

Accounts and Regulatory Committee

**Town Hall, Colchester
16 October 2012 at 6.00pm**

This committee deals with items such as the approval of the Council's Statement of Accounts, hearing and determining all appeals by employees relating to dismissal, and makes recommendations to the Council on functions such as Health and Safety and Elections.

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 refer to Attending Meetings and "Have Your Say" 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 or switched to silent 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.

Facilities

Toilets with lift access, if required, are located on each floor of the Town Hall. A vending machine selling hot and cold drinks is located on the ground floor.

Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Colchester Borough Council, Angel Court, High Street, Colchester
telephone (01206) 282222 or textphone 18001 followed by the full number you wish
to call

e-mail: democratic.services@colchester.gov.uk

www.colchester.gov.uk

COLCHESTER BOROUGH COUNCIL
ACCOUNTS AND REGULATORY COMMITTEE
16 October 2012 at 6:00pm

Members

Chairman : Councillor Dennis Willetts.
Deputy Chairman : Councillor Marcus Harrington.
Councillors Cyril Liddy, Jon Manning, Gerard Oxford,
Ray Gamble, Glenn Granger, Scott Greenhill, Julia Havis
and Theresa Higgins.

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.

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 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 interests

they may have in the items on the agenda. Councillors should consult Meetings General Procedure Rule 7 for full guidance on the registration and declaration of interests. However Councillors may wish to note the following:-

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgment of the public interest, the Councillor must disclose the existence and nature of the interest and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

5. Minutes

1 - 4

To confirm as a correct record the minutes of the meeting held on 25 September 2012.

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. Annual Statement of Accounts 2011/12 **5 - 6**

See report from the Head of Resource Management.

8. Annual Audit Letter **7 - 9**

See report from the Head of Resource Management.

Mr. Gary Becher, Audit Commission, will attend the meeting for this item.

9. 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).

ACCOUNTS AND REGULATORY COMMITTEE

25 SEPTEMBER 2012

Present :- Councillor Dennis Willetts (Chairman)
Councillors Glenn Granger, Marcus Harrington, Julia Havis, Cyril Liddy and Gerard Oxford

Substitute Members :- Councillor Nigel Offen for Councillor Ray Gamble
Councillor Martin Goss for Councillor Scott Greenhill
Councillor Peter Higgins for Councillor Theresa Higgins
Councillor Lesley Scott-Boutell
for Councillor Jon Manning

Also in Attendance :- Councillor Will Quince

9. Minutes

The minutes of the meeting held on 24 July were confirmed as a correct record.

10. Have Your Say!

Mr. Andy Hamilton addressed the Committee saying he had addressed the Cabinet on 5 September 2012 concerning six decisions taken by the Cabinet that were failures of civic responsibility and he was disappointed that he had not received a response by the Cabinet to the issues he had raised, describing this as an unacceptable face of public service.

Mr. Hamilton said some recent Council decisions such as £200k repayments to Taxi Drivers due to a management failure, the unpopular leasing out of the Abbots Activity Centre to save £30k and the £8k individual financial inducement to remove elderly people from Joyce Brooks House, but were small when compared with the financial millstone (Visual Arts Facility) blocking the bus park. Mr. Hamilton said huge amounts of public money is being poured into firstsite to prop up the Visual Arts Facility, against budget cuts to Mercury Theatre and Colchester Arts Centre Grants and the closure of gymnastic activities at leisure World. It showed the Council was more committed to providing art related activities for the art elite and its phantom visitor army.

Mr. Hamilton said the Council had not tried to have the new bus station sited on the present location and to blame the Department of Education was a poor excuse. Mr. Hamilton said the building remained a white elephant, costing the taxpayer millions of pounds.

Given this information, Mr. Hamilton questioned the professional integrity of the auditors by suggesting the closing down of the Audit Commission would allow the Council to commission professional auditors in the future.

Councillor Willetts responded to Mr. Hamilton by saying the criticism of the Audit Commission was unfounded and asked Mr. Hamilton to retract the remark.

In regards to the decisions referred to by Mr. Hamilton, Councillor Willetts said these issues should be addressed to the Cabinet, and he believed the Portfolio Holders would have already provided robust responses to most comments.

Councillor Willetts said whilst the Committee will not respond to his comments, they would be passed onto the Cabinet.

11. Results of consultation on proposal to change the name of Harbour Ward

Mr. Andrew Weavers, Monitoring Officer, presented the report that provided the results of the consultation on the proposal to change the name of Harbour Ward.

Mr. Weavers confirmed to the Committee that the consultation was undertaken in a cost effective and timely fashion, with all the consultation response forms delivered by hand, thereby providing a saving in cost.

The closing date of the consultation was 27 July, with 504 respondents representing 18% of the 2,857 properties in the Harbour Ward.

Mr. Weavers said of these, 392 (77%) responses are in favour of changing the name of the ward to Old Heath.

Mr. Weavers said that if the Committee so wishes, it could recommend that the decision of the Committee is presented to full council at the meeting on 17 October 2012.

Thereafter, a change of ward name would not take effect until the first publication of the Register of Electors after this date, and this would be in March 2014.

RESOLVED that the Committee noted that the majority of respondents to the public consultation on the proposal to rename Harbour Ward Old Heath Ward were in favour of the name being changed.

RECOMMENDED to COUNCIL that:-

A special meeting of the Full Council be convened on 17 October 2012 for the purpose of passing the following resolution:-

“That in accordance with Section 59 of the Local Government and Public Involvement in Health Act 2007, Council resolves that Harbour Ward be renamed Old Heath Ward and that the appropriate authorities be notified of this change as soon as practicable”

12. Annual Statement of Accounts

Mr. Heath had briefed Members of the Committee (an invitation was extended to all Members of the Council) on the Annual Statement of Accounts at a closed meeting,

6pm on Thursday 20 September, 2012, attended by Councillors Harrington, Havis, Liddy, Manning, Offen and Willetts.

Mr. Heath provided an overview of the accounts that included the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet and Cash Flow Statement.

Councillor Willetts expressed thanks to Mr. Heath for providing the briefing, a very good preparatory presentation.

Ms. Debbie Hanson, Officer of the Audit Commission, Mr. Gary Belcher, Audit Commission and Mr. Steve Heath, Finance Manager, attended the meeting for this item.

Ms. Hanson presented the Annual Governance Statement to the Committee, explaining that this was a preparatory report before the Audit Commission issues their final statements.

The Annual Governance Report was a very positive report and Ms. Hanson expressed thanks to all the officers for their excellent performance and support in finalising the accounts.

Ms. Hanson mentioned the three key messages, that the Council had produced a good quality and timely set of accounts, that a prior period adjustment in respect of donated assets was now included in the final version of the financial statements, and that a small number of minor errors had been corrected by management, but there had been no impact upon the level of general fund reserves as a result of the changes.

Ms. Hanson concluded that the Council had put in place adequate arrangements to secure financial resilience and secure economy, efficiency and effectiveness in its use of resources.

Ms. Hanson asked the Committee to take note of the adjustments to the financial statements and approve the letter of representation on behalf of the Council.

Ms. Hanson confirmed that following this decision the Audit Commission the audit would be signed-off by the Officer of the Audit Commission before the 30 September 2012 deadline.

In response to Councillor Willetts, Ms. Hanson said that in regards to valuing heritage assets, it is recognised that some assets e.g. Colchester Castle are too difficult to value, though in most cases items do have an insurance value and this can be used for valuation purposes.

The code of practice requires Council's to value all assets where possible, and where not, the asset has to be disclosed within the accounts.

RESOLVED that the Committee:

- i) Accepted the Auditors' report and noted the comments in the covering report.

- ii) Approved the letter of representation and the audited Statement of Accounts.
- iii) Thanked officers and the Audit Commission for their hard work and support in ensuring a timely and accurate completion of the closure of the accounts 2011/12.

13. Work Programme

Councillor Goss asked the Committee to consider reviewing the financial performance of Veolia Contract, including service delivery, quality of performance and costs of delivery.

RESOLVED that the Committee;

- i) Approved the current Work Programme.
- ii) Agreed for the Chairman and Group Spokespersons to consider a briefing note on the Veolia Contract at the next briefing of the Finance and Audit Scrutiny Panel to consider the merits for including the item onto the work programme.



Accounts & Regulatory Committee

Item
7

16 October 2012

Report of	Head of Resource Management	Author	Steve Heath ☎ 282389
Title	Annual Statement of Accounts 2011/12		
Wards affected	Not applicable		

**This report presents the audited Statement of Accounts for
2011/12**

1. Decision required

- 1.1 To note the publication of the audited Statement of Accounts (SOA) for 2011/12.

2. Supporting information

- 2.1 The annual SOA for the financial year 2011/12 has now been published. Once again this year, the SOA has only been produced in an electronic format. Elected members, business organisations and other interested parties will be notified of the availability of the SOA, together with details of its location.
- 2.2 The pre-audit SOA was certified by the responsible financial officer on 29 June in accordance with the statutory deadline. A report was presented to this Committee on 24 July highlighting the availability of the draft accounts, explaining the key financial statements and providing information on the major items affecting the 2011/12 accounts. Following the submission of the Auditors' report to the Committee on 25 September, it was stated that a further report would be submitted when the audit opinion had been issued and the accounts published.
- 2.3 The issues raised during the audit have been discussed with the Auditor and dealt with, and the SOA agreed. On 26 September 2012 the Auditor issued an unqualified opinion that the accounts give a true and fair view of the Council's financial position as at 31 March 2012 and its income and expenditure for the year then ended. The audit has now been formally closed, and the audited accounts were published on the Council's website on 27 September 2012.
- 2.4 In submitting this report, and the earlier reports, the Council is following procedures set out in the Accounts and Audit Regulations 2011. By law the Council must publish audited accounts by the statutory deadline of 30 September and this has been achieved.

3. Strategic Plan references

- 3.1 The objectives and priorities of the Strategic Plan informed all stages of the budget process for 2011/12.

4. Financial implications

- 4.1 The publication of the audited SOA meets a statutory requirement for financial reporting and is an important part of the process to demonstrate accountability in the use of public funds.

5. Publicity considerations

- 5.1 The availability of the SOA will be advertised in the local press on Friday 5 October 2012, and via social media.

6. Other standard references

- 6.1 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.

Background Papers

Available on the Hub:

Draft Annual Statement of Accounts – Report to Accounts & Regulatory Committee 24 July 2012

Annual Statement of Accounts – Report to Accounts & Regulatory Committee 25 September 2012

Available in the Members' Room and on the Colchester Borough Council website:

Statement of Accounts 2011/12



Accounts & Regulatory Committee

Item
8

16 October 2012

Report of	Head of Resource Management	Author	Steve Heath
Title	Annual Audit Letter		☎ 282389
Wards affected	Not applicable		

The Committee is invited to consider and note the contents of the 2011/12 Annual Audit Letter

1. Decision required

1.1 To consider and note the contents of the 2011/12 Annual Audit Letter.

2. Reason for scrutiny

2.1 The Accounts and Audit Regulations require the Council to consider the Annual Audit Letter.

3. Supporting information

3.1 The 2011/12 Annual Audit Letter summarises the conclusions and significant issues arising from the Audit Commission's 2011/12 audit of the council, and the way the Council uses its resources.

4. Strategic Plan references

4.1 The objectives and priorities of the Strategic Plan informed all stages of the budget process for 2011/12.

5. Publicity considerations

5.1 The Annual Audit Letter has been publicised on the Council's website, and a hard copy of the document is available at Council offices in line with statutory requirements.

6. Other Standard References

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

1 October 2012

Members
Colchester Borough Council
33 Sheepen Road
Colchester
Essex
CO3 3WG

Direct line 0844 798 5816
Email d-hanson@audit-
commission.gov.uk

Dear Member

Colchester Borough Council Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter, which summarises my 2011/12 audit of Colchester Borough Council.

Financial statements

On 25 September 2012, I presented my Annual Governance Report (AGR) to the Accounts and Regulatory Committee outlining the findings of my audit of the Authority's 2011/12 financial statements. I will not replicate those detailed findings in this letter, but have summarised the key messages.

The Council produced a good quality and timely set of accounts. The working papers supporting the accounts were also good quality, as in previous years. A small number of amendments were made to the accounts as a result of my audit. Management corrected the accounts for all the errors identified during the audit. There was no impact upon the level of general fund reserves as a result of these changes.

My assessment of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources was made against two criteria specified by the Commission. These are; whether the organisation has proper arrangements in place to secure financial resilience; and whether the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness. I concluded that the Council's arrangements are sound.

The general fund balance at the end of 2011/12 was £300k above the minimum £1.5 million recommended by the Section 151 officer and a small underspend is currently projected on the 2012/13 budget. The Council continues to face significant financial pressures from cuts in government funding and the continuing difficult economic climate, and has continued to proactively manage its finances to address these risks. Work on the detail of the 2013/14 budget has already started with further potential savings identified. As part of this process, the Council has considered options to respond to the proposed welfare reform changes, including the localisation of council tax support, as well as changes in business rates, both of which could also impact on its future financial position.

The Council continually challenges spending on delivery of services, identifying areas where effective action can be taken and ensuring they provide best value for money, and has a good track record of delivering savings through Fundamental Service Reviews and other initiatives

Following the Accounts and Regulatory Committee on 25 September 2012, I:

- issued an unqualified opinion on the Authority's 2011/12 financial statements included in the Authority's Statement of Accounts;
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources; and
- certified completion of the audit.

Closing remarks

I have discussed and agreed this letter with the Chief Executive and Chief Finance Officer. I wish to thank the finance staff for their positive and constructive approach they have taken to my audit. I also wish to thank senior management and the Accounts and Regulatory Committee / Finance and Scrutiny Panel for their support and co-operation during the audit.

Yours sincerely

Debbie Hanson
District Auditor

