

Finance and Audit Scrutiny Panel

Grand Jury Room, Town Hall
17 November 2009 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 West Stockwell 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 are located on the second floor of the Town Hall, access via the lift. 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 that you wish to call
e-mail: democratic.services@colchester.gov.uk
www.colchester.gov.uk

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
17 November 2009 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 - 3

To confirm as a correct record the minutes of the meeting held on 20 October 2009.

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. Colchester Credit Union Funding

4 - 6

See report from the Scrutiny Officer.

Mr. Paul Probert, Head of Economic Policy, Essex County Council, has accepted an invitation to attend the meeting.

11. Interim Annual Governance Statement Action Plan

7 - 11

See report from the Head of Resource Management.

12. 2nd Quarter Internal Audit Assurance Monitor

12 - 48

See report from the Head of Resource Management.

13. 2009-10 Financial Monitor, period April to September

49 - 65

See report from the Head of Resource Management.

14. 2009-10 Capital Monitor

66 - 83

See report from the Head of Resource Management.

15. 2009-10 Treasury Management Monitor

84 - 91

See report from the Head of Resource Management.

16. Work Programme**92 - 94**

See report from the Scrutiny Officer.

17. 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

20 OCTOBER 2009

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

25. Minute

The minute of the meeting held on the 22 September 2009 was confirmed as a correct record.

Councillors Chapman, Kimberley and Harris (in respect of being members of the Colchester Borough Homes Board) all declared a personal interest in the following item.

26. Items requested by members of the panel

The panel considered a request from Councillor Gerard Oxford, who asked for regular two monthly reporting to the panel on the Decent Homes Contract, once the contract has been awarded and work on the programme has commenced.

Mr. Robert Judd, Scrutiny Officer, advised by officers, informed the panel that both the operational and financial performance of this contract would be reported by the Council to Colchester Borough Homes on a monthly basis, and this information could likewise be reported to the Finance and Audit Scrutiny Panel on either a one, two or three monthly basis.

The Chairman felt it would be prudent to review the detail of the Cabinet decision to be taken the following evening, the Capital Improvement Programme (Decent Homes), at a future meeting, but to allow time to be involved in the formal monthly reporting of the contract arrangements, both operational and financial.

RESOLVED that the panel agreed to review the detail of the Cabinet decision to be taken on the 21 October 2009, the Capital Improvement Programme (Decent Homes).

27. Risk Management Progress Report – period April to September 2009

Ms. Hayley McGrath, Risk and Resilience Manager, attended the meeting and presented the Risk Management Progress Report – period April to September 2009.

Ms. McGrath informed the panel that the Council has now reduced the level of highest risk down to 'medium level' from 'high level', though the report does now include an additional 'high' risk, that of cuts in public spending.

Councillor Harris commended officers on an excellent report, which has progressed significantly in recent years. Councillor Harris asked that future reports gave a glossary of terms given the high number of abbreviations within the report.

In response to Councillors Willetts and Taylor, Ms. McGrath explained to the panel the reasoning behind the probability and impact scores for those risks that had an overall score of twelve or above, and why it may appear that the assessment of some risks is disproportionate to others.

Councillor Kimberley said she was reassured by the report, which is purposeful and easy to follow.

Ms. McGrath confirmed to Councillor Chapman that risk 5a, failure or inappropriate performance management of one or more strategic partnerships or key contracts, was not specific, and applied to both partnerships and contracts, for example, Decent Homes and Visual Arts Facility.

RESOLVED that the panel noted and commented upon the latest risk management issues, the performance relating to implementing the 2009-10 risk management action plan and the Strategic Risk Register.

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

28. Annual Review of Business Continuity

Ms. Hayley McGrath, Risk and Resilience Manager, attended the meeting and presented the Annual Review of Business Continuity report.

Ms. McGrath confirmed to Councillor Willetts the Council's arrangements for keeping key services operational during breaks in power or IT access.

Ms. McGrath agreed to provide to Councillor Goss more detail on the Council's arrangements for storing data at remote data centres.

Councillor Harris commented that the report was a good body of work, explaining clearly the Council's Business Continuity Plan. Councillor Harris welcomed further regular reviews.

Ms. McGrath confirmed to Councillor Taylor that the Council's new flexible working arrangements will enhance business continuity, where problems contained within Rowan House will not always have the same impact on staff working remotely.

In response to Councillor Taylor, Ms. McGrath confirmed that in respect of the Council having to provide advice and guidance relating to business continuity to local businesses and voluntary organisations, this was done through partnership participation by Essex Councils to the joint Essex publication and website, and involved all economic development service areas.

Ms. McGrath confirmed to Councillor Barlow that she would raise with First Call Officers (Senior Management Team) scope to include member's participation in Emergency Planning

exercises, for members to get a more informed idea of procedures.

Ms. McGrath confirmed to Councillor Goss, that Colchester was, with all other Essex public authorities and organisations, a member of the Essex Resilience Forum, a forum that considered major issues such as a blanket cut in power supply or earthquakes, and how we respond.

Ms. Wain, Executive Director, explained to the panel that as part of the current accommodation review, officers had considered the impact of flooding to Rowan House, a building that was located in an area vulnerable to a very low probability of flooding. It is considered that flooding would primarily effect the basement of the building, and therefore the impact on business continuity would not increase.

RESOLVED that the panel considered and commented on business continuity work undertaken during October and September 2009, the proposed business continuity strategy and the intended work plan for the remainder of 2009-10.

29. Work Programme

The panel were informed that following a further reply from Lord Hanningfield, Mr. Paul Probert, Head of Economic Policy, Essex County Council, will be attending the panel's next meeting in November to discuss Credit Union funding.

RESOLVED that the panel;

- i) Noted the work programme 2009-10.
- ii) Agreed to review the detail of the Cabinet decision to be taken on the 21 October 2009, the Capital Improvement Programme (Decent Homes) at the meeting on the 23 February 2010, and at this time, to consider and agree any future reporting.



Finance and Audit Scrutiny Panel

Item
10

17 November 2009

Report of	Scrutiny Officer	Author	Robert Judd
Title	Credit Union Funding		Tel. 282274
Wards affected	Not applicable		

This report gives a brief update on the progress of Credit Union Funding

1. Action Required

- 1.1 The Panel is asked to consider and comment on Credit Union Funding.

2. Reason for Action

- 2.1 This scrutiny comes as a result of Mr. Cording's initial request to the panel at the meeting on 28 July 2009, when he spoke about his concerns for the future of the Colchester Credit Union.

3. Update on Credit Union Funding

- 3.1 At the meeting on the 22 September 2009, the panel discussed Credit Union Funding, following the initial response from Lord Hanningfield. Mr. Richard Cording from the Colchester Credit Union attended the panel meeting and responded to questions from panel members. Mr. Cording also agreed to respond to questions asked by a member of public under Have Your Say.
- 3.2 The panel resolved to note the initial response from Lord Hanningfield and requested that the Portfolio Holder and officers from Essex County Council should be invited to attend a future meeting so as to allow an informed debate on local Credit Union funding.
- 3.3 Following the September meeting, Lord Hanningfield responded to the invitation, see letter in appendix 1, and Mr. Probert, Head of Economic Policy at Essex County Council agreed to attend the meeting on 17 November 2009. See a copy of Mr. Cording's responses to questions from the September's meeting in appendix 2.

4. Standard References

- 4.1 There are no policy plan references or financial implications in this matter. There are no equality, diversity or human rights issues in this matter and therefore no Equality Impact Assessment has been completed. There is no health and safety, community safety or risk management implications in this matter.
- 4.2 The work of the Finance and Audit Scrutiny Panel is a key function to ensure probity in financial, audit and risk management, and is in line with the aims of the strategic plan.

Essex County Council
Cabinet, Leader and Chief Executive's Office
PO Box 11, County Hall
Chelmsford
Essex CM1 1LX



Mr Robert Judd, Scrutiny Officer

Our ref: LH/kw/ju1310

Date: 13th October 2009

Email: Robert.Judd@Colchester.gov.uk

Dear Robert,

Many thanks for your correspondence regarding credit union funding dated the 29th September 2009.

The rationale for the County Council's support for Essex Savers Credit union is clear: although headquartered in Chelmsford, Essex Savers remains the only credit union in Essex that has pan-Essex common bond (allowing it to set up collection points anywhere in the county). As such, it was the only credit union with the immediate capacity to expand into areas which lack provision.

We do, though, look to support other credit unions. In the weeks since my initial letter to you, officers have continued to reiterate the County Council's offer of support to local credit unions. We have, though, yet to receive detailed proposals from any of these organisations. We will look at requests for support as and when they are received. In the meantime, ECC officers would be more than happy to meet with your Finance and Audit Scrutiny Panel. Our Head of Economic Policy, Paul Probert, would be available to attend your 17th November session.

Yours sincerely

A handwritten signature in black ink, appearing to read "Lord Hanningfield".

Lord Hanningfield
Leader of the Council

Telephone: 01245 430670

Fax: 01245 430741

Email: lord.hanningfield@essex.gov.uk



INVESTOR IN PEOPLE



2007-2008
Emergency Planning

EssexWorks.

For a better quality of life

Response to Mr Hamilton's 'Have Your Say' Questions

I have tried to deal with the questions in sequence. There may be some overlap

I am not sure whether the reference to credit unions being small and independent is a criticism or not. In view of the recent turmoil in the financial world a return to principles of an earlier era maybe no bad thing.

There may be grounds for merger in cases where 2 or more credit unions have overlapping common bonds. But I believe that big is not always beautiful and some events within the movement during the past year, involving a few large unions support this view.

Our annual return to ABCUL and the FSA later this month will show 401 adult members. This is an increase of slightly more than 9% over last year. We also have 812 Young Savers. ABCUL does not record juvenile statistics.

Publicity requires both human and financial resources. Mr Hamilton is welcome to join us in a promotional role.

Regarding Essex Savers claim to be 'county wide', it should be remembered that a common bond is not a franchise. The FSA will generally approve applications that are not totally unreasonable. It does not usually investigate whether the area can be serviced by the applicant. As I said in my presentation, recent events prompted Holdfast CU which covers Braintree and Witham to extend into Chelmsford. Two years ago Colchester CU was requested by local organisations to extend into Tendring.

1. Lord Hanningfield has said he wants to support all Essex credit unions.
2. An informal association of local credit unions has been formed to find out what is on offer; so far without concrete results. Colchester CU has been offered some help to build a website. We have been told that there is no financial help available. It has all been given to Essex Savers.
- 3 & 4. These questions should be directed to Essex Savers.
5. As an active member of the C of E, I have asked this question several times without response. I am currently in touch with the Diocesan newspaper requesting the same editorial support they give to Essex Savers.

Colchester CU does not gather information about ethnicity or religion. However I can say that in our office we have staff of Chinese and Caribbean origin. Speaking to members I have been told that a prime reason for saving is to fund visits to their extended families in Asia and the Caribbean.



Finance & Audit Scrutiny Panel

Item
11

17 November 2009

Report of

Head of Resource Management

Author

Hayley McGrath
508902

Title

Interim Annual Governance Statement Action Plan.

Wards
affected

Not applicable

**This report reviews the implementation of the Annual
Governance Statement Action Plan for 2009/10.**

1. Actions Required

- 1.1 Consider and note the work undertaken to implement the current Annual Governance Statement action plan.

2. Reason for Scrutiny

- 2.1 Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, requires the council to conduct an annual review of the effectiveness of its governance and internal control arrangements, and publish an Annual Governance Statement (AGS) each year with its financial statements. The regulations require the statement to be accompanied by an action plan for improving any issues identified.
- 2.2 The Annual Governance Statement for the 2008/09 financial year was reported to the Accounts and Regulatory Committee in June 2009. This included an action plan for issues to be resolved during the current financial year.
- 2.3 The Audit Commission are keen to ensure that the annual governance review is not considered to be an annual year end exercise. Therefore it is essential to ensure that governance issues are considered during the year and it was agreed by the Accounts & Regulatory Committee that an interim report regarding progress against the action plan would be provided to this panel during the year.

3. Key Messages

- There has been progress against all of the issues identified in the action plan.
- The audit of the final accounts for 2008/09 did not raise any concerns with the Annual Governance Statement or the action plan. Accordingly the statement was included in the final Statement of Accounts that was issued in September 2009.

4. Supporting Information

- 4.1 The issues that were included on the action plan have been discussed with the relevant lead officers, and the action plan has been updated with the progress made. The action plan is included at appendix 1.

5. Proposals

- 5.1 To note and comment upon the Councils progress in implementing the current Annual Governance Statement action plan.

6. Strategic Plan Implications

- 6.1 The achievement of the strategic plan requires a sound system of governance to ensure the effective delivery of services. Therefore improving on existing governance arrangements will help to ensure that the strategic plan objectives can be achieved.

7. Risk Management Implications

- 7.1 Risk Management is a fundamental part of the Governance process and a failure to implement the action plan may have an effect on the ability of the Council to control its risks.

8. Other Standard References

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

Appendix 1

Colchester Borough Council Annual Governance Statement – Action Plan for 2009/10 Interim Review October 2009

Significant Internal Control Issues – Relating to 2008/09 Financial Year

No.	Issue	Action	Due Date	Responsible Officer	Update
1	<p><u>Colchester Community Stadium Company</u> Whilst the stadium company operates at arms length it is necessary to ensure that there are appropriate controls in place to provide the Council with assurance that it is appropriately governed and delivering the desired outcomes.</p>	<p>A regular reporting process to the Council's scrutiny panel, including set performance indicators, will be implemented. This will cover the performance and governance of the company.</p>	2009/10 Municipal Year	Chief Executive	<p>The Community Stadium Company are reporting to the Council's Strategic Overview and Scrutiny panel on 09 February 2010.</p>
2	<p><u>Flexible Working</u> The Council is committed to developing flexible working practises, including home working. However it must be ensured that there are adequate governance arrangements in place to ensure that the anticipated service improvements are realised and that there is no detrimental effect on customer service.</p>	<p>Flexible working guidelines for staff and managers are already in place. An accommodation project board is overseeing the changes to accommodation and a communications project team operates to involve staff.</p>	Ongoing until December 2009	Executive Director People & Performance	<p>A number of policies have been reviewed to reflect the changes as result of moving to more flexible working. These include a range of Health and Safety guides and flexi time. We have a comprehensive policy on flexible working for managers and employees. Training and development has been provided from specific sessions for the introduction of new technology to change management aimed at helping managers. A series of workshops are being run, open to all staff around IT, HR, H&S and practical issues as the change approaches. Regular bulletins are supporting the communication of new arrangements</p>
3	<p><u>Housing Repairs Contract</u> There is currently an interim arrangement for the provision of essential housing repairs. Contracts for the provision of the repairs and maintenance service will be tendered during 2009/10. It will be ensured that comprehensive controls are put in place</p>	<p>A comprehensive monitoring framework will be introduced to ensure that the future arrangements are properly set out and controlled.</p>	Procurement completed by May 2010	Head of Strategic Policy & Regeneration	<p>Cabinet have agreed that a benchmarking exercise will be undertaken in respect of CBH carrying out responsive repairs and aids & adaptations with a view to them providing value for money, with the contract being awarded until 2013. The remaining repairs issues such as the gas servicing and external painting are presently out to tender.</p>

	for any arrangement going forward.					
No.	Issue	Action	Due Date	Responsible Officer	Update	
4.	<p><u>Performance Management</u> We acknowledge the need to review elements of our performance management arrangements given the change in the National Framework. There is also a need for improvement in specific areas, including ongoing performance monitoring of key performance indicators and project management arrangements.</p>	<p>New performance dashboard has been developed and is being implemented to assist with improved monitoring – outcomes from this will be reviewed.</p> <p>The Performance management framework has been reviewed to ensure the new national framework and CAA are incorporated fully.</p> <p>A major review of project management processes is underway.</p>	<p>Ongoing</p> <p>October 2009</p>	<p>Head of Corporate Management</p>	<p>A new Performance Management Framework document has been drafted and has been presented to PMB.</p> <p>A task and finish group are currently reviewing the corporate approach to Project Management with a view to suggesting some support templates and improved processes and an improvement to the dedicated area of the Hub.</p> <p>In terms of reporting - Performance reports for both the organisational dashboard / the update of the Strategic Plan action plan and the customer and people quadrants have been re-formatted and a new process introduced for reporting and entering data for the councils national and LAA indicators.</p> <p>At a recent SMT meeting a new template was agreed for a detailed description of indicators that are not performing well, ensuring more discussion and investigation into problems and possible solutions.</p>	
5.	<p><u>Security of Premises</u> An internal audit review of premises security was carried out during 2008/09, which included physical entry attempts by audit staff. The audit covered three buildings - the Town Hall, Gosbecks Road and Christchurch museum, Ipswich. The review highlighted several areas of weakness which resulted in six priority 1 recommendations relating to responsibilities and policies and procedures. All recommendations were agreed.</p>	<p>All the recommendations have been agreed and incorporated into a draft security strategy, which identifies roles and responsibilities. This will be agreed by PMB and the actions highlighted in the report will be implemented.</p>	<p>September 2009</p>	<p>Head of Corporate Management</p>	<p>The draft strategy has been discussed by the property forum and has been amended following testing at two sites. The amended version is being reported back to the property forum for agreement and will then be presented to PMB.</p>	

No.	Issue	Action	Due Date	Responsible Officer	Update
6	<p><u>Visual Arts Facility</u> There have been ongoing issues surrounding the delivery of the Visual Arts Facility project leading to delays in completion and increased costs. An Audit Commission review of the project was carried out in April 2009 and this highlighted areas for improvement.</p>	<p>Work has already started on implementing the recommendations made in the Audit Commission review. These will be monitored during the year and progress reported to committee.</p>	Ongoing	Executive Director Place Shaping	All of the recommendations raised by the Audit Commission were agreed and have been implemented. Some of them related to ongoing processes and these have been incorporated into normal working practises. A revised project programme has been provided to the Audit Commission.
7	<p><u>'Working Practises' Legislation</u> During the course of the budget setting process in 2008/09 a decision about removing grant funding to an external organisation was made. Insufficient information was considered when reaching the decision which resulted in a breach of the Disability Discrimination Act and the issuing of a formal monitoring officer statement.</p>	<p>The monitoring officer statement, which included recommendations for improvement, has been reported to committee. The recommendations have been agreed and will be implemented. The risk of non-compliance with working practises legislation had already been identified on the strategic risk register and this will now be reviewed to ensure that the controls are operating correctly.</p>	T.B.C.	Executive Director Customer Excellence	The Monitoring Officers recommendations have now been implemented and the strategic risk register has been reviewed. Staff have been reminded about the importance of the working practises legislation and the effect of correct assessments in the decision making process.



Finance & Audit Scrutiny Panel

Item
12

17 November 2009

Report of

Head of Resource Management

Author

Elfreda Walker
282461

Title

2nd Quarter Internal Audit Assurance Report 2009/10

Wards
affected

Not applicable

**This report concerns Internal Audit Activity between
July and September 2009**

1. Actions Required

1.1 To note and comment upon the Council's performance relating to:

- Executing the 2nd quarter of the Internal Audit plan for 2009/10;
- Performance of internal audit by reference to national best practice benchmarks.

2. Reason for Scrutiny

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

2.2 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, however in line with the profiled plan which is weighted towards quarters 3 and 4 when the key financial audits are due to be undertaken
- The VAT audit has received a full assurance rating
- The assurance rating for the Vehicle Workshop has increased from 'No Assurance' to 'Limited'.
- Five Priority 1, 66 Priority 2 and six Priority 3 recommendations have been made. The priority 1 recommendations were in respect of the Street Services – Management Arrangements, Back-Up Procedures and IDOX Document Imaging (three) audits.
- One priority 2 recommendation in respect of the Vehicle Workshop audit and two priority 2 recommendations in respect of IT Security have not been accepted by management. All other recommendations have been accepted.

4. Supporting Information

4.1 This report has been designed to show:

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

4.2 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, 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

4.3 Internal Audit categorise 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

4.4 Internal audit categorise the tracking of recommendations as follows:

- Fully implemented
- Partially implemented
- Not implemented

5. Performance Qtr 2 2009/10

5.1 Use of Audit Resources:

	Days	%
Audit days delivered – Q2	144	28
Audit days delivered – Q1	115	23
Remaining Days – per agreed Audit Plan	246	49
	505	100

5.2 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 – Q2									
b/f from 2008/09	-	7	1	3	3	-	1	6	-
2009/10	3	6	-	3	3	-	1	5	-
Work in progress – Q2									
b/f from 2008/09	-	2							
2009/10	1	7							

*Only systems audits are given an assurance level.

Please see Appendix 1 for a summary of results and outcomes of the 16 audits finalised in Quarter 2.

5.3 Status of all recommendations as at 30th September 2009:

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.

Please see separate report for details of outstanding recommendations (Appendix 2). Progress in implementing these recommendations will continue to be closely monitored and progress will be reported to the panel each quarter.

5.4 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)	50%	48%
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	8.8
Percentage of all recommendations agreed	95%	96%
Improved assurance for 2 nd & subsequent audit reviews – as a percentage of all recurring reviews	25%	25%

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 quarters 3 and 4 when the key financial audits are undertaken.

6. Colchester Borough Homes Limited

6.1 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.

6.2 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.

6.3 There have been no joint audits finalised in the first quarter.

7. External Audit

7.1 The last item to be received from the external auditors was the Annual Statement of Accounts, which was reported to the Accounts and Regulatory Committee on the 22nd September 2009.

7.2 Appendix 3 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.

8. Proposals

- 8.1 To note and comment upon the Council's progress and performance in implementing quarter 2 of the Internal Audit programme for 2009/10.

9. Strategic Plan Implications

- 9.1 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.

10. Risk Management Implications

- 10.1 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.

11. Other Standard References

- 11.1 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.

Summary of Audits Finalised in Quarter 2:

318 – Corporate Management – Management Arrangements	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	15	Substantial (First Audit)	-	4	-	4

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;
- Human resources;
- Risk management;
- Business continuity;
- Health and safety; and
- Internal audit recommendations.

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

- For those services which generate income, it is recommended that a summary report of income received is produced and that this is reconciled to the relevant income codes within the general ledger. (2)
- Work station risk assessments should be undertaken as soon possible. (2)
- A service-wide Business Continuity Plan should be developed. (2)
- Management should implement a system to review the implementation of audit recommendations. (2)

337 – Street Services – Management Arrangements	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	15	Limited (First Audit)	1	3	-	4

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;
- Human resources;

- Risk management;
- Business continuity;
- Health and safety; and
- Internal audit recommendations.

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

- It is recommended that procedures be developed in relation to the raising of invoices. (2)
- Management should ensure that contract procedures are adhered to all times. (1)
- Full documentation of all quotations / tender decisions must be retained on file. (2)
- The scheme of delegation lists should be reviewed with all unlimited authorisations, with the exception of the Head of Service, being removed.(2)

346 – Budgetary Control	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	10	Substantial (First Audit)	-	1	-	1

Scope of Audit: This review examined the following areas:

- Business plan risks;
- Budget setting;
- Planned activity;
- Management information;
- Budgetary variations;
- Reported information; and
- External bodies.

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

- Budget holders should be reminded of the importance of responding to key actions/queries set out in the monthly budget monitoring reports by the Service Accountants. Timely responses should be sought and recorded to allow the control to operate effectively. There should be regular monitoring of responses not received from budget holders. (2)

348 – Value Added Tax	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	10	Full ▲	-	-	1	1

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

- Input and output taxes are correctly accounted for;
- VAT returns are correct and submitted properly;
- VAT refunds from HM Revenues and Customs are received in a timely manner; and
- Guidance on the treatment of VAT is issued to the appropriate staff.

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

- Management should remind staff that the correct documentation should be retained to support a recovery of import VAT (C79 certificate rather than the freight agent's invoice). In addition, management should remind staff of the correct accounting treatment for EZ Acquisition tax on purchases of goods from the EU. (3)

350 – Back-up Procedures	Days	Assurance Limited (First Audit)	Priority of Recommendations			Agreed
			1	2	3	
	5		1	3	1	5

Scope of Audit: This review examined the following areas:

- Backup Processes;
- Backup Scheduling and Prioritisation;
- Tape Recovery Testing;
- Backup Process Monitoring and Notification;
- Failure Notification Detection and Reporting;
- Offsite and Onsite Storage Arrangement;
- Tape Cycle;
- Disaster Recovery Arrangements; and
- Reporting.

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

- 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. (2)
- 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. (2) Partly Agreed
- Management should implement a continuous improvement plan over the management of backup and recovery arrangements. (2)
- 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. (3)
- Management should review the requirement for formal disaster recovery procedures for all systems in place within the Council. This should follow the Business Impact Analysis and identify the key systems requiring recovery and their priority. Following any Disaster Recovery implementation, systems should be tested to ensure that these can be restored. (1)

351– Corporate Governance – Colchester Borough Homes Ltd	Days	Assurance Substantial (First Audit)	Priority of Recommendations			Agreed
			1	2	3	
	15		-	2	1	3

Scope of Audit: The audit covered the following areas:

- Focusing on the organisation’s purpose and on outcomes for citizens and users;
- Performing effectively in clearly defined functions and roles;
- Promoting values that underpin good governance and upholding these through behaviour;
- Taking informed, transparent decisions within a framework of controls;
- Developing the capacity of the governance team to be effective; and
- Engaging stakeholders and making accountability real.

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

- CBH's Memorandum and Articles of Association should be made available on CBH's website. (2)
- A checklist should be kept detailing the induction process of Board members. The checklist should detail all aspects of the induction that needs to be completed. (3)
- 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, who the document was approved by, version number, and the review date for the document (2)

352 – IDOX Document Imaging	Days	Assurance Limited (First Audit)	Priority of Recommendations			Agreed
			1	2	3	
	15		3	12	-	15

Scope of Audit: The audit covered the following areas:

- Corporate Policies and Procedures;
- Access controls;
- Input controls;
- Scanning Controls;
- Indexing controls;
- Workflow Authorisation and management;
- Physical security and disaster recovery;
- Records retention;
- Management / Audit Trail; and
- Interface Controls.

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

- Strategies and policies for data management and security of data within IDOX should be documented, approved and communicated to all users. (1)
- Management should ensure the Systems Administration duties are clarified. Following roll out across the Council, system administration policies should be formalised with specific responsibilities for change control, system administration and user management. (2)
- Management should ensure that the following logical access controls are configured on the IDOX application:
 - Passwords should be constructed of a mixture of alpha and numeric characters;
 - Passwords should be disabled if there is no activity; and
 - Default passwords to be force changed on first entry. (2)
- Management should ensure that the procedures for adding, amending and removing user access to IDOX are formalised. A standard access request form should be used for ensuring that:
 - All requests for access, including amendments to users' access rights, are formally documented and are authorised by line management prior to notification to the system administrator;
 - Leavers are notified by line management to the system administrator for prompt closure of their user accounts; and
 - Formal requests for user additions, amendments and removals are retained for future reference.
Furthermore, line managers should also be provided with a list of current users and their access rights and be required to confirm the legitimacy of users on the system on a regular basis. Consideration should also be given to managing IDOX users centrally. (2)
- Management should ensure there is a periodic review of the User Access Permissions for all users with access to IDOX. User permissions should be amended where necessary to ensure permissions are in line with user responsibilities. In addition, all generic user accounts should be removed from the system to assist in promoting user accountability. (2)
- IDOX should be configured to apply a system lock following three consecutive failed login attempts. In addition, a comprehensive security violation report should be generated from the system and the failed login attempts should be reviewed on a periodic basis. (2)
- Management should ensure Corporate Scanning Procedures are documented. The procedures should indicate the different scanning protocols that may be used by different departments. A Service Level Agreement between the Scanning Team and the Departments may also be created outlining the timescales by which documentation is required to be scanned and indexed. (1)
- Management should consider how referencing to documents may be applied following implementation of the IDOX system to other departments. This should ensure that referencing is approved in order that it is relevant to the operations of all Council departments. (2)

- Management should ensure that a workflow model is documented to outline the hierarchical workflow structure for all departments using IDOX. This should be approved by relevant departmental management and be subject to change control processes to ensure all changes to the structure are documented. (1)
- System back-ups of the IDOX server should be tested regularly to ensure that it can be restored on a timely basis. Consideration should also be given to backing-up the servers on a more frequent basis due to the volume of documents stored on the system and the frequency of change of system data. (2)
- Management should ensure that a formal Disaster Recovery Plan is developed for the IDOX system which takes into account the recovery time objectives of the Council departments using IDOX. The plan should be tested annually and a report of the results should be produced for management review for continuous improvement of the plan. (2)
- Record retention and disposal procedures should be reviewed and updated to include the retention periods and disposal methods for all document types that are scanned and will be used with IDOX. Consideration should be given to the retention and disposal requirements for all departments using the system. (2)
- A data classification exercise should be undertaken at department level by all departments using IDOX. Data should be classified in order to aid with the identification of data retention periods and system management. The following may be taken into consideration when undertaking the exercise:
 - the type of data to be scanned into IDOX;
 - the use of the data;
 - the location of hard copies (if applicable); and
 - the regulatory or statutory implications surrounding the data. (2)
- Management should ensure that the audit trail for IDOX is fully enabled in order to generate audit trails which capture user actions and user log in details. The audit trails should also be reviewed by management on a periodic basis. (2)
- Management should ensure all incoming and outgoing interfaces are documented. In addition, checks should be carried out to ensure data has transferred between systems accurately and completely. (2)

403 – Museums – Admissions, Shops and Inventories	Days	Assurance Limited	Priority of Recommendations			
			1	2	3	Agreed
	15			9		9

Scope of Audit: This review examined the following areas:

- Admissions Income;
- Income and Stocks;
- Remittance of Cash Sales;
- Security of Keys;
- Maintenance of Inventories;
- Stock Control;
- Checking and Recording of Deliveries; and
- Management information.

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

- Up to date procedures should be disseminated to the various sites as soon as possible. (2)
- Staff should be reminded that there is a requirement for two officers to sign the daily income sheets to evidence separation of duties. (2)
- Where a stock take has been undertaken, supporting documentation should be retained in respect of who was present and whether variances could be justified or were considered reasonable. (2)
- Staff should be reminded of the requirement for all refunds to be correctly processed. All refunds must be signed by the originating officer, countersigned by the Duty Officer and the refund reason recorded. (2)

- The Museum Service should record all keys that are cut and keep a record of how many they hold of each one and where each key is located. (2)
- 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. (2)
- The stock system should be monitored on an ongoing basis and any issues identified should be notified to the manager so that if changes need to be made these are authorised. Any transfers undertaken between sites should also be documented on a journal form to be held on file in the retail office. (2)
- 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. (2)
- 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. (2)

411 – Decriminalised Parking	Days	Assurance Regularity	Priority of Recommendations			Agreed
			1	2	3	
	5		-	1	-	1

Scope of Audit: This review examined the following areas:

- Adequate controls are in place to give management assurance regarding the accuracy of the figures; and
- The figures reported are backed up by an audit trail and supported by appropriate documentation

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

- Consideration should be given to either making the process electronic using set formulae, or to have a management review of the calculations. (2)

414 – Crime & Disorder Reduction Partnership	Days	Assurance Substantial	Priority of Recommendations			Agreed
			1	2	3	
	10		-	-	-	-

Scope of Audit: This review examined the following areas:

- Mission Statement;
- Target Setting;
- Monitoring of Actions and Interventions;
- Funding Streams;
- Long-term Sustainability;
- Structure of the Partnership Defined, Roles and Responsibilities;
- Strategy Review; and
- Cohesion with Regional and National Partnerships and Priorities.

Key Outcomes:

- Whilst no recommendations were raised a number of improvements to the control processes were identified and reported on within the body of the audit report.

415 – Vehicle Workshop	Days	Assurance Limited ▲	Priority of Recommendations			Agreed
			1	2	3	
	10		-	6	1	6

Scope of Audit: This review examined the following areas:

- Scale of Charges;
- Cash Security;
- Cash Collection and Banking of Income;
- Controlled Stationery;
- Stores Requisitions;
- Stores Ordering;
- Stores Security; and
- Stock Checks.

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

- Discount rates should be reviewed and formally approved by the Council as part of the Scale of Charges setting. Where discounts are given, these should not be allowed against the cost of materials. (2)
- The procedure manual should be updated, to include all aspects of the Vehicle Workshop function. The procedures should be annotated with the date, reviewer and next review date. Once updated, the procedures should be formally approved and made available to relevant members of staff. (2) Agreed in part
- Regular debtor reports should be obtained from the Finance Team and reviewed by the Fleet and Workshop Manager to help ensure that the invoices raised can be reconciled with those requested. (2)
- The word “Invoice” should be removed from the detailed receipts showing the work undertaken. (3)
- Money should be banked on a weekly basis in line with the draft procedures. (2) Not Agreed
- Consideration should be given as to whether cheques should continue to be accepted. (2)
- The Council should consider if it is willing to accept the remaining level of risk associated with the stores and stock control. (2)

419 – Highwoods Country Park Regularity	Days	Assurance Regularity	Priority of Recommendations			Agreed
			1	2	3	
	3		-	3	-	3

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:

- Existing documented procedures should be reviewed and updated to reflect current working practices, including the collection of income and banking by the courier company, the management of tools and equipment and lone working. (2)
- Staff should check that a receipt provided by the courier is retained on file on each occasion. (2)
- Staff should check that a receipt is obtained from the Cash Office on each occasion to verify the safe transfer of funds from the Visitor Centre. (2)

421 – IT Security	Days	Assurance Limited (First Audit)	Priority of Recommendations			
			1	2	3	Agreed
	10		-	13	1	12

Scope of Audit: This review examined the following areas:

- IT Security Data Management Policies and Procedures;
- Data Classification and Sharing;
- Staff Training and Security;
- Physical Access Controls;
- Back-up and Disposal Procedures;
- Logical Access Controls;
- Remote Working and Removable Media; and
- Legislation Registration and Compliance.

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

- The Colchester Information Security policy should be updated to include statements on:
 - Responsibility for hardware ownership such as maintaining inventory of IT assets, procurement and disposal; and
 - Responsibility for Data Protection. (2)
- Management should establish a formal programme that provides staff with an adequate level of training and awareness on data security that is consistent to the information they handle within the Council. Consideration should also be given to include elements of data security training for all new employees joining the organisation. In addition to this, staff should be required to confirm that they have read the IT Security Policy and the Personal Commitment Statement. (2)
- A data classification exercise should be undertaken across the Council to identify data which may be sensitive and requires additional protection. Data should be classified in order to aid with the identification of data retention periods as well as to guide the level of access and security provided to the data. The Retention Policy should also be periodically reviewed to ensure retention periods are in line with data classification. (2) Agreed in principle
- The Council should review the current third parties with which information is shared and ensure that where sensitive or personal data is shared that this is covered by an information sharing protocol detailing the requirements for security of data when outside of the Council. (2)
- Procedures for the disposal of hardcopy data, electronic data held on removable storage devices (e.g. USB's); IT equipment and archived files should be developed. A periodic review of the policy should also be performed to ensure that this remains up to date. We also recommend that this should include the requirement to dispose of assets only via SERCO policy. (2)
- The Council should use the Schedule of Items received from EOL Services to reconcile against the Asset Register disposal list to confirm that all the equipment marked as unsupported and sent to the contractor for disposal has actually been collected and destroyed. The destruction certificate should be received from EOL Services and the reconciliation carried out prior to changing the status of the equipment to "inactive" and "disposed" on the asset register. (2)
- We recommend that the Council should review the disposal process to ensure that hardware has hard disks wiped prior to them being provided to EOL for destruction. This should include all memory devices such as USB sticks and laptops. (2) Not Agreed
- The Council should store all new or unused IT equipment in a secure location. In addition to this, a procedure should be developed to ensure that all hardware is asset tagged. (2)
- The procedures for adding and changing permissions to user accounts should be developed. (2)
- Management should review the need for encryption on portable devices to ensure that sensitive data cannot be accessed in the event of hardware being lost or stolen. (2)
- 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. (3)
- 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. (2)
- The Council should consider investigating if locks could be provided with portable devices to provide additional protection to portable equipment when in use. (2) Not Agreed

- A policy on the acceptable use and storage of removable media should be developed. (2)

427 – Enterprise / Economic Development	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	7	Substantial	-	3	1	4

Scope of Audit: This review examined the following areas:

- Procedures and Guidance notes in Place over the Function;
- Identification of Suitable Projects;
- Contracts in Place with Beneficiaries;
- Monitoring of Contracts;
- Recording and Payment of Monies to Beneficiaries or Contractors; and
- Management Information.

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

- A procedure manual should be drafted, to include all aspects of the Enterprise / Economic Development function, including grant awarding, processing of applications, logging of enquiries etc. The procedures should be annotated with the date, reviewer and next review date. Once updated, the procedures should be formally approved and made available to relevant members of staff. (2)
- A log should be maintained of person(s) enquiring in respect of relocating to or seeking business related information about Colchester. (2)
- Consideration should be given to reviewing enquiries received via the CSC. (3)
- The Colchester Business Directory 2007/08 should be updated and be subject to regular revision. (2)

429 – Tiptree Sports Centre	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	10	Substantial	-	6	-	6

Scope of Audit: This review examined the following areas:

- Issuing of tickets to centre users;
- Recording of ticket sales and transactions;
- Banking of remittances;
- Staff, public liability and asset insurance;
- Stock checks; and
- Centre security.

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

- The Centre Manager should contact the Cash Office to inform them that Tiptree Sports Centre has not been receiving all of their receipts. The Cash Office should be asked to find those that are missing and forward them to the Centre and to provide assurance that this problem will be resolved. (2)
- The arrangements for holding cash at the Sports Centre should be reviewed as the cash rating of the safe is not adequate for their current needs. There are a number of options for the Sports Centre, as follows:
 - Identify whether there is an alternative safe within the Council that is not in use and would provide adequate cover for the takings
 - Arrange more frequent collections by Securicor; or
 - Purchase a new safe with a higher limit. (2)
- 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. (2)

- 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 the time a stock check is undertaken the details of this are documented, including the date and the names of the responsible officers. (2)
- Staff should be reminded of the need for all goods received notes to be signed and dated by the officer taking receipt of the delivery. This will provide important information before payment takes place and provide the data to be entered onto the Vending Order Checklist. (2)
- Management should consider whether they need to upgrade the current alarm system to provide a warning for the Duty Managers that an external/fire door has been opened at the Centre. If it is possible, a cost / benefit analysis should undertaken. (2)

432 – Museum Cash Up	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	1.5	Regularity	-	-	-	-

Scope of Audit: This review examined the following areas:

- Cash security;
- Appropriation of Monies; and,
- Monies Banked Appropriately.

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

- No recommendations were raised.

Colchester Borough Council

Follow up of Previous Recommendations

Report – November 2009

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.

Internal Audit carry out a programme of follow-up reviews. Colchester Borough Council officers have not always been available when the Internal Auditors are carrying out the follow up reviews. The audits that have not been followed up during the current round of

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.

Summary of Findings

Audit Area	Responsibility							
	Internal Audit			Council				
	Verified	Implemented to be verified	Due date not reached	Due date not reached	Outstanding past due date	Outstanding past due date		
			H	M	L	H	M	L
2009/10								

351 - Corporate Governance CBH	2							0	0	0	0	0	0	0	0	1	0
353 - Management of Expenditure	0							0	0	0	0	0	0	0	0	1	0
501 - Housing Rents	0							0	0	0	0	0	0	0	0	1	1
2007/08																	
201 - Inventories	1							0	0	0	0	0	0	0	3	0	0
203 - Officers' Expenses	2							0	0	0	0	0	0	0	3	0	0
204 - Register of Interests, Gifts and Hospitality	2							0	0	0	0	0	0	0	0	0	0
205 - Financial Assistance Policy	3							0	0	0	0	0	0	0	1	0	0
206 - Right to Buy	4							0	0	0	0	0	0	0	1	0	0
210 - Procurement - Marketplace	3							0	0	0	0	0	0	0	1	0	0
218 - Car Parking Income	4							0	0	0	0	0	0	0	4	0	0
219 - Health and Safety	4							0	0	0	0	0	0	0	0	0	0
228 - Corporate Governance	1							2	0	0	0	0	0	0	0	0	0
229 - Firstsite Newsite	0							0	0	0	0	0	0	0	4	0	0
231 - Renaissance Programme - Management Arrangement	0							1	0	0	0	0	0	0	2	1	0
233 - Museums - Merged Services	3							0	0	0	0	0	0	0	7	0	0
235 - Reprographics Contract	4							2	0	0	0	0	0	0	1	0	0
Total	84						26	0	8	1	2	75	8				

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2007/08	Resource Management	201	Inventories	-	Guidance should be provided by the Head of Financial Services to the Heads of Service in respect of the completion of and format of inventories.	Y	2	30-Nov-07	Not Implemented. The Council is currently undertaking a review of the inventories system. This should standardise completion of and format of inventories. Revised implementation date: September 2008	Update 29/10/09: Risk and Resilience Manager stated that an update to these recommendations would be sent by e-mail on 28/10/09. Still awaited and will be chased.
2007/08	Resource Management	201	Inventories	-	Service Areas should be reminded to review the inventory on a quarterly basis and update Serco with details of any changes.	Y	2	31-Jul-07	Not Implemented. The Council is currently undertaking a review of the inventories system. This should make the recording and updating of inventories easier. Revised implementation date: September 2008	Update 29/10/09: Risk and Resilience Manager stated that an update to these recommendations would be sent by e-mail on 28/10/09. Still awaited and will be chased.
2007/08	Resource Management	201	Inventories	-	Inventories should be maintained, reviewed on a regular basis and updated, where appropriate.	Y	2	30-Nov-07	Not Implemented. There are current insurance issues with this. The Council review of the recording of inventories will help with this process. Revised implementation date: September 2008	Update 29/10/09: Risk and Resilience Manager stated that an update to these recommendations would be sent by e-mail on 28/10/09. Still awaited and will be chased.
2007/08	Corporate Management	203	Officers' Expenses	S	Management should ensure that all claims are in compliance with the Council's travel and subsistence expenses policies.	Y	2	31-Dec-07	Not Implemented. A copy of the Council's travel and subsistence expenses policy was obtained. A sample of ten expense / mileage claims was selected randomly from the months of April 2008 and May 2008. Not all claims were in compliance with the Council's travel and subsistence expenses policy, see the below recommendations for detail. Revised implementation date: January 2009 Update March 2009: A sample of 5 mileage claims and a sample of 5 subsistence claims were obtained for testing. There was one exception where a mileage claim did not follow the travel and subsistence expenses policy. This was discussed with the HR Service Centre Manager and he agreed that HR should be tightening up on the policy. The HR Service Centre Manager also stated that he personally performs some sample checks every month.	Update 11/11/09: To be followed up as part of the signatory list updates (see below).
2007/08	Corporate Management	203	Officers' Expenses	S	The signatory list held by Payroll should be updated to support the current authorising officers.	Y	2	31-Dec-07	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 (Employee No's: 4842, 4597, 1485, 1599, 3047) were found to be authorised by staff not detailed on the signatory list, while one claim form (Employee No: 2371) was found to be authorised by an officer who was not approved to authorise claim forms. 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 11/11/09: 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.
2007/08	Corporate Management	203	Officers' Expenses	S	All claims should be authorised by the delegated officer within each department.	Y	2	31-Dec-07	Update - 16/1/09. For a sample of five Mileage, Travel Subsistence and expenses claim forms tested, three had been signed by appropriate staff authorised on the signatory list. One claim form was found not signed by authorised staff. One claim form was found to be signed by an officer who is not on the signatory list.	Update 11/11/09: To be followed up as part of the signatory list updates (see above).
2007/08	Corporate Management	204	Register of Interests, Gifts and Hospitality	S	The mandatory Notice of Registerable Interests form should be completed by each Member and held on file on all occasions.	Y	2	31-Jul-07	Update March 2009: "agree with the recommendations and cannot really add anything except that I will do the agreed actions as and when"	Update 28/10/09. Implemented - Followed up as part of the Corporate Governance 2009/10 audit.
2007/08	Corporate Management	204	Register of Interests, Gifts and Hospitality	S	Evidenced checks of the completed Voluntary Register of Members' Interests forms and the Voluntary Register of Staff Interests forms should be carried out by the Monitoring Officer on all occasions.	Y	2	31-Jul-07	Update March 2009: "agree with the recommendations and cannot really add anything except that I will do the agreed actions as and when"	Update 28/10/09. Implemented - Followed up as part of the Corporate Governance 2009/10 audit.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2007/08	Life Opportunities	205	Financial Assistance Policy	S	Regular, more frequent, reconciliations should be undertaken between the Flare system and the general ledger.	Y	2	15-Aug-07	Not Implemented. The Home Improvement Team Manager advised that reconciliations between the FLARE system and the General Ledger are undertaken by a Support Officer within the home improvement team annually. Reconciliations are infrequent because the information needed from Finance to perform the reconciliations is difficult to obtain. Update March 2009: There are now new monthly reports for reconciliation in place but this is poor because only the majority of the data is searchable. This should become better as the older grants and loans get paid. IA June 2009 - The Home Improvement Manager confirmed that no evidence had been retained in support of the reconciliations that had taken place.	Update: 29/10/09: It was not possible to make contact by phone. An e-mail was sent requesting evidence that reconciliations are carried out. Awaiting response.
2007/08	Corporate Management	206	Right to Buy	S	Policies and procedures covering the Right to Buy process should be drafted and made available to officers via the intranet.	Y	2	31-Dec-07	Update - 16/1/09 Not implemented. Policies and procedures covering the Right to Buy process have been updated but not available via the intranet.	Update 06/10/09: Policies and procedures shared with CBH and Legal Services via a shared drive.
2007/08	Corporate Management	206	Right to Buy	S	Checks should be undertaken that all outstanding amounts have been cleared and the account brought to zero as part of the completion process.	Y	2	20-Jul-07	Not Implemented Update - 16/1/09 Memo sent to CBH confirming completion of RTB. Rent account cleared and account brought to zero before completion. For a sample of the three sold properties this year to ensure the account has been cleared. One of them has a balance of -356.91 on the account.	Update 29/9/09: Email from Legal Services Manager informing that the recommendation is being dealt with. Update 29/10/09: Legal Assistant not available at time of follow-up. Will be followed up as part of the next cycle.
2007/08	Resource Management	210	Procurement-Marketplace	S	The Marketplace system should be used for the purpose of raising an order on all occasions rather than a means of getting an invoice paid after acquiring the goods by some other manual means.	Y	2	30-Sep-07	Not Implemented. The Procurement Control Manager was unavailable to meet in person at the time of the follow-up due to other commitments, however she provided responses by e-mail that indicated this recommendation has not been implemented. Update March 2009: Procurement Manager Heads of Service are aware of this. New procurement system will be in place by May 09 - under the new system, orders will have to be done up front and cannot be retrospective.	Update 21/11/09. This is shortly to be replaced by the E-Procurement system.
2007/08	Street Services	218	Car Parking Income	L	A quarterly review should be undertaken of security arrangements and the findings reported to the General Manager.	Y	2	31-Mar-08	Not implemented. Update - 16/1/09 Quarterly risk assessments are undertaken to review staff safety. However, the implementation of quarterly security reviews is still outstanding.	Update: 29/10/09: Parking Services Manager unavailable at the time of follow up work. To be followed up as part of the next cycle.
2007/08	Street Services	218	Car Parking Income	L	Access to car parks financial data held on "G" drive should be restricted to read only access	P	2	30-Nov-07	Not Implemented. Car parks financial data is now held on the "T" drive at the Council. It was observed that the acting Car Parks Manager was able to access the financial data and amend it. Discussions with the acting Car Parks Manager confirmed that other staff in the Car Parks Department are able to access and amend the financial data. This is required to be carried out daily.	Update 28/10/09 - confirmed as part of the 2009/10 audit- access is now restricted to relevant staff.
2007/08	Street Services	218	Car Parking Income	L	Variances in excess of £50 should be reported to the Audit and Risk Management Manager in line with procedures.	Y	2	30-Nov-07	Not Implemented. Update - 16/1/09 Spreadsheets recording all variances are in place on the shared G:Drive. However, on discussion with the Audit and Risk Manager it was noted that notification of excessive variances is not being received.	Update 28/10/09 - confirmed as part of the 2009/10 audit - still outstanding.
2007/08	Street Services	218	Car Parking Income	L	Access to the CHIPSIDE system should be disabled as soon as staff leave the Council's employment.	Y	2	05-Nov-07	Update - 16/1/09 It was confirmed that this recommendation is still outstanding. On review of access rights, management noted that there were a number of staff who had not accessed the system for over two years. IT access review to be completed Update March 2009: Not implemented.	Update: 29/10/09: Parking Services Manager unavailable at the time of follow up work. To be followed up as part of the next cycle.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2007/08	Street Services	218	Car Parking Income	L	Penalty Charge Notices cancellations should be independently reviewed/ approved by management.	Y	2	30-Nov-07	<p>Not Implemented. A sample of five Penalty Charge Notices (PCN's) from the month of February 2008 were selected for or approved by management, see WP13.07c-g for examples. Discussions with management uncovered that independent reviews / approvals were not performed due to the volume of PCN's that are cancelled, therefore future implementation is uncertain.</p> <p>The Appeals and Permit Supervisor stated that Case Officers are delegated the power to decide the outcome of appeals, therefore some review is undertaken.</p> <p>Update - 16/7/09 Recommendation No Longer Agreed. Independent reviews / approvals are not performed due to the volume of PCN's that are cancelled. It was stated that the Case Officers are delegated the power to decide the outcome of appeals and, therefore some review is undertaken. Update 05/03/2009 - it was noted that the recommendation had been trialled, however, it was stated that it created a lot of paperwork and required a lot of work for it to be implemented. A sample was then chosen to be tested, however, this also led to a lot of extra work. Audit stands</p>	<p>Update: 29/10/09: Parking Services Manager unavailable at the time of follow up work. To be followed up as part of the next cycle.</p>
2007/08	Corporate Management	219	Health and Safety	L	All Managers and Co-ordinators should receive a programme of training with regard to H&S, initially to prepare them for their role and in the longer term to ensure they continue to be able to fulfil their responsibilities.	Y	1	10-Dec-07	<p>Not Implemented. The Health and Safety Advisor advised that no structured training programme is in place or is likely to be put into place. He stated that the current training methods used by the Council, where developments in work practices are communicated to members of the Health and Safety Committee in meetings, who then go back to their work departments and spread the developments, is appropriate for the set up of the Council.</p>	<p>Update 20/10/09: Comprehensive and structured training is in place. Update 29/10/09: Tudor Smith advised that everybody does a H&S induction programme. An Action Plan was obtained for 2008-10 (Max 2 years). It is ensured that all new starters complete an induction programme, but there is no excasified programme for everybody. The training is based around individual needs identified by PDPs, e.g. height training for museum staff.</p>
2007/08	Corporate Management	228	Corporate Governance	S	It is recommended that the 2006 Procurement Strategy be reviewed and submitted to the appropriate committee for approval.	Y	3	31-Jan-08	<p>Update 28/10/09: The 2009/12 Procurement Strategy was approved by the Portfolio Holder at the end of June following review by the Policy and Review Panel. It is available on the Hub. To be verified as part of the 2009/10 audit (on-going)</p>	<p>Update 28/10/09: All documents have issue version dates. The Constitution is under constant review and is amended as and when necessary. To be verified as part of the 2009/10 audit (on-going).</p>
2007/08	Corporate Management	228	Corporate Governance	S	It is recommended that version control documents be developed and appended to the front of all policies, procedures, schemes of delegation and sections within the Constitution. The version control documents should identify the owner, date of review, date of approval, details of the approving body and expiry date of the document.	Y	2	31-Jan-08	<p>Implemented. October 2009.</p>	
2007/08	Street Services	229	Firstsite Newsite	S	Officers should be reminded to transfer the time and date tenders were received to the Record of Quotations and Tenders received.	Y	2	31-Dec-07		<p>28/10/09 Update. This can only be followed up where further tenders are undertaken.</p>
2007/08	Street Services	229	Firstsite Newsite	S	Officers should ensure that sufficient time is allocated for contractual negotiations so that the contract can be signed and sealed in a timely manner.	Y	2	31-Aug-08		<p>28/10/09 Update. This can only be followed up where new contracts are entered into.</p>
2007/08	Street Services	229	Firstsite Newsite	S	The Cultural Services Manager should ensure that the status of changes to the scheme is consistently recorded on the "Request for Change Form"	Y	2	18-Dec-07		<p>Update 29/10/09: Confirmation received from the PA to the Executive Director that a response will be sent out within the next week.</p>
2007/08	Street Services	229	Firstsite Newsite	S	The Head of Leisure Services should draw up a formal project brief for the Post Implementation Review. The views of the partner organisations should be canvassed to ensure all key areas are covered. Also, an officer with the appropriate authority should be delegated to ensure that any lessons learnt can be incorporated into current procedures.	Y	2	31-Dec-08		<p>Update 29/10/09: See above.</p>
2007/08	Strategic Policy and Regeneration	231	Renaissance Programme - Management Arrangements	S	Full details of all procurement decisions made, in terms of quotations and tenders, should be retained on file. Evidence should be retained to document the processes adopted and the decisions made.	Y	2	17-Jun-08		<p>Update 30/10/09: Property Review and Regeneration Delivery Manager unavailable at the time of the follow up work. To be followed up as part of the next follow up cycle.</p>

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2007/08	Strategic Policy and Regeneration	231	Renaissance Programme - Management Arrangements	S	A new Scheme of Delegation list should be drawn up in respect of the Renaissance Programme.	Y	2	01-Oct-08		Update 30/10/09: Property Review and Regeneration Delivery Manager unavailable at the time of the follow up work. To be followed up as part of the next follow up cycle.
2007/08	Strategic Policy and Regeneration	231	Renaissance Programme - Management Arrangements	S	Risk assessments should be completed on all workstations. Appropriate remedial action should be taken where issues are identified.	Y	3	01-Oct-08	Implemented.	Update 29/09/09: Email from Property Revive and Regeneration Delivery Manager confirmed that all workstations have risk assessments as part of the Regeneration team Health and Safety Plan and there were a few issues relating to chairs which were resolved. Update 30/10/09: Property Review and Regeneration Delivery Manager unavailable at the time of the follow up work. To be followed up as part of the next follow up cycle.
2007/08	Strategic Policy and Regeneration	231	Renaissance Programme - Management Arrangements	S	The service should implement a system to monitor and review the implementation of internal audit recommendations. The Head of Service should take action where the agreed actions are not implemented within the timescale set.	Y	3	01-Oct-08		Update 30/10/09: Property Review and Regeneration Delivery Manager unavailable at the time of the next follow up work. To be followed up as part of the next follow up cycle.
2007/08	Street Services	233	Museums - Merged Services	L	Procedures should be drafted covering the merged services and made available to staff.	P	2	30-Sep-08	6/1/09 This is not fully agreed. There are controls in place, but they mainly apply to the Colchester side. Currently, Ipswich and Colchester are adapting to their merging. The best working practices are still being identified, and until this is completed, procedures cannot be drafted and made available. Update July 2009: During the 09/10 audit of Museums (ref 403) it was confirmed that there were some procedures drafted but these had not been made available to staff to provide guidance. The procedures that were in place and available to staff had been in place for a number of years without review, thus the recommendation still applies.	Update 28/10/09: Updated as part of the 2009/10 audit - procedures are still to be disseminated to the various sites.
2007/08	Street Services	233	Museums - Merged Services	L	Cashing up sheets should be independently checked and signed to evidence the check.	Y	2	30-Sep-08	Still in progress of being implemented - Update July 2009: results of the 09/10 audit identified nine cases where the cashing up sheet had not been signed by a second officer to evidence an independent check.	Update 28/10/09: Raised again as part of the 2009/10 audit.
2007/08	Street Services	233	Museums - Merged Services	L	The reason for the refund should be annotated on the original receipt and the receipt should be retained on file. The refund should be signed by the two members of staff involved with the refund.	Y	2	30-Sep-08	Partly implemented. Minutes of the meeting show that the training has been put into process. Update July 2009: results of the 09/10 audit identified five cases where a refund had not been processed correctly - in four the receipt had not been retained and in another there was no reason given or signature of a duty officer.	Update 28/10/09: Raised again as part of the 2009/10 audit.
2007/08	Street Services	233	Museums - Merged Services	L	Complete records should be maintained of all hire bookings. In addition, bookings should be allocated unique reference numbers and the details of the booking recorded on a database.	Y	2	31-Dec-08	Partly implemented. Minutes of the meeting show that the training has been put into process. However, unique reference numbers have not yet been established. Update July 2009: Status remains the same, records have started to be updated with reference numbers	Update 28/10/09: Still outstanding.
2007/08	Street Services	233	Museums - Merged Services	L	A key register should be implemented for the Ipswich museums. The register should be reviewed on a regular basis to ensure that keys are only held by appropriate members of staff.	Y	2	31-Dec-08	Partly implemented. There is now a key register at Ipswich. However, there has yet to be a review to ensure that keys are only held by appropriate members of staff. Update July 2009: No progress since the last follow up visit, will be revisited in the audit of Museums - Merged Service, due later this year.	Update 28/10/09: Raised again as part of the 2009/10 audit.
2007/08	Street Services	233	Museums - Merged Services	L	Regular checks should be undertaken to ensure that all Museum Object Entry Forms are held on file.	Y	2	30-Sep-08	Ongoing. These forms are at Ipswich, and therefore it was not possible to test whether this had been implemented. Peter Berridge advised me that this recommendation was in the progress of being fully implemented, but that the point still had to be constantly reinforced with the staff. Update July 2009: This remains partly implemented, a system has been put in place to trace forms; however, in the 09/10 audit a few forms (Entry and Exit) were not found during the audit time and there was no evidence of a check being undertaken	Update 28/10/09: Raised again as part of the 2009/10 audit.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2007/08	Street Services	233	Museums - Merged Services	L	Delivery notes should be checked on receipt of goods and signed by the officer who receives them. These should then be forwarded to the Resource Centre as notification that the order is complete.	Y	2	30-Sep-08	Not implemented successfully. Although this system should be in place, when tested 7/1/09 many despatch notes were missing, and some documents were also missing. The relevant sample documents have been obtained. Update July 2009: This remains unsuccessful and a recommendation was raised again following the 09/10 audit due to a number of orders not being supported with a checked delivery note.	Update 28/10/09: Raised again as part of the 2009/10 audit.
2007/08	Corporate Management	235	Reprographics Contract	S	The DPDO should undertake spot checks with officers using alternative suppliers.	Y	2	04-Jul-08	The Design & Print Development Officer confirmed in July 2009 that this recommendation had been implemented and would provide appropriate evidence.	Update 28/10 /09 - Officer on annual leave at the time of the follow up exercise. To be followed up on his return
2007/08	Corporate Management	235	Reprographics Contract	S	The DPDO should agree local performance indicators with Alpha Print to measure performance over the contract period.	Y	2	31-Oct-08		Update 28/10 /09 - Officer on annual leave at the time of the follow up exercise. To be followed up on his return
2007/08	Corporate Management	235	Reprographics Contract	S	The DPDO should request Alpha Print to include a section within the Customer Satisfaction Survey relating to the firm's complaints procedure.	Y	2	31-Jul-08	The Design & Print Development Officer confirmed in July 2009 that this recommendation had been implemented and would provide appropriate evidence.	Update 28/10 /09 - Officer on annual leave at the time of the follow up exercise. To be followed up on his return
2007/08	Corporate Management	235	Reprographics Contract	S	The DPDO should request that Alpha Print provide evidence of their insurance on the anniversary of commencement of the contract. The DPDO should ensure Alpha Print has provided a Performance Bond	Y	2	31-Jul-08		Not applicable. The Design & Print Development Officer confirmed in July 2009 that following the taking of advice, the terms of the contract state that this cost should be met by the Council and that a bond is not required. Recommendation to be removed.
2008/09	Resource Management	303	Commercial & Investment Property	S	Evidence of all rent reviews undertaken should be kept on file as a source of evidence that they did occur.	Y	2	01-May-08		Update 30/10/09: Unable to contact the Property Review and Regeneration Delivery Manager. To be followed up as part of the next follow up cycle.
2008/09	Resource Management	303	Commercial & Investment Property	S	When an annual property inspection is carried out, the name of the person carrying out the inspection should be noted on the inspection form and the officer should sign and date the form.	Y	2	01-May-08	Case Manager schedules programmed inspections. Full annual inspection programme not achieved.	Update 30/10/09: Unable to contact the Property Review and Regeneration Delivery Manager. To be followed up as part of the next follow up cycle.
2008/09	Street Services	304	Helpline	R	The procedures in place for the Helpline function should be reviewed on a regular basis and that this review should be evidenced.	Y	2	31-Oct-08		Update 2/11/09: Discussed with the Interim Community Operations Manager. Waiting for evidence that this has now been actioned. To be followed up as part of the next follow up cycle .
2008/09	Street Services	304	Helpline	R	All details regarding MSO visits, including arrival and departure time are recorded accurately on Helpline Callout Monitoring reports.	Y	2	17-Jun-09		Update 2/11/09: Discussed with the Interim Community Operations Manager. Waiting for evidence that this has now been actioned. To be followed up as part of the next follow up cycle .
2008/09	Street Services	304	Helpline	R	The records maintained by the Helpline Service should be reconciled to those held on the Housing Rents System and the Debtors System on a regular basis.	Y	2	30-Sep-08		Update 2/11/09: Discussed with the Interim Community Operations Manager. Waiting for evidence that this has now been actioned. To be followed up as part of the next follow up cycle .
2008/09	Corporate Management	305	Local Land Charges	S	Management should consider monitoring the time taken to process land searches on an annual basis.	Y	2	01-Apr-10		Update 28/10/09. Email received from Local Land Charges Manger, proposing amended implementation date of 1st April 2010.
2008/09	Corporate Management	305	Local Land Charges	S	Management should ensure that search fees are formally reviewed every year and evidence is retained.	Y	2	01-Apr-10		Update 28/10/09. Email received from Local Land Charges Manger, proposing amended implementation date of 1st April 2010.
2008/09	Corporate Management	305	Local Land Charges	S	Management should ensure that all receipts issued by the cash office are reconciled to the daily activity reports and retained by the Land Charges Manager.	Y	2	01-Apr-10		Update 28/10/09. Email received from Local Land Charges Manger, proposing amended implementation date of 1st April 2010.
2008/09	Corporate Management	305	Local Land Charges	S	It is recommended that an agreement should be put in place with Essex County Council's (ECC) Highways Department to ensure that they take full responsibility for the information that they supply.	Y	2	01-Apr-10		Update 28/10/09. Email received from Local Land Charges Manger, proposing amended implementation date of 1st April 2010.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2008/09	Life Opportunities	307	Transfer Incentive Scheme	L	Management should ensure that an up to date policy and procedures are drafted for the TIS, identifying objectives and indicating review dates for the future. These should be available to all relevant staff and the policy should be available on the Homechoice internet site.	Y	2	31-Jul-08	Management confirmed in June 2009 that documented procedures had been drafted but had still to reflect objectives and review dates. The scheme was also under review. Updated guidance available on the Hub was planned by the end of July 2009. New leaflet being produced. Draft with Director of Housing Management (CBH)/Accommodation Team Manager to chase. Promoted via CBH Teams and Homechoice and reviewed as part of budget setting.	Update 30/10/09: A copy of the current policy was provided by the Accommodation Manager. This was present on the Homechoice website. A leaflet available to the public was also provided.
2008/09	Life Opportunities	307	Transfer Incentive Scheme	L	Management should ensure that the Service Plan for Housing includes strategic objectives for the TIS and targets, to provide a basis for improvement.	Y	2	01-Aug-08	Management confirmed in June 2009 that there was no Service Plan for Accommodation in 2008/09. There were plans to prepare the latest one for 2009/10 by the end of August 2009. Management confirmed in October 2009 that promotion of TIS is in Accommodation Team Action Plan. Target will be full spend of budget in 08/09 (cf50k) from a baseline of cf23k in 07/08.	Update 02/10/09 : The Housing Service Manager has advised that this has not been completed for this year.
2008/09	Life Opportunities	307	Transfer Incentive Scheme	L	Management should ensure that if checklists are to be used, they are up-to-date and that all sections are initialled and dated adequately.	Y	3	31-Jul-08	Not Implemented. An examination of the checklists relating to five of the 11 applications processed during the period from January to June 2009 in June 2009 confirmed that there were three cases where the checklist remained incomplete. Implemented. Management confirmed in October 2009 that New checklist will be written as part of the production for the new procedure.	Updated 02/10/09: Management confirmed that a checklist has been produced. Internal audit to verify.
2008/09	Life Opportunities	307	Transfer Incentive Scheme	L	Management should ensure that there are adequate procedures in place relating to TIS payments.	Y	3	31-Jul-08	Management confirmed in June 2009 that documented procedures had been drafted but the scheme was under review. Updated guidance available on the Hub was planned by the end of July 2009.	Update 02/10/09: The Housing Services Manager has confirmed that this will be covered in new procedures and new paper work/checklists produced.
2008/09	Life Opportunities	307	Transfer Incentive Scheme	L	Management should ensure that monthly budget statements are signed and dated to confirm that they have been reviewed.	Y	2	01-Aug-08	Management confirmed in October 2009 that all budgets are reviewed monthly by budget managers and the overall budget is reviewed by Service Manager, Head of Service and Group Accountant with a summary document produced six weekly.	Update 30/10/09: The Accommodation Manager has advised us that she is not aware that such a review took place. To be followed up with the Housing Services Manager.
2008/09	Life Opportunities	307	Transfer Incentive Scheme	L	Management should ensure that minutes are taken at each meeting, in order to record any decisions made and actions taken. This should be done as a priority.	Y	2	01-Aug-08	Management confirmed in June 2009 that the first meeting of the year had taken place in June 2009. There were plans to share the minutes taken at the meeting by the end of June 2009.	Update 02/10/09: The meetings were about agreeing what was going to be in the new leaflet. The leaflet itself is the end product. Minutes won't be possible retrospectively. Any future review of scheme will be minutes. To be followed up as part of the next follow up cycle.
2008/09	Life Opportunities	307	Transfer Incentive Scheme	L	Management should ensure that performance objectives are implemented as a priority and regularly monitored.	Y	2	01-Aug-08	The Accommodation Manager provided a copy of the appropriate Record of Performance Objectives for 2008/09 in June 2009 which confirmed the implementation of related performance objectives.	Update 02/10/09: Now part of Accommodation Team Service Plan to spend £52k (full budget) in 08/09 and included in Accommodation Managers PADs. Update 30/10/09: An 2009/10 Action Plan for Life Opportunities, including plans for TIS, was obtained from the Accommodation Manager.
2008/09	Environmental and Protective Services	308	Alcohol Licensing	S	Budgetary control reports should be held and retained securely for ease of reference. In addition to this, the budgetary control reports should be signed and dated by an appropriate officer as evidence of having been reviewed.	Y	3	27-May-08		Update 30/10/09: Unable to contact the Licensing Manager. Will be followed up as part of the next follow up cycle.
2008/09	Environmental and Protective Services	310	Building Control Fees	S	Management should remind staff that all applications should be date stamped on receipt.	Y	3	01-Aug-08		Update 30/10/09: Building Control Service Manager on Annual Leave. Will be followed up as part of the next follow up cycle.
2008/09	Environmental and Protective Services	310	Building Control Fees	S	The Service Manager should reconcile the income collected to the relevant codes on the ledger using Business Objects.	Y	2	01-Aug-08		Update 30/10/09: Building Control Service Manager on Annual Leave. Will be followed up as part of the next follow up cycle.
2008/09	Environmental and Protective Services	310	Building Control Fees	S	Refund forms should be signed by the officer raising the refund and checked for accuracy before being signed off by the Service Manager.	Y	2	01-Aug-08		Update 30/10/09: Building Control Service Manager on Annual Leave. Will be followed up as part of the next follow up cycle.
2008/09	Environmental and Protective Services	310	Building Control Fees	S	A regular reconciliation should be undertaken of refunds made on the general ledger to the supporting documentation	Y	2	01-Aug-08		Update 30/10/09: Building Control Service Manager on Annual Leave. Will be followed up as part of the next follow up cycle.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2008/08	Resource Management	311	Benefits Investigation Team	S	Documented procedure updates relating to the Council's Fraud Instructions and Procedures Manual should incorporate a recorded date of implementation and appropriate references of version control.	Y	2	31-Dec-08		Update 20/10/09: All Fraud Manual updates are electronic and therefore time signature applied. Also recording dates on individual sections manually. To be verified by Internal Audit.
2008/09	Resource Management	312	Benefit Overpayments	S	Staff in the Control Team should check on a regular basis that users granted access to the overpayments system still retain the operational need for the facility.	Y	2	30-Nov-08		Update 20/10/09: Advised by management that this is now complete. The only officers granted the extra permissions to the overpayments system are the overpayments officers. As neither of them have left or changed job there is no need to check this on a regular basis. This recommendation arose because the previous overpayment officers had changed jobs without their access being amended. Because the access levels are now associated with the job rather than on an individual basis should an officer change jobs all their access levels will be changed to reflect their new position. To be followed up as part of the 2009/10 audit (currently on-going).
2008/09	Resource Management	312	Benefit Overpayments	S	Enforcement Officers should sign and date exception reports following review to confirm that their content has been appropriately considered and any subsequent action taken.	Y	2	21-Oct-08		Update 20/10/09: Advised that this has been completed. To be verified as part of the 2009/10 audit.
2008/09	Resource Management	312	Benefit Overpayments	S	The Enforcement Manager should develop and implement a process of regular evidenced checks to confirm that exception reports have been produced at the required intervals and promptly considered by her team.	Y	2	21-Oct-08		Update 20/10/09: Advised that this has been completed. To be verified as part of the 2009/10 audit.
2008/09	Resource Management	313	Benefits	F	Failed login reports should be reviewed by management on a regular basis. The reports should be reviewed for reasonableness and followed up where necessary	Y	3	05-Dec-08		Update 20/10/09: Advised that this is now complete. Weekly check of the event log completed with follow up action as required. Three failed attempts lead to an account being locked, and accounts are only unlocked upon receipt of an email from the individuals line manager. New software now forces individuals to set strong passwords. To be followed up as part of the 2009/10 audit - currently on-going.
2008/09	Resource Management	314	Cash Office Procedures	S	Management should request that Barclays supply regular relevant information in respect of the provision of services supplied to the Council.	Y	2	08-Dec-08	Audit carried out annually, and the recommendation will be followed up in next audit.	Update 01/10/09: Email from Finance Manager confirmed that it is a recognised issue across the banking industry, which more needs a solution from Barclays, for which various staff promptly deal with and chase Barclays to clear down the items when they occur. Management are fully aware and continually liaise with Barclays to try to obtain a solution.
2008/09	Resource Management	314	Cash Office Procedures	S	Reconciliations of the Co-Operative Account and the Direct Data payments should be undertaken on a monthly basis and reviewed in a timely manner.	Y	2	08-Dec-08	Audit carried out annually, and the recommendation will be followed up in next audit.	Update 01/10/09: Email from Finance Manager confirmed the recommendation has already been implemented. Will be followed up as part of the managed audit programme.
2008/09	Resource Management	315	Construction Industry Scheme	S	The deduction statements issued to sub-contractors should be reconciled to the total amount paid over to HMRC, post production, in order to ensure that all statements had been produced. Evidence of these reconciliations should be retained.	Y	2	13-Aug-08		Update 28/10/09: Signed reconciliations take place on a monthly basis. The testing of the last three periods took place and confirmed that there was adequate signed off supporting documentation on file. Recommendation to be removed.
2008/09	Resource Management	319	D Cal	L	All documentation relating to a cardholder account should be filed together, including the following:- Request form for new card - Application form - Acceptance form - Letter from bank containing card / any subsequent card renewals - Cancellation / Amendment forms.	Y	2	21-Oct-08		Update 29/10/09: The Accounting Officer provided evidence of a file being kept that records these details. A list of individuals included in the file was provided and copies of individual records were taken. Implemented.
2008/09	Resource Management	319	D Cal	L	Confirmation should be requested from the Heads of Service that they are aware of/satisfied with the continued use of a card by an officer and of the limits set on an annual basis.	Y	2	21-Oct-08		Update 12/8/09 - The Accounting Officer has provided copies of correspondence sent to / received back from Heads of Service confirming that they are happy with the continued use of cards by an officer, etc. Recommendation to be removed.
2008/09	Resource Management	319	D Cal	L	The Council should notify Barclays in respect of the officer who is no longer in employment at the Council and they should be removed from the authorised signatory list.	Y	2	21-Oct-08		Update 12/8/09 - The Accounting Officer has provided a copy of the Company Barclaycard authorisation form which addresses the change to Head of Service. Recommendation to be removed.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position	
2008/09	Resource Management	319	D Cal	L	The Council should produce detailed comprehensive procedure notes in respect of the use of the D-Cal system to replace those currently in existence. The procedures should cover the following areas as a minimum: - Procedures should include specific examples of what expenditure is allowed and what is not. - Request and Amendment forms should be amended to include a box for the date. - Acceptance forms should be amended to include a box for a member of Procurement control to sign as evidence that they have been notified of a new cardholder. - Correspondence should be date stamped. - Reference should be made to the HR policy on travel and subsistence. - Procurement Control Team should have the right to block a user's card if they consider there to be misuse (to be unblocked only by Head of Service with Director copied in). - Procedures over holding of audit files - e.g. Procurement Control could have a list of cardholders and the location of their file, or, all files could be held by an administration officer in the department.	Y	2	21-Oct-08		Update 12/8/09: Updated procedures are now available on the Hub. Recommendation to be removed.	
2008/09	Resource Management	319	D Cal	L	A copy of the procedures should be issued to all cardholders whenever there is a new version and confirmation that they have read them requested. This could be done by email with a request for confirmation of receipt and acceptance of the procedures, or by handing out hard copies and ensuring cardholders sign for them.	Y	2	21-Oct-08		Update 29/10/09: The Accounting Officer stated that when a new version is created, an e-mail is sent to inform cardholders that the Hub has been updated. It was not possible to evidence this. A copy of the procedures was provided by the Accounting Officer which included the purchasing card acceptance form. Implemented.	
2008/09	Resource Management	319	D Cal	L	All purchase card expenditure should be justified with a reason. The following options are suggested: - Addition of form to procedures, whereby for each purchase, the date, amount, code and a reason for the purchase by card is given - this should then be signed off by the Head of Service as authorisation of expenditure and use of codes (one form could be used for multiple purchases). - Officers could be required to use the functionality in D-Cal to annotate the expenditure and ensure all purchases are approved online by the Head of Service - making it clear to them that they will then be responsible for any transactions made to help ensure they check them thoroughly.	Y	2	21-Oct-08			Update 12/8/09: The new procedures now contain a purchase authorisation form. This was circulated to cardholders by e-mail. Implemented.
2008/09	Resource Management	319	D Cal	L	A review should be undertaken of all cardholders' accounts to identify if the current types of allowable expenditure on the card are appropriate.	Y	2	21-Oct-08		Update 29/10/09: The Accounting Officer stated that the last review occurred in September 2008. An e-mail copy was provided showing that the Chief Executive was required to acknowledge that it was still agreeable for named individuals to have cards. The review included sending similar e-mails to all Heads of Service. Implemented.	
2008/09	Resource Management	319	D Cal	L	There should be an audit undertaken, whereby a number of officers are selected at random to have their files spot-checked. This could be carried out by the Procurement Control Team or by the audit services provider and the results should be reported to the Council's Audit and Risk Manager.	Y	2	21-Oct-08		Update 12/8/09: A programme of spot checks is in place. The list details all cardholders and the planned programme of spot checks. Update 29/10/09: According to the Accounting Officer, no separate audit has been carried out by the Procurement Team. The last audit was conducted externally by Deloitte in September 2008.	
2008/09	Resource Management	319	D Cal	L	The Council should consider phasing out the credit cards to replace them with purchasing cards.	Y	2	21-Oct-08		Update 29/10/09: The Accounting Officer advised that there is no longer a need to pay transaction or card costs for the use of credit cards. Therefore, it is not necessary to replace these with charge cards. Implemented.	
2008/09	Life Opportunities	321	Highwoods Sport Centre	N/A	The Sports Centre's policy and procedure on casual bookings should be amended to state that all people wanting to book facilities on a one-off casual basis should be made to pay in advance.	Y	2	31-Mar-09	Implemented.	Update 01/10/09: There is now a policy in place and a copy held at the Centre. Users now have to pay in advance no later than 48 hours prior to use of the centre. This was implemented on 1st April 2009 for the new financial year	

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2008/09	Life Opportunities	321	Highwoods Sport Centre	N/A	Stock checks on vending machines should be undertaken on a weekly basis without fail. Evidence that these checks have been reviewed by the Sports Centre Manager should be retained. This should also be the case for monthly stock checks of re-saleable items.	P	2	31-Dec-08		Update 1/10/09 - The Sports Centre Manager confirmed that the centre will not conduct weekly stock checks of the vending machines due to lack of resources, but fortnightly checks are undertaken for the three machines in use. Two are reviewed one week and the remaining machine is checked the following week. Copies of stock check records were reviewed on the system and confirmed to be carried out regularly. The Centre has recently introduced a review sheet to track the completion and review of stock checks, which evidences the management review of the vending machine stock check. Implemented.
2008/09	Life Opportunities	321	Highwoods Sport Centre	N/A	The Sports Centre Manager should investigate whether financial procedures have been developed for the Life Opportunities Directorate or more specifically for the Council's sports facilities. Where procedures have not been developed in respect of such issues as de-minimis amounts and financial discrepancies requiring further investigation, as well as the method of investigation and disciplinary procedures attached to any wrong doing, these should be developed.	Y	3	31-Mar-09	Implemented.	Update 01/10/09: A £20 limit has been set over which any discrepancies are referred to the Sports Centre Manager for investigation. There has been only one difference that has required investigation since the inception of the new procedures.
2008/09	Life Opportunities	321	Highwoods Sport Centre	N/A	Completion of a delivery checklist should be reviewed by a senior independent officer upon receipt of the invoice for the goods received. Where these are continually not completed, management action should be taken.	Y	2	31-Dec-08	Implemented.	Update 01/10/09: A delivery book at the Reception of Highwoods Sports Centre is now used to record all deliveries and these can be checked against invoices accordingly. To be verified as part of our recommendation follow up cycle.
2008/09	Resource Management	322	Insurances	S	Payments should not be made to suppliers without the authorisation of an officer at the appropriate level. Consideration should be given to whether the authorisation routes set up on Marketplace are appropriate.	N	2	n/a		Update 1/11/09: Not agreed - to be removed.
2008/09	Resource Management	322	Insurances	S	Payments should not be made from the Internal Property Insurance Fund, unless the appropriate documentation is provided. Claims should only be processed if the department provides an invoice or other form of proof of payment (not an estimate).	Y	2	23-Apr-09		Update 1/11/09: Officer on leave. To be followed up as part of the next follow up cycle.
2008/09	Resource Management	322	Insurances	S	The Insurance guidance should be updated to reflect the new system on implementation. The procedures should then be approved at an appropriate level to ensure they are in line with Council objectives. Version control should be included on the cover of the procedure document to enhance the audit trail.	Y	3	30-Sep-09		Update 1/11/09: Officer on leave. To be followed up as part of the next follow up cycle.
2008/09	Corporate Management	325	Sickness Absence	S	It is recommended that the Council should consider the feasibility of an induction course for staff employed or promoted into roles with line management responsibilities. The induction could provide guidance relating to sickness absence and other relevant policies and procedures, and highlight any generic responsibilities which managers will have that impact on compliance with legislation and guidance.	Y	2	20-Jun-09		Update 06/10/09: This was considered and a different approach agreed. HR Business Partners now meet with all new managers and go through this on a one to one basis. Update 29/10/09: Correspondence was received from the Environmental Services Manager that confirmed the HR Business Partner gave a presentation on ill-health capability procedure followed by a Q&A session. Implemented.
2008/10	Corporate Management	325	Sickness Absence	S	Where sickness is notified to the HR department by any form other than the electronic form a It is conceded that this could not be applied in all cases, since front-line staff do not have a pc and therefore do not have an email address available on The Hub, HR should contact the line manager responsible and insist on an electronic return in the case of non front-line staff.	Y	2	30-Nov-08		Update 20/10/09: Electronic notification is now fully operational across CBC. Update 29/10/09: Copies of completed electronic forms were obtained from the HR Service Centre Manager. Five samples were taken confirming that the form had been completed and attached within the file. Implemented.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2008/12	Corporate Management	325	Sickness Absence	S	Timescales for the return or documentation, such as the self certification and return to work checklist, should be agreed and should be documented within the Sickness Absence Policy.	Y	2	30-Nov-08		Update 06/10/09: Implemented. Amended wording has been inserted into the managers guide which is currently awaiting update on the hub. Update 29/10/09: HR Service Centre Manager stated that the wording has been agreed and is ready to be implemented. This is currently awaiting an update onto the Hub.
2008/13	Corporate Management	325	Sickness Absence	S	A template should be developed for line managers with respect to managing staff on long term sick leave. The form should be completed for every period of long term sickness and should detail all action taken, contact made, decisions made, Occupational Health referrals and return to work arrangements. Completion of these logs should be monitored by staff within the HR function, in order to ensure that a consistent approach is being employed.	Partly	2	31-Dec-08		Update 06/10/09: This was considered and the approach is now that a log is held in HR of the progress of the manager and HR in managing the attendance. This includes details of appointments with occupational health. Update 29/10/09: Details for this are kept in a separate file which was not available on site at the time of the follow up work. To be followed up as part of the next follow up cycle.
2008/09	Environmental and Protective Services	327	Food Control	S	Management should ensure that food businesses identified by Environmental Health Officers as part of informal visits are recorded and tracked	Y	2	10-Oct-08	Not implemented. Update March 2009: The Food and Safety Manager has stated that this has been raised at the team meetings. However, he is unsure of whether this has been taken on. This will be raised again.	Update 30/10/09: Food and Safety Manager on leave. Will be followed up as part of the next follow up cycle.
2008/09	Environmental and Protective Services	327	Food Control	S	Management should ensure that reports reviewed to identify potential food businesses are maintained and signed-off or initiated by the reviewer.	Y	2	10-Oct-08	Not implemented. Update March 2009: Reports are not always generated by officers as they have in the back of their mind which premises might turn into food premises. They will have registration forms with them when visiting. The onus is on the premises to comply with the law and to register as a food premises if that is what they are. However, this will be raised again.	Update 30/10/09: Food and Safety Manager on leave. Will be followed up as part of the next follow up cycle.
2008/09	Environmental and Protective Services	327	Food Control	S	Management should implement a direct link between the central document database and CIVICA to ensure that the Food Control Team have access to scanned inspection reports.	Y	2	10-Oct-08	Not implemented. Update March 2009: The relevant officer within Corporate IT has been emailed to ask about the progress of this.	Update 30/10/09: Food and Safety Manager on leave. Will be followed up as part of the next follow up cycle.
2008/09	Environmental and Protective Services	327	Food Control	S	Management should reconcile income expected to the amounts of income actually received.	Y	2	10-Oct-08	Not implemented. Update March 2009: This was raised in meetings and it was resolved that the Food and Safety Manager will have access to 'Business objects' which would allow him to track the income. However, due to licensing restrictions this has not yet been implemented. The Protective Services Manager suggested that the Food and Safety Manager could use his PC to access Business Objects to implement this recommendation.	Update 30/10/09: Food and Safety Manager on leave. Will be followed up as part of the next follow up cycle.
2008/09	Environmental and Protective Services	327	Food Control	S	Management should ensure that budget monitoring is a standing agenda within Environmental Protection Group meetings.	Y	2	10-Oct-08	Not implemented. Update March 2009: The Protective Services Manager has been emailed to obtain the evidence.	Update 30/10/09: Food and Safety Manager on leave. Will be followed up as part of the next follow up cycle.
2008/09	Corporate Management	329	Freedom of Information Act	S	Information Procedures should be finalised and approved.	Y	2	31-Dec-08	Partly Implemented.	Update 04/10/09: Email from ICT Programme Manager confirmed that the draft procedures are on the Hub. This is an oversight and will be corrected this week. Implemented 20/10/09. Update 30/10/09: ICT Programme Manager on leave. Will be followed up as part of the next follow-up cycle.
2008/09	Corporate Management	329	Freedom of Information Act	S	A system for monitoring compliance against the Scheme of Publication should be introduced.	Y	2	31-Mar-09		Update 04/10/09: Email from ICT Programme Manager confirmed that the Publication Scheme was in place in time for the 1st January 2009 Deadline and can be found at the Colchester website. An officer is periodically checking that documents are available and that the information is being maintained. However, other projects and issues have so far prevented staff from putting together a formal process for this. Update 30/10/09: ICT Programme Manager on leave. Will be followed up as part of the next follow-up cycle.
2008/09	Corporate Management	329	Freedom of Information Act	S	Management should remind staff of the need for formal responses to requests to be sent out within the 20 day deadline.	Y	2	31-Mar-09		Update 04/10/09: Email from ICT Programme Manager confirmed that a paper has been prepared for the Head of Corporate Management to take to the SMT chat. Update 30/10/09: ICT Programme Manager on leave. Will be followed up as part of the next follow-up cycle.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2008/09	Corporate Management	329	Freedom of Information Act	S	Management should remind staff of the need for case owners to send the appropriate supporting documents to Corporate ICT in all cases.	Y	2	31-Mar-09		Update 30/10/09: ICT Programme Manager on leave. Will be followed up as part of the next follow-up cycle.
2008/09	Corporate Management	329	Freedom of Information Act	S	Activity reports should be issued to Heads of Departments on regular basis. The reports should detail both the volume of requests and the level of achievement against the set deadline.	Y	2	31-Mar-09		Update 20/10/09: Activity statistics are available online in real-time from the case tracking software. Implemented.
2008/09	Corporate Management	329	Freedom of Information Act	S	Activity reports, in relation to the FOI Act, should be issued to the Finance and Audit Scrutiny Panel at regular intervals.	Y	2	31-Mar-09		Update 28/10/09. Implemented. The was reported to the FASP in March 2009 and included a breakdown of FOI data and performance indicators.
2008/09	Corporate Management	331	Payroll	S	Upon successful adoption of the new self service software, the following will need to be tested to ensure that it satisfies the Councils requirements: - Monthly establishment list checks by managers. - Only line managers (and more senior staff) are able to authorise employee time/pay records. - Access rights will be specific to employees. - Employees are aware of how to amend personal details.	Y	2	14-Nov-08		Update 20/10/09: Self service now fully rolled out across CBC and managers able to view their establishment on a 'real time' basis and therefore a stronger control than the old establishment reporting. Raised as a revised recommendation as part of the 2009/10 audit.
2008/09	Corporate Management	331	Payroll	S	Until the new self service option is adopted, the Council must use their "old" procedures. This means requesting each department to update the authorised signatories list and requesting managers to confirm establishment lists on at least a monthly basis.	P	2	31-Jan-09		Update 28/10/09. Now done on line.
2008/09	Corporate Management	331	Payroll	S	Evidence of the checking of documents, such as the pay review and exception reports, should be retained on file.	Y	2	31-Dec-08		Update 28/10/09. From January 2010 all checking will be done on line.
2008/09	Corporate Management	331	Payroll	S	Checks should be undertaken in respect of the accuracy of the data held on the payroll system following major amendments affecting the majority of the records on the system, e.g. in respect of the annual pay awards and changes to tax bands, allowances, etc.	Y	2	31-Dec-08		Update 28/10/09. Still outstanding, raised again as part of the 2009/10 audit.
2008/09	Corporate Management	331	Payroll	S	Emergency Payment procedures should be documented, clearly defined and include independent verification.	Y	2	31-Jan-09		Update 28/10/09. Still outstanding, raised again as part of the 2009/10 audit.
2008/09	Corporate Management	332	Vending Machines	-	Management should ensure that usage readings are taken by Council staff on a regular basis. These readings should be used to check the invoices received from Coffee Point.	Y	2	08-Dec-08		Update 20/10/09: Readings taken monthly. It is not possible to take at exact same time as the contractor to balance the invoice. The account is to be reconciled 6 monthly. Update 30/10/09: Spoke to Corporate Facilities Manager who confirmed that whilst readings were always taken monthly, the reconciliation check has not yet been implemented.
2008/09	Corporate Management	332	Vending Machines	-	Reconciliations should be performed between the income coded against the vending machines income code and the actual income received.	Y	2	08-Dec-08		Update 20/10/09: The income on the invoices is split out and coded at the time of processing the invoices. A check is made against the CBC ledger. 30/10/09: The Corporate Facilities Manager was not available at the time of our follow up work. To be followed up as part of the next follow up cycle.
2008/09	Resource Management	333	Council Tax	S	Timely reconciliations between the Council Tax system and the general ledger should be undertaken.	Y	2	03-Nov-08		Update 20/10/09: Followed up as part of the 2009/10 audit - still outstanding.
2008/09	Resource Management	333	Council Tax	S	Regular reconciliations should be undertaken between the value of refunds actually made and the amount recorded in the ledger.	Y	2	03-Nov-08		Update 20/10/09. Refunds are authorised on line and balances reconciled as part of the agreement of the cash account balance. Recommendation to be removed.
2008/09	Resource Management	333	Council Tax	S	A regular cycle of exempt property inspections should be completed.	Y	2	03-Nov-08		Update 20/10/09. Implemented - confirmed as part of the 2009/10 audit. Recommendation to be removed.
2008/09	Resource Management	333	Council Tax	S	Starters joining dates should be added to the access level report the new user access request form is filed systematically.	Y	3	01-Dec-08		Update 20/10/09. Implemented - confirmed as part of the 2009/10 audit. Recommendation to be removed.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2008/09	Resource Management	333	Council Tax	S	The Council Tax system should be updated with recovery actions taken on accounts in arrears.	Y	2	01-Dec-08		Update 20/10/09: Implemented - confirmed as part of the 2009/10 audit. Recommendation to be removed.
2008/09	Resource Management	334	NNDR	S	Timely reconciliations between the NNDR system and the general ledger should be undertaken.	Y	2	03-Nov-08		Update 20/10/09: Followed up as part of the 2009/10 audit - still outstanding.
2008/09	Resource Management	334	NNDR	S	Regular reconciliations should be undertaken between the value of refunds actually made and the amount recorded in the ledger.	Y	2	03-Nov-08		Update 20/10/09: Refunds are authorised on line and balances reconciled as part of the agreement of the cash account balance. Recommendation to be removed.
2008/09	Resource Management	334	NNDR	S	Starters joining dates should be added to the access level report the new user access request form is filed systematically.	Y	3	03-Nov-08		Update 20/10/09: Implemented - confirmed as part of the 2009/10 audit. Recommendation to be removed.
2008/09	Resource Management	334	NNDR	S	The Academy System should be fixed in order to enable reporting to the bailiffs.	Y	2	31-Dec-08		Update 20/10/09: Implemented - confirmed as part of the 2009/10 audit. Recommendation to be removed.
2008/09	Resource Management	334	NNDR	S	A regular cycle of exempt property inspections should be completed.	Y	2	01-Jan-09		Update 20/10/09: Followed up as part of the 2009/10 audit - still outstanding. Amended recommendation to be raised.
2008/09	Resource Management	334	NNDR	S	A review of charitable exemptions should be undertaken.	Y	2	03-Nov-08		Update 20/10/09: Implemented - confirmed as part of the 2009/10 audit. Recommendation to be removed.
2008/10	Resource Management	335	Treasury Management	N/A	It is recommended that Council revises its Annual Investment Strategy to meet current economic problems faced by the banking sector	Y	1	Completed		Update 28/10/09 . To be followed up as part of the 2009/10 Treasury Management audit (currently ongoing).
2008/11	Resource Management	335	Treasury Management	N/A	Evidence should be recorded, on a monthly basis, to show that all investments and loans have been reconciled to the ledger. This record should be signed by the officer inputting the information then checked by management.	Y	2	Ongoing		Update 28/10/09 . To be followed up as part of the 2009/10 Treasury Management audit (currently ongoing).
2008/09	Street Services	340	Waste Management	L	The contract for the provision of trade waste / hazardous items should be formally tendered for, in accordance with the Council's Procurement Rules / QJEU requirements.	Y	1	31-Oct-09		Update: 30/10/09: Street Care and Recycling Manager was unavailable at the time of the follow up. Will be followed up as part of the next cycle.
2008/09	Street Services	340	Waste Management	L	Pending undertaking a formal tender process, an agreement should be drawn up between the Council and Icen Secure Services Limited for the provision of waste services.	Y	2	31-Mar-09		Update: 30/10/09: Street Care and Recycling Manager was unavailable at the time of the follow up. Will be followed up as part of the next cycle.
2008/09	Street Services	340	Waste Management	L	The Council should request that the sub-contractor tick off and sign each booking sheet against each individual service record before returning the completed report to the Council to be put on file.	Y	3	31-Jan-09		Update: 30/10/09: Street Care and Recycling Manager was unavailable at the time of the follow up. Will be followed up as part of the next cycle.
2008/09	Street Services	340	Waste Management	L	All trade waste agreements should be held on file by the street Services Administration Team	Y	2	30-Apr-09		Update: 30/10/09: Street Care and Recycling Manager was unavailable at the time of the follow up. Will be followed up as part of the next cycle.
2008/09	Street Services	340	Waste Management	L	All Duty of Care forms should be completed and signed by trade waste customers. All forms should be held on file to ensure compliance with the regulatory requirements and for future reference.	Y	2	30-Apr-09		Update: 30/10/09: Street Care and Recycling Manager was unavailable at the time of the follow up. Will be followed up as part of the next cycle.
2008/09	Street Services	340	Waste Management	L	A periodic reconciliation should be performed on the total number and charges made in respect of the Duty of Care certificates as a preliminary check to ensure the match between certificate records and charges. (The reconciliation can be conducted based on the trade waste master file, based on the assumption that the data in the spreadsheet is synchronised with the system records).	Y	2	30-Apr-09		Update: 30/10/09: Street Care and Recycling Manager was unavailable at the time of the follow up. Will be followed up as part of the next cycle.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2008/09	Resource Management	343	Debtors	N/A	Procedure notes covering all functions of the Accounts Receivable Team should be produced. The procedures should cover such areas as recovery action and debt write off. Once in place, the procedure notes should be made available to all relevant members of staff and be reviewed and updated annually.	Partly	2	30-Jun-09		Update 20/10/09. Advised that this has been completed. To be verified as part of the 2009/10 audit.
2008/10	Resource Management	343	Debtors	N/A	Independent checks on a sample of movements out of suspense should be completed on a regular basis.	Y	2	28-Feb-09		Update 20/10/09. Advised that this has been completed. To be verified as part of the 2009/10 audit.
2008/11	Resource Management	343	Debtors	N/A	The monthly Aged Supplier Balances report should be signed-off by the officer responsible for reviewing it.	Y	3	31-Jan-09		Update 20/10/09. Advised that this has been completed. To be verified as part of the 2009/10 audit.
2008/09	Resource Management	344	Creditors	N/A	It is recommended that procedure notes are reviewed at least on an annual basis. It is further recommended that procedures are annotated with the date that they are updated and/or reviewed, by who, and when they are next due to be formally reviewed. This could be achieved through maintaining a formal version control log.	Y	2	31-Dec-09		Update 28/10/09. To be verified as part of the 2009/10 audit.
2008/09	Corporate Management	347	Risk Management	N/A	The Risk Management Strategy should be formally reviewed by Cabinet Members prior to the Council's adoption.	Y	2	30-Jun-09		Update 28/10/09. To be verified as part of the 2009/10 audit.
2008/09	Corporate Management	347	Risk Management	N/A	recommended that the operational risk registers be updated to reflect the new service structure in place.	Y	2	30-Sep-09		Update 28/10/09. To be verified as part of the 2009/10 audit.
2008/09	Corporate Management	347	Risk Management	N/A	A consistent approach should be taken by all services in the preparation of risk registers and assessment of risk in respect of impact and likelihood occasions.	Y	3	30-Jun-09		Update 28/10/09. To be verified as part of the 2009/10 audit.
2008/09	Corporate Management	347	Risk Management	N/A	Operational Risk Registers should be subject to a six monthly review by the Risk and Resilience Manager. High level risks should be reviewed by the Strategic Performance Management Board at appropriate intervals.	Y	2	30-Sep-09		Update 28/10/09. To be verified as part of the 2009/10 audit.
2008/09	Corporate Management	347	Risk Management	N/A	Action plans should be produced by each service to address any risk management issues identified.	Y	2	30-Sep-09		Update 28/10/09. To be verified as part of the 2009/10 audit.
2008/09	Corporate Management	347	Risk Management	N/A	Reporting arrangements, as set out in the current Risk Management Strategy, should be adhered to. Monitoring should be completed to ensure that all of the processes detailed are completed on a timely basis.	Y	2	23-Apr-09		Update 28/10/09. To be verified as part of the 2009/10 audit.
2008/09	Resource Management	348	VAT	F	It is recommended that management should remind staff that the correct documentation should be retained to support a recovery of import VAT (C79 certificate rather than the freight agent's invoice). In addition, management should remind staff of the correct accounting treatment for EZ Acquisition tax on purchases of goods from the EU.	Y	3	31-Mar-10		Update 1/11/09: Not due.
2008/09	Street Services	349	Landscape Management	S	The contract with Veolia should be signed by both parties as soon as possible.	Y	2	30-Apr-09		Update 01/10/09: Documentation is with Legal Services for signing. Completion by Oct 2009
2008/09	Street Services	349	Landscape Management	S	Contract variations should be reviewed and approved by management before being authorised and sent to the contractor.	Y	2	31-Mar-09		Update 01/10/09: Management has confirmed that hard copy of Variation Orders to be approved and signed by November 2009.
2008/09	Street Services	349	Landscape Management	S	All contract variations should be filed with the original contract.	Y	3	31-May-09		Update 01/10/09: Management has confirmed that a hard copy of variation documentation will be kept on file to retain an audit trail. Contract variations have been agreed and cost implications calculated and incorporated into contract payments. Hard copy documentation to be printed and filed with contract documents from 1 Nov 2009

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2008/09	Street Services	349	Landscape Management	S	Management should ensure that all invoices are appropriately authorised, in line with approved signing limits.	Y	2	30-Apr-09		Update 28/10/09. Implemented. A reminder was raised at a team meeting. Sample of July / August invoices reviewed and confirmed that they had been correctly authorised.
2008/09	Street Services	349	Landscape Management	S	Details of all complaints should be recorded, including details of the remedial actions taken. Management should review the complaints spreadsheet on a regular basis and query any cases where there are no details of any action being taken.	Y	2	31-Aug-09		Update 28/10/09. Implemented. All complaints are now routed through the Corporate Complaints process. This automatically assigns it to an officer and if deadlines are missed this is reported to management.
2008/09	Street Services	349	Landscape Management	S	Hire agreement forms should be annotated with the details of the invoice raised. Management should review the hire agreements on a regular basis to ensure that invoices have been raised in respect of every service provision.	Y	2	30-Apr-09		Update 1/11/09: To be verified as part of the next follow up cycle.
2008/09	Corporate Management	351	Corporate Governance CBH	S	CBH's Memorandum and Articles of Association should be made available on CBH's website.	Y	2	15-May-09		Update 20/10/09: Available on the website.
2008/09	Corporate Management	351	Corporate Governance CBH	S	A checklist should be kept detailing the induction process of Board members. The checklist should detail all aspects of the induction that needs to be completed.	Y	3	15-May-09		Update 20/10/09: The 2009/12 Procurement Strategy was approved by the Portfolio Holder at the end of June following review by the Policy and Review Panel. It is available on the Hub.
2008/09	Corporate Management	351	Corporate Governance CBH	S	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, who the document was approved by, version number, and the review date for the document.	Y	2	30-Sep-09		Update 1/11/09: Officer not available at the time of our follow up work. To be followed up as part of the next follow up cycle.
2008/09	Resource Management	353	Management of Expenditure	N/A	A system should be introduced to ensure that all Clerk of Works handovers are completed and dated at the time that the inspection is undertaken. In addition, forms should be appropriately filed to help ensure that they are readily available in the event of a query.	Y	2	03-Jun-08		Update 1/11/09: To be followed up as part of our CBH follow up work.
2008/09	Life Opportunities	501	Housing Rents	S	The New User Request form must be completed and signed by the appropriate person before a new user account can be created.	Y	2	31-Jan-09		Update 28/10/09. To be verified as part of the 2009/10 audit.
2008/09	Life Opportunities	501	Housing Rents	S	Line Managers should inform the Business Development Team of all cases of internal staff moves. The Business Development Team can then make the necessary user changes to ensure that access rights remain relevant.	Y	3	31-Mar-09		Update 28/10/09. To be verified as part of the 2009/10 audit.
2009/10	Resource Management	401	Bailiffs	S	The quarterly meetings between the Enforcement Manager and the Bailiffs firms should be formally minuted. The minutes and/or action points should be shared with the appropriate Bailiff firm as a record of the matters discussed.	Y	2	11-Jun-09	Implemented. Meeting minutes were obtained.	Update 01/10/09: Email from the Enforcement Manager confirmed that she has only had one Bailiff meeting since the audit and minutes were taken and has not yet had a Corporate debt meeting since the last Audit and she always take minutes of these meetings.
2009/10	Resource Management	401	Bailiffs	S	The issue of benchmarking information relating to the performance of bailiffs should be raised with the ERMG.	Y	2	30-Sep-09		Update 30/10/09: The Enforcement Manager is still awaiting for a meeting to be arranged. There has been a delay due to an attack on the bailiff. As soon as this happens benchmarking can begin. Highlighted that benchmarking can be completed in-house but need to consult external revenue recovery groups as difficulties with benchmarking caused by different sizes of organisation.
2009/10	Resource Management	404	Corporate Debt	S	The Corporate Debt Team's terms of reference should be finalised and formally approved.	Y	2	30-Sep-09		Update 30/10/09: The Enforcement Manager confirmed that this should be completed within the next 6 weeks.
2009/10	Resource Management	404	Corporate Debt	S	Minutes or action points relating to the Corporate Debt Team's meetings should be routinely documented and shared.	Y	2	13-Dec-09		Update 20/10/09: Complete. Update 30/10/09: There has not been a meeting yet in order to provide evidence of minutes or that these had been sent out to people. The next meeting is scheduled for 13th December.
2009/10	Resource Management	404	Corporate Debt	S	Consideration should be given to maintaining a central database of debtors.	Y	2	31-Mar-10		Update 2/11/09 - Not due.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2009/10	Resource Management	404	Corporate Debt	S	The performance of the Debt Clinic should be monitored.	Y	2	31-Jul-09		Update 30/10/09: The Enforcement Manager confirmed that this is currently monitored. Success is monitored at the end of the financial year and there is a spreadsheet monitored weekly (copy of part of the spreadsheet obtained). There are no KPIs as such as there is no way of saying how many people are likely to be seen. The main monitoring is against whether the arrangements set have been kept.
2009/10	Resource Management	404	Corporate Debt	S	The weekly reporting of management information to the Head of Resource Management should include the latest position on the outstanding debt relating to sundry debtors.	Y	2	31-Oct-09		Update 21/1/09 - Due to be implemented at the end of October. To be followed up as part of the next follow up cycle.
2009/10	Resource Management	404	Corporate Debt	S	Consideration should be given to using a selection of preferred debt collection agencies.	Y	2	31-Oct-09		Update 21/1/09 - Due to be implemented at the end of October. To be followed up as part of the next follow up cycle.
2009/10	Corporate Management	405	Booking of Public Premises	L	Management should remind staff that the Council's standard booking form must be used on all occasions.	Y	2	30-Apr-09		Update 20/10/09: Complete, a standard checklist has been introduced for all events.
2009/10	Corporate Management	405	Booking of Public Premises	L	Where a commercial decision is made to lower the rate charged, approval for this must be obtained from the Corporate Facilities Manager. Evidence of this approval must be obtained and the decisions made should be subject to challenge by the Head of Service.	Y	2	31-Jul-09		Update 30/10/09: Unable to contact the Corporate Facilities Manager. To be followed up as part of the next cycle.
2009/10	Corporate Management	405	Booking of Public Premises	L	A standard checklist should be introduced that details all of the processes required in the booking of public premises. The checklist should record all stages from the initial booking, through to payment and receipt of catering commissions. Staff should be required to complete the checklist with the required information and to sign the form to state that the action has been completed. All checklists should be subject to a random management check on an ad-hoc basis.	Y	1	31-Jul-09		Update 30/10/09: Unable to contact the Corporate Facilities Manager. To be followed up as part of the next cycle.
2009/10	Corporate Management	405	Booking of Public Premises	L	The access and update rights of staff no longer in employment must be removed from the Council's online booking system.	Y	2	30-Apr-09		Update 20/10/09: Advised that this has now been completed. To be followed up with the Corporate Facilities Manager.
2009/10	Resource Management	407	Secure Stationery	N/A	All secure stationery stock receipts should be verified against the order raised by two separate officers.	Y	2	01-Aug-09		Update 29/10/09: Evidence was provided to show how two people are required to raise an order through 'Marketplace'.
2009/10	Resource Management	407	Secure Stationery	N/A	Stock checks of un-issued secure stationery items should be completed by staff on a quarterly basis. Evidence of these stock checks should be recorded in the secure stationery register.	Y	2	01-Aug-09		Update 29/10/09: There is no longer any secure stationery held.
2009/10	Resource Management	407	Secure Stationery	N/A	Any obsolete stocks held should be destroyed, with the secure stationery register being appropriately updated.	Y	3	01-Aug-09		Update 29/10/09: There was evidence that obsolete pads had been shredded.
2009/10	Resource Management	407	Secure Stationery	N/A	The Scanning and Administration Team should ensure that all stock issues are appropriately signed for.	Y	2	01-Aug-09		Update 29/10/09: Secure stationery is no longer held.
2009/10	Corporate Management	408	National Indicators	n/a	It is recommended that the Council investigates the possibility of making the account codes 'avoidable' and 'unavoidable' compulsory, so that calls cannot be closed without completion of this field.	n/a	n/a	n/a		Update 1/11/09: Not due - to be followed up as part of next follow up cycle.
2009/10	Corporate Management	408	National Indicators	n/a	It is recommended that the possibility of producing system reports from the Council Tax system detailing all new properties, demolitions and conversions be investigated. Information on new properties and amendments is made as a result of information received directly from the Valuation Office upon completion. Therefore, if system generated reports detailing each property amendment within the period were available, these could then be used to reconcile the information received directly from NHBC and Council inspections.	n/a	n/a	n/a		Update 1/11/09: Not due - to be followed up as part of next follow up cycle.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2009/10	Corporate Management	408	National Indicators	n/a	It is recommended that copies of the system reports generated to produce the reported NI figure should be retained. It is further recommended that the manual forms completed by inspectors during inspections be fully completed in all cases. Both recommendations will assist with ensuring that the audit trail to support the NI declaration is robust.	n/a	n/a	n/a		Update 1/11/09: Not due - to be followed up as part of next follow up cycle.
2009/10	Corporate Management	408	National Indicators	n/a	As determined by the Strategic Waste and Sustainability Manager during the audit meeting, it is recommended that the procurement exercise be recommended to ensure that any new outsourced contracts or procurements of services ensure that contractors are bound to supply CO2 emission information, or information that will assist with the calculation.	n/a	n/a	n/a		Update 1/11/09: Not due - to be followed up as part of next follow up cycle.
2009/10	Corporate Management	408	National Indicators	n/a	A process should also be established, whereby contractor usage within departments can be recorded accurately during the year and passed to the Climate Change Officer, to assist with collation of the data during the year and at year end.	n/a	n/a	n/a		Update 1/11/09: Not due - to be followed up as part of next follow up cycle.
2009/10	Corporate Management	408	National Indicators	n/a	A process for the calculation of vehicle emissions should be developed and implemented for the 2009/10 return, in order to enable an accurate emissions figure for vehicle usage to be produced. For the current return, a decision should be made on how the Council will calculate and report its vehicle emissions and this should be communicated to DEFRA for approval.	n/a	n/a	n/a		Update 1/11/09: Not due - to be followed up as part of next follow up cycle.
2009/10	Corporate Management	408	National Indicators	n/a	The consolidated report of properties that is used to populate the calculation tool should be reconciled to the Smith Bellerby report once this has been fully completed, to ensure that the figures being imported into the tool are accurate.	n/a	n/a	n/a		Update 1/11/09: Not due - to be followed up as part of next follow up cycle.
2009/10	Corporate Management	408	National Indicators	n/a	It is recommended that the query raised by the Street Care Team Leader be taken up by senior management within the Council and pursued, in order to assist in progressing this and obtaining a response.	n/a	n/a	n/a		Update 1/11/09: Not due - to be followed up as part of next follow up cycle.
2009/10	Life Opportunities	410	Temporary Accommodation	S	The procedures for temporary accommodation should be reviewed and updated to ensure that they reflect current working practices	Y	2	31-Aug-09		Update: 30/10/09: Some new versions are on file, and copies were taken, but the process of updating all procedures has not yet been completed. The Accommodation Manager stated that these should all be done by the end of November, but was unsure about how many had been reviewed so far, and how many there are to update in total. Update: 30/10/09: The Allocations policy was provided by the Accommodation Manager as evidence that this had been completed.
2009/10	Life Opportunities	410	Temporary Accommodation	S	An allocations policy should be developed and made available to all relevant members of staff.	Y	2	30-Sep-09		Update: 30/10/09: A sample of five cases showed that on each occasion there was evidence that the appropriate documents had been scanned into IDOX or placed there electronically. Control sheets, that detail all of the items to be scanned, are not kept - this falls under the IDOX controls which is audited separately.
2009/10	Life Opportunities	410	Temporary Accommodation	S	Where an initial case is set up, the documentation should be kept together and sent for scanning with a control sheet that details all of the items to be scanned.	Y	3	31-Jul-09		Update 30/10/09: This has not been done but is planned for the end of November. The Accommodation Manager suggested that write-offs would be made in cases that are more than six years old and any under £250, which would not be economical to recover (particularly B&B).
2009/10	Life Opportunities	420	Leisure World Cash Up	N/A	The former tenant arrears report should be examined in detail and write offs completed in all cases where no further action can be taken, i.e. where the case is statute barred or where the balance outstanding is uneconomical to pursue.	Y	2	30-May-09		Update 2/11/09 - to be followed up as a part of the annual audit. Re-scheduled for Q4 at clients request.

COLCHESTER BOROUGH COUNCIL

Year	Business Unit	Ref	Audit	Assurance	Recommendation	Agreed	Priority	Due Date	Management Update	November Updated Position
2009/10	Life Opportunities	420	Leisure World Cash Up	N/A	The original transaction receipt number should be recorded in the narrative for the refund. This should be reviewed by management where refunds are recorded on the till.	Y	2	13-May-09		Update 2/11/09 - to be followed up as a part of the annual audit. Re-scheduled for Q4 at clients request.
2009/10	Life Opportunities	420	Leisure World Cash Up	N/A	The cash handling memo should be updated to remind staff to include the original transaction number as opposed to "unknown customer".	Y	2	13-May-09		Update 2/11/09 - to be followed up as a part of the annual audit. Re-scheduled for Q4 at clients request.
2009/10	Life Opportunities	420	Leisure World Cash Up	N/A	Customers should be reminded to retain the receipt for hired equipment and to produce it when the refund request is made.	Y	2	13-May-09		Update 2/11/09 - to be followed up as a part of the annual audit. Re-scheduled for Q4 at clients request.

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>	<p>Yes</p>	<ul style="list-style-type: none"> • Ongoing. Customer Service has adapted their phone system to improve monitoring of avoidable contacts. C-Visuals is a new system, which is being rolled out to further improve monitoring. There have been significant improvements in this area since the audit was carried out. For example, a new interactive web based benefit claim form is about to be installed. New forms to make reporting changes have been introduced, and a new simpler shorter paper claim form will be published shortly. • An easier way for people to claim CBC benefits via Jobcentre Plus (called In and Out of Work) successfully went live on the 28th September. • Consultation with a new Customer Focus Group, run by both Benefits and the CSC, is in place.
<p>SMART customer service standards should be developed in consultation with customers.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • In progress. Corporate Service Standards were reviewed and procedures were refreshed as decided by SMT. • Consultation is an integral and essential part of the ongoing fundamental service review. A separate survey of service users is underway in conjunction with other councils for benchmarking, to compare with 87% customer satisfaction achieved last year.
<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. 	<p>No</p>	<ul style="list-style-type: none"> • A new way of working was introduced achieving greater efficiency and productivity from established staff. Analysis proved greater capacity was required to meet demand and extra workload. • Eight temporary staff are now employed to meet the increased caseload (up by 14% over the last year), in relation to workload up 140%. • Staff have been employed within budget to meet workload in the short term, with plans in place to extend temporary contracts, depending on DWP administration grant for 2010/11 to be announced in December 2009. • The dynamics of the workload has been identified, targeting the elderly and new home occupiers as the groups most in need of help (according to government statistics and tools such as Mosaic). Mosaic indicates the greatest rise in client group is middle income first time home buyers, most affected by the recession.

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>	Yes	<p>Completed. Jackson Cole has been appointed as Client Project Director and Mace as a 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 as well as the relevant Portfolio Holder.</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>	Yes	<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 has produced the final costed plan for stage 1a which has been procured and is due to start on site imminently. (mace take 'possession' of the site 4 November) 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>	Yes	<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.</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 progress with the delivery of the plans, against allocated budgets, is monitored in an open and timely manner.</p>	Yes	<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 – coordinator reports to funders on a weekly basis and will highlight any areas of emerging concern. Project progress is also discussed at the Council's monthly Renaissance Steering Group meetings.</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 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. A Completion Coordinator has been brought in specifically to represent funders and to facilitate the exchange of information. 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 and every effort is made to ensure that the communication leads at each of the organisations is kept informed of progress on the project. The sub-group is charged with maintaining a communication strategy.



Finance and Audit Scrutiny Panel

Item
13

17 November 2009

Report of	Head of Resource Management	Author	Sean Plummer ☎ 282347
Title	Financial Monitoring Report – April to September 2009		
Wards affected	Not applicable		

The Panel is invited to review the financial performance of all General Fund services and the Housing Revenue Account for the first six months of 2009/10

1. Action required

- 1.1 The panel is asked to note the financial performance of General Fund Services and the Housing Revenue Account (HRA) in the first six months of 2009/10.

2. Reason for scrutiny

- 2.1 Monitoring of financial performance is important to ensure that:
- Service expenditure remains within cash-limited budgets.
 - Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
 - Performance targets are being met.
- 2.2 This report also gives the panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

3. Background and Summary Position

- 3.1 This report reviews the Council's overall position based on profiled income and expenditure for the six months to 30 September 2009, and also shows a projection of the outturn figures for the full year. All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.
- 3.2 The projected outturn for the General Fund is currently a net overspend of £288k. The Housing Revenue Account position is a forecast net underspend by £312k.

4. General Fund – Position to 30 September 2009

Service Budgets

- 4.1 **Appendix A** summarises the Council-wide position by expenditure group and by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding benefits) of £586k (favourable). This comprises total expenditure being £646k lower than expected and less income than expected totalling £60k. **Appendix B** provides a more detailed view, breaking this information down by individual Service Groups.

4.2. Both Appendices A & B to the report include traffic light indicators. The thresholds are as follows:

- Green – Variance less than £50k and 5% of budget
- Amber – Variance greater than £50k **OR** 5% of budget
- Red – Variance greater than £50k **AND** 5% of budget

4.3. A number of factors have led to the position against profiled budgets. The Panel should note that variances against the profile budget do not necessarily mean that this will be the position for the year (this is covered in Section 5 of the report). The main variances to date are as follows (F=favourable; A=adverse).

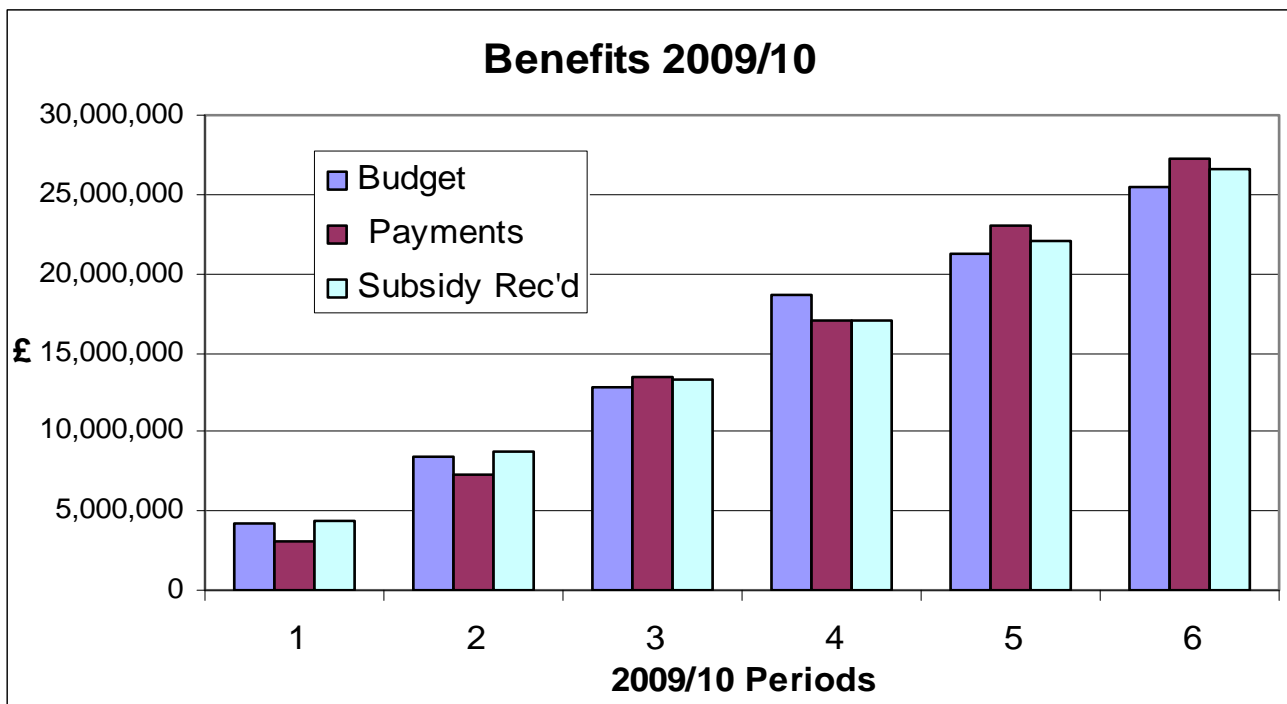
Expenditure

- **Premises.** £402k (F), mainly relating to repairs & maintenance, grounds and utility costs (water), however offset by additional Bed & Breakfast (B & B) costs.
- **Supplies & Services.** £172k (F) various under-spends across all services

Income

- **Other Grants & Reimbursements.** £100k (A), primarily relates to debtors outstanding for European regeneration projects.
- **Customer & Client Receipts.** £32k (F), Includes over-recoveries against community alarms and car park income, this also includes income for Colchester Leisure World Lifestyle Passes (advances for the year).

4.4. Benefits payments are not shown in Appendix A to avoid distorting the reported position for Service Groups. However, in response to this issue being raised by the Panel at the meeting in August, the following shows payments made in the first 6 months compared to the original budget and the actual level of subsidy received. It is currently projected that this area will be on budget at year end, when the final subsidy claim is paid.



4.5. Corporate savings targets totalling £678k were built into the 2009/10 budget. The targets and position to date are shown below and indicates that significant progress has been made with the full year procurement target having now been achieved. Progress has also been made on both the salary savings and income target. The forecast outturn against these targets is considered at paragraph 5.8.

	Target	Identified for year to date
	£'000	£'000
Salary Budgets	515	130
Procurement Savings	93	93
Income Generation	70	10
Total	678	233

4.6. At the meeting of this Panel in August it was requested that consideration be given to introducing commentary within the future reporting of corporate savings, to show the impact of work on the organisation of salary savings. First, it is helpful to note that salary savings arise primarily due to savings made through staff turnover. This may include any gap between a member of staff leaving and a new one starting and also any change in the salary cost. The table below shows the service areas where salary savings have been made compared to the total employee budget. This helps to illustrate that the savings as a proportion of the total employee budget is 1% or below. This level is therefore considered manageable without impacting on service delivery.

	<i>Budget for Year</i>	<i>Salary Saving</i>
	£'000	£'000
Corporate Management	2,618	15
Environmental & Protective Services	5,423	55
Life Opportunities	5,667	39
Resource Management	3,434	10
Street Services	6,987	11
	24,129	130

5. Outturn Forecast / Risk Areas

5.1 This is the first review this year of the 09/10 budget position and the current forecast outturn is net overspend of £288k as summarised in the following table:-

	£'000	
Service budgets	(62)	See paras. 5.2 – 5.3 and Appendix C
Technical Items / Mitigating action	400	See paras. 5.4 – 5.8
Potential net overspend	338	
Adjustment for Museums c/f	(50)	The joint museum service agreement provides for any overspend above £100k to be adjusted within the following year's budget.
Overall net overspend	288	

Service Budgets

- 5.2 The following table sets out the forecast outturn for all service areas. This shows a net forecast underspend of £62k

Service	Forecast outturn £'000
Customer Service Centre	On budget
Executive Management Team	On budget
Resource Management	On budget
Strategic Policy and Regeneration	On budget
Corporate Management	77 under budget
Environmental and Protective Services	87 under budget
Street Services	35 over budget
Life Opportunities	161 over budget
Energy Savings across services	94 under budget
Total all services	62 under budget

- 5.3 Appendix C sets out details of all forecast variances against service budgets at the year-end totalling £62k.

Corporate / Technical Items

- 5.4. The budget includes a number of corporate and technical budget areas such as net interest earnings, the provision to repay debt, pension costs and some non service specific grants. The main risk area where a shortfall of c£300k is currently forecast is our net interest earnings.
- 5.5. The position in respect of the Council's net investment earnings was reported to the Panel at the last budget review in August. The shortfall is forecast due to the historic low investment rates currently available. Steps continue to be taken to try to minimise the impact of the reduced investment income such as through deferral of new borrowing in favour of disinvestment, however, there remains a significant risk that the final outturn position will show a further shortfall.
- 5.6. The budget includes assumptions regarding two Government grants as follows:
- Housing Planning and Delivery Grant (HPDG)
 - Local Authority Business Growth Incentives (LABGI)
- 5.7. We have received notification of the provisional LABGI grant which shows that this budget will be achieved. However, the assumed HPDG is a larger figure and the grant is still yet to be announced. HPDG is an important source of funding and the delay in announcing provisional allocations will potentially impact on the Council's budget forecasting for this year and beyond.
- 5.8. As shown at paragraph 4.5 progress has been made towards achieving the corporate targets in the budget. At the last review in August a total of 0.03% of the target had been identified and now 35% has been achieved. However, it appears highly likely that the total target will not be achieved. In respect of salary savings this is mainly due to low levels of staff turnover. Therefore a shortfall of £100k is reflected in the forecast outturn which will be reviewed later in the year.

Main Risks to current forecast

- 5.9. The 2009/10 Revenue Budget report that was approved by Council in February 2009 detailed potentially significant risk areas that had been identified during the budget process. In addition, Heads of Service have identified a number of both positive and

negative risk areas. The current position for the key areas is detailed in Appendix D and these areas will continue to be monitored monthly by SMT and within future reports to this Panel.

Summary position

- 5.10. The net forecast outturn shows a potential net overspend of £288k. There are a number of risks and variables to this forecast. It should be noted that the Council general fund balances are currently above our prudent level. However, the current forecast net overspend would result in balances falling below this level.
- 5.11. SMT continues to monitor the budget position on a monthly basis and in view of the budget forecast continues to take action to minimise the risk of a budget deficit this year through critical review of any vacant posts, providing support to budget managers in controlling budgets and in general through active budget management and focusing on costs and income. The next report to the Panel will consider the 9 month position. In addition consideration will be given to the forecast outturn for this year as part of the process for proposing the 2010/11 budget. This Panel will receive a report on the 2010/11 budget in January which will include an updated assessment of the forecast outturn.

6. Housing Revenue Account

- 6.1 The Housing Revenue Account (HRA) is a complex account which is ring-fenced and affected by a number of variable factors. **Appendix E** shows that at the end of September 2009, the HRA is underspent by £466k compared to the budget for the same period. This is primarily due to lower expenditure on Employee costs (£86K), Premises costs (£229k), Supplies & Services costs (£91k) and Support Services costs (£32k). The current projected outturn for the HRA is that it will be under budget by £312k. The main factors contributing to the variance to date are detailed in the following paragraphs.
- 6.2 The underspend on Employee costs has primarily arisen due to the effect of vacant posts, but also reflects the lower than budgeted for award for 2009/10. The current year-end outturn prediction is that there will be an underspend on Employee costs of £116k.
- 6.3 Premises related costs are showing an underspend of £230k as at the end of September 2009. Overall, there is an underspend of £57k on Repairs and Maintenance. Colchester Borough Homes, who are providing the interim repairs and maintenance service, are producing a regular re-profile of expenditure for the remainder of the financial year, and as a result there are no significant variances in this area. Therefore, the majority of this underspend relates to repairs and maintenance of pumping stations, Homeless Persons Units and other delegated budgets. There is an underspend of £52k on Grounds Maintenance budgets relating to the timing of expenditure at the end of September. There is an underspend of £122k on Utility and Water costs. There is a forecast outturn underspend of £250k which reflects the anticipated level of funds which will not be released to Colchester Borough Homes in the final quarter of this financial year, given the services being provided under the current interim arrangements. However, it is anticipated that this resource will be subject to a request for carry forward into 2010/11 to deliver Repairs and Maintenance works as opposed to it being used to increase the HRA balance.
- 6.4 There is a general underspend across most Supplies and Services budget headings at the end of September. Support service costs are underspent by £32k at the end of September. The HRA receives recharges from a number of services and given the level of expenditure currently experienced within these areas as at September 2009, there is a resultant impact upon the HRA for recharges from these services. There is a forecast outturn underspend of £40k which reflects the anticipated impact the lower than budgeted pay award for 2009/10 has on recharges to the HRA.

- 6.5 There is a £7k under-recovery of income at the end of September 2009. This has arisen due to the combination of less Service Charge income from Tenants and Leaseholders and a slightly higher loss of rental income from voids on garages. The rental income for the housing stock is on budget as at the end of September. Furthermore, we have received £23k less income from Court Fees than budgeted. It is currently predicted that there will be an under-recovery of income of £92k at the year-end, but this will be influenced by the level of void properties and garages for the remainder of the financial year.
- 6.6 Any expenditure on the Housing Capital Programme (HIP) that exceeds the total resources available from the Major Repairs Allowance (MRA) for the year has to be met from the HRA in the form of a revenue contribution to capital (RCCO). As the actual financing requirement of the outturn capital programme is not known until the end of year position is established, it can have an impact on the HRA outturn that is difficult to forecast at this stage of the year.

7. Strategic Plan references

- 7.1 The priorities within the Strategic Plan are reflected in the Medium Term Financial Forecast. This makes assumptions regarding government grant and Council Tax income, and identifies where necessary savings will be found in order to achieve a balanced budget. The 2009/10 revenue budget was prepared in accordance with the Strategic Plan's priorities, in the context of the Council facing growing financial pressures. Budget monitoring enables the financial performance against these priorities to be assessed.

8. Financial implications

- 8.1 As set out above.

9. Risk management implications

- 9.1 Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2009/10 revenue budget report that was approved by Council in February 2009 detailed a number of potentially significant risk areas that had been identified during the budget process. In addition, Heads of Service identify a number of both positive and negative risk areas during the year.

10. Other Standard References

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

Background Papers

None

Budget Monitoring Summary - Period 6 2009/10

Current Period - September 2009

Full Year Position

Account Description	Current Period - September 2009			Full Year Position			
	Budget to Period 6 £'000	Actual to Period 6 £'000	Variance (fav) / adv £'000	Annual Budget £'000	Projected Outturn £'000	Variance (fav) / adv £'000	Variance %
By Subjective Group							
Employees	13,879	13,785	(94)	27,738	27,780	42	0.15%
Premises Related	4,857	4,455	(402)	8,130	8,144	14	0.17%
Transport Related	1,071	1,043	(28)	1,634	1,575	(59)	(3.61%)
Supplies & Services	5,288	5,116	(172)	10,786	10,683	(103)	(0.95%)
Third Party Payments	974	959	(15)	1,874	1,871	(3)	(0.16%)
Transfer Payments	117	184	67	2,537	2,566	29	1.14%
Capital Financing Costs	3	1	(2)	147	147	-	-
Subtotal Expenditure	26,189	25,543	(646)	52,846	52,766	(80)	(0.15%)
Government Grant	(1,071)	(1,075)	(4)	(2,177)	(2,177)	-	-
Other Grants & Reimbursements	(2,308)	(2,208)	100	(4,410)	(4,402)	8	(0.18%)
Customer & Client Receipts	(10,420)	(10,452)	(32)	(19,640)	(19,536)	104	(0.53%)
Income-Interest	(2)	(2)	-	(24)	(24)	-	-
Inter Account Transfers	(5)	(9)	(4)	(9)	(9)	-	-
Subtotal Income	(13,806)	(13,746)	60	(26,260)	(26,148)	112	(0.43%)
Total General Fund Services	12,383	11,797	(586)	26,586	26,618	32	0.12%
By Service Group							
Corporate & Democratic Core	159	117	(42)	330	330	-	-
Executive Management Team	49	14	(35)	745	745	-	-
Corporate Management	3,619	3,457	(162)	6,616	6,539	(77)	(1.16%)
Customer Service Centre	548	538	(10)	1,146	1,146	-	-
Environmental & Protective Services	1,488	1,322	(166)	2,567	2,480	(87)	(3.39%)
Life Opportunities	2,651	2,287	(364)	5,829	5,990	161	2.76%
Resource Management	314	318	4	3,632	3,632	-	-
Strategic Policy & Regeneration	1,542	1,608	66	2,858	2,858	-	-
Street Services	2,013	2,136	123	2,863	2,898	35	1.22%
Subtotal General Fund Services	12,383	11,797	(586)	26,586	26,618	32	0.12%
Housing Revenue Account	(4,308)	(4,774)	(466)	(143)	(455)	(312)	218.18%

Budget Monitoring Report for All Services - Period 6 2009/10

Account Description	Corp & Democratic Core £'000	EMT £'000	Corporate Mgt £'000	CSC £'000	Env. & Protective £'000	Life Opps £'000	Resource Mgt. £'000	Strategic Policy and Regen £'000	Street £'000	£'000
EXPENDITURE										
EMPLOYEES										
Profiled Budget to Date	-	345	1,289	542	2,721	2,850	1,712	909	3,511	13,879
Actual to Date	-	345	1,276	529	2,674	2,867	1,707	881	3,506	13,785
Variance to Date	green	-	(13)	(13)	(47)	17	(5)	(28)	(5)	(94)
Annual Budget	-	698	2,621	1,109	5,407	5,657	3,445	1,818	6,983	27,738
Projected Outturn	-	698	2,619	1,109	5,431	5,652	3,445	1,818	7,008	27,780
Variance	-	-	(2)	-	24	(5)	-	-	25	42
PREMISES										
Profiled Budget to Date	-	-	1,125	-	455	1,925	251	65	1,036	4,857
Actual to Date	-	-	1,052	-	401	1,771	188	55	988	4,455
Variance to Date	green	green	(73)	-	(54)	(154)	(63)	(10)	(48)	(402)
Annual Budget	-	-	1,616	-	816	3,888	325	82	1,403	8,130
Projected Outturn	-	-	1,537	-	788	4,009	325	82	1,403	8,144
Variance	-	-	(79)	-	(28)	121	-	-	-	14
TRANSPORT										
Profiled Budget to Date	-	3	14	-	47	17	8	32	950	1,071
Actual to Date	-	-	18	-	50	13	6	10	946	1,043
Variance to Date	green	amber	(3)	-	3	(4)	(2)	(22)	(4)	(28)
Change in YTD Variance	-	1	1	-	-	(2)	-	(12)	10	(2)
Annual Budget	-	7	28	-	97	34	14	62	1,392	1,634
Projected Outturn	-	7	29	-	97	34	14	62	1,332	1,575
Variance	-	-	1	-	-	-	-	-	(60)	(59)
SUPPLIES & SERVICES										
Profiled Budget to Date	159	390	1,602	45	583	899	644	415	551	5,288
Actual to Date	117	357	1,519	48	542	817	655	397	664	5,116
Variance to Date	amber	(33)	(83)	3	(41)	(82)	11	(18)	113	(172)
Annual Budget	330	959	3,181	107	1,114	1,937	1,263	757	1,138	10,786
Projected Outturn	330	959	3,163	107	1,029	1,937	1,263	757	1,138	10,683
Variance	-	-	(18)	-	(85)	-	-	-	-	(103)

Budget Monitoring Report for All Services - Period 6 2009/10

Account Description	Democractic Core £'000	EMT £'000	Corporate Mgt £'000	CSC £'000	Env. & Protective £'000	Life Opps £'000	Resource Mgt. £'000	Strategic Policy and Regen £'000	Street £'000	£'000
THIRD PARTY										
Profiled Budget to Date	-	8	31	-	23	216	82	383	231	974
Actual to Date	-	8	30	-	(2)	188	88	387	260	959
Variance to Date	green	green	(1)	green	(25)	(28)	6	4	amber	(15)
Annual Budget	-	8	74	-	64	249	107	801	571	1,874
Projected Outturn	-	8	71	-	64	249	107	801	571	1,871
Variance	-	-	(3)	-	-	-	-	-	-	(3)
TRANSFER PAYMENTS										
Profiled Budget to Date	-	-	-	-	-	28	89	-	-	117
Actual to Date	-	-	-	-	-	53	131	-	-	184
Variance to Date	green	green	green	green	green	25	42	-	green	67
Annual Budget	-	-	-	-	-	55	2,482	-	-	2,537
Projected Outturn	-	-	-	-	-	84	2,482	-	-	2,566
Variance	-	-	-	-	-	29	-	-	-	29
CAPITAL FINANCING										
Profiled Budget to Date	-	-	3	-	-	-	-	-	-	3
Actual to Date	-	-	1	-	-	-	-	-	-	1
Variance to Date	green	green	amber	green	green	green	green	green	green	(2)
Annual Budget	-	-	6	-	-	-	141	-	-	147
Projected Outturn	-	-	6	-	-	-	141	-	-	147
Variance	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE										
Profiled Budget to Date	159	746	4,064	587	3,829	5,935	2,786	1,804	6,279	26,189
Actual to Date	117	710	3,896	577	3,665	5,709	2,775	1,730	6,364	25,543
Variance to Date	amber	green	amber	green	(164)	(226)	(11)	(74)	amber	(646)
Annual Budget	330	1,672	7,526	1,216	7,498	11,820	7,777	3,520	11,487	52,846
Projected Outturn	330	1,672	7,425	1,216	7,409	11,965	7,777	3,520	11,452	52,766
Variance	-	-	(101)	-	(89)	145	-	-	(35)	(80)

Budget Monitoring Report for All Services - Period 6 2009/10

Account Description	Democractic Core £'000	EMT £'000	Corporate Mgt £'000	CSC £'000	Env. & Protective £'000	Life Opps £'000	Resource Mgt. £'000	Strategic Policy and Regen £'000	Street £'000
INCOME									
GOVERNMENT GRANT									
Profiled Budget to Date	-	-	-	-	(234)	(426)	(411)	-	-
Actual to Date	-	-	-	-	(234)	(427)	(414)	-	-
Variance to Date	green	green	green	green	green	green	green	green	green
Annual Budget	-	-	-	-	(818)	(481)	(803)	(75)	-
Projected Outturn	-	-	-	-	(818)	(481)	(803)	(75)	-
Variance	-	-	-	-	-	-	-	-	-
OTHER GRANTS									
Profiled Budget to Date	-	(697)	(19)	(31)	(506)	(365)	(17)	(59)	(614)
Actual to Date	-	(696)	(19)	(28)	(517)	(416)	(17)	86	(601)
Variance to Date	green	green	green	amber	green	red	green	red	green
Annual Budget	-	(927)	(30)	(53)	(945)	(656)	(25)	(140)	(1,634)
Projected Outturn	-	(927)	(25)	(50)	(945)	(656)	(25)	(140)	(1,634)
Variance	-	-	5	3	-	-	-	-	-
CUST & CLIENT RECPTS									
Profiled Budget to Date	-	-	(426)	(8)	(1,599)	(2,493)	(2,044)	(201)	(3,649)
Actual to Date	-	-	(419)	(11)	(1,590)	(2,579)	(2,026)	(207)	(3,620)
Variance to Date	green	green	green	amber	green	amber	green	green	green
Annual Budget	-	-	(860)	(17)	(3,164)	(4,854)	(3,317)	(443)	(6,985)
Projected Outturn	-	-	(841)	(20)	(3,162)	(4,838)	(3,317)	(443)	(6,915)
Variance	-	-	19	(3)	2	16	-	-	70
INCOME-INTEREST									
Profiled Budget to Date	-	-	-	-	-	-	-	(2)	-
Actual to Date	-	-	(1)	-	-	-	-	(1)	-
Variance to Date	green	green	amber	green	green	green	green	amber	green
Annual Budget	-	-	(20)	-	-	-	-	(4)	-
Projected Outturn	-	-	(20)	-	-	-	-	(4)	-
Variance	-	-	-	-	-	-	-	-	-

Budget Monitoring Report for All Services - Period 6 2009/10										
Account Description	Democractic Core £'000	EMT £'000	Corporate Mgt £'000	CSC £'000	Env. & Protective £'000	Life Opps £'000	Resource Mgt. £'000	Strategic Policy and Regen £'000	Street £'000	£'000
INTER ACCOUNT TRANS										
Profiled Budget to Date	-	-	-	-	(2)	-	-	-	(3)	(5)
Actual to Date	-	-	-	-	(2)	-	-	-	(7)	(9)
Variance to Date	green	green	green	green	green	green	green	green	amber	amber
Annual Budget	-	-	-	-	(4)	-	-	-	(5)	(9)
Projected Outturn	-	-	-	-	(4)	-	-	-	(5)	(9)
Variance	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME										
Profiled Budget to Date	-	(697)	(445)	(39)	(2,341)	(3,284)	(2,472)	(262)	(4,266)	(13,806)
Actual to Date	-	(696)	(439)	(39)	(2,343)	(3,422)	(2,457)	(122)	(4,228)	(13,746)
Variance to Date	green	green	green	green	green	amber	green	red	green	amber
Annual Budget	-	(927)	(910)	(70)	(4,931)	(5,991)	(4,145)	(662)	(8,624)	(26,260)
Projected Outturn	-	(927)	(886)	(70)	(4,929)	(5,975)	(4,145)	(662)	(8,554)	(26,148)
Variance	-	-	24	-	2	16	-	-	70	112
TOTAL NET										
Profiled Budget to Date	159	49	3,619	548	1,488	2,651	314	1,542	2,013	12,383
Actual to Date	117	14	3,457	538	1,322	2,287	318	1,608	2,136	11,797
Variance to Date	amber	amber	amber	green	red	red	green	amber	red	amber
Annual Budget	330	745	6,616	1,146	2,567	5,829	3,632	2,858	2,863	26,586
Projected Outturn	330	745	6,539	1,146	2,480	5,990	3,632	2,858	2,898	26,618
Variance	-	-	(77)	-	(87)	160	-	-	35	32

Forecast Outturn Variances

(note: Spend figures in brackets refer to underspends, Income figures in brackets refer to additional income)

Service Area	Variance			Change	Comment
	Spend £'000	Income £'000	Net £'000		
Corporate Management				▼	
HoS / Policy and Projects	(13)	0	(13)	▼	A forecast outturn saving of £10k has been identified within the Head of Service cost centre relating to other general services. A further £15k has already been offered up as salary savings towards the corporate salary savings target.
Legal & Land Charges	15	(1)	14	▲	Income from Legal Services is forecast to be £39k below budget offset by Land Charges income expected to be £40k above budget. However, there are some increased variable costs to achieve the additional Land Charges income.
Democratic Services	(6)	0	(6)	▼	Forecast underspend relates to Members training.
Facilities	(86)	25	(61)	▼	The forecast underspend now reflects the expected savings from not occupying Angel Court from January to March 2010. Facilities income has been flagged as a risk and the outturn has been adjusted to reflect an under recovery of income of £25k.
Communications and MFDs	(3)	0	(3)	▼	The majority of the underspend to date relates to Courier costs which is expected to be spent by the end of the year.

Service Area	Variance			Change	Comment
	(8)	0	(8)		
Information & Communication	(8)	0	(8)	▲	A net saving of £16k has been identified within the IT new applications budget.
Environmental and Protective Services				▲	
Planning	0	(245)	(245)	▼	Large increase in forecast planning income. Current position is that budget for year has nearly been achieved
Museums	24	26	50	▲	Under-recovery of £26K predicted on Museum income. Over-spend of £24K on Agency / Security. Under the terms of the joint museum agreement any overspend up to £100k is deducted from next year's budget. So the impact overall between the two years is nil.
Cemetery and Crematorium	(113)	221	108	▲	Estimated income for both cemetery and crematorium is forecast to be below budget with the latter the most significant. There are a number of factors that have contributed to this including the opening of a new crematorium in Braintree. Savings totalling over £100k have been identified to offset the shortfall this year.
Life Opportunities				▼	
Housing Needs and options (incl. B & B costs)	176	(99)	77	▼	Forecast reduced to £77k over budget at year end the majority of which relates to B&B/Homelessness Initiative costs.
Sport & Leisure	(27)	115	88	▲	Reflects estimated loss of income from temporary closure of fitness pool, offset by reduction in some costs.
Parks and Recreation	(4)		(4)	▶	Forecast reflects agreed use of some savings in year.
Street Services				▲	
Recycling	(25)		(25)	▼	Estimated £50K saving on fuel due to decrease in price since budget was set. £25K estimated overspend on Workshop salaries due to one-off payout to change Contract hours and reduce overtime in the long-term.
Street Care	(10)		(10)	▼	Estimated £10K saving on fuel due to decrease in price since budget was set.

Service Area	Variance		Change	Comment
Car Parking	70	70	▲	Estimated under-recovery of income in off street Car Parks and Penalty Charge Tickets (PCN) issued both on and off street of £70K.
Cross-Cutting				
Energy Savings	(94)	0	▼	As part of the annual procurement exercise for energy for the 12 months period from October 2009 savings have been achieved against the current year's budget. The saving shown here reflects the level of excess savings after achieving the Council's procurement target for the year. The forecast is based on new prices and estimated usage for the remainder of the year. The actual savings could be different depending on actual usage but the figure shown is considered reasonable at this stage.
Total	(174)	112		

Key ▲ = Increased 'overspend' or reduced 'underspend' i.e. negative change on forecast
▼ = Decreased overspend or increased underspend
▶ = no change

All compared to previous monitoring report for Period 3.

Key Risk Areas	
Service / Item	Current Position / Comment
Corporate Management	
Land charges – Income	Income is currently above budget by £24k and. Whilst it is difficult to assess the extent to which this trend will continue the forecast outturn assumes additional income of £40k in total.
Environmental & Protective Services	
Planning income	Currently £187k over-recovery of income. The revised outturn now assumes additional income of £245k for the full year.
Building Control income	Income exceeds the budget to date by £15k, although at this stage the full year position is assumed to be 'on budget'.
Life Opportunities	
Bed and Breakfast	There is a net overspend of £3k on Bed & Breakfast costs as at period 6. The predicted forecast outturn position remains a net overspend of £65k.
Sport & Leisure income	Customer income is currently £34k over budget but this is due to some membership income being received in advance and this trend is not expected to continue. The budget has been fully profiled to reflect the regular flow of income in this area. The risk surrounding the closure of the Fitness pool has been estimated at a loss of circa. £100k income. This loss is partially offset by some cost savings for the same period. The full impact of the recession is still as yet unknown and close monitoring of the situation will continue.
Resource Management	
Income from commercial estates	Currently there is an under-recovery of income of £17k. There remains a possibility of reduced income this year due to the impact of vacant properties. At this stage, it is assumed that any shortfall can be managed within the group, however, there is a possibility of a net income shortfall.
Strategic Policy & Regeneration	
Visitor Information Centre(VIC) budget target	Steps have been taken to deliver the £30k target for 2009/10, and close monitoring continues on the effect of the economic recession on the various income streams.
Street Services	
Car Parking Income	Although the offers introduced have increased the income in certain car parks that were underused overall usage is less than used to set the budget. Further offers and measures will be introduced over the second half of the financial year to try to rectify the position.
Penalty Charge Notices (PCN) Income	The number of PCN issued have increased over the last few months as the service has full staffing levels for the first time in two years. This has enabled all rounds and patrols to be covered. However, it is unlikely that all the deficit from the earlier months will be recouped.

Service / Item	Current Position / Comment
Cross Cutting Issues	
Energy costs	<p>The 09/10 budget includes assumptions for increases to energy costs during the second half of the year. Based on indicative prices procured a reduction in electricity and gas prices of in the region of 35%. This has helped to contribute towards achieving the procurement target for the year as well as contributing savings across all services.</p>
Achievement of corporate targets	<p>The report sets out that progress has been made towards achieving all corporate savings targets with the procurement target now being achieved in full. The salary saving target of £515k now appears unlikely to be fully achieved due to the reduced level of staff turnover resulting in fewer savings through vacancies. This report assumes an overall shortfall of £100k.</p> <p>The income target, which includes roundabout sponsorship, is being impacted by the ongoing economic climate. A contribution of £10k has though been made in respect of income from consultancy work provided within Environmental and Protective Services.</p> <p>All targets are monitored monthly by Senior Management Team.</p>
Net interest earnings	<p>The current position assumes a net shortfall this year of £300k. This includes the impact to date from the historic low interest rate levels. Actions to mitigate the impact were assumed as part of the 09/10 budget such as deferring new borrowing in favour of reducing investments. However, the final outturn position remains a significant risk which continues to be monitored.</p>

Housing Revenue Account – Period 6

Account Description	Current Period - September 2009			Forecast Year-End Position		
	Profiled Budget to Period 6 £'000	Actual to Period 6 £'000	Variance (under)/ over £'000	Annual Budget £'000	Projected Outturn £'000	Variance (under)/ over £'000
September 2009						
HRA - Direct & Non-Direct						
EXPENDITURE						
Employees	388	302	(86)	774	658	(116)
Premises Related	2,674	2,445	(229)	6,349	6,099	(250)
Transport Related	2	2	-	4	4	-
Supplies & Services	303	212	(91)	743	743	-
Third Party Payments	3,769	3,746	(23)	5,875	5,875	-
Transfer Payments	33	21	(12)	67	67	-
Support Services	1,246	1,214	(32)	2,694	2,654	(40)
Capital Financing Costs	-	-	-	11,558	11,558	-
TOTAL EXPENDITURE	8,415	7,942	(473)	28,064	27,658	(406)
INCOME						
Government Grant	-	(6)	(6)	-	-	-
Other Grants & Reimbursements	(66)	(73)	(7)	(152)	(152)	-
Customer & Client Receipts	(12,652)	(12,635)	17	(24,157)	(24,063)	94
Income-Interest	(5)	(2)	3	(19)	(19)	-
Inter Account Transfers	-	-	-	(3,879)	(3,879)	-
TOTAL INCOME	(12,723)	(12,716)	7	(28,207)	(28,113)	94
TOTAL NET - HRA	(4,308)	(4,774)	(466)	(143)	(455)	(312)



Finance and Audit Scrutiny Panel

Item
14

17 November 2009

Report of	Head of Resource Management	Author	Graham Coleman ☎ 282741
Title	Capital Expenditure Monitor 2009/10		
Wards affected	Not applicable		

The Panel is invited to review the progress against all capital schemes for the first six months of 2009/10

1. Action Required

- 1.1 To note the level of capital spending during the first half of 2009/10 and forecasts for future years.

2. Reason for scrutiny

- 2.1 Monitoring capital spending is important to ensure:
- Spending on projects is within agreed scheme budgets.
 - The overall programme is delivered within budget.
- 2.2 This report also gives the Panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

3. Background

- 3.1 This report sets out details of spending for the financial year 2009/10 (April 2009 to September 2009) and revised forecasts for future years.
- 3.2 The report includes new capital funding and changes to the capital programme as revised by Cabinet on 18 March 2009, 13 July 2009 and 9 September 2009, and by Council on 14 October 2009.
- 3.3 The report includes capital expenditure in respect of the Housing Investment Programme, including expenditure on the Council's housing stock.

4. 2009/10 position to 30 September

- 4.1 In the first 6 months of this year capital spending totalled £4.3 million. This represents 14.0% of the total programme. Whilst the percentage spend to date appears low, this is due to expenditure on a number of larger schemes being scheduled to commence later in the year. This includes the Visual Arts Facility and the Decent Homes project, which are in the process of being retendered, and the delayed spending on these schemes has accordingly been re-profiled. Net new funding of £736k has been added to the programme. This includes £300k for the ICT Strategy Development scheme and £350k for the replacement of one cremator at Colchester Crematorium, together with some smaller contributions from external parties and Section 106 monies. It should be noted that the programme includes a number of major schemes where spending is planned across more than one year and that spending to date is broadly in line with expectations.

4.2 The scheme previously titled Support for Parish Councils has been renamed Support to Parish Councils and Community Groups. This reflects the desire to extend the grants scheme to Community Groups. A meeting will be held in February/March 2010 to determine the allocation for 2009/10, and applications will be invited from Community Groups as well as Parishes.

4.3 In total, forecast spending for this year is £20.8 million, with the remainder of the programme currently planned for 2010/11. The table below sets this out by service area:

Summary	Current Total Programme £'000	2009/10 Expenditure for year £'000	Expected Expenditure 2009/10 £'000	Expected Expenditure 2010/11 £'000
Corporate Management	2,049.7	263.3	2,068.2	1.5
EMT	236.7	44.2	236.7	0.0
Resource Management	554.0	231.0	489.5	64.5
Street Services	592.2	245.3	592.2	0.0
Environmental & Protective Services	637.4	99.1	637.4	0.0
Strategic Policy & Regeneration	16,011.5	1,674.7	10,600.7	5,419.9
Life Opportunities	3,062.6	958.4	2,479.2	343.7
Completed Schemes	89.4	83.6	98.0	0.0
Total – General Fund Services	23,233.5	3,599.6	17,201.9	5,829.6
Housing Revenue Account	7,915.5	750.3	3,618.0	4,297.5
Total Capital Programme	31,149.0	4,349.9	20,819.9	10,127.1

4.4 **Appendix A** sets out details of spending and forecasts on all schemes. Comments are provided on the schemes' progress and future forecasts. The schedule includes budgets for all approved and funded schemes and some existing projects that, whilst approved, are not yet available to spend until resources are secured to enable funding to be released. These amounts are shown in the unfunded columns and reflect the Capital Programme approved by Council on 18 February 2009, and revised on 18 March, 13 July and 9 September 2009, and by Council on 14 October 2009.

4.5 Cabinet on 10 September 2008 agreed to put certain capital schemes "on hold" pending the resolution of current financial uncertainties relating to capital receipts and capital expenditure commitments. No commitments for those projects which are funded should be entered into and those unfunded projects will not have any further funding released. Cabinet subsequently agreed to release £25k of the sum put on hold for the public conveniences programme, and so only £150k is now on hold. Additionally Cabinet in July 2009 agreed to release £50k of the sum on hold for grants under the Support to Parish Councils scheme. The schemes on hold are listed below, as amended by the above changes.

Schemes put on hold per Cabinet of 10 September 2008 (as amended)	Amount on hold		
	<i>Funded</i>	<i>Unfunded</i>	Total
	£'000	£'000	£'000
Backlog Repairs		150.0	150.0
Support for Parish Councils		50.0	50.0
Historic Core Zone	160.0		160.0
Maritime Projects		150.0	150.0
Personal Computer Upgrade	0.8	800.0	800.8
Public Conveniences	150.0		150.0
Town Centre Signs	90.0		90.0
Park & Ride	125.0		125.0
East Colchester	222.1		222.1
Total	747.9	1,150.0	1,897.9

4.6 A review of the capital programme is currently being undertaken, including the schemes currently on hold. Once the outcome of the review is known, any changes will be reflected in future capital monitoring reports.

4.7 As previously reported to this Panel, the cost of stabilisation works to St Leonards Church Wall is now considerably lower than previously thought, resulting in a saving of £239.7k. This, together with a number of completed schemes where small overspends have been identified are detailed in Appendix A and summarised in the table below. The previously reported overspend on the Town Hall Lift of £9k is not now expected to occur, and when final contract documents are received this may result in an under-spend that will be reported to a future meeting.

Scheme	Over/ (Under)
	£'000
St Leonards Church Wall	(239.7)
Works to Town Hall	20.0
Cuckoo Farm Pre-Development	9.1
Other minor overspends	8.6
Total Net Underspend	(202.0)

4.8 This sum will be referred to Cabinet for consideration and allocation to other capital schemes. Cabinet will also consider a revised forecast of capital receipts as well as the outcome of the current review of schemes within the Capital Programme.

5. Strategic Plan references

5.1 The Council's Capital Programme is aligned to the Strategic Plan.

6. Financial implications

6.1 As set out above.

7. Risk management implications

7.1 Risk management issues are considered as part of all capital projects.

8. Other Standard References

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

Background Papers

None

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Addition Funding Require £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr- Sep 2009/10 £'000	09/10 £'000		10/11 £'000
SUMMARY										
Corporate Management	1,878.7	171.0	0.0	3,049.7		2,049.7	263.3	2,068.2	1.5	
EMT	236.7	0.0	0.0	286.7		236.7	44.2	236.7	0.0	
Resource Management	534.0	0.0	20.0	704.0		554.0	231.0	489.5	64.5	
Street Services	485.7	26.5	80.0	688.2		592.2	245.3	592.2	0.0	
Environmental & Protective Serv.	286.6	350.0	0.8	1,062.4		637.4	99.1	637.4	0.0	
Strategic Policy & Regeneration	15,136.5	0.0	875.0	16,706.5		16,011.5	1,674.7	10,600.7	5,419.9	
Life Opportunities	2,942.6	0.0	120.0	3,627.6		3,062.6	958.4	2,479.2	343.7	
Completed Schemes	109.6	(26.5)	6.3	89.4		89.4	83.6	98.0	0.0	
Total (General Fund)	21,610.4	521.0	1,102.1	26,214.5		23,233.5	3,599.6	17,201.9	5,829.6	
Housing Revenue Account	7,915.5	0.0	0.0	7,915.5		7,915.5	750.3	3,618.0	4,297.5	
Total Capital Programme	29,525.9	521.0	1,102.1	34,130.0		31,149.0	4,349.9	20,819.9	10,127.1	

Key to Status column:

Fully Funded	FF
Partly Funded	PF
Unfunded	U

N.B. Summary does not include cost of accommodation from reserve

Reconciliation to previous FASP report

Programme reported to FASP 18 August 2009

Add:

Hythe Station Environmental Improvements S106 release
 Monkwick MUGA S106 release
 Cabinet 9 September 2009 - release for ICT Strategy
 Transfer from ICT Strategy to revenue for Corporate Scanning 2010/11
 External contribution towards repair of Town Walls
 Travel Plan contribution to Car Park Barrier at Rowan House
 Council 14 October 2009 - replacement of cremator at Colchester Crematorium
 External funding for Monkwick MUGA

£'000

30,413.2

70.0

1.8

300.0

(45.0)

0.8

10.0

350.0

48.2

31,149.0

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Addition Funding Require £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr- Sep 2009/10 £'000	10/11 £'000	
CORPORATE MANAGEMENT								
Town Hall	86.8	0.0	0.0	86.8	86.8	4.6	105.3	1.5
<i>Description of Scheme:</i> Works to the Town Hall associated with the Business Plan. Access work to the Old Library/works to the Moot Hall Kitchen.								
<i>Comments:</i> Phase 1 works complete. Phase 2 works which will deliver DDA compliant access through St Runwald Street graveyard are currently on site with an expected completion date more than the budget currently allocated within capital programme.								
E-Government	43.8	0.0	0.0	43.8	43.8	17.7	43.8	0.0
<i>Description of Scheme:</i> Works to comply with Government's E-Gov agenda								
<i>Comments:</i> Budget committed - waiting on supplier to invoice. We are continuing to chase supplier where appropriate for invoices for the remaining balance.								
GIS/Gazetteer	11.3	0.0	0.0	11.3	11.3	6.3	11.3	0.0
<i>Description of Scheme:</i> Cleansing of LLPG database								
<i>Comments:</i> Project was delayed, but now progressing. Remaining spend expected in 2009-10.								
Computer Upgrade	0.8	0.0	0.0	800.8	0.8	0.0	0.8	0.0
<i>Description of Scheme:</i> Personal Computer Upgrade (including Councillors Computers) (SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). To keep personal computer stock up to date.								
<i>Comments:</i> AD2005 Project is now complete. Server migration also completed. Unfunded scheme of £800k for future desktop refresh. Awaiting capital release before progressing - subject to further cabinet approval.								
Electronic Service Delivery	190.0	0.0	0.0	190.0	190.0	66.4	190.0	0.0
<i>Description of Scheme:</i> Customer Service Centre. Furtherance of electronic service facilities includes areas identified in business case for CSC								
<i>Comments:</i> Underspent slightly against its profile last year as a result of the virtualisation project coming in slightly under-budget, and other suppliers not invoicing within the financial year 2009/2010 resolving Government Connect Issues and Changes required to CRM solutions and integrations.								
ICT Strategy Development	1,546.0	171.0	0.0	1,917.0	1,717.0	168.3	1,717.0	0.0
<i>Description of Scheme:</i> New capital investment								
<i>Comments:</i> Corporate remote working project now being rolled out following successful pilot and supporting technologies being put in place. Solutions for mobile working also now being completed. Works underway to re-model Rowan House for new accommodation needs, and moves scheduled over the next couple of months.								

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Addition Funding Require £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr- Sep 2009/10 £'000	09/10 £'000	
RESOURCE MANAGEMENT								
Financial Systems Migration	3.1	0.0	0.0	3.1	3.1	0.0	0.0	3.1
<i>Description of Scheme:</i> Upgrade of Financial Systems <i>Comments:</i> Final phase is to integrate CLW & CBH Debtors. This will be delayed until the eProcurement upgrade is completed.				FF				
DDA Measures	427.9	0.0	20.0	447.9	447.9	205.6	427.9	20.0
<i>Description of Scheme:</i> Works to civic buildings to comply with requirements of the Disability Discrimination Act (incl. Town Hall lift) <i>Comments:</i> The Town Hall lift project is now complete and the final account has been agreed. Project completed within existing budget although final figure cannot be confirmed until fire main works is complete. Fire alarm installation should be finished in November 2009. Final retention release of approximately £20k due in April 2010. DDA works to all other				FF				
Backlog Repairs	0.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> (SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Required maintenance to civic buildings <i>Comments:</i> This budget provision is currently being reviewed alongside the new 5 year Building Maintenance Programme.				U				
Site Disposal Costs	61.6	0.0	0.0	61.6	61.6	25.4	61.6	0.0
<i>Description of Scheme:</i> Costs of securing capital receipts <i>Comments:</i> Cabinet on 10th June 2009 approved the sale of Angel Court for an office and retail scheme. On-going security costs for the Layer Road football ground will be incurred until				FF				
Moler Works Site	41.4	0.0	0.0	41.4	41.4	0.0	0.0	41.4
<i>Description of Scheme:</i> Costs associated with provision of three commercial shop units. <i>Comments:</i> Development of this site is delayed pending a redesign and planning approval. Revised scheme will include 3 shop units for transfer to CBC. Fitting out expenditure expected				FF				
TOTAL - RESOURCE MANAGEMENT	534.0	0.0	20.0	704.0	554.0	231.0	489.5	64.5

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Addition Funding Require £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr- Sep 2009/10 £'000	10/11 £'000	
	Status							
STREET SERVICES								
Public Conveniences	210.8	0.0	0.0	210.8	210.8	89.4	210.8	0.0
<i>Description of Scheme:</i> (SCHEME PARTLY ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Toilet refurbishment works.								
<i>Comments:</i> Refurbishment complete at Lion Walk, including the creative convenience design, and final valuation certificates will be due in August. Dedham toilets have also been completed. The public conveniences programme has now been reviewed by the Portfolio Holder in line with the cabinets wishes and no further refurbishments are planned.								
PowerPerfector Voltage Optimisation Equipment	132.9	0.0	0.0	132.9	132.9	39.8	132.9	0.0
<i>Description of Scheme:</i> Installation of equipment at top ten electricity usage sites								
<i>Comments:</i> Equipment installed at Crematorium, St Marys and St John's MSCP, Colchester Castle, Museum Resource Centre and Mile End Sports Pavilion. Equipment delivery and installation should be complete by December 2009.								
Shrub End Waste Transfer Plant	89.7	0.0	0.0	89.7	89.7	48.6	89.7	0.0
<i>Description of Scheme:</i> <i>Comments:</i> ECC agreed to fund this project as part of the transfer of waste outside the Borough. Work has been completed and ECC have been invoiced in full. They have agreed to meet the remaining costs.								
Flat Recycling Extension	0.0	26.5	80.0	106.5	106.5	67.5	106.5	0.0
<i>Description of Scheme:</i> New phase delivering recycling facilities for residents living in flats								
<i>Comments:</i> This is being used to support the expansion of recycling services to residents living in flats in financial year 09/10. The spend so far has been on recycling sacks, bins, frames and will also benefit from the scheme and stocks of equipment will be in place to reflect this. The remaining funding of £26.5k under the Waste Diversion/Green Waste scheme is left to commit on this work.								
Upgrade of CCTV Equipment	52.3	0.0	0.0	148.3	52.3	0.0	52.3	0.0
<i>Description of Scheme:</i> Upgrade of equipment to digital format								
<i>Comments:</i> 1st phase of CCTV upgrade completed March 07. The Centre will now remain in the Angel Court complex so a quote has been sought to replace the matrix and install up to date equipment.								
TOTAL - STREET SERVICES	485.7	26.5	80.0	688.2	592.2	245.3	592.2	0.0

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Additional Funding Required £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Sep 2009/10 £'000	10/11 £'000	
	Status							
ENVIRONMENTAL & PROTECTIVE SERVICES								
Heritage Fund - incl. Roman Walls	138.6	0.0	0.8	339.4	139.4	93.5	139.4	0.0
<i>Description of Scheme:</i> Heritage Fund used to enhance public spaces and historic sites, and protect key buildings								
<i>Comments:</i> Work on the Roman Road stretch is largely completed with only one small area still outstanding. Attention has now moved to two small areas of emergency repairs at Priority Way stretch has concluded that a further £323,000 of repair work is required.								
Heritage Fund - Castle Park Interpretation	50.0	0.0	0.0	50.0	50.0	5.6	50.0	0.0
<i>Description of Scheme:</i> Heritage Fund used to enhance public spaces and historic sites, and protect key buildings								
<i>Comments:</i> Work has commenced on the Castle Park Interpretation Project including the replacement of the interpretation sign outside the Castle and this project is due to be completed								
Heritage Fund - St Nicholas Square	20.0	0.0	0.0	20.0	20.0	0.0	20.0	0.0
<i>Description of Scheme:</i> Heritage Fund used to enhance public spaces and historic sites, and protect key buildings								
<i>Comments:</i> Scheme not to be progressed and proposal on reallocating funding to the Town Walls scheme already identified under the Heritage Fund, is shortly to be discussed with Port								
Cemetery Extension	0.0	0.0	0.0	125.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Acquisition of land and provision of infrastructure to enable continuation of burial services								
<i>Comments:</i> MOD have indicated that they will gift 5 acres of the cemetery extension land in return for residential planning permission for the remaining 1 acre. Negotiations with the Planning Authority are ongoing to secure the relevant section 106 agreement will be made asap. The capital funding identified for this project will be used to fund the survey, mapping, levelling, landscaping and fencing along with any access roads that may need to be built.								
Replacement of Cremators	0.0	350.0	0.0	350.0	350.0	0.0	350.0	0.0
<i>Description of Scheme:</i> Replacement of Cremators at Colchester Crematorium to comply with environmental legislation								
<i>Comments:</i> The decision was made at Council on 14 October 2009 to proceed with replacing the two cremators at the Crematorium. Pending a final decision on the optimum funding arrangement the cost of purchasing one cremator with the other cremator being leased.								
Roman Circus	78.0	0.0	0.0	78.0	78.0	0.0	78.0	0.0
<i>Description of Scheme:</i> Interpretation/Visitor Centre for Roman Remains								

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Addition Funding Require £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Sep 2009/10 £'000	09/10 £'000		10/11 £'000
STRATEGIC POLICY & REGENERATION										
Park & Ride	124.4	0.0	0.0	124.4	FF	124.4	0.0	124.4	0.0	
<i>Description of Scheme:</i> (SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Costs of achieving a Colchester Park & Ride.										
<i>Comments:</i> Funding of £10.2m has been granted through CIF2 for the delivery of a new junction onto the A12 which would mean completion of these infrastructure works by 2011. This space permanent park and ride site at North Colchester and ECC have commenced feasibility studies for this site which will require some funding from CBC. A Feasibility Study funded through Haven Gateway Partnership to establish whether an East Colchester Park and Ride is deliverable in infrastructure terms and part of this funding is likely to be provided by the CBC.										
Community Stadium Pre-development	71.3	0.0	0.0	71.3	FF	71.3	6.1	71.3	0.0	
<i>Description of Scheme:</i> Preliminary work on construction details, costs and business planning to progress the project.										
<i>Comments:</i> A final reconciliation of invoices has yet to take place, but current underspend has already been committed.										
Community Stadium - Build	80.3	0.0	0.0	80.3	FF	80.3	0.0	80.3	0.0	
<i>Description of Scheme:</i> Construction of new Community Stadium										
<i>Comments:</i> Now 1 year post Practical Completion but 1.5% construction cost retention still being held until final snagging items cleared and discharge of final planning conditions such as already committed for 09/10.										
B I C North	2,360.2	0.0	0.0	2,360.2	FF	2,360.2	63.4	2,360.2	0.0	
<i>Description of Scheme:</i> Business Incubator Units in North Colchester										
<i>Comments:</i> Planning application now submitted and tender documentation under preparation. Cabinet confirmed sale of adjacent land to Plot 350 and highest offer received and accepted for 09/10.										
Cuckoo Farm	(9.1)	0.0	0.0	(9.1)	FF	(9.1)	0.0	0.0	0.0	
<i>Description of Scheme:</i> Predevelopment activity (such as specialist input on legal, highway and environmental issues) to facilitate the commencement of the development of Cuckoo Farm.										
<i>Comments:</i> All funding now committed and small overspend which possibly can be reduced through other related projects. There is still a need to review Severalls Landowners Agreement of the enabling land, but no funding currently exists for this.										
East Colchester, Hythe Regeneration	253.4	(31.3)	0.0	222.1	FF	222.1	0.0	222.1	0.0	
<i>Description of Scheme:</i> (SCHEME PARTLY ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). A general provision for the cost of progressing elements of the regeneration of the area from B-Sure.										

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Additional Funding Required £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Sep 2009/10 £'000	10/11 £'000	
King Edward Quay <i>Description of Scheme:</i> Transformation of Quay <i>Comments:</i> The £300k CLG grant, which it was not possible to claim by the deadline of March 2008, has been replaced by S106 funds and further work is now underway to complete the timescale has moved to the end of December due to problems with service provision.	147.2	0.0	(30.0)	117.2	FF	117.2	0.0	117.2	0.0
St Botolphs Regeneration <i>Description of Scheme:</i> Fund to progress elements within the St Botolphs regeneration area. <i>Comments:</i> Funding allocated to specific projects as follows: £170k Temporary Bus Station, £125k Vineyard Gate, £96k Cultural Qtr, £75k MSCP, £100k public realm. Work continues by Cabinet in September 2009 and work ongoing to complete the development agreement; and public realm improvements. Developers for Vineyard Gate remain in place to complete the development agreement.	946.0	0.0	0.0	1,491.0	PF	946.0	29.7	473.0	473.0
St Botolphs Public Realm Phase 1 <i>Description of Scheme:</i> Public Realm Improvements <i>Comments:</i> Priory works consultation carried out and scheme amended accordingly. Works for Priory now out to tender. Discussions ongoing with the school in respect of Berryfield.	387.2	0.0	0.0	387.2	PF	387.2	34.5	387.2	0.0
St Botolphs Public Realm Phase 2 <i>Description of Scheme:</i> Public Realm Improvements <i>Comments:</i> It is proposed to use Phase 2 monies to also contribute towards public realm improvements surrounding the VAF and through Phase 1 of the Cultural Quarter. This money is for 09/10 with a further £220k provisionally allocated for 10/11 although some doubts regarding this funding.	0.0	0.0	180.0	180.0	PF	180.0	0.0	180.0	0.0
Historic Town Centre Improvements <i>Description of Scheme:</i> (SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Works to Historic Core Zone. <i>Comments:</i> This scheme now led by CBC as project outputs will be social, economic rather than just transportation related. Most of the current work is being funded through HGP monies project which includes transport improvements and the Public Realm Strategy work which is due for completion of a draft for consultation in July 2009. Work is ongoing in re medium and longer term projects are being identified which work towards the delivery of these. CBC spend currently on hold, but funded from Growth Point monies (scheme on hold).	160.0	0.0	0.0	160.0	FF	160.0	0.0	160.0	0.0
Town Centre Improvements Phase 1 <i>Description of Scheme:</i> <i>Comments:</i> See above - this element is match funding from CLG Growth Point with specific elements to reduce traffic flows through the town centre core, improve the pedestrian environment	50.8	0.0	0.0	50.8	PF	50.8	41.6	50.8	0.0

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Addition Funding Require £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Sep 2009/10 £'000	10/11 £'000		
Creative Business Hub	0.0	0.0	125.0	125.0	PF	125.0	1.4	125.0	0.0	
<i>Description of Scheme:</i>										
Contribution to Creative Business Centre										
<i>Comments:</i>										
This Haven Gateway Growth Area funding is a contribution to the creative Business Centre to be formed in Roman House which will be refurbished by Garbe under the terms of the Creative Business Centre Scheme.										
Maritime Projects	0.0	0.0	0.0	150.0	U	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>										
(SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Provision for maritime project works.										
<i>Comments:</i>										
Scheme not funded - subject to review.										
Visual Arts Facility (VAF) Main Scheme	2,429.5	0.0	0.0	2,429.5	FF	2,429.5	553.0	2,429.5	0.0	
<i>Description of Scheme:</i>										
New Visual Arts Facility										
<i>Comments:</i>										
Following the removal of the main contractors, new project managers have been appointed. These are currently assessing the potential procurement process for the remainder of the scheme. The work includes an analysis of project risks and future programme for delivery. Trade contractors are being re-appointed and work is due to start in 2010.										
Visual Arts Facility (VAF) Fit-out	6,750.0	0.0	0.0	6,750.0	PF	6,750.0	0.0	2,000.0	4,750.0	
<i>Description of Scheme:</i>										
<i>Comments:</i>										
Funding in capital programme for fit-out works (£2m from CBC, and £4.75m from funding partners). Some of this funding may need to be brought forward for pre-fit-out works.										
Town Centre Signs (Phase 2)	90.0	0.0	0.0	90.0	FF	90.0	0.0	90.0	0.0	
<i>Description of Scheme:</i>										
(SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Extension of Town Centre signage scheme.										
<i>Comments:</i>										
Phase 2 works were programmed for installation in 2008 following release of funding (now on hold per Cabinet).										
Assistance to Registered Social Landlords	688.9	0.0	0.0	688.9	PF	688.9	492.0	492.0	196.9	
<i>Description of Scheme:</i>										
Support to affordable housing schemes										
<i>Comments:</i>										
The funding of £407k to Colne housing to secure 83 new affordable homes for Colchester. (PH Report of 20 March refers) has now been released. Funding of £85k to enable the funding of the scheme to be released.										
TOTAL - STRAT POLICY & REGEN	15,136.5	0.0	875.0	16,706.5		16,011.5	1,674.7	10,600.7	5,419.9	

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Addition Funding Require £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Sep 2009/10 £'000	10/11 £'000	
LIFE OPPORTUNITIES								
Community Development - St Annes	29.3	0.0	0.0	29.3	29.3	0.0	29.3	0.0
<i>Description of Scheme:</i> Contribution towards community centre in Harwich Road								
<i>Comments:</i> This building is now completed. The remaining money in this budget will be used for the final payments once the defects period is over. A defects period completion certificate is shortly.								
Improving Life Opportunities	55.4	(25.0)	0.0	95.4	30.4	14.0	30.4	0.0
<i>Description of Scheme:</i> A general provision to enable the Council to support work in improving life chances such as the provision of new community facilities.								
<i>Comments:</i> Total commitment for loop systems of £5K has now been spent. Of the £21k allocated for works to improve pathways in Monkwick, £9,082.90 has been spent and there is £11,917.10 remaining.								
Hythe Community Centre	0.2	0.0	0.0	0.2	0.2	0.0	0.2	0.0
<i>Description of Scheme:</i> S106. Improvements incl. conversion of garage to storage, works to windows and doors and boiler replacement.								
<i>Comments:</i> S106 funds released in first phase = £3,960.32. S106 funds released in 2nd phase = £2,026.87. A third release of £1,821.25 was made in January 2008. Remaining unrelease of £1,111.60.								
Mandatory Disabled Facilities Grants	1,111.6	0.0	0.0	1,611.6	1,111.6	350.0	811.6	300.0
<i>Description of Scheme:</i> Disabled Facility Grants								
<i>Comments:</i> The DFG allocation for 2009/10 is already approximately 80% committed and the current forecast is that it will be fully committed (except for unforeseen works provision) by the end of the financial year. A revised capital programme allocation has been requested for this statutory work.								
Private Sector Renewals - Loans and Grants	389.4	0.0	0.0	389.4	389.4	81.1	389.4	0.0
<i>Description of Scheme:</i> Loans and grants to private householders								
<i>Comments:</i> A revised capital programme allocation has been requested for this work to support the statutory work on empty homes, decent homes in the private sector, Housing Act 2004 and the Housing Act 2004. Work on a revised financial assistance policy is almost completed to address ongoing budget pressure on this work. Currently only applications already received have been processed.								
Highwoods Community Facilities	19.0	0.0	0.0	19.0	19.0	0.0	19.0	0.0
<i>Description of Scheme:</i> Social Meeting Place								

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Addition Funding Require £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr- Sep 2009/10 £'000	10/11 £'000	
	420.5	0.0	70.0	490.5	490.5	384.0	483.0	
Colchester Leisure World - Fitness Pool				FF			7.5	
LACM and Modernisation								
<i>Description of Scheme:</i> Refurbishment of Fitness Pool building								
<i>Comments:</i> Replacement of fitness pool heating and ventilation system complete. Works to replace fitness pool roof and upgrade building fabric were completed in October 2009. Additional spectator viewing area and meeting room space have now been instructed. This additional work is being funded via Sport England grant and should be complete in November 2009.								
Old Heath MUGA Installation & Landscape Improvements	75.0	0.0	0.0	75.0	75.0	0.0	75.0	0.0
<i>Description of Scheme:</i> Works to recreation ground								
<i>Comments:</i> Designs and layout being discussed with local resident representatives. Funding and provision of additional complementary facilities being explored by resident group. Progress meetings. Resident meeting planned for early November which should finalise the layout and design for the MUGA.								
Opportunity Purchases	53.0	0.0	0.0	53.0	53.0	0.0	53.0	0.0
<i>Description of Scheme:</i> Fund for purchase of open space land and other opportunity purchases								
<i>Comments:</i> Remaining funds (£53k) available for other open space acquisitions.								
Castle Park - Playground Refurbishment	110.0	0.0	0.0	110.0	110.0	0.0	110.0	0.0
<i>Description of Scheme:</i> Refurbishment of Playground								
<i>Comments:</i> Refurbishment of existing play area has been delayed by English Heritage concerns over the possible disturbance of archaeological remains on the current play area site if construction works proposed 2010 subject to English Heritage Consent.								
Messing Village Hall Refurbishment S106	28.2	0.0	0.0	28.2	28.2	0.0	28.2	0.0
<i>Description of Scheme:</i> Parish Council proposes to refurbish village hall from section 106 agreement from local development.								
<i>Comments:</i> S106 funds to be released to Messing Parish Council on receipt of invoices associated with the refurbishment work.								
St Leonard's Church Wall	334.7	0.0	0.0	334.7	334.7	17.0	95.0	239.7
<i>Description of Scheme:</i> Repair & rebuild boundary walls to a closed churchyard								

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Addition Funding Require £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr- Sep 2009/10 £'000	09/10 £'000		10/11 £'000
Castle Park Improvements	2.3	0.0	0.0	2.3	PF	2.3	0.0	2.3	0.0	
<i>Description of Scheme:</i>										
Section 106. Design work to create plans showing overall improvements to the park in a coordinated approach.										
<i>Comments:</i>										
Money released from Section 106 to produce outline drawings for integral approach to Castle Park improvements. Works to start in January 2010.										
Boada Skatebowl	97.4	0.0	0.0	97.4	FF	97.4	101.8	97.4	0.0	
<i>Description of Scheme:</i>										
Provision of new activity area targeted at young people										
<i>Comments:</i>										
The skate park has been constructed and now open.										
Monkwick MUGA	0.0	25.0	50.0	75.0	FF	75.0	0.0	75.0	0.0	
<i>Description of Scheme:</i>										
Provision of an outdoor games area with Olympic branding										
<i>Comments:</i>										
Written confirmation received that our site has been accepted as being suitable. Total cost is £150,000. Half of this has been identified and some received, confirmation is a Essex County Council. It is hoped the installation will start in the new year.										
TOTAL - LIFE OPPORTUNITIES	2,942.6	0.0	120.0	3,627.6		3,062.6	958.4	2,479.2	343.7	
									(239.0)	

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Addition Funding Require £'000	
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Sep 2009/10 £'000		10/11 £'000
COMPLETED SCHEMES (OR WHERE RETENTION ONLY OUTSTANDING)									
Angel Court Atrium Roof	(3.0)	0.0	0.0	(3.0)	FF	(3.0)	4.8	4.8	0.0
<i>Description of Scheme:</i> Replacement of Atrium Roof									
<i>Comments:</i> Works complete - small overspend - all payments now made.									
Rowan House	(0.7)	0.0	0.0	(0.7)	FF	(0.7)	0.0	0.0	0.0
<i>Description of Scheme:</i> Purchase of Rowan House									
<i>Comments:</i> Purchase of Rowan House completed on 16 December 2008.									
Waste Diversion / Green Waste	26.5	(26.5)	0.0	0.0	FF	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> General provision for recycling initiatives including green waste trials etc									
<i>Comments:</i> The remaining amount has been used to support the expansion of recycling services to residents living in flats in financial year 09/10. This has been added to the £80,000 of a separate Capital scheme (above).									
Car Park Ticket Machines	1.4	0.0	0.0	1.4	FF	1.4	0.0	0.0	0.0
<i>Description of Scheme:</i> Supply & installation of new pay on foot machines at St. Mary's, St. John's and Leisure World Car Parks									
<i>Comments:</i> Additional works were required to improve communications outside office hours with CCTV, and also to improve entry access at St John's. The programme also funded some Leisure world non-capital items repaid. All complete. Retention amount now not required.									
SOS Bus	3.5	0.0	0.0	3.5	FF	3.5	3.5	3.5	0.0
<i>Description of Scheme:</i> To provide a mobile medical / health and customer service centre for the residents, visitors, pupils and businesses of Colchester									
<i>Comments:</i> This project, now operated and managed by Open Road, has been fully completed in just 12 months and began operation on the 25th October 2008. To date approximately towards this project from which about £90,000 is needed to refit, stock and launch the Bus (£75,700 of which is capital expenditure). Open Road will be responsible for identifying budget will be spent. All remaining funding has been invoiced to CBC by Open Road as the project is completed and no longer the responsibility of CBC.									
Museum Store	(0.2)	0.0	0.0	(0.2)	FF	(0.2)	0.0	0.0	0.0
<i>Description of Scheme:</i> Purchase, fit-out and relocation to new store.									
<i>Comments:</i>									

Capital Programme 2009/10

Service / Scheme	New monies					Funded			Additional Funding Required £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Sep 2009/10 £'000	10/11 £'000	
Groundsmen's Building Castle Park	4.2	0.0	6.3	10.5	FF	10.5	10.5	0.0	
<i>Description of Scheme:</i>									
S106. Improvements and building modifications to provide accommodation for Castle Park rangers and grounds maintenance contractors.									
<i>Comments:</i>									
Works complete except for some snagging items.									
Mill Road	4.4	0.0	0.0	4.4	FF	4.4	0.0	4.4	0.0
<i>Description of Scheme:</i>									
Provision of Play Area and Youth Facilities									
<i>Comments:</i>									
Work completed and Big Lottery Fund claim has been received.									
Westlands Country Park Playground	70.0	0.0	0.0	70.0	FF	70.0	64.6	70.0	0.0
<i>Description of Scheme:</i>									
<i>Comments:</i>									
Work completed and external funding claims in progress.									
West Mersea	2.0	0.0	0.0	2.0	FF	2.0	0.2	2.0	0.0
<i>Description of Scheme:</i>									
S106 works. Construction of disabled viewing platform, extension to groynes, and reclamation of grass area.									
<i>Comments:</i>									
Works completed.									
Shrub End Sports Ground	(1.3)	0.0	0.0	(1.3)	FF	(1.3)	0.0	0.0	0.0
<i>Description of Scheme:</i>									
Installation of all weather pitch & improvements to Pavilion									
<i>Comments:</i>									
Scheme complete.									
TOTAL - COMPLETED SCHEMES	109.6	(26.5)	6.3	89.4		89.4	83.6	98.0	0.0

Capital Programme 2009/10

Service / Scheme	New monies				Funded			Addition Funding Require £'000
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr- Sep 2009/10 £'000	10/11 £'000	
	Status							
HOUSING REVENUE ACCOUNT								
Decent Homes & Upgrades	6,797.5	0.0	0.0	6,797.5	6,797.5	477.4	2,500.0	4,297.5
<i>Description of Scheme:</i>								
Scheme to bring council housing stock up to Decent Homes standard together with other upgrade works								
<i>Comments:</i>								
Procurement to recommence the decent homes programme will be completed by October 2009. Cabinet will make the award to the successful contractors at the October month properties on the programme in November, work on site is likely to commence in early 2010 due to the lead in period the contractors will need in preparation for delivering the decent homes programme will be completed by December 2012.								
Adaptations								
<i>Description of Scheme:</i>								
Improvements made to Council housing stock to meet specific tenants needs								
<i>Comments:</i>								
The balance of the 2008/09 funding has been carried forward to cover the committed spend which will come through in 2009/10. The new 2009/10 funding of £710k has been funding is going according to plan and is expected to be fully spent by year-end.								
Housing ICT								
<i>Description of Scheme:</i>								
Improvements to Housing IT systems								
<i>Comments:</i>								
Expenditure to date has included procurement of new Anti Social Behaviour Module; continued investment in Microfiche Reader Printer Scanner for CBH, purchase of Knowledge implementation costs for Abrisas the Choice based lettings tool. Looking forward a number of ICT related projects are under consideration. No overspend is projected, though likelihood of an under spend for 2009-10.								
TOTAL - HRA								
7,915.5	0.0	0.0	7,915.5	7,915.5	750.3	3,618.0	4,297.5	0.0
Note: The schemes above are funded from HRA resources only and therefore do not form part of the General Fund Capital Programme								



Finance & Audit Scrutiny Panel

Item
15

17 November 2009

Report of	Head of Resource Management	Author	Steve Heath
Title	Treasury Management – Half-yearly Report 2009/10		
Wards affected	Not applicable		

**The Panel is invited to review treasury management performance
for the first six months of 2009/10**

1. Action required

- 1.1 To note the activities relating to treasury management for the first six months of 2009/10 and consider performance.
- 1.2 To comment on the recommendations regarding member training.

2. Reason for scrutiny

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued an interim Treasury Management guidance document in March 2009, highlighting Best Practice recommendations for Local Authorities to follow. The document suggests that members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This report therefore ensures this Council is embracing Best Practice in accordance with CIPFA's recommendations. It is expected that CIPFA will issue an updated Treasury Management Code of Practice in the Autumn of 2009, following consultation with Local Authorities during the summer.

3. Introduction

- 3.1 Treasury management comprises all borrowing and investment activities of the Council. It is defined as "The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 3.2 The Council employ Sector Treasury to provide a consultancy service in respect of treasury management, to include advice on both debt and investments. During the year Sector have provided advice on borrowing, investments, counterparty credit details and general capital accounting information.

4. Treasury Management Strategy 2009/10

- 4.1 The Council's Treasury Management Strategy and Annual Investment Strategy for 2009/10 was approved by full Council on 18 February 2009. The strategy is as follows:
 - The UK Interest rate is expected to stay at 0.5% for the remainder of the 2009/10 financial year, and then begin to rise gently during 2010.
 - The trigger point for new longer term borrowing is 3.95%. However, the forecast for Public Works Loan Board (PWLB) borrowing shows that below 10 year PWLB rates are expected to be substantially lower than longer term rates, which opens up the

opportunity for the Council to spread its debt maturity profile and generate savings through debt restructuring.

- The Council has a borrowing requirement in respect of the purchase of Rowan House, the Visual Arts Facility, the purchase of new cremators and the digital TV upgrade of the Council's housing stock. As longer-term borrowing rates are expected to be higher than rates on the loss of investment income, the Council will look to avoid external borrowing during the year in order to maximise savings and reduce exposure to interest rate and credit risk.
- The investment policy includes the introduction of sovereign debt criteria, halved country limits, the removal of the previous lowest level of certain credit criteria, and a reduction in the duration of investments with certain counterparties. It also details developments resulting from the 'credit crunch'. The Council will avoid longer term deals while investment rates are at historically low levels, and budget for a return of 1.5% on investments placed during 2009/10.
- The Finance and Audit Scrutiny Panel will be kept updated on any developments regarding the Council's £4m investments with Icelandic banks.

5. Economic Background

- 5.1 The first quarter of 2009/10 saw some encouraging signs that the rate of contraction in the economy had eased considerably. The second quarter saw some signs of recovery, with some sectors showing growth. However, concerns remain about the fragile state of any recovery with the impact of rising unemployment, therefore the bank rate and investment rates are expected to stay lower for longer.
- 5.2 After rapidly cutting official interest rates to a record low of 0.5%, the Bank of England's Monetary Policy Committee (MPC) increased the amount of asset purchases under the Bank's quantitative easing (QE) programme from £75bn to £125bn in May. This was further increased to £175bn in August. However, while QE has been successful in improving liquidity in financial markets, its impact on the real economy (e.g. credit growth) remains limited.
- 5.3 Inflationary pressures in the economy have eased over the six month period, although at a slower rate than had been expected. House prices have increased at the fastest rate in over five years, however this may be due to the scarcity of homeowners putting their homes up for sale.
- 5.4 Sector's latest economic forecast is shown in **Appendix A**. This is based on moderate economic recovery and moderate MPC concerns about inflation looking two years ahead. The Bank Rate is expected to remain at a historically low level until quarter two of 2010/11, and is expected to reach 4.5% in quarter two of 2012/13. Long-term PWLB rates will steadily increase to reach 5.45% by the end of 2012 due to high gilt issuance, reversal of QE and investor concerns over inflation.
- 5.5 There is a high level of uncertainty in the forecasts due to the difficulties of forecasting the timing and amounts of QE reversal, fiscal contraction after the general election expected by May 2010, speed of recovery of banks' profitability and balance sheet positions, changes in the consumer saving ratio and rebalancing of the UK economy towards exports.

6. Borrowing

- 6.1 The Council's total debt as at 30 September 2009 was £62.4m, with the average rate of the Council's debt standing at 5.77%. No new long-term or temporary borrowing has been undertaken so far this financial year in accordance with the Treasury Management Strategy, and it is anticipated that no new borrowing will be undertaken this financial

year. Sector's target rate for new long term borrowing at the end of the second quarter of 2009/10 was 4.55%.

- 6.2 It is a statutory duty for the Council to determine and keep under review the 'Affordable Borrowing Limits'. The Council's approved Prudential Indicators are outlined in the Treasury Management Strategy Statement. Officers can confirm that the Prudential Indicators were not breached during the first six months of 2009/10.

7. Investments

- 7.1 The Treasury Management Strategy Statement outlines the Council's investment priorities as the security of capital and the liquidity of its investments. The Council also aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity.
- 7.2 In the current economic climate it is considered appropriate to keep investments short term, and only invest with highly credit rated financial institutions using the Sector creditworthiness matrices. This includes Credit Default Swap (CDS) overlay information, which provides perceived market sentiment regarding the credit quality of an institution. Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the first two quarters of 2009/10.
- 7.3 A full list of investments held as at 30 September 2009, compared to Sector's Creditworthiness matrices, and Fitch and Moody's credit ratings are shown in **Appendix B** (confidential). The Council had temporary investments totalling £17m outstanding as at 30 September 2009. Of this £4m are due to mature in 2010/11. The average rate of interest earned on all investments for the year to date is 2.41%, however the rate for new investments is 0.99%. This is lower than the budgeted figure of 1.5%, but compares well with the benchmark of 0.41%.

8. Icelandic Investments

- 8.1 The Council invested a total of £4m in Icelandic banks in September 2008, which suffered a default following the collapse of the Icelandic banking system. The 2008/09 accounts reflected the revised guidance issued by CIPFA in September 2009, detailing the impairments to be recognised in the accounts. This assumes a recovery rate of 83%, which is expected to be paid in equal instalments in March 2010, December 2010, December 2011, and December 2012. Regulations issued in May 2009 allowed authorities to delay charging impaired amounts to the General Fund until 2010/11.
- 8.2 The most recent update from the Local Government Association advises that agreement has been reached on the deal that will compensate creditors of Landsbanki, and this is expected to be confirmed in early November. Current valuations suggest that recoveries will be equal to (or exceed) the previous estimate of 83p in the pound.
- 8.3 Following the Icelandic Banking crisis, the Audit Commission published a report titled 'Risk and Return: English Local Authorities and Icelandic Banks'. The report recommended that elected members receive regular updates on treasury management activities, and that members who have accountability for the stewardship of public money are trained so that they are able to scrutinise effectively and be accountable for the treasury management function. As a result Sector Treasury has implemented a training programme for elected members (**Appendix C**). The panel is asked to comment on whether they feel such training would be beneficial.

9. Strategic Plan references

- 9.1 No direct links. However, prudent treasury management underpins the budget required to deliver all Strategic Plan priorities.

10. Publicity considerations

- 10.1 **Appendix B** to the attached background paper is confidential.

11. Financial implications

- 11.1 The Central Loans and Investment Account (CLIA) comprises the Council's borrowing costs and investment income. The CLIA is difficult to predict and can be affected by several factors. The majority of the Council's debt is on fixed rates reflecting the longer-term nature of the borrowing decisions. Investments are generally made for shorter periods, making returns more variable. This mix is generally more beneficial when interest rates are high or increasing. It is important to add that the exposure to interest rate movements is regularly monitored to minimise risks to changes in returns.
- 11.2 The current projected outturn position for the CLIA is an adverse variance of £300k, with a significant risk of further deterioration. The adverse variance is primarily due to the low level of investment returns that are available, but also takes into account the impact of a technical adjustment with the Housing Revenue Account in respect of borrowing costs. The position is being kept under review.

12. Risk Management implications

- 12.1 Risk Management is essential to effective treasury management. The Council's Treasury Management Policy Statement contains a section on treasury Risk Management (TMP1).
- 12.2 TMP1 covers the following areas of risk all of which are considered as part of our treasury management activities:
- Liquidity.
 - Interest rates.
 - Exchange rates.
 - Inflation.
 - Credit and counterparty.
 - Refinancing.
 - Legal and regulatory.
 - Fraud, error and corruption, and contingency management.
 - Markets.

13. Other Standard References

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

Background Papers

Appendix A: Economic Forecast

Appendix B: Outstanding Temporary Investments 2009/10 (**confidential**)

Appendix C: Sector Training for Elected Members

APPENDIX A

Economic Forecast

	Q/E4	Q/E1	Q/E2	Q/E3	Q/E4	Q/E1	Q/E2	Q/E3	Q/E4	Q/E1	Q/E2	Q/E3	Q/E4	Q/E1	Q/E2	Q/E3	Q/E4	Q/E1	Q/E2	Q/E3	Q/E4		
	2009	2010	2010	2010	2010	2011	2011	2011	2011	2012	2012	2012	2012	2012	2012	2012	2012	2013	2013	2013	2013		
Base Rate	0.50%	0.50%	0.50%	0.75%	1.25%	1.75%	2.50%	3.00%	3.75%	4.00%	4.25%	4.50%	4.50%	4.00%	4.25%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	
5yr PWLB Rate	2.80%	2.90%	3.10%	3.20%	3.30%	3.55%	3.85%	4.15%	4.55%	4.60%	4.80%	4.80%	4.85%	4.60%	4.80%	4.80%	4.85%	4.85%	4.85%	4.85%	4.85%	4.85%	4.85%
10yr PWLB Rate	3.75%	3.80%	3.90%	4.00%	4.15%	4.30%	4.55%	4.75%	4.95%	5.00%	5.10%	5.15%	5.15%	5.00%	5.10%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%
25yr PWLB Rate	4.35%	4.45%	4.55%	4.60%	4.70%	4.90%	5.00%	5.00%	5.10%	5.20%	5.30%	5.30%	5.35%	5.20%	5.30%	5.30%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
50yr PWLB Rate	4.50%	4.55%	4.70%	4.75%	4.90%	5.00%	5.15%	5.15%	5.20%	5.25%	5.40%	5.40%	5.45%	5.25%	5.40%	5.40%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%

APPENDIX B

Counterparty	Amount	From	To	Rate	Long term	Short term	Individual	Support	Sector
Barclays Bank *	2,000,000	05-Jun-08	07-Jun-10	6.25	AA-	F1+	B	1	6 months
Barclays Bank	2,000,000	01-Jul-08	01-Jul-10	6.44	AA-	F1+	B	1	6 months
United Overseas Banking	2,000,000	01-Jul-09	02-Nov-09	0.96	AA-	F1+	B	1	6 months
DBS Bank Ltd	2,000,000	01-Jul-09	04-Jan-10	1	AA-	F1+	B	1	6 months
Principality BS	1,000,000	10-Aug-09	10-Nov-09	1.9	Assets > 3 Bn				
Norwich & Peterborough BS	1,000,000	10-Aug-09	10-Nov-09	1.9	Assets > 3 Bn				
Nationwide BS	1,500,000	01-Sep-09	12-Oct-09	0.43	AA-	F1+	B	1	6 months
Nationwide BS	1,500,000	01-Sep-09	12-Oct-09	0.43	AA-	F1+	B	1	6 months
Newcastle BS	1,000,000	03-Sep-09	03-Dec-09	1.9	Assets > 3 Bn				
Stroud & Swindon BS	1,000,000	03-Sep-09	03-Dec-09	1.9	Assets > 3 Bn				
Nottingham BS	1,000,000	03-Sep-09	03-Dec-09	1.9	Assets > 3 Bn				
Banco Espirito Santo	1,000,000	01-Oct-08	01-Oct-09	6.4	A+	F1	B/C	2	1 month
Total	17,000,000								

* now running at 3m LIBOR + 50 bps, rate at 30/9 1.15688

SECTOR

Development and training for elected members

In response to requests from our clients, we have developed a comprehensive awareness and training programme for Elected Members covering all aspects of public service responsibilities.

We aim to build capacity into public sector organisations by addressing issues strategically and leading work through from inception to delivery.

Our programme ranges from the general functions and structures of public services to more specialist areas of financial management and regulation.

Benefits of Sector's approach

- **Flexible** training customised to suit your specific needs, not a generic course.
- **Needs-based**, developed within the context of roles and responsibilities, designed to reflect local and national priorities.
- **Customised** and delivered locally for each authority or on a regional basis. We'll come to you!
- **Sustainable** transfer of knowledge and skills incorporate your training into Member Development Programmes.
- **Value for money** with fixed prices, based on cost per session, not per participant.
- **Relevant** practical and appropriate advice, based upon our knowledge of your business.
- **Tried and Tested**: ask those who have already benefited - testimonials are provided.

Examples of training we have delivered recently include:

- Introduction to Local Government Finance
- Understanding Treasury Management
- Corporate Governance
- Role of Audit Committee
- Audit Committee: how to scrutinise the Financial Statements
- Scrutiny Committee: scrutinising the Treasury Management function
- Strategic Risk Management
- Treasury Risk Management
- Capital Prioritisation
- Planning Obligations - Section 106 Developer Contributions
- Effective Procurement
- Anti Money Laundering

Why Sector?

As established advisors within the UK public sector, we are already working with you to meet the challenges of the modern local government environment.

Our development programmes combine a sound understanding of your business with our technical knowledge and expertise to provide practical and effective transfer of skills.

With offices in London, Basingstoke, Bristol and Edinburgh, Sector has established a team of highly experienced, professional advisors to help public sector organisations deal with the need for better and more deliberate strategic decision making.

We look to establish a dialogue with our clients on leadership, financial and organisational challenges as well as to assist on specific issues. Our approach is to look at issues and address them as part of the strategic direction of the organisation, not in isolation.

All of our training is delivered personally by Sector consultants who are public services practitioners, fully qualified in a wide range of areas and experts in their field.

Our processes are comprehensive and easy to follow, without being overly bureaucratic - you will be able to put your training into practice immediately.

Whether you need a basic awareness of the concepts of financial management or more specific training in tools and techniques to suit particular roles and responsibilities (for example Audit Committee or Scrutiny Panel Members, Management Boards), Sector will provide customised courses or workshops to suit your individual needs.

Sector provides a range of strategic and technical services relating to:

- Capital Investment Decision Making
- Treasury Management
- Procurement
- Financial Modelling
- Funding
- Business Risk Management
- Corporate Governance and Internal Control
- Shared Services
- Efficiency and Organisational Development
- Planning Gain
- Services for Registered Social Landlords

Find out more about our range of specialist services at www.sector-group.com or to arrange a meeting, contact us on: 0871 664 6800 • enquiries@sector-group.com • 17-19 Rochester Row • Westminster • SW1P 1QT

Sector is the leading treasury management and capital financing adviser, including strategic services and risk management, to UK public service organisations. We operate as part of The Capita Group Plc, the UK's leading provider of integrated professional support service solutions. Sector continues to develop the range of services we offer to clients, leading the market forward with unparalleled commitment to public services finance, registered in England No. 2652033.



Finance and Audit Scrutiny Panel

Item
15

17 November 2009

Report of	Scrutiny Officer	Author	Robert Judd
Title	Work Programme 2009-10		Tel. 282274
Wards affected	Not applicable		

This report sets out the rolling 2009/10 Work Programme for the Finance and Audit Scrutiny Panel

1. Action Required

1.1 The Panel is asked to consider and comment on the rolling 2009-10 work programme.

2. Reason for Action

2.1 This function forms part of the Panel's Terms of Reference in the Constitution.

3. Update to the work programme

3.1 Capital Improvement Programme (Decent Homes) has been added to the agenda for the meeting on 23 February 2010, following agreement by the panel on 20 October 2009.

3.2 A progress update on the Free Freighter Service will be given to the panel at the meeting on 23 March 2010.

4. Alternative Options

4.1 This forms part of the Panel's Terms of Reference in the Constitution, and there are no alternative options.

5. Standard References

5.1 There are no policy plan references or financial implications in this matter. There are no equality, diversity or human rights issues in this matter and therefore no Equality Impact Assessment has been completed. There is no health and safety, community safety or risk management implications in this matter.

5.2 The work of the Finance and Audit Scrutiny Panel is a key function to ensure probity in financial, audit and risk management, and is in line with the aims of the strategic plan.

Finance and Audit Scrutiny Panel

Incorporating Accounts and Regulatory Committee (A&R)

WORK PROGRAMME 2009-10 (last updated 2 November 2009)

To be scheduled

1. Review of Firstsite:Newsite project and business plan – date to be arranged
2. VFM review of Council funding to Firstsite, The Mercury and Arts Centre – date to be arranged
3. Haven Gateway Funding – to be updated at soonest opportunity.

30 June 2009

1. 2007-08 Annual Audit and Inspection Letter (A&R)
2. 2008-09 External Audit Report (A&R)
3. 2008-09 Internal Audit Report (A&R)
4. Annual review of the Governance Framework and Statement (A&R)
5. 2008-09 Annual Governance Statement (A&R)
6. Draft Annual Statement of Accounts (A&R)
1. 2008-09 Revenue Expenditure pre-audit outturn (FASP)
2. 2008-09 Capital pre audit outturn (FASP)

28 July 2009

1. Annual Report on Treasury Management
2. 2008-09 Risk Management Summary

18 August 2009

1. 2009-10 Financial Monitor, period April to June
2. 2009-10 Capital Monitor

22 September 2009

1. 2009-10 Internal Audit Monitor, period April to June
2. 2009-10 External Audit Monitor, period April to June (no business to report)
3. Annual Statement of Accounts (A&R)
4. Office of High Steward (A&R)
5. Review of Parking Services (Portfolio Holder and Head of Service to attend)

20 October 2009

1. Report Publication of Audited Statement of Accounts (A&R)
2. Risk Management period April to September
3. Annual Business Continuity Progress report

17 November 2009

1. Credit Union Funding (officers from ECC to attend)
2. 2009-10 Internal Audit Monitor, period April to September
3. 2009-10 Financial Monitor, period April to September
4. 2009-10 Capital Monitor
5. 2009-10 Treasury Management Monitor
6. Annual Governance Audit Report (A&R)

26 January 2010

1. 2010-11 Budget Strategy
2. Treasury Management - Investment Strategy
3. Grounds Maintenance Contract(s) (Hd of Life Opportunities)
4. Use of Resources statement 2009 / Managing Performance (Executive Director)

23 February 2010

1. Capital Improvement Programme (Decent Homes)*
2. Risk Management, period April to December
3. 2009-10 Financial Monitor, period April to December
4. 2009-10 Capital Monitor

23 March 2010

1. 2009-10 Internal Audit Monitor, period April to December
2. Annual Governance Statement briefing paper
3. Internal Audit Annual Plan 2010-11
4. Supplementary opinion audit plan
5. Progress report on the Free Freighter Service – date to be arranged in 2010

* The Head of Strategic Policy and Regeneration / Partnership and Performance Manager requested to provide the Cabinet report (21-Oct-09) with a progress update.

