefield Way	Brittany Way
Boyles Court	Cheveling Rd
Buntingford Court	Churchill Way
Buxton Road	Colne View
Byng Court	Cunningham Close
Coronation Ave	Dedham Court
Coronation Ave	Docker Court
Firlie Walk	Dowding Close
Garrod Court	Foresight Road
Holt Drive	Harwood Close
Inworth Walk	Hilltop Close
Marasca End	Horrocks Close
Middlewick Close	Meopham Court
Monkwick Avenue	Montgomery Close
Moy Rd	Mulberry Ave
Nathan Court	Normandy Ave
Parnell Close	Place Farm Court
Persardi Court	Ramsey Mews
Prince Charles Rd	Roosevelt Way
Prince Philip Road	Russell Court
Queen Elizabeth Way	Savill Rd
Ridgewell Way	Speedwell Rd
Sage Road	Stalin Rd
School Road	Tedder Close
Sheering Walk	Thornfield Court
Stansted Rd	Unity Close
Sturmer Court	Wick Rd
Talcott Road	
Terling Close	
The Parade	
Windsor Close	



Finance & Audit Scrutiny Panel

Item
11

23 March 2010

Report of

Head of Resource Management

Author

Hayley McGrath
508902

Title

The Annual Governance Statement Briefing Paper

Wards
affected

Not applicable

This report provides an explanation of the Annual Governance Statement, which will be reported to the Accounts & Regulatory Committee later in the year.

1. Actions Required

- 1.1 To note the requirement to produce an Annual Governance Statement and the role of the Accounts and Regulatory Committee in the process.

2. Reason for Scrutiny

- 2.1 The Annual Governance Statement is a statutory requirement as set out in Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006.
- 2.2 The Council has to report an Annual Governance Statement (A.G.S.) as part of its Annual Statement of Accounts. The A.G.S. encompasses a comprehensive review of the Councils governance arrangements including compliance with the Code of Corporate Governance. The regulations state that the A.G.S. should be reviewed by the Accounts and Regulatory Committee which should then recommend that it is signed off by the Leader of the Council and the Chief Executive
- 2.3 Although the Accounts and Regulatory Committee has scrutinised previous statements it is an essential part of the process that this briefing report is presented to the panel to ensure that all members are fully aware of their responsibilities.

3. Background

- 3.1 In 2007 CIPFA / SOLACE issued revised guidance regarding how Corporate Governance should be managed and reviewed .The Good Governance Framework sets out six fundamental principles of corporate governance (as shown below), which are underpinned by supporting principles and requirements:
 - **Focusing on the purpose** of the authority and on outcomes for the community and creating and implementing a vision for the local area
 - **Members and officers working together** to achieve a common purpose with clearly defined functions and roles.
 - **Promoting values** for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - **Taking informed and transparent decisions** which are subject to effective scrutiny and managing risk.
 - **Developing the capacity** and capability of members and officers to be effective.
 - **Engaging with local people** and other stakeholders to ensure robust accountability.

3.2 Councils are expected to comply with the requirements of the Framework and thus meet the principles of good corporate governance. The purpose of the A.G.S. is to critically review the Council's success in complying with the framework.

4. What is an Annual Governance Statement?

4.1 The A.G.S. should be an open and honest self-assessment of a Council's governance arrangements and compliance with the Good Governance Framework across all of its activities, with a clear statement of the actions being taken or required to address areas of concern.

4.2 It should include the following:

- An acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control).
- A description of the key elements of the systems and processes that comprise the governance arrangements.
- Identification of the key risks and gaps in control and assurance.
- A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements.
- An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

4.3 The Audit Commission has commented that:

"Authorities need to recognise that this is a corporate issue, affecting everyone in the organisation. It is also important to recognise that the purpose of the annual governance statement is not just to be 'compliant', but also to provide an accurate representation of the arrangements in place during the year and to highlight those areas where improvement is required. This will also demonstrate to stakeholders what those arrangements are."

5. Other Reviews that Influence the Annual Governance Statement

5.1 Not only will the A.G.S. require the provision of evidence from many sources ranging from the Constitution through to individual procedure notes, it will also need to show that some specific areas of review have been carried out including:

- A Corporate Governance Health Check
- An assessment of the effectiveness of Internal Audit
- Partnership arrangements
- Risk Management Framework

5.2 These areas are central to the overall control framework of the authority and are therefore critical in being able to complete the A.G.S.

6. Suggested Process

6.1 The guidance for the A.G.S. proposes the following process:

CIPFA Guidance (steps)	Suggested Sources of Assurance
Establish the principal statutory obligations and organisational objectives.	<ul style="list-style-type: none"> • Constitution • Corporate / Strategic plans • Service plans • Performance reporting
Identify the principal risks to achievement of the objectives	<ul style="list-style-type: none"> • Corporate Risk profile • Risk management processes • Internal Audit – risk based planning
Identify and evaluate the key controls to manage the principal risks.	<ul style="list-style-type: none"> • Internal Audit – risk based planning (includes reviews of Corporate Risk process) • All key financial and non financial systems audited regularly • Annual review of Corporate Governance • Annual Risk Management report
Obtain assurances of the effectiveness of key controls	<ul style="list-style-type: none"> • Work of the Internal Audit Service • Annual Internal Audit report • Annual External Audit letter • Work of Risk Management • Annual Risk Management report • External accreditations • Assurance Statement from managers
Evaluate assurances and identify gaps in control / assurance	<ul style="list-style-type: none"> • Work of the Internal Audit Service • Annual Internal Audit report • Annual External Audit letter • Work of Risk Management • Annual Risk Management report • Work of information security officer
Action plan to address weaknesses and ensure continuous improvement of the system of internal control.	<ul style="list-style-type: none"> • Action plans arising from the work of the Internal Audit Service, Audit Commission and other inspection agencies • CPA Action Plans • Best Value action plans • Group/ Strategic risk management action plans

7. Proposals

- 7.1 To note the requirement of the Council to produce an Annual Governance Statement and the responsibility of the Accounts and Regulatory Committee to consider and approve the completed statement.

8. Strategic Plan Implications

- 8.1 The Annual Governance Statement is a fundamental review of the Council's governance arrangements which influences the effectiveness of the processes required to achieve the strategic objectives.

9. Risk Management Implications

- 9.1 The risk management framework is an integral part of the Council's governance arrangements and the Annual Governance Statement includes a review of the effectiveness of the risk management process.

10. Other Standard References

- 10.1 There are no direct Publicity, Financial, Consultation, Human Rights, Community Safety or Health and Safety implications as a result of this report.



Finance & Audit Scrutiny Panel

Item

24th March 2010

Report of

Head of Resource Management

Author

Elfreda Walker
282461

Title

3rd Quarter Internal Audit Assurance Report 2009/10

Wards
affected

Not applicable

**This report concerns Internal Audit Activity between
October and December 2009**

1. Actions Required

- i To note and comment on the revised Internal Audit Terms of Reference.
- ii To note and comment upon the Council's performance relating to:
 - Executing the 3rd quarter of the Internal Audit plan for 2009/10;
 - Performance of internal audit by reference to national best practice benchmarks.

2. Reason for Scrutiny

The Accounts and Audit Regulations 2003 require local authorities to maintain an adequate and effective system of internal audit.

Internal audit is a key element of the Council's corporate governance framework. Robust implementation of audit recommendations gives assurance to members and management that services are operating effectively, efficiently and economically and in accordance with legislative requirements and professional standards.

3. Key Messages

- Audit coverage is slightly lower than target, which allocates audit days equally across the year. However, it is in line with the profiled plan, which is weighted towards the second half of the year when the key financial audits are undertaken, to enable the audit to cover transactions across most of the financial year and so avoid the need to carry out additional year end testing.
- Nineteen audits have been completed, the assurance rating of twelve remain the same (or they were a first audit), four have received a reduced assurance rating and three were not systems audits and so did not generate an assurance rating.
- The assurance rating for the Security of Premises has decreased from 'Substantial' to 'No Assurance'. The assurance ratings for the CCTV and Payroll have reduced from 'Substantial' to 'Limited' and the rating for Benefits from 'Full' to 'Substantial'.
- The Head of Corporate Services has confirmed that actions to implement the Security of Premises audit recommendations are in progress and that a 'Security of Premises Policy' has been drafted and reviewed by the Property Forum. This will now be finalised, circulated and endorsed. The Payroll Audit recommendations are likewise being given urgent attention and implementation is underway. The CCTV Audit recommendations have already been reviewed and implemented.
- A Security of Premises audit is to be carried out in Q1 of 2010/11 to ensure that the issues identified have been resolved. The CCTV audit was followed up during

March, and the Payroll audit is to be followed up in Q1 2010/11. Carrying out the follow up work in such a prompt manner will ensure that risks are minimised.

- The Benefits audit was the first 'Full' assurance rating ever given and the reduction to 'Substantial' is not a cause for concern.
- 11 Priority 1, 66 Priority 2 and 13 Priority 3 recommendations have been made. The priority 1 recommendations were in respect of the Security of Premises (six), Pest Control (two), Environmental Health – Rechargeable Works (two) and Payroll (one) audits.
- A total of three priority 2 recommendations in respect of the Pest Control, Payroll and Renaissance Project Management audits have not been accepted by management. All other recommendations have been accepted.
- Excellent progress has been made in implementing and verifying outstanding recommendations.

4. Internal Audit Terms of Reference

The Internal Audit Terms of Reference describe the purpose, authority and principal responsibilities of the Internal Audit Function. The revised Terms of Reference take account of the expected requirements set out in the CIPFA Code of Practice for Internal Audit in Local Government. It is a requirement of the Code of Practice that the Terms of Reference are presented to the authority's Audit Committee. Please see Appendix 1.

5. Supporting Information

5.1 This report has been designed to show:

- Detailed information concerning audits finalised in the quarter
- Details of the effectiveness of the Internal Audit provider in delivering the service

5.2 Using a risk-based approach, Internal Audit generates reports for all audits, with recommendations to improve the effectiveness of the internal control framework and maximise potential for service improvement across the Council. The audit plan consists of a mix of regularity, systems and probity audits. Only systems audits generate an assurance level and these are categorised as follows:

- Full Assurance – a sound system of control
- Substantial Assurance – basically a sound system with some weaknesses
- Limited Assurance – weaknesses that may put the system objectives at risk
- No Assurance – control is generally weak leaving the system open to error or abuse

5.3 Internal Audit categorises recommendations according to their level of priority as follows:

- Priority 1 – Major issues for the attention of senior management
- Priority 2 – Other recommendations for local management action
- Priority 3 – Minor matters

5.4 Internal audit categorise the tracking of recommendations as follows:

- Fully implemented
- Partially implemented
- Not implemented

6. Performance Qtr 3 2009/10

6.1 Use of Audit Resources:

	Days	%
Audit days delivered – Q3	100	20
Audit days delivered – Q2	144	28
Audit days delivered – Q1	115	23
Remaining Days – per agreed Audit Plan	146	29
	505	100

6.2 Summary of Audits finalised during the quarter:

	Total No. of Reports		Level of Assurance – Systems Audits*				Change in Assurance Level – compared to last audit		
	Other	Systems	Full	Substantial	Limited	No	▲	▶ (or 1 st Audit)	▼
Audits finalised – Q3									
b/f from 2008/09	-	2	-	1	-	1	-	1	1
2009/10	3	14	-	10	4	-	-	11	3
Work in progress Q3									
b/f from 2008/09	-	-							
2009/10	-	1							

*Only systems audits are given an assurance level.

Please see Appendices 2 and 3 for a summary of results and outcomes of the 19 audits finalised in Quarter 3.

7 Status of all recommendations as at 31st December 2009:

- 7.1 Following the completion of each audit, a report is issued to management, incorporating recommendations for improvement in controls and management's response to those recommendations.
- 7.2 The Senior Management Team has discussed the need to ensure all outstanding recommendations are implemented in a timely fashion and to this end a revised approach has been agreed as follows:
- Outstanding recommendations are a monthly agenda item at each service area Group Management Team (GMT) meeting
 - The Audit & Governance (A&G) team send out a schedule of the relevant recommendations to each GMT member 10 days before the meeting
 - GMT members update the progress made in implementing each of the recommendations that they are responsible for
 - The recommendations are discussed at the GMT meeting and an updated schedule is returned to the A&G team.
 - A&G team send details of the recommendations that are ready to be verified to the internal auditors
 - The internal auditors carry out follow up work to ensure that the recommendations have been properly and completely implemented and remove implemented recommendations from the schedule
 - Outstanding recommendations are escalated to the Head of Resource Management if there isn't a satisfactory reason for the lack of progress.

- If the recommendation remains outstanding the responsible officer could be asked to attend FASP to explain the situation to members.

7.3 The table below provides a breakdown of the outstanding recommendations as at 1st July 2009 and 31st December 2009.

	Outstanding Recommendations That Are:							
Date	Not Due		Overdue		Awaiting Verification		Implemented & Verified	
1/07/09	37	18%	130	64%	36	18%	-	-
31/12/09	21	8%	20	7%	61	22%	172	63%

7.4 In the 6 month period from the 1st July to 31st December 2009, 71 new recommendations were added and 172 recommendations removed following verification as being implemented by Internal Audit.

7.5 Please see Appendix 5 for details of outstanding recommendations, progress in implementing these recommendations will continue to be closely monitored and reported to the panel each quarter.

8 Performance of Internal Audit 2009/10 to date – Key Performance Indicators (KPIs):

KPI	Target	Actual
Efficiency:		
Percentage of annual plan completed (to at least draft report stage)	75%	68%
Average days between exit meeting and issue of draft report	10 max	8
Average days between receipt of management response and issue final report	10 max	1
Quality:		
Meets CIPFA Code of Practice – per Audit Commission	Positive	Positive
Results of Client Satisfaction Questionnaires (Score out of 10)	7.8	8.6
Percentage of all recommendations agreed	95%	97%
Improved assurance for 2 nd & subsequent audit reviews – as a percentage of all recurring reviews	25%	13%

8.1 The key performance indicators show that the internal audit provider is successfully meeting or exceeding the majority of standards. One target that has not been met is the percentage of annual plan completed, and is primarily due to the profiling of the audit plan, which is weighted towards the end of the financial year when the key financial audits are undertaken. The percentage of audits that have shown an improved assurance rating for the 2nd or subsequent review is also below the expected level, which is due to the number of audits which attained a ‘substantial’ assurance at the previous audit and have maintained that level.

9. Colchester Borough Homes Limited

9.1 Colchester Borough Homes Limited has its own agreed audit plan which is administered by the Council’s auditors. The coverage of the plan, and the scope of the audits, is

decided by Colchester Borough Homes Limited and in general the audits do not affect the systems operated by the Council.

- 9.2 However, there are a few audits that, whilst they are carried out for either Colchester Borough Homes Limited or the Council, have a direct relevance and impact on the other organisation and in these circumstances it is appropriate that the results of the audit are reported to both organisations. These are known as joint audits.
- 9.3 There has been one joint audit finalised in the third quarter – Housing Rents and the details of this audit have been included in Appendix 3.
- 9.4 In accordance with agreed protocol, Colchester Borough Homes Limited reports are presented to FASP once they have been reported to its Finance and Audit Sub-Committee. These reports are included in Appendix 4.

10. External Audit

The last item to be received from the external auditors was the Annual Audit Letter, which was reported to this Panel on the 26th January 2010.

Appendix 6 details the progress made in implementing the external audit recommendations made in the Benefits Service Diagnostic and the Colchester Visual Arts Facility reports, which were issued in the final quarter of 2008/09.

11. Proposals

To note and comment upon the revised Internal Audit Terms of Reference.

To note and comment upon the Council's progress and performance in implementing quarter 3 of the Internal Audit programme for 2009/10.

12. Strategic Plan Implications

The audit plan has been set with due regard to the identified key strategic risks to the Council. The strategic risk register reflects the objectives of the strategic plan. Therefore, the audit work confirms the effectiveness of the processes required to achieve the strategic objectives.

13. Risk Management Implications

The failure to implement recommendations may have an effect on the ability of the Council to control its risks and therefore the recommendations that are still outstanding should be incorporated into the risk management process.

14. Other Standard References

Having considered consultation, equality, diversity and human rights, health and safety and community safety and risk management implications, there are none that are significant to the matters in this report.

COLCHESTER BOROUGH COUNCIL
INTERNAL AUDIT TERMS OF REFERENCE

1. Introduction

- 1.1 Section 151 of the Local Government Act 1972 requires Councils to “make arrangements for the proper administration of their financial affairs”. More specific requirements are detailed in the Accounts and Audit Regulations 2003 (as amended in 2006) in that the relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.
- 1.2 These Terms of Reference describe the purpose, authority and principal responsibilities of the Internal Audit function at Colchester Borough Council.

2. Definition of Internal Audit

- 2.1 “Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation’s objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources”.

3. Status

- 3.1 Responsibility for Internal Audit is situated within the Resource Management service area.
- 3.2 Internal Audit’s authority derives directly from its statutory responsibilities and the Procedure Rules established by the Council.
- 3.3 The authority for the production and execution of the audit plan and subsequent audit activity rests with the Head of Resource Management.

4 Reporting Lines

- 4.1 The work of Internal Audit is reported directly to the Finance Manager (Audit & Governance) and to Members via the Finance and Audit Scrutiny Panel (FASP) which is charged with responsibility for audit and governance.
- 4.2 Internal audit assignments are the subject of formal reports. These reports are sent to the relevant Head of Service, Finance Manager (Audit & Governance) together with relevant managers. Reports are issued initially as drafts and, following agreement as to contents and responsibility for implementing recommendations, a final report is issued.

5 Independence

- 5.1 Internal Audit will be sufficiently independent of the activities being audited so that auditors are able to make impartial and effective professional judgements and recommendations.
- 5.2 Internal auditors will have no operational responsibilities.
- 5.3 The Finance Manager (Audit & Governance) will determine Internal Audit’s priorities in consultation with FASP.

6 Responsibilities

- 6.1 The principal objective of Internal Audit is to provide the Council with an independent and objective opinion on the Council’s control environment.

- 6.2 The Audit and Governance team and Internal Audit should play a key role in shaping the ethics and standards of the council and where appropriate, act as a catalyst for change and improvement.
- 6.3 The scope of internal audit work will cover all the Council's activities and encompass both the financial and non-financial aspects of the control environment. This includes activities undertaken in partnership with other organisations where assurance will be sought in accordance with agreed protocols including access rights.
- 6.4 Internal audit work comprises an independent and objective review of the control environment. The key elements of the control environment include:
- (a) Establishing and monitoring the achievement of the organisation's objectives
 - (b) The facilitation of policy and decision making ensuring compliance with established policies, procedures, laws and regulations
 - (c) Ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which the council's functions are exercised, having regard to a combination of economy, efficiency and effectiveness
 - (d) The financial management of the council and the reporting of financial management
 - (e) The performance management of the council and the reporting of performance management.
- 6.5 The council's assurance and performance management framework will be taken into consideration when determining the work of Internal Audit. The key elements of the assurance and performance management framework are:
- Risk management both at the strategic and operational levels
 - The monitoring of key council objectives and targets by the Senior Management Team
 - Business planning - the identification and monitoring of key business targets by individual services
 - Reviews by the Audit Commission
 - Reviews by other external agencies
 - Previous Internal Audit work
- 6.6 Particular attention will be devoted to any aspects of the control environment affected by significant changes within the organisation's risk environment.
- 6.7 The Finance Manager (Audit & Governance) will also make a provision, in the scope of Internal Audit's work, to form an opinion where key systems are operated by the Council on behalf of other bodies or other bodies operating key systems on behalf of the Council.
- 6.8 The annual internal audit report will give an opinion on the operation of the Council's control environment

7 Fraud and Corruption

- 7.1 Managing the risk of fraud and corruption is the responsibility of management. Audit procedures alone, cannot guarantee that fraud or corruption will be prevented or detected. Nevertheless, Internal Auditors will be alert in all their work to risks and exposures that could allow fraud or corruption to occur.
- 7.2 The Head of Resource Management is responsible for the maintenance of the Council's anti fraud and corruption policy and the raising of fraud awareness across the Council.

- 7.3 The Head of Resource Management will be informed of all suspected or detected fraud, corruption or impropriety, so that he or she can consider the adequacy of the relevant controls.
- 7.4 Allegations of Housing or Council Tax Benefit fraud will be referred to the Council's Benefit Investigation Team. In all other cases Heads of Service will ensure that all suspected irregularities are immediately reported to the Head of Resource Management, who will ensure that all suspected irregularities are promptly investigated or reported to the Police in line with the criteria detailed in the anti-fraud and corruption policy and reported to the Chief Executive.
- 8. Access**
- 8.1 Internal Audit will have unrestricted direct access to all Members, Council personnel, records (whether manual or computerised), cash, stores, and other property and may enter Council property or land to obtain such information and explanations considered necessary to fulfil the responsibilities of an internal audit function. Such access shall be granted on demand and not be subject to prior notice and will also extend to partner bodies or external contractors working on behalf of the authority insofar as such access relates to work carried out or services provided on behalf of or in partnership with the authority.
- 9 Standards**
- 9.1 There is a statutory requirement for Internal Audit to work in accordance with 'proper practices in relation to internal control' which represent the standards for internal audit. The guidance accompanying the Accounts and Audit Regulations 2003 (as amended in 2006) state that the standards are those contained within the CIPFA Code of Practice for Internal Audit in the United Kingdom 2006. The CIPFA standards have been adopted by Colchester Borough Council.
- 10. Resources**
- 10.1 The Finance Manager (Audit & Governance) is responsible for managing the delivery of the Internal Audit Service and acts in the capacity of Contract Manager and is in regular contact with the contractor – Deloitte and Touche Public Sector Internal Audit Ltd.
- 10.2 As specified in the internal audit services contract, appropriate staff in terms of grades, qualifications, skills and experience will be provided by the Internal Audit Services contractor in order to ensure satisfactory delivery of the Audit Plan requirements.
- 10.3 The service is delivered according to a five year strategic plan and an annual plan developed by the Contractor in consultation with the Finance Manager (Audit & Governance), Heads of Service and Executive Directors based on a risk assessment of the various systems and processes within the Council, covering the Council's objectives and activities and their associated risks. Annually the strategic audit plan is rolled forward taking into account changing risks caused by new developments (e.g. new systems, revisions to existing systems and/or working practices, new legislation, any organisational restructuring, changing priorities or objectives, expansion of partnerships etc).
- 11. Review**
- 11.1 The Internal Audit Terms of Reference will be subject to regular review, the results of which will be reported to the Finance & Audit Strategy Panel and the Head of Resource Management.

Summary of Audits Finalised in Quarter 3:

316 – Cemetery and Crematorium	Days	Assurance Substantial ▶	Priority of Recommendations			Agreed
			1	2	3	
	10		-	4	1	5

Scope of Audit: This review examined the following areas:

- Recording and banking of income;
- Income collection and debt recovery;
- Controlled stationery;
- Retention of records;
- Procedures for the collection and sale of precious metals;
- Budgetary control procedures; and
- Future provision of burial grounds.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- Cheques should be stored securely and should be held in a locked drawer. (2)
- Management should ensure that independent reviews of the income reconciliations are completed every week. (2)
- Staff should be reminded that receipts from Securicor should be obtained and retained. (3)
- Corporate debt management procedures should be obtained and made available to all relevant members of staff. (2)
- Goods received should be checked off against the original order. The officer receiving the goods should initial the delivery note as evidence that the required check has been performed. (2)

324 – Security of Premises	Days	Assurance No ▼	Priority of Recommendations			Agreed
			1	2	3	
	5		6	-	-	6

Scope of Audit: This review examined the following areas:

- Entry Procedures;
- Access Cards;
- Visitors Books;
- Out of Hours Security;
- Alarms and CCTV; and
- Locking Up Procedures.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- An organisation-wide security policy should be developed, maintained and made available to all staff via The Hub. This should contain, as a minimum, the following information:
 - Corporately responsible officers;
 - Expected conduct of Council officers;
 - Expected conduct of Council officers holding swipe cards;
 - Expected conduct of contractors;
 - Council expectations of those with responsibilities for security;
 - High level expectations with regard to processes and documentation in place on a site by site basis, such as key holder logs, locking up procedures, etc.;
 - Expectations with respect to random security checks and for any centralised processes, such as the reporting of out of hours incidents;
 - The requirement for contractors to adhere to the policy and any general and local procedures in place. (1)

- Council-wide security procedures should be developed which define the generic responsibilities of those with security responsibilities and define what is expected by the Council. The procedures could include such information as the following:
 - The need for development of local procedures and headings for what should be included in them;
 - Maintenance of key holder log;
 - General responsibilities of key holders;
 - Procedures in respect of lost keys;
 - Documenting of key contacts with respect to incidents, both during and out of office hours;
 - The frequency with which key pad and other codes (such as those for alarms) should be changed;
 - Frequency and documentation of local management checks on security;
 - Procedures for the issue and return of swipe cards; and
 - Responsibilities of contractors to adhere to the procedures, etc. (1)
- Responsibilities of those officers who have responsibilities with respect to security matters, such as those who hold keys for Council offices, should be assigned within their job descriptions. (1)
- It is recommended that overall responsibility for security across the Council should be agreed and documented, and that responsibilities of staff at a more local level also be defined and documented both within procedures and the job descriptions of relevant officers. (1)
- As well as Council-wide procedures, local security arrangements should be documented within site specific security procedures which contain specific information in relation to the headings included in the Council-wide policy. These policies and procedures should also include locking up procedures and local alarm and CCTV procedures. (1)
- Corporate security arrangements for the Council as a whole should be subject to a risk assessment and review at the earliest possible convenience. The Council should then consider tendering for a single contract to manage all of the Council's security arrangements. (1)

402 – Pest Control	Days	Assurance Limited	Priority of Recommendations			
			1	2	3	Agreed
	10	▶	2	4	-	5

Scope of Audit: This review examined the following areas:

- Procedure and Guidance Notes;
- Pre-Inspection and Scheduling of Works;
- Monitoring of Works Undertaken;
- Authorisation and Payment of Invoices;
- Recording of Services Provided;
- Collection of Income Due;
- Arrangements for Chasing Outstanding Debtors; and
- Availability and Use of Management Information.

Key Outcomes: The recommendation resulting from this review is summarised as follows:

- The Pest Control procedures should be reviewed and updated, as appropriate to help ensure that they reflect current working practices and should include; the collection of income, treatment visit turnaround times, collection and review of customer feedback and production and review of system reports for monitoring purposes. (2)
- The Animal Control Manager should retain records to demonstrate which customers have been contacted to provide feedback. In addition, evidence should be retained to confirm that the feedback forms have been reviewed, and the action taken, where appropriate, to improve the service provided. (2)
- Consideration should be given to the recording of complaints received within Environmental and Protective Services to enable those relating to pest control to be separately identified for monitoring purposes. (2)
- Regular checks should be carried out to confirm that invoices are being raised for work undertaken on behalf of commercial customers and evidenced of the checks retained on file. (1)
- A formal reconciliation of Pest Control income should be carried out on a monthly basis with details on the FLARE system matched against the payments received. (1)

- Management reports generated from the FLARE system should be retained by the Animal Control Manager to evidence his regular review of the team’s performance. (2) Not Agreed

412 – Environmental Health – Rechargeable Works	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	10	Limited (Regularity)	2	7	-	9

Scope of Audit: The audit was designed to provide a review of the following areas

- Identification of rechargeable works;
- Costing of rechargeable works;
- Invoicing and recharging arrangements;
- Write offs; and
- Management information.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- The Works in Default Procedure should be reviewed by the Environmental Control Manager, updated and reviewed at regular intervals. Consideration should be also be given to the inclusion of the following:
 - Charging Procedures and Recovery of Costs;
 - Procedure on Receipt of Contractors Invoice;
 - Disputes;
 - Payment Enquires;
 - Recording of Evidence;
 - Write Offs;
 - Timetable for Recovery; and
 - Management Information. (1)
- Confirmation should be obtained from Accounts Receivable by e-mail that Invoice Request Forms have been processed and/or checks undertaken that invoices have been raised for all work undertaken. (2) Agreed in Principle
- Contractors should be reminded that invoices must be submitted in line with the Council’s invoice timescale requirements (six months). Where contractors fail to comply, consideration should be given to no longer using them to undertake work. (2)
- The CIVICA Report - Works in Default Completed by Environmental Control should be run by the Environmental Control Manager on a monthly basis. This report should be forwarded to Environmental Control Officers to confirm the accuracy of rechargeable works job completion status (work booked, pending or completed). The report should be used to either request invoices or pay contractors upon receipt of invoices. (1)
- The CIVICA reference should be included on the rechargeable works invoice. (2)
- The CIVICA reference should be recorded against payments received at the Cash Office. (2)
- Original rechargeable works paperwork, including copies of Invoice Request Forms should be maintained on the Finance Debt Collection File maintained by Environmental Control. (2)
- The Environmental Control Officer should update the rechargeable works status on CIVICA to 'complete' once the contractor has completed their work. (2)
- Supporting documentation should be retained for all write-offs. (2)

413 – CCTV	Days	Assurance Limited ▼	Priority of Recommendations			Agreed
			1	2	3	
	7		-	6	1	7

Scope of Audit: This review examined the following areas:

- Deciding whether to use or continue to use CCTV;
- Ensuring effective administration;
- Selecting and siting cameras;
- Using the equipment;
- Looking after the recorded material and using the images;
- Responsibilities;
- Staying in control; and
- Monitoring compliance with the Code of Practice.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- The Council should prepare an Annual Report for CCTV at a defined point each year. An exercise should also be carried out during the preparation of the CCTV Annual Report, whereby the continued use of CCTV is considered and assessed for appropriateness and the installation of any new cameras is considered and/or explained. (2)
- The Council should ensure that all copies of signed agreements and any extensions are held centrally / assigned to a responsible officer and are also scanned to an appropriate place on the system to ensure they are available to relevant officers. (2)
- Although there is a process in place, this should be formally documented and publicised to the CDRP parties and incorporate changes being made to the system to include the preparation of a business case for any new cameras being installed. (2)
- Staff should be reminded that whenever recorded images are removed from the centre that these should be logged out and signed for as part of the evidence trail. Only CBC members of staff should download data to help ensure that there is segregation of duties between the officer recording the data and the person signing for it. (2)
- Management should consider undertaking an exercise, whereby all signs are mapped and checked for whether they are appropriate. Where necessary, they should be amended to include the purpose for use of CCTV in accordance with the Code of Practice. (2)
- The Council should consider providing additional refresher training to Monitoring Centre Operators on a regular basis or releasing relevant updates by another method as a more proactive means of ensuring members of staff remain up to date with any legislative changes. (3)
- The Monitoring Centre Co-ordinator should keep records of any management checks undertaken to evidence monitoring of compliance. (2)

416 – NNDR	Days	Assurance Regularity	Priority of Recommendations			Agreed
			1	2	3	
	5		-	3	-	3

Scope of Audit: This review examined the following areas:

- Debits to Individual NNDR Accounts;
- Receipting of Income Received;
- Amendments to NNDR Accounts;
- Procedures for Dealing with Suspense Items;
- Reconciliation of NNDR System to FMIS;
- Processing NNDR Refunds;
- Access Privileges to the system;
- Monitoring and Follow Up of NNDR Arrears;
- Authorisation of Write Offs;

- Management Information;
- Voids; and
- Reliefs.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- Timely reconciliations between the NNDR system and the General Ledger should be undertaken. (2)
- The set up date should be input for all new users added to the system. A list of new users should be produced and checked by senior management on a regular basis. (2) Agreed in Principle
- A regular cycle of exempt property inspection should be developed. Management should regularly review the progress made against the plan. (2)

417 – Council Tax	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	5	Regularity	-	2	-	2

Scope of Audit: The audit covered the following areas:

- Reconciliation to the Valuation List
- Debits to Individual Council Tax Accounts;
- Receipting of Income Received;
- Amendments to Council Tax Accounts;
- Procedures for Dealing with Suspense Items;
- Reconciliation of Council Tax System to FMIS;
- Processing Council Tax Refunds
- Recording Housing Benefit Rebates;
- Reductions and Exemptions;
- Access Privileges;
- Monitoring and Follow Up of Council Tax Arrears;
- Authorisation of Write Offs; and
- Management Information.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- Timely reconciliations between the Council Tax system and the General Ledger should be undertaken. (2)
- The set up date should be input for all new users added to Academy. A list of new users should be produced and checked by senior management on a regular basis. (2) Agreed in Principle

418 – Payroll	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	10	Limited ▼	1	7	-	7

Scope of Audit: The audit covered the following areas:

- Policy, Procedures and Legislation;
- Starters and Leavers;
- Deductions;
- Variations and Adjustments;
- Accounting for Payroll Costs;
- Management Information;
- System Security; and
- Systems Reconciliation.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- As recommended at the previous audit, Emergency Payment procedures should be documented, ratified and made available to staff. (2)
- A monitoring process should be introduced to check whether managers are reviewing their online establishment information in line with agreed timescales. (2) Agreed in Principle
- All authorised payment documentation, related correspondence and evidence of the background checks carried out should be scanned on the IDOX system. (2)
- Payroll staff should ensure that only payment documentation received for starters, changes and leavers, etc. is processed if it has been correctly authorised. (1)
- Staff updating the payroll system should initial the relevant form. (2) Agreed in Principle
- As recommended at the previous audit, evidence should be retained on file that changes to data as part of the annual pay review have been independently checked. (2)
- As recommended at the previous audit, evidence should be retained on file that exception reports are being checked. (2) Not Agreed
- Reconciliations between the General Ledger and the payroll system should be independently reviewed. (2)

422 – Parking Services Income	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	5	Regularity	-	7	-	7

Scope of Audit: This review examined the following areas:

- Procedures for the collection of Car Park fees;
- Security and accuracy of Car Park income collection;
- Recording of Car Park income by the Boroughs' cashiers;
- Accounting of Car Park income and variance reporting;
- Car Park season ticket sales;
- Production and review of management information; and
- Access to Car Park pay point keys.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- The Car Park Standard Operating Procedures should be reviewed in light of the new partnership arrangements and updated as appropriate. The procedures should be subject to regular review. (2)
- All differences over £10, identified between the Cash Collection and Cash Return Sheet should be recorded on the variance spreadsheet. (2)
- Monthly sample checks of the accuracy of the Cash Collection and Cash Return Sheet should be undertaken by the Operations Supervisor. Data in the spreadsheets should be compared to machine tickets and actual amounts recorded by the Cash Office. (2)
- Confirmation should be obtained as to who differences over £50 should be reported to. (2)
- Variance Spreadsheets should be independently reviewed by the Parking Services Manager on a regular basis and this review should be formally evidenced. (2)
- Cash Office reports detailing the income from season tickets sales should be checked by an independent officer to confirm the amount charged is in line with agreed tariffs. (2)
- The Key Log, Key Register and the Combination Register should be reviewed to ensure that they take into account the new Parking Partnership arrangements. (2)

423 – Parking Services Partnership	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	10	Substantial (First Audit)	-	-	1	1

Scope of Audit: This review examined the following areas:

- Partnership Agreement;
- Policies and Procedures;

- Accounting for Income;
- Partnership Costs;
- Joint Committee; and
- Management Information.

Key Outcomes: The recommendation resulting from this review is summarised as follows:

- Management should ensure that the invoices for the quarterly partner contributions are raised in a timely manner in line with the agreement. (3)

424 – Renaissance Project Management	Days	Assurance Substantial (First Audit)	Priority of Recommendations			Agreed
			1	2	3	
	15		-	4	-	3

Scope of Audit: This review examined the following areas:

- Monitoring of Budgets;
- Funding Agreements;
- Procurement Process;
- Project Management;
- Communication with External Contractors and Partner Organisations;
- Payments to Contractors and Consultants; and
- Management Information;

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- A review of Project Definition Forms (PDFs) should be included as a standing item on the Renaissance Steering Group (RSG) Agenda. (2)
- Monthly finance reports should be submitted to the Renaissance Steering Group.(2) Not Agreed
- The planned review of the Project Management Toolkit (the Toolkit) should be undertaken at the earliest possible convenience. As part of this review, the following areas should be added to the Toolkit:
 - A pro-forma of standard actions to be included in Microsoft Project should be developed. This should include actions relating to submission of grant claims.
 - Where actions are agreed with contractors following site meetings and project reviews are noted in Project Manager notebooks, any agreed actions are to be cross referenced to the relevant Microsoft Project. (2)
- Following the monthly review of the Renaissance Risk Register, this should be distributed to all relevant officers on a monthly basis. (2)

426 – Life Opportunities – Management Arrangements	Days	Assurance Substantial (First Audit)	Priority of Recommendations			Agreed
			1	2	3	
	15		-	5	3	8

Scope of Audit: This review examined the following areas:

- Admissions Income;
- Budget Setting;
- Monitoring of Budgets;
- Virements;
- Journals;
- Invoices;
- Banking of Income;
- Reconciliation;
- Debt Write Off;
- Purchases;

- Authorised Signatory List; and
- Payments.

In addition, we also undertook a high level of examination of arrangements in place in respect of:

- Human Practices, including Training and Development;
- Risk Management;
- Health and Safety;
- Business Continuity; and
- Internal Audit Report Recommendations.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- It is recommended that allotment and beach hut hire income reconciliation spreadsheets should be updated on a regular basis. Management should sign off the income spreadsheets every month as evidence that they are complete and up-to-date. (2)
- It is recommended that all activity centres banking records be retained and held securely within the office. (3)
- It is recommended that all write offs be authorised by the Service manager, in-line with the Authorised Signatory List. (2)
- It is recommended that the Authorised Signatory List be reviewed by management on a regular basis. Leavers should be removed from the list as soon as possible. (3)
- It is recommended that the operational risk register be reviewed on a quarterly basis. Evidence of this review should be held on file. (2)
- The managers of each service area be responsible for the completion of risk assessments and ensure that they are available for inspection by the Health & Safety Co-ordinator on a quarterly basis. (2)
- A service-wide Business Continuity Plan should be developed. (2)
- Management should include audit recommendations as an item for discussion at their service meetings. (3)

430 – Resource Management – Management Arrangements	Days	Assurance Substantial (First Audit)	Priority of Recommendations			Agreed
			1	2	3	
	15		-	3	-	3

Scope of Audit: This review examined the following areas:

- Budget Setting;
- Monitoring of Budgets;
- Virements;
- Journals;
- Invoices;
- Banking of Income;
- Reconciliation;
- Debt Write-Off;
- Purchases;
- Scheme of Delegation;
- Payments;
- HR Practices including Training and Development;
- Risk Management;
- Health and Safety;
- Business Continuity; and
- Internal Audit Report Recommendations.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- The Service's Risk Register should be updated on a regular basis (at least annually) to include the timing of recorded mitigation action and its subsequent planned review. (2)
- Risk assessments should be undertaken and documented for each workstation. (2)
- The Service's Business Continuity Plan should be updated on an annual basis. (2)

433 – Corporate Governance	Days	Assurance Substantial	Priority of Recommendations			Agreed
			1	2	3	
	10	▶	-	1	2	3

Scope of Audit: This review examined the following areas:

- Focuses on its purpose and outcomes for the community, including citizens and service users;
- Performs effectively in clearly defined functions and roles;
- Promotes values that underpin good governance and upholds these through behaviour;
- Takes informed, transparent decisions which are subject to scrutiny;
- Develops the capacity of both members and officers to be effective; and
- Engages local people and other stakeholders and makes accountability real.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- All areas of the Constitution should be regularly reviewed and show a recent version date. The current versions should be made publicly available on the website. (2)
- Formal documentation should be retained to evidence that 'Notice of Registerable Interest' forms are being monitored. This should include evidence that members have been reminded about making updates. (3)
- The updated Risk Management Strategy should be made available online as soon as possible. (3)

435 – Treasury Management	Days	Assurance Substantial (Regularity)	Priority of Recommendations			Agreed
			1	2	3	
	10		-	3	1	4

Scope of Audit: This review examined the following areas:

- Policy, procedures and regulations;
- Security of assets;
- Cashflow forecasting;
- Records of loans (if any) and investments made;
- Segregation of duty;
- System reconciliation and insurance; and
- IT Security.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- Management performance reports should be produced on a quarterly basis in line with the Treasury Management Practices (TMPs) and/or the TMPs updated to reflect actual working practices. (2)
- Additional fields should be added to the investment record form to include details of counterparty limits and current exposure. (3)
- All investment records should be authorised in line with signing requirements. In addition, the spreadsheet checklist update should be fully completed and signed off by the checker. (2)
- Managerial review of the reconciliations should be undertaken promptly following completion. (2)

438 – Benefits	Days	Assurance Substantial	Priority of Recommendations			Agreed
			1	2	3	
	20	▼	-	3	-	3

Scope of Audit: This review examined the following areas:

- Policy, Procedures and Legislation;
- IT Systems and Security;
- Segregation of Duties;
- Benefit Claims;
- Backdated Claims;
- Payments;
- System Reconciliations;
- Budgetary Control;
- Grant Claims; and
- Performance Reviews.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- Management should introduce a forced segregation of duties to prevent staff from being granted with both Setup and Assess rights on the system. (2)
- Staff should be reminded that the benefit application form should be date stamped on receipt on each occasion. (2)
- The Accounting Officer should advise the Benefits Team Leader of out of date benefit cheques on a quarterly basis to facilitate a prompt investigation into the circumstances of the case. (2)

439 – Benefits Overpayments	Days	Assurance Substantial	Priority of Recommendations			Agreed
			1	2	3	
	10	►	-	1	1	2

Scope of Audit: This review examined the following areas:

- Policies and Procedures;
- Identification of Overpayments;
- Reclaiming Overpayments and Instalment Recovery;
- System Access;
- Recording Income and Reconciliation;
- Write Offs; and
- Performance Monitoring and Management Information.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- Consideration should be given to introducing version control for policy documents. Version control should include the version control number, author, approval date and the next date for review. (3)
- A full review of the unallocated credits should be conducted, once the system issues have been resolved. (2)

441 – Visitor Information Centre	Days	Assurance Substantial (Regularity)	Priority of Recommendations			Agreed
			1	2	3	
	5		-	5	2	7

Scope of Audit: This review examined the following areas:

- Policy, procedures and legislation;
- Income;
- Expenditure;
- Cash Reconciliation;
- Inventory and stores;
- Insurance and safe check; and
- Budgetary control.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- Procedures for all of the key operations performed by staff within the Visitor Information Centre should. Once these have been approved, they should be passed to senior management for approval and appended with version control information. (2)
- Weekly stock checks of a sample of items should be undertaken. The stock checks should examine a sufficient sample of the stock to enable all stock to be subject to a check at least quarterly. This should include confirmation that the price is correctly recorded on the stock control system. The feasibility of utilising the current stock management system to drive this process should also be investigated. (2) Agreed in Principle.
- Staff at the Visitor Information Centre should obtain delivery notes wherever possible and that these be signed off by the recipient. A conscious effort should also be made to ensure that a segregation of duties is maintained between the ordering and receipting of goods. (2)
- The cash book should be amended where errors are identified. All discrepancies should be investigated and where the takings are subsequently found to need amending, that these amendments be recorded in the cash book. A limit should also be defined where losses over a certain amount are reported to the Audit Manager. (3)
- The cash book should be reconciled to the General Ledger on a quarterly basis and that evidence of the reconciliations and adjustments made should be retained for the financial year. (2)
- Actions arising out of the monthly Retail Monitoring Meetings should be documented and progress discussed at the next meeting. (3)
- An exercise should be undertaken to identify the maximum amount of cash that has been held in the safe, prior to a Securicor collection, during the last 12 months. Action should then be taken to procure a safe with a cash limit in excess of the maximum amount, or collections should be increased to ensure the cash held on site remains within the limits set by the Council's insurers. (2)

Summary of Joint Audits Finalised in Quarter 3:

440 – Housing Rents and Arrears	Days	Assurance Substantial ▶	Priority of Recommendations			Agreed
			1	2	3	
	10		-	1	1	2

Scope of Audit: This review examined the following areas:

- Debits to Individual Housing Rent Accounts;
- Receipting of Income;
- Amendments to Housing Rent Accounts;
- Procedures for Dealing with Suspense Items;
- Reconciliation of the Housing Rents System with the General Ledger;
- Processing of Housing Rent Refunds;
- Recording of Housing Benefit;
- Access Privileges to the System;
- Management of Rent Arrears; and
- Authorisation of Write Offs.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- The Business Development team should update the system in a timely manner to ensure that access rights remain up to date. (3)
- It is recommended that a New User Request form should be completed and authorised by the appropriate officer before a new user account can be set up on the system. (3)

Summary of Colchester Borough Homes Audits Finalised in Quarter 3:

504 – Contractor Assurance – Take on Procedures	Days	Assurance Limited (First Audit)	Priority of Recommendations			Agreed
			1	2	3	
	8		4	4	-	8

Scope of Audit: This review examined the following areas:

- Audit work was undertaken to cover the following areas and control objectives:
- Compliance with procedures, Standing Orders and Financial Regulations;
- Contractor selection and evaluation;
- Financial and other checks; and
- Contract agreements.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- The Contract Procedure Rules should be updated to ensure that they reflect current practice. The corresponding flowchart then needs to be examined and updated to ensure that it fully corresponds to the formal, written procedures. (1)
- Approved contractor lists should be held for both maintenance jobs and recurring jobs. The lists should be subject to formal approval from the board. (2)
- The 'Duties and Responsibilities of Contractors' note should be updated to include a section for the contractor to sign to confirm agreement to the specified terms. Management should ensure that this form is signed and returned before any work is undertaken by the contractor on behalf of CBH. (2)
- Management should ensure that the required number of quotations is obtained in each case. Full documentation should be retained on file and in cases where quotations are deemed to not be required this should be documented. (2)
- The Contract Procedure Rules must be made available to all relevant members of staff. Training on the processes to be followed should also be considered. Senior management must oversee each tender process to ensure that the Contract Procedure Rules are followed at all times. (1)
- It is recommended that a control checklist be introduced for each contractor. The checklist should include each element of the pre-qualification process and detail the dates when the required information is received / checks completed. Management should sign off the checklist when complete to confirm that the required checks have been completed. Contractors should not be allowed to undertake any work until the required checks have been completed and the appropriate documentation supplied. (1)
- The contractors' insurance control spreadsheet should be reviewed and updated immediately. (2)
- Contract agreements with contractors should be checked by Legal Services to ensure that the contract is sufficient to cover CBH's interests and liabilities. (1)

505 – Annual Inspections	Days	Assurance Substantial	Priority of Recommendations			Agreed
			1	2	3	
	7		-	-	3	3

Scope of Audit: This review examined the following areas:

- Gas inspection schedule;
- Arrangements for electrical and oil testing;
- Retention of certificates;
- Completion of remedial works;
- Selection and appointment of contractors;
- Payments to contractors; and
- Management information.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- Management should remind staff of the need to record all actions taken on the Academy System. (3)
- Management should consider providing the Council with the original version of the certificate for scanning purposes. (3)
- A formal document / spreadsheet should be produced and maintained that highlights all employees and contractors CORGI / OFTEC / NICEIC expiry dates. This document should be reviewed by the Repairs Manager every month to ensure that all employees and contractors are appropriately qualified. (3)

601 – Treasury Management	Days	Assurance Substantial (First Audit)	Priority of Recommendations			Agreed
			1	2	3	
	6		-	3	1	4

Scope of Audit: This review examined the following areas:

- Service Level Agreement;
- Bank postings;
- Bank reconciliations;
- Bank interest;
- Insurance; and
- Client reporting arrangements.

Key Outcomes: The recommendations resulting from this review are summarised as follows:

- A copy of the current SLA should be retained on file. (2)
- Payments should be checked by CBC on a daily basis to ensure that the correct amount is transferred back to CBH’s bank account. In addition, the balance spreadsheet should be updated each day, in line with the SLA, to help ensure that balances are recorded correctly. Confirmation should be sought by CBH that monies have been correctly transferred and that the spreadsheet is being routinely completed. (2)
- Reconciliations produced by the Accounting Officer should be independently reviewed by the responsible accountant. Copies of the reconciliations should be obtained from CBC to evidence that they have been completed and checked. (2)
- Copies of e-mails memorandums etc. should be retained on file to evidence that any adjustments / errors have been reported as soon as they are identified. Where reports are not being submitted, this should be flagged with CBC management. (3)

Colchester Borough Council

Follow up of Previous Recommendations

Report – March 2010

Executive Summary

Following the completion of each audit, a report is issued to management, incorporating recommendations for improvement in controls and management's response to those recommendations. During the year, recommendations are followed up to ensure they are implemented in accordance with the agreed timescales. Audits that are undertaken annually (Managed Audits) are followed up at the time of the next audit, unless the recommendation raised is rated as a Priority 1.

This schedule details the outstanding internal audit recommendations reported to the Finance and Audit Scrutiny Panel in 2009/10 and those brought forward from prior years.

Key issues to bring to the attention of the FASP

Outstanding recommendations that need to be brought to the attention of the Finance and Scrutiny Audit Panel are those where the agreed deadline has passed. The recommendations for these areas are highlighted in the table below. Significant issues that remain outstanding have been raised in respect of Back Up Procedures audit.

Summary of Findings

	Audit Area	Responsibility												
		Internal Audit					Council							
		Verified	Implemented to be verified	Due date not reached			Outstanding past due date							
		H	M	L	H	M	L							
2009/10														
401 - Bailiffs		2	0	0	0	0	0	0	0	0	0	0	0	0
403 - Museums		0	0	0	2	0	0	0	0	0	7	0	0	0

404 - Corporate Debt	3	1	0	2	0	0	0	0	0
405 - Booking of Public Premises	4	0	0	0	0	0	0	0	0
408 - National Indicators	1	7	0	0	0	0	0	0	0
410 - Temporary Accommodation	2	2	0	0	0	0	0	0	0
411 - Decriminalised Parking	0	0	0	0	0	0	0	1	0
415 - Vehicle Workshop	0	6	0	0	0	0	0	0	0
419 - Highwoods Country Park	3	0	0	0	0	0	0	0	0
420 - Leisure World Cash Up	0	4	0	0	0	0	0	0	0
421 - IT Security	0	7	0	2	0	0	0	2	1
427 - Enterprise / Economic Development	0	4	0	0	0	0	0	0	0
429 - Tiptree Sports Centre	2	1	0	0	0	0	0	3	0
2008/09									
303 - Commercial & Investment Property	1	0	0	1	0	0	0	0	0
304 - Helpline	0	3	0	0	0	0	0	0	0
305 - Local Land Charges	0	0	0	4	0	0	0	0	0
307 - Transfer Incentive Scheme	8	1	0	0	0	0	0	0	0
308 - Alcohol Licensing	1	0	0	0	0	0	0	0	0
310 - Building Control Fees	0	4	0	0	0	0	0	0	0
311 - Benefits Investigation Team	1	0	0	0	0	0	0	0	0
312 - Benefit Overpayments	3	0	0	0	0	0	0	0	0
313 - Benefits	1	0	0	0	0	0	0	0	0
314 - Cash Office Procedures	2	0	0	0	0	0	0	0	0
318 - Corporate Management - Management Arrangements	3	1	0	0	0	0	0	0	0
319 - Purchasing Cards	9	0	0	0	0	0	0	0	0
322 - Insurances	2	1	0	0	0	0	0	0	0
325 - Sickness Absence	5	0	0	0	0	0	0	0	0
327 - Food Control	4	2	0	0	0	0	0	0	0
329 - Freedom of Information Act	6	0	0	0	0	0	0	0	0
331 - Payroll	5	0	0	0	0	0	0	0	0
332 - Vending Machines	2	0	0	0	0	0	0	0	0
333 - Council Tax	5	0	0	0	0	0	0	0	0
334 - NNDR	6	0	0	0	0	0	0	0	0
335 - Treasury Management	2	0	0	0	0	0	0	0	0
337 - Street Services - Management Arrangements	2	2	0	0	0	0	0	0	0
340 - Waste Management	4	2	0	0	0	0	0	0	0
343 - Debtors	0	3	0	0	0	0	0	0	0

344 - Creditors	1	0	0	0	0	0	0	0	0	0	0	0	0
346 - Budgetary Control	1	0	0	0	0	0	0	0	0	0	0	0	0
347 - Risk Management	6	0	0	0	0	0	0	0	0	0	0	0	0
348 - VAT	0	0	0	0	0	0	0	0	0	0	0	0	0
349 - Landscape Management	3	1	0	1	1	0	0	0	0	0	0	0	0
350 - Back Up Procedures	0	0	1	1	0	0	0	0	0	0	0	2	1
351 - Corporate Governance CBH	2	0	0	0	0	0	0	0	0	0	0	1	0
352 - IDOX Document Imaging	10	1	0	4	0	0	0	0	0	0	0	0	0
353 - Management of Expenditure	0	1	0	0	0	0	0	0	0	0	0	0	0
501 - Housing Rents	2	0	0	0	0	0	0	0	0	0	0	0	0
2007/08													
201 - Inventories	2	2	0	0	0	0	0	0	0	0	0	0	0
203 - Officers' Expenses	3	0	0	0	0	0	0	0	0	0	0	2	0
205 - Financial Assistance Policy	3	1	0	1	0	0	0	0	0	0	0	0	0
206 - Right to Buy	5	0	0	0	0	0	0	0	0	0	0	0	0
210 - Procurement - Marketplace	4	0	0	0	0	0	0	0	0	0	0	0	0
218 - Car Parking Income	5	3	0	0	0	0	0	0	0	0	0	0	0
228 - Corporate Governance	3	0	0	0	0	0	0	0	0	0	0	0	0
229 - Firstsite Newsite	4	0	0	0	0	0	0	0	0	0	0	0	0
231 - Renaissance Programme - Management Arrangement	4	0	0	0	0	0	0	0	0	0	0	0	0
233 - Museums - Merged Services	9	1	0	0	0	0	0	0	0	0	0	0	0
235 - Reprographics Contract	7	0	0	0	0	0	0	0	0	0	0	0	0
Total	163	61	1	18	2	0	0	0	0	0	0	18	2

COLCHESTER BOROUGH COUNCIL

Recommendation	Agreed	Priority	Due Date	Management Update
2007/08 - Corporate Management - Reference 203 - Audit of Officers Expenses - Assurance Level Substantial				
The signatory list held by Payroll should be updated to support the current authorising officers.	Y	2	31-Dec-07	<p>Not Implemented. In a sample of ten expense / mileage claims evidenced, just four were found to have been authorised by appropriate staff detailed on the signatory list. Five claim forms were found to be authorised by staff not detailed on the signatory list, while one claim form was found to be authorised by an officer who was not approved to authorise claim forms.</p> <p>One of the authorised signatory lists evidenced was last updated in 2002. The Human resources Manager advised that the Head of Service that authorised this list is no longer employed at the Council. Update - 16/1/09 - Some of the signatory list has still not been updated. Update 1/11/09; The HR Service Centre Manager has advised us that the signatory lists are still in the process of being updated. To be followed up again as part of the next follow up cycle. Update 18/2/10: A review of all signatories identified that there is now only one outstanding signatories list .</p>
All claims should be authorised by the delegated officer within each department.	Y	2	31-Dec-07	<p>Update - 16/1/09. For a sample of five Mileage, managers Travel Subsistence and expenses claim forms authorised, three had been signed by appropriate staff claim forms authorised on the signatory list. One claim form was the HR S found not signed by authorised staff. One claim form addition, a was found to be signed by an officer who is not on the signatory list. Update 1/11/09: To be followed up and allowed as part of the signatory list updates (see above). each claim Update 18/2/10: Testing of five staff expenses and 5 declaration mileage claims identified that three claims had been authorised by individuals not present on the policies / procedures signatories list provided by each service. any significant</p>

COLCHESTER BOROUGH COUNCIL

Recommendation	Agreed	Priority	Due Date	Management Update
2008/09 - Corporate Management - Reference 350 - Back-up Procedures - Assurance Level Limited				
Management should perform a formal Business Impact Assessment for the systems that are in place within the Council to help ensure that back up processes are adequate.	Y	2	31-Oct-09	<p>Update 11/11/09: they are currently defined in the policy, they receive backing up take now. each night backup is completed than contract Strategy a and process have been Business Impact Assessment also embarking on aspects of followed up</p>
Management should ensure that backup restoration testing is performed every six-months as per the contractual agreement. This should record all key Council applications and evidence that back up copies work as intended.	Y	2	Ongoing	<p>Update 11/11/09: backups are Level Report the audit backup. In Jan there was of the requirements as part of n</p>
The PIN number to the Rowan House communications room should be changed on a regular basis and following any staff change who have knowledge of the PIN.	Y	3	30-Nov-09	<p>Update 11/11/09: Management however it change the employee building. To cycle.</p>
2008/09 - Corporate Management - Reference 351 - Corporate Governance CBH - Assurance Level Substantial				
A corporate version control document for all strategies, policies, procedures and guidance notes should be developed. This should identify the corporate sponsor of the document, document owner, data of approval,	Y	2	30-Sep-09	<p>Update 1/11/09: Officer not available at the time of our follow up work. To be followed up as part of the</p>

COLCHESTER BOROUGH COUNCIL

Recommendation	Agreed	Priority	Due Date	Management Update
Entry and exit forms should be completed fully in accordance with procedure. There should also be separation of duties between the donor/ee and the officer receiving/taking the item.	Y	2	03-Sep-09	Update 3/3/10 part of the audit.
Delivery notes should be checked and signed on receipt of an item. There should be delivery notes for all relevant items. Where suppliers do not provide delivery notes, the Service should request that future deliveries are accompanied by a remittance so that they can verify delivery of the order.	Y	2	03-Sep-09	Update 3/3/10 part of the audit.
External Audit identified that the Joint Committee should receive financial as well as operational performance information. Going forward, the Committee should receive more detailed information in respect of income, rather than just visitor numbers.	Y	2	03-Sep-09	Update 3/3/10 part of the audit.
2009/10 - Street Services - Reference 411 - Decriminalised Parking				
Consideration should be given to either making the process electronic using set formulae, or to have a management review of the calculations.	Y	2	31-Dec-09	Update 4/10 contacted recommendations follow up cycle
The procedures for adding and changing permissions to user accounts should be developed.	Y	2	31-Aug-09	Management due to be done
The Council should review the Data Protection notification with Departmental management to ensure that any changes to the processing of personal data are included in the return.	Y	3	31-Dec-09	Management due to be done
Training pertaining to the Data Protection and Freedom of Information Acts should be included in all new starters' induction process to provide a basic knowledge of data protection and data security.	Y	2	Ongoing	Management looking to use Thurrock as a model to meet with C. Tending C. Protection
2009/10 - Life Opportunities - Reference 429 - Tiptree Sports Centre - Assurance Level Substantial				
The Centre should produce and maintain an up-to-date inventory of the sports equipment / assets owned jointly by the School and the Centre. The inventory should provide a documented, reliable record for insurance purposes and enable management to realise whether assets have been lost or stolen.	Y	2	28-Feb-10	Update 11/03/2010 An inventory is currently being produced and is scheduled to be completed by the 19th March 2010.
When a stock take is undertaken it should be signed off and dated by the officers involved. As officers at the Sports Centre use electronic documents these cannot be signed and dated. However, a schedule could be produced and kept on file, whereby each time a stock check is undertaken the details of this are documented, including the date and the names of the responsible officers.	Y	2	28-Feb-10	Update 11/03/2010 This is now in place. To be followed

Audit commission Findings and Reconciliation	Agreed	Current Position
<p>Benefits Service Diagnostic</p> <p>The Benefits Service should work closely with the Customer Service Centre (CSC) to develop initiatives and monitor progress in delivering improved customer satisfaction and reducing avoidable contacts.</p>	Yes	<p>Customer Service is the focus of recommendations from a Fundamental Service Review (FSR), to be considered by the Council's Cabinet on 17 March, to provide a range of solutions to improve customer journeys, particularly the quality of information and timeliness. The FSR has taken account of customer feedback and consultation with stakeholders; including analysis of 'touchstone' to survey customers, and 'Mosaic' to illustrate demography and customer needs. If agreed, implementation will drastically change 'front-end' service delivery, as well as lead a new national initiative for the way information is gathered and checked. We are also changing the layout and methods for helping people at our Customer Service Centre; and in general aim to reduce contact by 35%, which seems to be avoidable.</p>
<p>SMART customer service standards should be developed in consultation with customers.</p>	Yes	<p>The council revised and reintroduced corporate service standards, following government's customer service excellence standards. The Council and the benefits team set a range of standards, in addition to national performance indicators, analysed and evaluated at all levels within the organisation and published publicly. This has been independently audited and assessed, demonstrated by Benefits being accredited with The Customer Service Excellence Award as part of the Resource Management group in January 2010. This considered ongoing work to survey customers, gauging levels of satisfaction and feedback, indicating their priorities for change and monitoring.</p>

Audit commission Findings and Reconciliation	Agreed	Current Position
<p>The Benefits service should develop:</p> <ul style="list-style-type: none"> • A better understanding of the reasons for its increasing caseload; • An understanding of the point at which its caseload will exceed its capacity and time to train assessment officers; and • A better understanding of the make up of its caseload compared to that of the local community to identify any under claiming groups to enable it to target take-up and publicity effectively and tailor services appropriately. 	No	<p>The benefits service have developed a range of information, both for operational and strategic use, now being considered for the FSR, to further improve efficiencies and measures achieved over the last year. Staff and councillors have considered and dealt with the ongoing increased workload, and are now developing new measures to meet future needs, balancing budget against resources, introducing new technology and other types of innovation to meet and satisfy future demand, in the context of a continuing increase of population and caseload.</p>

Colchester Visual Arts Facility – current position on recommendations from Audit Commission in March 2009

Audit commission Findings and Reconciliation	Agreed	Current Position
<p>Colchester Visual Arts Facility</p> <p>In order to ensure timely and cost effective completion of the Visual Arts Facility the Council and its funding partners should ensure that they have sufficient capacity to act as an intelligent client throughout the final phase of project.</p>	<p>Yes</p>	<p>Completed. Jackson Cole has been appointed as Client Project Director and Mace as Project and Cost Managers to provide expertise in relation to project completion and procurement of relevant contractors. The client project director is responsible to an Executive Director with direct responsibility for the project who also reports to the Chief Executive on this matter and the relevant Portfolio Holder.</p> <p>The funding partners have also appointed a Completion Co-ordinator.</p>
<p>In order to ensure timely and cost effective completion of the Visual Arts Facility the Council and its funding partners should ensure that there are robust costed plans for completion which are SMART and established on a robust and enforceable contractual basis.</p>	<p>Yes</p>	<p>In progress. Significant cost review was undertaken by Jackson Coles. Procurement process review has commenced. Project and Cost Managers - Mace have been appointed and have produced the final costed plan for stage 1a which has been procured and is on site. (Mace took 'possession' of the site 4 November). Progress of this work is on budget and programme. Further work has been undertaken on stage 2 of the project (fit-out) and decisions on procurement of that stage are likely to be made in early 2010 following a Value Engineering exercise and finalisation of the cost plan for stage 2.</p>
<p>In order to ensure timely and cost effective completion of the Visual Arts Facility the Council and its funding partners should ensure that risks and plans for their mitigation are accurately detailed and monitored in an open and transparent manner.</p>	<p>Yes</p>	<p>Completed. Jackson Cole has issued an up to date Colchester Visual Arts Facility Risk Register. Mace has now taken over the responsibility for the Register which will be updated on a regular basis and mitigation actions are identified on the register. Key actions from the project risk register are reported into the Regeneration Programme risk register and then raised at Renaissance Board, the Funders Group and within the Councils strategic risk assessment as appropriate to the risk.</p>

Audit commission Findings and Reconciliation	Agreed	Current Position
<p>In order to ensure timely and cost effective completion of the Visual Arts Facility the Council and its funding partners should ensure that progress with the delivery of the plans, against allocated budgets, is monitored in an open and timely manner.</p>	<p>Yes</p>	<p>Ongoing. The internal project team meets fortnightly with the responsible Executive Director, Project Director, Finance Manager, Cultural Services Manager, Communications Manager Legal officer and Clerk of Works in attendance. Funders meetings take place on monthly basis and have budget updates. The Completion Co-ordinator reports to funders on a weekly basis (to be fortnightly going forward) and includes a budget update highlighting any areas of emerging concern. Project progress is also discussed at the Council's monthly Renaissance Steering Group meetings which include the relevant Portfolio Holder and Council Leader. The Councils capital budget including the VAF project is reported to Cabinet and Council.</p>
<p>In order to ensure timely and cost effective completion of the Visual Arts Facility the Council and its funding partners should ensure that improvements to communication lead to the sharing of consistent and accurate information about the project both internally and externally.</p>	<p>Yes</p>	<p>On going. Portfolio Holder has been praised for sharing clear information externally. A Completion Coordinator has been brought in specifically to represent funders and to facilitate the exchange of information within the funders group. The sharing of open and up to date information is a key priority for CBC and as a result the following actions have been taken since this audit report.</p> <ol style="list-style-type: none"> 1. CBC holds fortnightly internal project meetings which include the Communications Manager, to help ensure consistent internal and external information 2. The Chief Executive recently held a series of 'Lifting the Lid' sessions, that provided an update to staff on the progress of this project 3. Communication at a strategic level is dealt with as part of the core Funder's Group which meets monthly 4. On a day to day basis the external information is disseminated via CBC's communications team with input and comments from the communications leads at the other funding organisations and the Project managers. There is a communications sub – group which now meets on a regular basis and has a Communications Strategy agreed by the Funders group. The communication leads at each of the relevant organisations have roles in implementing the Strategy and CBC has the role of responding to project press inquiries. The sub-group is charged with maintaining the communication strategy.

