

# Finance and Audit Scrutiny Panel

Grand Jury Room, Town Hall  
22 September 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](http://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](http://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.

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# Terms of Reference

## Finance and Audit Scrutiny Panel

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

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

# COLCHESTER BOROUGH COUNCIL FINANCE AND AUDIT SCRUTINY PANEL

22 September 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

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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 - 4**

To confirm as a correct record the minutes of the meeting held on 18 August 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**

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(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. Credit Union Funding**

**5 - 6**

See report from the Scrutiny Officer.

## **11. Haven Gateway Funding**

**7**

Update on the Haven Gateway funding.

## **12. 2009-10 Internal Audit Monitor - April to June**

**8 - 31**

See report from the Head of Resource Management.

## **13. Review of Parking Services**

**32 - 52**

See report from the Head of Street Services.

## **14. Work Programme**

**53 - 55**

See report from the Scrutiny Officer.

## **15. 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

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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**

## **18 AUGUST 2009**

*Present:-* Councillors Arnold, Foster, Goss, Harris, Higgins, Maclean, Manning, Scott-Boutell, Taylor and Willetts

*Substitutions:-* -

*Apologies:-* G. Oxford

### **14. Minute**

The minute of the meeting held on 28 July 2009 was confirmed as a correct record, subject to the following amendment. Item 11, Treasury Management – Annual Report 2008-09, an additional resolution to read;

iv) Agreed to members of the panel receiving a copy of the Audit Commission report identifying and complimenting the Council on Treasury Management.

**Councillor T Higgins, in respect of being a Member of Essex County Council, declared a personal interest in the following item.**

### **15. 2009-10 Financial Monitor**

Mr. Sean Plummer, Finance Manager attended the meeting for this item and introduced the Financial Monitoring report for April to June 2009.

Councillor Smith addressed the panel, drawing members attention to appendix E of the report, showing the improved position in regards to the Housing Revenue Account and the improvements in efficiency since the change in the repairs and maintenance service provider. The cost of returning a void property back into use had been halved.

Councillor Willetts said it would be helpful for the panel to receive a briefing note setting out the current position on void properties.

In response to Councillor Willetts, Mr. Plummer confirmed that in regards to Benefit payments, this was not shown as it would distort the reported position, for example, during the first quarter period the actual payment figure was £13,500,000 against a forecast of £12,800,000. Mr. Plummer confirmed that whilst this caused a cash-flow problem during the year this situation was rectified at year end when the final subsidy claim is paid.

In reference to the corporate savings targets, Mr. Plummer and Ms. Wain, Executive Director responded to questions from Councillors Foster and Arnold.

Mr. Plummer said that due to the economic downturn, there was a lower turnover of staff which had resulted in the low level of salary budget savings as shown at the first quarter period. Mr. Plummer confirmed that the Senior Management Team considers monthly updates on the

current situation and it was anticipated that there would be progress with savings to be reported in November. Ms. Wain said that making savings on a quarter by quarter stage was not a linear process, and that it was the responsibility of each Head of Service to determine at what stage salary budgets are released as corporate savings. Ms. Wain confirmed that the Senior Management Team are reviewing vacant posts on a regular basis and challenging whether these posts should be filled. Ms. Wain said the savings accrued from the gap between a member of staff leaving and being replaced, and was not about cutting vacant posts from the establishment.

Ms. Wain confirmed to Councillor Goss that recruitment costs are regularly monitored and kept to a minimum, with on-line advertisements and Jobcentre Plus used in preference to newspapers or journals, though in specialist cases, journals are used where it is considered appropriate.

Mr. Plummer confirmed he would give consideration to introducing text within the future reporting on corporate savings, to show the impact of work on the organisation, and thereby allow members to be able to track more effectively.

In response to Councillor Manning and Goss, Mr. Plummer said the Fundamental Housing Services Review, to be reported to the Strategic Overview and Scrutiny Panel in November, would address issues such as the predicted year end overspend on Bed and Breakfast charges. Mr. Plummer agreed to forward to the panel details on Bed and Breakfast, including the number of claimants and bed and breakfast locations.

Councillor Offen, Portfolio Holder for Business and Resources said increased housing availability would help to alleviate the number of bed and breakfast cases, with properties in a section of the army estate, and surplus to military needs, being sold to a local housing association. The properties are to be refurbished, with 85 new homes available for occupancy by the spring, rising to a total of 131 properties in the summer of 2010, and that will hopefully offset the need for bed and breakfast.

Mr. Plummer said it was at this stage difficult to predict the cost implications of the change in law in respect of 16 – 17 year olds in bed and breakfast accommodation, but this has been identified as a risk area, is being monitored closely, with progress reported to the panel in November.

Mr. Plummer said there had been a small amount of progress on the income generated and procurement savings. An internal working group had been formed to make further progress, reporting to the Senior Management Team. Ms. Wain said income generation would be the most difficult corporate saving target to achieve, with reduced advertising revenue from borough roundabouts. The economic downturn had impacted on this target, but officers are looking at other ways of generating additional income.

Mr. Plummer confirmed to Councillor Willetts that at the next reporting stage, additional appendices would be added to the report to graphically show a benefit payment analysis, for the whole year, and also with 2008-09 comparative data.

In respect of the dispute with Essex County Council (ECC) concerning their contribution towards the funding of 2 Street Wardens and an Administrative Assistant, Councillor Harris hoped ECC would join Colchester in funding the continuation of this service. Ms. Wain said she believed the funding agreed by ECC was for 2 years, but said she would confirm this information to the panel.

Mr. Plummer, in response to Councillor Goss agreed to provide a detailed breakdown of £42,000 Penalty Charge Notices debt from 2008-09 that may not be fully recovered.

In response to Councillor Maclean, who asked whether officers, given the high cost of roundabout advertising during the economic downturn, have considered increasing revenue by discounting the cost of advertising, Ms. Wain said that the Council have a contract with ECC, but do talk directly to the company who manage advertisements. Ms. Wain agreed to brief members on the cost of advertisements and any current discounts been offered.

Councillor Offen concurred with Councillor Maclean that the current cost of parking in Colchester was deterring visitors to the town, though he confirmed that a recent reduction in parking charges had been popular with local traders. Councillor Offen also spoke about the need for Colchester to have a park and ride scheme and the progress that was being made in achieving this aim.

Members of the panel accepted that the benefits of park and ride to traders and traffic congestion had to be measured against the reduction in car parking revenue, and this would need to be examined and considered, with an opportunity for panel members to discuss this as part of the Parking Services Review at the September meeting.

Councillor Foster said car park ticket machines should identify clearly alternative car parks and charges offering visitors a choice of parking. Members agreed that this was something that could also be considered at the review stage.

*RESOLVED* that the panel:

- i) Noted the financial performance of General Fund Services and the Housing Revenue Account in the first three months of 2009/10.
- ii) Requested a briefing note setting out the following:
  - a) The current position on void properties.
  - b) Details on Bed and Breakfast, including the number of claimants and bed and breakfast locations.
  - c) The current situation in regards to the dispute between Colchester and ECC for the contribution funding towards 2 Street Wardens and an Administrative Assistant.
  - d) A detailed breakdown of £42,000 Penalty Charge Notices debt from 2008-09.
  - e) The cost to advertise on roundabouts and any current discounts been offered.
- iii) Requested the Head of Resource Management consider introducing text within the future reporting of corporate savings, to show the impact of work on the organisation.
- iv) Requested the Head of Resource Management provide an additional appendix to future reports to graphically show a benefit payment analysis for the whole year, and containing 2008-09 comparative data.

**Councillor T Higgins, in respect of being Chairman of the Board of the YMCA, declared a personal interest in the following item.**

## **16. 2009-10 Capital Monitor**

Mr. Steve Heath, Finance Manager attended the meeting for this item and introduced the 2009-10 Capital Monitor report.

In response to Councillor Willetts, Mr. Heath said there was not a need to highlight lottery funded schemes as potential risk areas, as lottery money is only released to schemes after it has been secured.

In light of the withdrawal of Government funding to the East of England Development Agency and the knock on effect to the Haven Gateway Partnership, Councillors Arnold and Willetts felt it was appropriate for the panel to have a report detailing those capital schemes dependent on Haven Gateway funding, and given the factors that determine funding allocation, what the prognosis could be for Colchester's effected capital schemes, and any progress on current negotiations.

In response to Councillor Harris, Mr. Heath said that in regards to Backlog Repairs, a survey was currently being undertaken and the results will be known by the end of 2009, at which time financial commitment for the future would be determined.

*RESOLVED* that the panel:

- i) Noted the level of capital spending during the first quarter of 2009/10, and forecasts for future years.
- ii) Requested a briefing note from the Head of Resource Management setting out the following:
  - a) An update on the lottery funded capital schemes within the capital programme.
  - b) What wards contribute to the additional S106 funding for the Groundmen's Building, Castle Park.
  - c) Progress on the Moler works Site in regards to the provision of three commercial shop units.
  - d) Feedback on the new Flat Recycling Extension scheme.
  - e) Feedback on the Cemetery Extension Scheme agreement.

### **13. Work Programme**

Councillor Arnold reiterated his previous remarks about the need to review at the next meeting the effects of the change to the Haven Gateway Funding.

Councillor Manning said he felt it would be best to wait for any new information to be reported back to the panel at the earliest convenient meeting, rather than set a date for a meeting to review the funding, and not know what the funding is to be.

Councillor Arnold said that if a review was not undertaken, then at the very least, the Portfolio Holder for Planning, Regeneration and Sustainability should be present at the next meeting to explain what is being done.

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



## Finance and Audit Scrutiny Panel

Item  
**10**

22 September 2009

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

**This report sets out the response from Lord Hanningfield in respect of Credit Union Funding**

### 1. Action Required

- 1.1 The Panel is asked to consider the contents of a letter from Lord Hanningfield and whether this response clarifies the issues raised by the panel.

### 2. Reason for Action

- 2.1 Mr. Cording addressed the panel at the meeting on the 28 July 2009. Mr Cording, a member of the Colchester Credit Union spoke of his concerns for the future of the Colchester Credit Union (CCU). Mr. Cording said that Essex County Council was to provide additional funding to credit unions throughout Essex though it was understood that this money will be channelled through the Chelmsford Credit Union. Mr. Cording felt that there should be a fairer equitable distribution of funding to all Essex Credit Unions and asked the Council for assistance in obtaining a share of this money.
- 2.2 The panel expressed concerns over future funding and whether credit unions in Essex are equally supported, and agreed to invite at the earliest opportunity, the Essex County Council Portfolio Holder to a future meeting.

### 3. Standard References

- 3.1 There are no policy plan references or financial, human rights, community safety and risk management implications in this matter.
- 3.2 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.

Robert.Judd@Colchester.gov.uk

Date: 26 August 2009  
Our Ref: LH/RP/rj260809

Dear Mr Judd

### **Credit Union Funding**

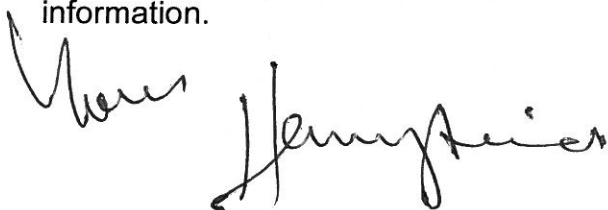
Thank you for your email regarding credit union funding. Councillor Wyn Foster has already been in touch with officers at ECC in relation to this meeting.

As part of ECC's response to the economic downturn the council has committed to increasing the access to and awareness of credit unions to all Essex residents. To this end, the council has offered a range of support to the local credit unions and are keen to promote their services within the areas they operate. All five of the local credit unions (including Colchester Savers) were advertised in the February/March and June/July editions of EssexWorks, which is delivered to 600,000 households, and further publicity is planned in the August edition.

The council has announced a £170,000 grant (over three years) to Essex Savers Credit union. Essex Savers is the only credit union in Essex that has pan-Essex common bond (allowing it to set up collection points anywhere in the county) and therefore was the only credit union with the immediate capacity to expand into areas which lack provision.

However, whilst the county is supporting Essex Savers to grow, the council is keen to see the district credit unions also grow. Officers from ECC have offered support to Colchester Savers on a number of occasions. The offer of support remains open to Colchester Savers – we simply require information from the credit union of how the council can be of assistance.

I hope this provides some clarity to the issue, please let me know if you require any further information.



**Lord Hanningfield**  
**Leader, Essex County Council**

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Fax: 01245 430741  
Email: lord.hanningfield@essexcc.gov.uk  
Internet: www.essexcc.gov.uk



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## Finance and Audit Scrutiny Panel

Item  
**11**

22 September 2009

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

**This report gives an update on Haven Gateway funding.**

### 1. Action Required

- 1.1 The Panel is asked to consider the response from the Portfolio Holder for Planning, Regeneration and Sustainability on work in progress in regards to Haven Gateway funding.

### 2. Reason for Action

- 2.1 At the last meeting the panel did not support a proposal to have a report presented to the next meeting detailing those capital schemes dependent on Haven Gateway funding until new funding information could be reported back to the panel, at which point it could be done at the earliest convenient meeting.
- 2.2 Given this refusal, some members asked that the Portfolio Holder for Planning, Regeneration and Sustainability present at the September meeting an update on work in progress. Following the August meeting, the Portfolio Holder agreed to attend the September meeting to give an update.

### 3. Update

- 3.1 Haven Gateway Partnership officers will meet during week commencing the 14 September 2009, to discuss the revised funding allocation of the growth point monies, which will then go forward to the Strategic Officers Group meeting on the 30 September 2009. It is believed that a recommendation will then go to the next Haven Gateway Partnership Board.

### 4. Standard References

- 4.1 There are no policy plan references or financial, human rights, community safety and 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.



# Finance & Audit Scrutiny Panel

Item  
**12**

22 September 2009

Report of

Head of Resource Management

Author

Elfreda Walker  
282461

Title

1<sup>st</sup> Quarter Internal Audit Assurance Report 2009/10

Wards  
affected

Not applicable

**This report concerns Internal Audit Activity between  
April and June 2009**

## 1. Actions Required

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

- Executing the 1<sup>st</sup> 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, which is primarily due to the profiling of the audit plan, which is weighted towards quarters 3 & 4 when the key financial audits are due to be undertaken
- The assurance rating for the Corporate Debt audit has increased from 'Limited' to 'Substantial'
- 1 Priority 1, 27 Priority 2 and 3 Priority 3 recommendations have been made. The priority 1 recommendation was in respect of the Booking of Public Premises Audit.
- One priority 2 recommendation in respect of the Insurance audit, has 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 1 2009/10

### 5.1 Use of Audit Resources:

	Days	%
Audit days delivered – Q1	115	23
Remaining Days – per agreed Audit Plan	390	77
	<b>505</b>	<b>100</b>

### 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 <sup>st</sup> Audit)	▼
<b>Audits finalised – Q1</b>									
<b>b/f from 2008/09</b>	2	1	-	1	-	-	-	1	-
<b>2009/10</b>	3	4	-	3	1	-	1	3	-
<b>Work in progress – Q1</b>									
<b>b/f from 2008/09</b>	-	6							
<b>2009/10</b>	1	7							

\*Only systems audits are given an assurance level.

Please see Appendix 1 for a summary of results and outcomes of the 10 audits finalised in Quarter 1.

### 5.3 Status of all recommendations as at 30th June 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
<b>Efficiency:</b>		
Percentage of annual plan completed (to at least draft report stage)	<b>25%</b>	<b>23%</b>
Average days between exit meeting and issue of draft report	<b>10 max</b>	<b>7</b>
Average days between receipt of management response and issue final report	<b>10 max</b>	<b>2</b>
<b>Quality:</b>		
Meets CIPFA Code of Practice – per Audit Commission	<b>Positive</b>	<b>Positive</b>
Results of Client Satisfaction Questionnaires (Score out of 10)	<b>7.8</b>	<b>8</b>
Percentage of all recommendations agreed	<b>95%</b>	<b>100%</b>
Improved assurance for 2 <sup>nd</sup> & subsequent audit reviews – as a percentage of all recurring reviews	<b>25%</b>	<b>33%</b>

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

6.1 Colchester Borough Homes have their 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 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 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 audit and inspection letter for 2007/08, which was reported to the Accounts and Regulatory Committee on the 30<sup>th</sup> June 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 1 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 There are no direct Publicity, Financial, Consultation, Human Rights, Community Safety or Health and Safety implications as a result of this report.

**Summary of Audits Finalised in Quarter 1:**

304 – Helpline	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	7	Regularity	-	3	-	3

**Scope of Audit:** This review examined the following areas relating to the Helpline function:

- Logging calls received
- Liaison with other departments / organisations
- Monitoring of required works
- Raising of invoices
- Management Information

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

- The procedures in place for the Helpline function should be reviewed on a regular basis and the review should be evidenced. (2)
- All details regarding Mobile Support Officers' visits, including arrival and departure time should be recorded accurately on the Helpline Callout Monitoring Reports. (2)
- 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. (2)

322 – Insurances	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	10	Substantial	-	2	1	2

This audit has previously been undertaken as a Regularity Audit.

**Scope of Audit:** This review examined the following areas:

- Premiums
- Insurance claims
- Payments to claimants
- Recovery of monies due from the insurance company
- Access privileges
- Management information

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

- 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. (2) Not agreed – invoices are authorised appropriately.
- 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). (2)
- 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. (3)

353 – Management of Expenditure	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	13	Regularity	-	1	-	1

**Scope of Audit:** This review examined the following areas:

- Payments to CBH
- Supporting documentation, including sign off arrangements

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

- 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. (2)

401 – Bailiffs	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	7	Substantial	-	2	-	2

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

- Conditions of appointment
- Remuneration
- Collection rates and management information

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

- The quarterly meetings between the Enforcement Manager and the Bailiffs 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. (2)
- The issue of benchmarking information relating to the performance of the bailiffs should be raised with the Essex Recovery Managers group (ERMG). (2)

404 – Corporate Debt	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	10	Substantial	-	6	-	6

**Scope of Audit:** This review examined the following areas:

- Monitoring Arrangements
- Collation and Accuracy of Information
- Corporate Debt Make-Up
- Reporting Arrangements
- Debt Recovery Procedures

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

- The Corporate Debt Team's terms of reference should be finalised and formally approved. (2)
- Minutes or action points relating to the Corporate Debt Team's meetings should be routinely documented and shared. (2)
- Consideration should be given to maintaining a central database of debtors. (2)
- The performance of the Debt Clinic should be monitored. (2)
- 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. (2)
- Consideration should be given to using a selection of preferred debt collection agencies. (2)

405 – Booking of Public Premises	Days	Assurance Limited (First Audit)	Priority of Recommendations			Agreed
			1	2	3	
	7		1	3	-	4

**Scope of Audit:** The audit covered the following areas:

- Rates of Hire;
- Raising and Collection of Debts;
- Recording of Income;
- Recording of Bookings; and
- Management Information.

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

- Management should remind staff that the Council's standard booking form must be used on all occasions. (2)
- 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. (2)
- 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. (1)
- The access and update rights of staff no longer in employment must be removed from the Council's online booking system. (2)

407 – Secure Stationery	Days	Assurance Regularity	Priority of Recommendations			Agreed
			1	2	3	
	5		-	3	1	4

**Scope of Audit:** This review examined the following areas:

- Policies guidelines and procedures
- Authorisation of stationery orders
- Physical security of stationery
- Stock count arrangements
- Distribution of secure stationery
- Printing and designing arrangements

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

- All secure stationery stock receipts should be verified against the order raised by two separate officers. (2)
- 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. (2)
- Any obsolete stocks held should be destroyed, with the secure stationery register being appropriately updated. (3)
- The Scanning and Administration Team should ensure that all stock issues are appropriately signed for. (2)

408 – National Indicators	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	15	N/A	-	-	-	8

**Scope of Audit:** This review examined the following areas:

- Efficient and effective controls exist over the collection and calculation of performance indicators
- Appropriate source data is collected and the integrity is maintained
- Audit trails are appropriate and complete
- The performance indicators are reported as required in a timely and accurate manner and in accordance with Audit commission requirements

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

- NI 14 – The Council should investigate the possibility of making the account codes ‘avoidable’ and ‘unavoidable’ compulsory, so that calls cannot be closed without completion of this field.
- NI 154 – The possibility of producing system reports from the Council Tax system detailing all new properties, demolitions and conversions should 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.
- NI 184 – Copies of the system reports generated to produce the reported NI 184 – Food establishments within the area which are broadly compliant with food hygiene, should be retained. The manual forms completed by Inspectors during inspections should be fully completed in all cases. Both these points will assist with ensuring that the audit trail to support the NI declaration is robust.
- NI 185 – CO2 Reduction with local Authority Operators – the procurement exercise should be amended 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.
- NI 185 – A process should 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.
- NI 185 – 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.
- NI 185 – 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.
- NI 195 – Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting) – the query raised by the Street Care team Leader (requesting reports that provide detailed breakdowns of individual inspections ) should be taken up by senior management within the Council and pursued, in order to assist in progressing this and obtaining a response.

410 – Temporary Accommodation	Days	Assurance	Priority of Recommendations			Agreed
			1	2	3	
	5	Substantial	-	3	1	4

**Scope of Audit:** This review examined the following areas:

- Securing temporary accommodation
- Placing homeless people
- Monitoring residency and occupancy of temporary accommodation
- Processing payment
- Arrears recovery and write offs
- Management information and performance monitoring

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

- The procedures for temporary accommodation should be reviewed and updated to ensure that they reflect current working practices. (2)
- An allocations policy should be developed and made available to all relevant members of staff. (2)
- 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. (3)
- The former tenants 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. (2)

420 – Leisure World Cash Up	Days	Assurance Regularity	Priority of Recommendations			Agreed
			1	2	3	
	1.5		-	4	-	4

**Scope of Audit:** This review examined the following areas:

- Cash security
- Refunding cash through the till

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

- Management should undertake regular unannounced till checks and record in a log book when they are undertaken. (2)
- 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. (2)
- The cash handling memo should be updated to remind staff to include the original transaction number as opposed to “unknown customer”. (2)
- Customers should be reminded to retain the receipt for hired equipment and to produce it when the refund request is made. (2)



## Follow up of Previous Recommendations 1st Quarter Report 2009/10

## Appendix 2

### 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.

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

### Key issues to bring to the attention of the FASP

Outstanding recommendations that need to be brought to the attention of the Finance and Scrutiny Audit Panel those where the agreed deadline has passed. The recommendations for these areas are highlighted in the table below.

Significant issue have been raised with the Health and Safety, Museums - Merged Services, Treasury Management, Waste Management and Booking of Public Premises audits.

### Summary of Findings

Audit Area	Responsibility						
	Internal Audit			Council			
	Verified	Implemented to be verified	Due date not reached	Outstanding past due date			
		1	2	3	1	2	3
<b>2009/10</b>							
401 - Bailiffs	0	0	0	1	0	0	1
404 - Corporate Debt	0	0	0	4	0	0	2
405 - Booking of Public Premises	0	0	0	0	0	1	3
407 - Secure Stationery	0	0	0	3	1	0	0
408 - National Indicators	0	0	0	0	0	0	0
410 - Temporary Accommodation	0	0	0	1	0	0	3
420 - Leisure World Cash Up	0	0	0	0	0	0	4
<b>Total 2009/10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>13</b>

Audit Area	Responsibility							
	Internal Audit			Council				
	Verified	Implemented to be verified		Due date not reached	Outstanding past due date			
<b>2008/09</b>			1	2	3	1	2	3
302 - Anchor Trust	2	0	0	0	0	0	0	0
303 - Commercial & Investment Property	0	0	0	0	0	0	2	0
305 - Local Land Charges	0	0	0	0	0	0	4	0
306 - Petty Cash	2	0	0	0	0	0	0	0
307 - Transfer Incentive Scheme	3	0	0	0	0	0	4	2
308 - Alcohol Licensing	0	0	0	0	0	0	0	1
310 - Building Control Fees	0	0	0	0	0	0	2	2
311 - Benefits Investigation Team	0	0	0	0	0	0	1	0
312 - Benefit Overpayments	0	0	0	0	0	0	3	0
313 - Benefits	0	0	0	0	0	0	0	1
314 - Cash Office Procedures	0	0	0	0	0	0	2	0
315 - Construction Industry Scheme	1	0	0	0	0	0	1	0
319 - D-Cal	0	0	0	0	0	0	9	0
320 - Equity Share Scheme	1	0	0	0	0	0	0	0
321 - Highwoods Sport Centre	0	0	0	0	0	0	3	1
325 - Sickness Absence	0	0	0	0	0	0	4	0
327 - Food Control	0	1	0	0	0	0	5	0
329 - Freedom of Information Act	0	0	0	0	0	0	6	0
330 - Members Allowance	2	0	0	0	0	0	0	0
331 - Payroll	0	0	0	0	0	0	5	0
332 - Vending Machines	0	0	0	0	0	0	2	0
333 - Council Tax	0	0	0	0	0	0	4	1
334 - NNDR	0	0	0	0	0	0	5	1
335 - Treasury Management	0	0	0	0	0	1	1	0
340 - Waste Management	0	0	1	0	0	0	4	1
343 - Debtors	0	0	0	0	0	0	2	1
344 - Creditors	0	0	0	1	0	0	0	0
346 - Budgetary Control	0	0	0	0	0	0	1	0
347 - Risk Management	0	0	0	3	0	0	2	1
348 - VAT	0	0	0	0	1	0	0	0
349 - Landscape Management	0	0	0	0	0	0	5	1
351 - Corporate Governance CBH	0	0	0	1	0	0	1	1
353 - Management of Expenditure	0	0	0	0	0	0	1	0

Audit Area	Responsibility									
	Internal Audit			Council						
	Verified	Implemented to be verified		Due date not reached	Due date reached	Outstanding past due date				
<b>2008/09 (Cont'd)</b>				1	2	3	1	2	3	
501 - Housing Rents	0	0		0	0	0	0	0	1	1
<b>Total 2008/9</b>	<b>11</b>	<b>1</b>		<b>1</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>80</b>	<b>15</b>
<b>2007/08</b>										
201 - Inventories	1	0		0	0	0	0	0	3	0
202 - Electoral Registration	4	0		0	0	0	0	0	0	0
203 - Officers' Expenses	2	0		0	0	0	0	0	3	0
204 - Register of Interests, Gifts and Hospitality	0	0		0	0	0	0	0	2	0
205 - Financial Assistance Policy	3	0		0	0	0	0	0	1	0
206 - Right to Buy	3	0		0	0	0	0	0	2	0
207 - Emergency Planning	2	0		0	0	0	0	0	0	0
208 - Planning Fees, including S106 Agreements	1	0		0	0	0	0	0	0	0
209 - Council Mortgages	6	0		0	0	0	0	0	1	0
210 - Procurement- Marketplace	3	0		0	0	0	0	0	1	0
218 - Car Parking Income	4	0		0	0	0	0	0	4	0
219 - Health and Safety	3	0		0	0	0	0	0	1	0
228 - Corporate Governance	1	0		0	0	0	0	0	2	0
229 - Firstsite Newsite	0	0		0	0	0	0	0	4	0
231 - Renaissance Programme - Management Arrangement	0	0		0	0	0	0	0	2	2
233 - Museums - Merged Services	1	0		0	0	0	0	0	1	8
235 - Reprographics Contract	4	2		0	0	0	0	0	2	0
<b>Total 2007/08</b>	<b>38</b>	<b>2</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>35</b>	<b>2</b>
<b>Overall Total</b>	<b>49</b>	<b>3</b>		<b>1</b>	<b>14</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>128</b>	<b>17</b>

# 1st QUARTER REPORT 2009/10 - OUTSTANDING RECOMMENDATIONS

Business Unit	Ref	Audit	Assurance Level	Recommendation	Agreed	Priority	Due Date	Management Update
2007/08								
Resource Management	201	Inventories	-	Guidance should be provided by the Head of Resource Management to the Heads of Service in respect of the completion of and format of inventories.	Y	2	30-Nov-07	<b>Not Implemented.</b> The Council is currently undertaking a review of the inventories system. This should standardise the completion and format of inventories. <b>Revised implementation date: September 2008</b>
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	<b>Not Implemented.</b> The Council is currently undertaking a review of the inventories system. This should make the recording and updating of inventories easier. <b>Revised implementation date: September 2008</b>
Resource Management	201	Inventories	-	Inventories should be maintained, reviewed on a regular basis and updated, where appropriate.	Y	2	30-Nov-07	<b>Not Implemented.</b> There are current insurance issues with this. The Council review of the recording of inventories will help with this process. <b>Revised implementation date: September 2008</b>
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	<b>Not Implemented.</b> Testing found that some claims had not complied with the Council's Travel & Subsistence policy. Revised implementation date: January 2009. <b>Update March 2009:</b> Testing found that a claim did not comply with the 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.
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	<b>Not Implemented.</b> A sample of ten claims found that just four were appropriately authorised. 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. <b>Update - 16/1/09</b> - Some of the signatory list has still not been updated.
Corporate Management	203	Officers' Expenses	S	All claims should be authorised by the delegated officer within each department.	Y	2	31-Dec-07	<b>Update - 16/1/09.</b> For a sample of five claim forms tested, three had been appropriately authorised.
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	
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	<b>Not Implemented.</b> Reconciliations only carried out annually due to the difficulty in obtaining the required information. <b>Update March 2009:</b> New monthly reports for reconciliation in place, but not all the data is searchable. This should improve as the older grants and loans get paid. <b>IA June 2009</b> - No evidence retained in support of reconciliations that have taken place.
Life Opportunities	205	Financial Assistance Policy	S	Regular, more frequent, reconciliations should be undertaken between the Fiare system and the general ledger.	Y	2	15-Aug-07	
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	<b>Update - 16/1/09 Not implemented.</b> Policies and procedures have been updated but are not available via the intranet.
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	<b>Not Implemented Update - Testing found that rent account of one sold property had a balance of -356,91.</b>
Resource Management	209	Council Mortgages	S	A checklist should be set up for loan redemptions. The checklist should include items such as a check for additional loans and it must be fully completed and signed before the deeds can be returned to the owner.	Y	2	30-Jun-07	<b>Not Implemented</b> - as Gemini are now responsible for managing loan redemptions.
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	<b>Not Implemented</b> - 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.
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	<b>Not Implemented. Update - 16/1/09</b> Quarterly risk assessments are undertaken to review staff safety. However, the implementation of quarterly security reviews is still outstanding.
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	<b>Not Implemented.</b> 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.
Street Services	218	Car Parking Income	L	Variations in excess of £50 should be reported to the Audit and Risk Management Manager in line with procedures.	Y	2	30-Nov-07	<b>Not Implemented. Update - 16/1/09</b> 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.
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	<b>Update - 16/7/09</b> 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. <b>Update March 2009: Not Implemented.</b>

# 1st QUARTER REPORT 2009/10 - OUTSTANDING RECOMMENDATIONS

Business Unit	Ref	Audit	Assurance Level	Recommendation	Agreed	Priority	Due Date	Management Update
Street Services	218	Car Parking Income	L	Penalty Charge Notices cancellations should be independently reviewed / approved by management.	Y	2	30-Nov-07	<b>Not Implemented.</b> Testing found that Penalty Charge Notices (PCNs) had not been independently reviewed or approved by management, due to the volume of PCNs that are cancelled. Future implementation is uncertain. Case Officers are delegated the power to decide the outcome of appeals, therefore some review is undertaken. <b>Update - 16/1/09</b> Recommendation No Longer Agreed. Independent reviews / approvals are not performed due to the volume of PCNs that are cancelled. Case Officers have delegated power to decide the outcome of appeals therefore some review is undertaken. <b>Update 05/03/2009</b> - recommendation trialled, it was found that it created a lot of paperwork and required a lot of work. Audit stand by their recommendation as only a review by senior management is required: it does not change the fact that the paperwork required for cancellation has to be produced regardless of the checks.
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	<b>Not Implemented.</b> The Health and Safety Advisor advised that no structured training programme is in place or is likely to be put into place. Current training methods used by the Council, is to communicate developments in work practices to members of the Health and Safety Committee at their regular meetings, who then cascade the developments in their departments.
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	
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	
Corporate Management	228	Corporate Governance	S	It is recommended that the current training process be reviewed and consideration should be given to providing all members with regular (annual or bi-annual) compulsory training, in order to ensure that all members are able to discharge their duties effectively. It is further recommended that detailed records of all training undertaken be recorded and retained.	X	2	N/A	
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	
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	
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	
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	
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	
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	
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	
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	

# 1st QUARTER REPORT 2009/10 - OUTSTANDING RECOMMENDATIONS

Business Unit	Ref	Audit	Assurance Level	Recommendation	Agreed	Priority	Due Date	Management Update
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. The controls in place mainly apply to Colchester BC. Ipswich and Colchester are currently adapting to their merged status. Best practice is still being identified, until this is completed, procedures cannot be drafted and distributed. Update July 2009: During the 09/10 audit of Museums (ref 403) it was confirmed that some procedures had been drafted but had not been made available to staff. 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.
Street Services	233	Museums - Merged Services	L	The Museum Service should enquire of Financial Services as to whether they can have access to the general ledger and/or additional finance reports to enable them to reconcile takings on a daily basis.	X	1	N/A	This is not considered viable - to be amended to be a monthly reconciliation of the daily income to the ledger.
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.
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. Training is in progress. 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.
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. Training is in progress. Unique reference numbers have not yet been established. Update July 2009: No change.
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. Key register in place, review to ensure keys held by appropriate staff now carried out yet. Update July 2009: No further progress, will be re-visited in the audit of Museums - Merged Service, due later this year.
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	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
Street Services	233	Museums - Merged Services	L	Regular reviews should be undertaken of vending machine stock takings, profitability, etc. In addition, as the machines operate on a dual-level pricing system, the Museums Service should investigate with the suppliers the availability of information in order for reconciliations to be undertaken.	X	2	N/A	This is not considered viable. Update July 2009: During the 09/10 audit of Museums there was no evidence provided to demonstrate that the supplier had been approached for information on whether implementation of this recommendation would be viable or not.
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, testing found that many despatch notes and some documents were missing. 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.
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	
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	
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	
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	
Corporate Management	305	Local Land Charges	S	Management should consider monitoring the time taken to process land searches on an annual basis.	Y	2	31-Mar-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	31-Dec-08	
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	Ongoing	
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	31-Dec-08	
Resource Management	306	Petty Cash	S	The Council's Petty Cash Guidelines should be made available on the Council Intranet.	Y	3	30-Jun-08	

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Business Unit	Ref	Audit	Assurance Level	Recommendation	Agreed	Priority	Due Date	Management Update
Resource Management	306	Petty Cash	S	Once the guidelines have been placed on the intranet an email should be sent to all staff making them aware of this fact and drawing their attention to the key requirements of the guidelines.	Y	2	30-Jun-08	
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.
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 2009/09. There were plans to prepare the latest one for 2009/10 by the end of August 2009.
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 initiated and dated adequately.	Y	3	31-Jul-08	<b>Not Implemented.</b> 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.
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.
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.	N	2	01-Aug-08	
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.
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.
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	
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	
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	
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	
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	
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
Customer Services	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. Recommendation will be followed up during the next audit.

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Business Unit	Ref	Audit	Assurance Level	Recommendation	Agreed	Priority	Due Date	Management Update
Customer Services	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. Recommendation will be followed up during the next audit.
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	<b>Not implemented.</b> Not all reconciliations tested had been adequately signed off.
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	
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	
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	
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	
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	
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	
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	
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	
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	



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Business Unit	Ref	Audit	Assurance Level	Recommendation	Agreed	Priority	Due Date	Management Update
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	
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	
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	
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	
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	
Corporate Management	325	Sickness Absence	S	Where sickness is notified to the HR department by any form other than the electronic form 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	
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	
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	
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	<b>Not implemented.</b>
Environmental and Protective Services	327	Food Control	S	Management should ensure that reports reviewed to identify potential food businesses are maintained and signed-off on initialled by the reviewer.	Y	2	10-Oct-08	<b>Not implemented.</b> 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.
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	<b>Not implemented.</b>
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	<b>Not implemented.</b>
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	<b>Not implemented.</b>

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Business Unit	Ref	Audit	Assurance Level	Recommendation	Agreed	Priority	Due Date	Management Update
Corporate Management	329	Freedom of Information Act	S	Information Procedures should be finalised and approved.	Y	2	31-Dec-08	
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	
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	
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	
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	
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	
Corporate Management	331	Payroll	S	Upon successful adoption of the new self service software, the following will need to be ensured 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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
Corporate Management	331	Payroll	S	Emergency Payment procedures should be documented, clearly defined and include independent verification.	Y	2	31-Jan-09	Audit carried out annually. Recommendation will be followed up during the next audit.
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	
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	
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
Resource Management	333	Council Tax	S	A regular cycle of exempt property inspections should be completed.	Y	2	03-Nov-08	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
Resource Management	334	NNDR	S	Timely reconciliations between the NNDR system and the general ledger should be undertaken.	Y	2	03-Nov-08	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
Resource Management	334	NNDR	S	The Academy System should be fixed in order to enable reporting to the bailiffs.	Y	2	31-Dec-08	Audit carried out annually. Recommendation will be followed up during the next audit.

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Business Unit	Ref	Audit	Assurance Level	Recommendation	Agreed	Priority	Due Date	Management Update
Resource Management	334	NDR	S	A regular cycle of exempt property inspections should be completed.	Y	2	01-Jan-09	Audit carried out annually. Recommendation will be followed up during the next audit.
Resource Management	334	NDR	S	A review of charitable exemptions should be undertaken.	Y	2	03-Nov-08	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
Street Services	340	Waste Management	L	Pending undertaking a formal tender process, an agreement should be drawn up between the Council and Ioeni Secure Services Limited for the provision of waste services.	Y	2	31-Mar-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	
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	
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	
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	
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
Corporate Management	347	Risk Management	N/A	The monthly Aged Supplier Balances report should be signed-off by the officer responsible for reviewing it.	Y	3	31-Jan-09	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	Audit carried out annually. Recommendation will be followed up during the next audit.
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	
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	
Street Services	349	Landscape Management	S	All contract variations should be filed with the original contract.	Y	3	31-May-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	
Street Services	349	Landscape Management	S	Hire agreement forms should be annotated with the details of the invoices 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	
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	
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	

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Business Unit	Ref	Audit	Assurance Level	Recommendation	Agreed	Priority	Due Date	Management Update
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	
Life Opportunities	501	Housing Remits	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	Audit carried out annually. Recommendation will be followed up during the next audit.
Life Opportunities	501	Housing Remits	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	Audit carried out annually. Recommendation will be followed up during the next audit.
<b>2009/10</b>								
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	
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	30-Jun-09	
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	
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	
Life Opportunities	420	Leisure World Cash Up	N/A	Management should undertake regular unannounced till checks and record in a log book when they are undertaken.	Y	2	30-May-09	
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	
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	
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	

Audit commission Findings and Reconciliation	Agreed	Current Position
<p><b>Benefits Service Diagnostic</b></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>	<p>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. An easier way for people to claim CBC benefits via Jobcentre Plus (called In and Out of Work) goes live on the 28<sup>th</sup> September. Consultation with a new Customer Focus Group, run by both Benefits and the CSC, is in place.</p>
<p>SMART customer service standards should be developed in consultation with customers.</p>	<p>Yes</p>	<p>In progress. Corporate Service Standards have been reviewed and are being refreshed and will be referred to SMT for approval and publishing. Depending on the outcome the Corporate Standards may need to be further developed to be more focussed on benefit service delivery. Feedback will be tested from a customer point of view and at the conclusion of the review a Customer Service Standard Policy will be drafted.</p>
<p>The Benefits service should develop:</p> <ul style="list-style-type: none"> <li>• A better understanding of the reasons for its increasing caseload;</li> <li>• An understanding of the point at which its caseload will exceed its capacity and time to train assessment officers; and</li> <li>• 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.</li> </ul>	<p>No</p>	<ul style="list-style-type: none"> <li>• Eight temporary staff are now employed to meet the increased caseload (by 14% over the last year) and doubling of workload.</li> <li>• Staff have been employed within budget to meet workload in the short term, with the need to re-evaluate long term need (after March 2010) to decide how many staff to retain.</li> <li>• 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).</li> </ul>

Audit commission Findings and Reconciliation	Agreed	Current Position
<p><b>Colchester Visual Arts Facility</b></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	Completed. Jackson Cole has been appointed as Project Director and Mace as an Interim Project and Cost Manager to provide expertise in relation to project completion and procurement of relevant contractors.
<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	In progress. Significant cost review undertaken by Jackson Coles. Procurement process review has commenced. Interim Project and Cost Manager- Mace has been appointed and is charged with producing the final costed plan upon which procurement decisions will be made.
<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	Completed. Jackson Cole has issued an up to date Colchester Visual Arts Facility Risk Register. Register will be updated on a regular basis and mitigation actions are identified on the register.
<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	Ongoing. The internal project team meets monthly with the Executive Director, Project Director, Finance Manager, Cultural Services Manager, Communications Manager and Clerk of Works in attendance. Funders meetings take place on monthly basis. Project progress is also discussed at the monthly Renaissance Steering Group meetings.

<b>Audit commission Findings and Reconciliation</b>	<b>Agreed</b>	<b>Current Position</b>
<p>In order to ensure timely and cost effective completion of the Visual Arts Facility the Council and its funding partners should ensure that improvements to communication lead to the sharing of consistent and accurate information about the project both internally and externally.</p>	<p>Yes</p>	<p>On going. Portfolio Holder has been praised for sharing clear information externally. A Completion Coordinator has been brought in specifically to represent funders and to facilitate the exchange of information. 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"> <li>1. CBC holds fortnightly internal project meetings which include the Communications Manager, to help ensure consistent internal and external information</li> <li>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</li> <li>3. The Completion Coordinator leads communication at a strategic level as part of the core Funder's Group which meets monthly</li> <li>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. Every effort is made to ensure that the communication leads at each of the organisations is kept informed of progress on the project.</li> </ol>



## Finance & Audit Scrutiny Panel

Item  
**14**

22 September 2009

Report of

Head of Street Services

Author

Richard Walker  
Tel. 282708

Title

Review of the setting of parking service fees and charges

Wards  
affected

Not applicable

**To review the process for setting  
car parking fees and charges in Colchester**

### 1 Action required

- 1.1 The panel is invited to comment on the process for setting car parking fees and charges in Colchester and give an opinion on whether this methodology remains suitable for Colchester in the future.

### 2 Reason for scrutiny

- 2.1 The Finance and Audit Scrutiny Panel at its meeting on 30<sup>th</sup> June 2009 requested that a report was prepared looking at the process for the setting and raising car parking fees and charges.
- 2.2 Street Services raises significant levels of income for the authority through the setting of fees charged in the car parking service which supports the general fund.
- 2.3 The primary function of parking is not simply to raise revenue, but to support transport policy. The financial support of the revenue generated is of significant benefit, however this is subject to economic factors, and cannot be relied upon simply to increase year on year.
- 2.4 Car Park income is generated from the fees and charges levied to users and is generally reviewed and considered on an annual basis as part of the budget review process.



### **3 Background & Key Issues for Consideration**

- 3.1 Parking fees and charges are perceived by many to form a punitive measure to influence driver behaviour through setting appropriate parking charge levels. Designing effective parking charges is unquestionably a compromise.
- 3.2 In setting fees and charges, an authority must consider these **key points**:
- pursuance of policy objectives – see Appendix A;
  - influence of supply, demand and peak hours road traffic congestion;
  - being in support of town centre vitality and businesses
  - awareness of price elasticity and resistance to increases;
  - creating income to support the increasing costs of running and refurbishing car parks;
- 3.3 The combined challenges of supporting policy, tackling peak hour congestion and maintaining a vibrant town centre can be met by innovative thinking in the way the parking tariff is designed. Colchester has pioneered this approach.
- 3.4 Current comparative parking charges are shown in the Appendix C, along with national, regional and local policies.
- 3.5 The approach is to incorporate a ‘Core Tariff’ which those travelling in peak hours have to use, in conjunction with Special Offers off-peak when there is less pressure on the road network.
- 3.6 Fees and charges for parking are not set at business level, but at an appropriate level to support transport policy. Parking fees and charges at this appropriate level aim to curb inappropriate car use and, by providing alternatives according to the needs and reasons for parking, support and encourage different transport mode choices.
- 3.7 Off-Street parking fees and charges are subject to VAT and the way they are approached could influence any future determination of VAT free status (including any refund of VAT). The parking fees and charges are set independently of VAT level so that changes to the VAT rate will not directly influence the parking tariff.

### **4 Considerations in Setting Tariffs**

- 4.1 Making poor choices in tariff design and specification can clearly result in an adverse impact on the vitality of the town centre and result in negative financial implications for the Authority, so careful planning is required in the implementation of the financial model and future charging strategy.

- 4.2 Companies such as TRL Ltd produce comparative benchmarking tools for local authorities. Colchester once joined the scheme, but the statistics needed proved onerous to compile. It is recommended that the Parking Partnership with Braintree and Uttlesford builds on its resources and capacity, and once more considers joining such a benchmarking scheme.
- 4.3 Parking fees also support planning of Asset Management which includes the continuing funding required to allow the maintenance, improvement and possible expansion of car parks to recognised standards. This indicates how fees and charges will be used to help to support the development of the service and ancillary services such as Park & Ride.

## **5 Bringing about Tariff Revisions**

- 5.1 In order to make a change to the tariffs a change has to be made to the Parking Order (the regulations governing public car parks provided by local authorities). This is a reasonably short process, if only fees and charges are to be amended, as the usual method is to change the schedule of fees and charges.
- 5.2 This process requires advertising in local newspapers and signage on site for 21 days. The whole process (including machine tariff and signage changes) takes around 3 months.
- 5.3 The power to change tariffs is currently delegated to the Portfolio Holder for Street and Waste Services and the report to this person forms part of the process described above.

## **6 Current Methodologies & Parking Charges Strategy**

- 6.1 All parking fees and charges are within the remit of the authority, under the Road Traffic Regulation Act 1984, and are determined by a Portfolio Holder Decision.
- 6.2 The initial planning for future Fees and Charges Reports commences in summer for commencement in either January or April in the following calendar year. The advantage of a January start is that it can influence the current financial year (in-year).

- 6.3 The charges are determined by a number of factors (shown in no particular order):
- Inflation through the level of Retail Price Index (RPI) or Consumer Price Index (CPI)
  - Regional and National comparators;
  - Financial considerations, costs and income budgets;
  - Level of charges in related areas (e.g. Park & Ride);
  - Town centre vitality;
  - Trends in ticket sales and current income trend;
  - The need to balance demand and supply against capacity, projected capacity and the efficient turnover of spaces;
  - Data from the financial model; and
  - Local and National Transport Policy considerations – see Appendix A.
- 6.4 To determine the outcomes, the financial model can be used to estimate yields against a number of hypotheses from data available. The financial model uses linear regression based on past ticket sales data to predict the likely outcome of a selection of parking fees and charges, against a “do nothing” scenario.
- 6.5 In order to inform the model, a range of possible tariff increases is projected by adding an amount plus inflation year on year, adding inflation compound, or adding inflation plus a percentage. This is currently also projected over eight years to inform a “do nothing” scenario.
- 6.6 As an aside, it must be noted that small-number percentages on top of small figures are not generally reliable since coinage totals have to be rounded to the nearest 10p for reliable operation in electro-mechanical/electronic parking machines. Rounding down would produce no increase in some cases; rounding up would produce a different percentage increase.
- 6.7 Tariff data from a range of similar towns and cities (in terms of size, urban to rural area, and population) is maintained in order to inform the levels of fees and charges in similar locations – see Appendix C. To confirm the trends being felt, comparisons using benchmarking can be made through the East Anglian Parking Forum, or eventually the TRL research identified earlier.

- 6.8 The budgetary position is another factor, although it should not necessarily drive prices ever upward in order to fill an unassailable gap. Stakeholders like trade associations, major retailers and leisure service providers are invited to make submissions during the process and a representative focus group called “Choose Colchester” has been established. This aspect has informed and developed some of the off-peak special offers now in place.
- 6.9 There is a desire to encourage low-emission vehicles and especially build upon more off-peak usage where patterns do not add to congestion. The ‘Core Tariff’ is the underlying charging mechanism and the tariff used at all peak times. A series of ‘Lifestyle’ offers is encouraging people to travel off-peak.
- 6.10 Current policy is not to allow the Core Tariff to provide any offer attractive to additional coin use or peak hour travel. As an aside, cashless methods are the preferred channel for payment, and alternatives to coin payment are available in all car parks. It is hoped that a “pay your parking on account” system may be possible in future.
- 6.11 The range of special offers and the tariff generally will seek to encourage use of a greater proportion of low-emission vehicles (LEV), high-occupancy vehicles or ‘car sharing’ (HoV), off-peak usage, and promote other usage patterns designed to split the peak demands to increase capacity by more efficient throughput in parking space usage.
- 6.12 Finally, local, and national transport policy is taken into account. A twin approach to pricing is in place with short stay in the town centre for a higher turnover of shoppers spaces, where the most popular tariff has been the two-hour band, and long stay at the peripheral town car parks where space turnover is low and the demand for all-day parking is high. This approach allows differential charging in each type of car park, such that pricing decisions can support the policy, such as future Park & Ride.
- 6.13 The Council’s policy is to harmonise the charging structure providing a ‘Core Tariff’ around central, multi-storey, long stay and outer car parks with regard to the financial model and planning for the future including the effect of park and ride. This is applied alongside special offers designed to effect desired changes and respond to customer and market demands.

## **7 Special Offers and the “Lifestyle” Tariff**

- 7.1 Special offers are intended to encourage use of alternative technologies, such as the mobile phone parking system and other schemes under development, including pre-pay and smart cards, or credit card payment at the machine. Wherever possible, coinage use is being dissuaded as part of the strategy since coinage is expensive to insure, collect, transport, cashier and bank.
- 7.2 Special offers are designed to effect attitude change such as reducing coinage use by promoting the mobile telephone payment scheme, promoting low emission vehicle use, high occupancy vehicles, off-peak travel or to take pressure off car parks where demand occasionally exceeds supply.

## **8 Tariff Review Strategy & Future Policy**

- 8.1 The aim of the long stay charging strategy is to enable park & ride pricing to fit comfortably with the town centre tariff pattern, considering also the modal change to bus use required for ‘park & ride’, making this a more attractive ‘parking’ option to those most used to ‘park and walk’.
- 8.2 Following recommendations set out in the first Parking Development Plan, a future financial programme has been devised, which is intended to support the ultimate implementation of ‘Park & Ride’ and is intended to give some stability and direction to forecasting the tariff requirements. It is almost inevitable during this time that financial requirements, the economic climate and external factors will cause changes and so the programme, which forms but one part of the strategy.
- 8.3 The financial programme is kept under review, taking into account the cost of parking in local competing regional centres, comparable regional and national locations (a table of other locations is shown in the Appendix C). Also reviewed is the provision of spaces beside the performance of each site, and the views of local stakeholders alongside the nature and location of the car park in relation to other factors like long stay, short stay or “local amenity”/outlying district car parks.
- 8.4 There are three phases to tariff design: Setting the direction, ensuring good consultation and verifying and monitoring the chosen option range.
- 8.5 Option ranges for the coming years are given direction by the financial programme; each option is designed to be run through the financial model (as current at the time) in order to give a range of outcomes into the consultation phase. The financial model contains the current trends and ticket sales forecast that is used to provide final verification of the selected option, after consultation. Results here can then inform the budget process.

- 8.6 Long stay car parks are located generally farther outside the town centre core, or near railway stations, and all offer day rate parking and season tickets for commuters. Short stay car parks cater for the needs of shoppers and are nearer to the town centre, but are restricted by tariff or maximum stay restrictions to shorter stays. Outlying local amenity/district car parks tend either to be free of charge or have minimal charges in the tariff structure, depending upon the service provided, or other local circumstances. The Partnership has tourist areas within its boundary, and traffic flows can be an influencing factor in tariff design. A table showing the present tariff design follows:

<b>Area</b>	<b>Tariff</b>
Inner area short stay	£2.90 up to 2 hours
Outer area long stay	£4.90 per day
Outlying areas	Free (under review)
Other minor car parks	Free (under review)
Tourism area	Dependant upon local circumstances

## **9 Spatial Parking-type Split**

- 9.1 There is a spatial divide between the parking types (Long Stay vs. Short Stay) in Colchester and this is designed to support the policy objectives. There is also a split between the tariffs on offer Core Tariff (peak) vs. Off Peak Offers.
- 9.2 Parking types according to policy are split with different zones in existence for:
- short stays (principally off-peak) for shopping/visiting town centres; and
  - long stay principally day rate/season ticket workers/commuters parking and mixed uses.
- 9.3 Where tariffs in the car parks are tailored to specific parking types, it will be important to explain the differences between each type of provision carefully, since the customer could easily gain a perception that parking is unduly expensive if they choose to use the 'wrong' parking type for their chosen requirement/activity.
- 9.4 New tariff boards include poster cases for this purpose, and use will be made of the website to guide visitors to the most appropriate car park for their stay. In addition, the tariff lists on the shoppers' car parks give directions about long-stay parking choices and a map shows the location of other car parks.

9.5 As an example of the spatial separation of Long Stay and Short Stay provision split the details for Colchester are given diagrammatically in the Appendix 2.

9.6 Multi-storeys currently have a minimum 2 hour tariff band. Whether the multi-storeys should continue be “medium stay” or “short stay”, and consequently what the minimum tariff should be, is for discussion. Present systems can accommodate charging by the minute if necessary.

## **10 Strategic Plan references**

10.1 Parking fees and charges support the strategic priority of *Congestion Busting*.

## **11 Consultation**

11.1 The Council is required to consult with the County Council and inform it of any changes to car park tariffs.

11.2 The Council will consult with stakeholders, such as town centre traders' organisations.

11.3 Variation Notices to the parking tariff alone do not require any formal consultation.

## **12 Publicity considerations**

12.1 Making poor choices in tariff design and specification, or failing to clearly explain the need for changes can clearly result in an adverse impact on the vitality of the town centre and result in negative financial implications for the Authority.

12.2 The Council is required to consult with the County Council and inform it of any changes to car park tariffs.

12.3 The Council is required to publicise any changes to parking tariffs in a local newspaper and for 21 days by Notice on the affected car parks.

12.4 Publicity of the reasons for the tariff, the layout of the different offers, how to use them, and signage informing people of the process at the machine are all important considerations. These issues are covered more thoroughly in the comprehensive Parking Strategy, wherein there is a programme of improvements, especially with regard to information. An overview is given in Appendix D.

### 13 Financial implications

- 13.1 The financial significance of the car park service to the Colchester in providing income to support corporate objectives cannot be overstated. The car park service raises significant levels of income to support the general fund for the authority.
- 13.2 In order to explain the trends seen during the present economic conditions, a summarised position of the budget and outturn for the last financial year (2008/09) and the position for 2009/10 are shown below.
- 13.3 The table shows the budget and actuals to date and is split for each car park. A graphic representation of the variance of the budget shows more diagrammatically the influences of the changes in economic circumstances have had on the service, and how a planned reaction to the circumstances was made by adjusting the budgets accordingly.

#### Car Park Income by car park - 2008/2009

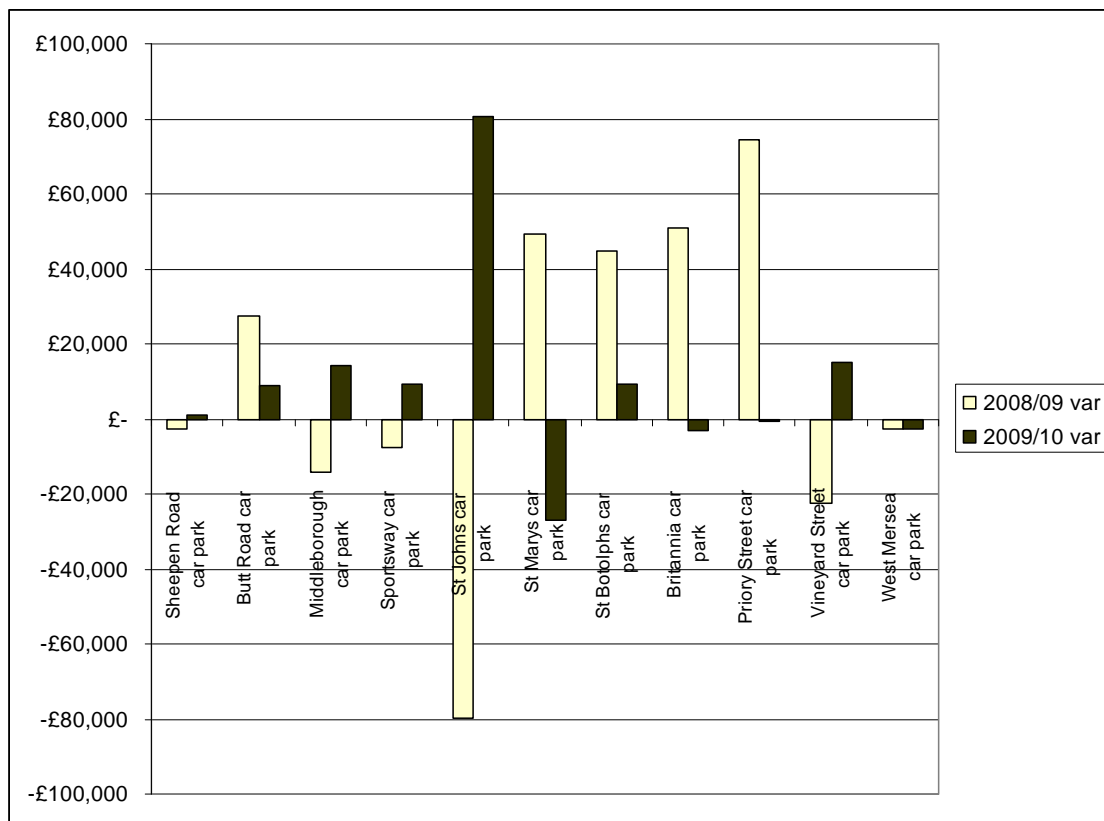
	ACTUAL	BUDGET	VARIANCE
General	- 2,048.08	-	- 2,048.08
Sheepen Road car park	- 152,692.00	- 150,200.00	- 2,492.00
Butt Road car park	- 133,665.78	- 161,000.00	27,334.22
Middleborough car park	- 255,278.94	- 241,200.00	- 14,078.94
Sportsway car park	- 32,227.17	- 24,700.00	- 7,527.17
St Johns car park	-1,164,420.33	-1,084,700.00	- 79,720.33
St Marys car park	-1,229,292.91	-1,278,700.00	49,407.09
Ticket machines	- 2,803.43	-	- 2,803.43
St Botolph's car park	- 150,085.95	- 195,000.00	44,914.05
Britannia car park	- 197,762.45	- 248,700.00	50,937.55
Priory Street car park	- 374,361.97	- 448,700.00	74,338.03
Vineyard Street car park	- 257,661.40	- 235,200.00	- 22,461.40
West Mersea car park	- 10,092.45	- 7,300.00	- 2,792.45
	<b>-3,962,385.46</b>	<b>-4,075,400.00</b>	<b>113,014.54</b>



### Car Park Income by car park - 2009/2010

CAR PARK	ACTUAL TO DATE	BUDGET TO DATE	VARIANCE TO DATE	BUDGET
General	- 53.27	-	- 53.27	
Sheepen Road car park	- 39,701.09	- 40,547.50	846.41	- 122,500.00
Butt Road car park	- 46,545.41	- 55,232.80	8,687.39	- 140,900.00
Middleborough car park	- 87,725.78	- 102,140.70	14,414.92	- 259,900.00
Sportsway car park	- 8,424.65	- 17,720.00	9,295.35	- 40,000.00
St Johns car park (see note)	- 448,082.07	- 528,860.20	80,778.13	-1,256,200.00
St Marys car park (see note)	- 482,454.13	- 455,621.60	- 26,832.53	-1,103,200.00
St Botolph's car park	- 51,863.48	- 61,332.40	9,468.92	- 143,300.00
Britannia car park	- 86,593.16	- 83,484.30	- 3,108.86	- 198,300.00
Priory Street car park	- 149,430.55	- 148,724.10	- 706.45	- 348,300.00
Vineyard Street car park	- 93,859.93	- 108,866.80	15,006.87	- 263,600.00
West Mersea car park	- 11,789.82	- 8,928.57	- 2,861.25	- 12,500.00
	<b>-1,506,523.34</b>	<b>-1,611,458.97</b>	<b>104,935.63</b>	<b>-3,888,700.00</b>

Note: VIREMENT TO BE MADE TO MOVE £80K BUDGET FROM ST JOHNS TO ST MARYS



## **14 Risk Management implications**

- 14.1 The increase in car park fees and charges over several years has been influenced by policies and the level of surplus required to balance the budget, whilst seeking to avoid increases above what the market will bear to maintain vibrancy. The differential between the off-street charging levels and the level charged in other competing, but comparable, centres has narrowed slightly over the past three years.
- 14.2 If this trend of increased tariffs were to continue, without improving the quality of the car parks on offer, then it is easy to believe it would have a negative impact on the decisions of customers considering visiting our town centres. The impact of “free” out of town shopping parking must not be underestimated in forming a perception amongst the public.
- 14.3 As a result, in the first Parking Development Plan the important step was taken of agreeing that a financial plan for the car park service would be established. That plan was based on financial modelling plus national and local policy backgrounds, and set out the anticipated level of fees and charges (including the expected levels of support for the general fund) for the coming years.
- 14.4 If the level of income to the general fund is to be maintained then the number of spaces, the condition of the car parks (particularly, but not exclusively, the multi-storeys) and the usage of each space all needs to be improved. An increase in the turnover, number, quality and usage of the off-street spaces will increase the level of income available to the Authority which can be used to support the General Fund and the development of the Parking Service.

## **15 Other Standard References**

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

## **Appendices**

Appendix A – Policy Background

Appendix B – Geographic split of parking types

Appendix C – Comparative parking charges

Appendix D – Summary of Parking Strategy and improvements

## Appendix A

# Policy Context

### National policy

The National policy context is set by the Operational Guidance to Local Authorities: Parking Policy and Enforcement document (published March 2008), which stated:

The ***Future of Transport*** White Paper, published in July 2004, set out a long term strategy for a modern, efficient and sustainable transport system backed up by sustained high levels of investment over 15 years. Effective management of the road network is a key part of this. The Traffic Management Act 2004 imposes an explicit duty on local [highway] authorities to manage their network so as to reduce congestion and disruption and to appoint a traffic manager.

The Act also provides additional powers to do with parking, including increased scope to take over the enforcement of driving and parking offences from the police. Parking policies need to be integral to a local authority's transport strategy.

The second edition of the Department's Full Guidance on Local Transport Plans, published in December 2004, says that local authorities should have policies aimed at tackling congestion and changing travel behaviour. These could include restricting and/or charging for car parking.

Discussions about parking tend to concentrate on enforcement. But all local authorities need to develop a parking strategy covering on- and off-street parking that is linked to local objectives and circumstances.

The legal framework for enforcement authorities in England comprises Part 6 of the Traffic Management Act 2004 and the regulations to bring Part 6 into effect. The TMA and the associated regulations have given to English authorities outside London many powers already available to authorities in London, giving greater consistency across the country while allowing for parking policies to suit local circumstances. The framework aims to make the system fair as well as effective.

## Local policy

On Local Policy, the Operational Guidance recommends:

Each local authority should have a clear idea of what its parking policy is and what it intends to achieve by it. This applies whether or not an authority is responsible for enforcement. They should appraise their policy and its objectives regularly. When setting and appraising the policy, an authority should take account of the:

- existing and projected levels of parking demand;
- availability and pricing of on- and off-street parking;
- justification for and accuracy of existing Traffic Regulation Orders; and
- accuracy and quality of traffic signs and road markings that restrict or permit parking.

Authorities should consult the public on their parking policies as they formulate or appraise them. They should seek the views of people and businesses with a range of different parking needs as well as taking into account the views of the police.

Once they have finalised their parking policies, they should make them available to the public. Explaining the context and the purpose of parking policies can increase public understanding and acceptance. It can even help public acceptance of enforcement.

Where possible, neighbouring authorities should work together to ensure a consistent approach to parking policy and its enforcement.

### **Parking provision in planning policy**

The Government's policy on parking provision is set out in Planning Policy Guidance Note (PPG) 13, Transport. Specific policy on parking provision for housing development is in Planning Policy Statement (PPS) 3, Housing.

The key thrust of the policy in PPG13 is that local authorities should use parking policies alongside other planning and transport measures to promote sustainable transport choices and reduce reliance on the car. To support this objective, PPG13 says that local authorities should not normally require developers to provide more spaces than the developer would want to.

Authorities should also encourage shared parking, particularly in town centres. Where appropriate, they should control on-street parking near major developments that have limited onsite parking but which generate lots of journeys. This will help to minimise the displacement of parked vehicles to the streets surrounding the developments.

PPG13 says that local authorities should set maximum levels of parking provision. Annex D of PPG13 currently sets out national maxima for a range of developments above certain thresholds. The Government is reconsidering the policy on car parking provision for commercial development.

PPS3 advises local planning authorities to develop parking policies for their plan area with local stakeholders and local communities having regard to expected car ownership for planned housing in different locations, the efficient use of land and the importance of promoting good design.

A good practice report by the Institution of Highways and Transportation, supported by the Department for Transport, advises local authorities on developing parking strategies. This includes advice on how much parking to provide.

## Other policies

### Local Development Framework

Full details of the Local Development Framework policy is given in the appendix. The thrust of the text, linking to pricing of parking, is repeated below:

The Council has influence over the provision of public car parking through the management and pricing structure of its car parks .

### Core Strategy

The strategy states that:

The Borough Council will maintain parking standards as set out in the LDF

### Local Transport Plan (Essex CC)

The County Council's Local Transport Plan (LTP) currently in its second edition (2006-2011) states that Essex County Council will:

"...continue to work in partnership with each District and Borough Council to develop coherent parking regimes to ensure that car drivers are encouraged to change their travel choices."

The borough aims to support the LTP Traffic Management Objective of

Tackling Congestion to reduce the rate and incidence of congestion and its effects on residents and businesses in Essex by effective Parking control and management

For interest, the LTP Traffic Management Strategy also includes for:

A review of parking restrictions to ensure that important traffic and busy corridors remain congestion free.

# Local Development Framework policy

## 5.6 Transport and Accessibility Policies

### TA5 – Parking

The Council will work with partners to ensure that car parking is managed to support the economy and sustainable communities. Facilities for freight and servicing will be accommodated.

**Within the Town Centre, long stay car parking will be reduced to discourage car trips that could easily be made by more sustainable modes. Short stay parking will be provided where necessary to facilitate the economic and social wellbeing of the Town Centre. Park and Ride will be provided to offer a more sustainable alternative to town centre car parking. Disabled, cycle and motorcycle parking will continue to be provided where appropriate.**

Development should manage parking to accord with the accessibility of the location and to ensure people-friendly streets environments. Within Centres and other accessible locations, car parking should be minimised and located underground, under deck and behind buildings. Redevelopment of existing surface car parking will also be encouraged to make efficient use of land and improve the townscape.

Business parking for staff, visitors and operational uses will be managed as part of company Travel Plans. Car free and low car development will be encouraged in the Town Centre. Residents parking schemes will be supported in areas where there is a high demand for onstreet parking. In areas where there is limited parking supply and good access to alternative transport, the introduction of a 'Car club' will be encouraged.

### Explanation

**At present there are 3400 short stay and 700 long stay public car parks in the Town Centre, plus a greater number of private non-residential parking spaces. Managing and limiting car traffic and parking in centres can have significant benefits for sustainable transport, the local community and the environment. Managing the supply of car parking is an important tool for managing traffic congestion. Reducing long stay car parking in the Town Centre would reduce traffic congestion in Colchester and encourage commuters to utilise sustainable alternatives, including Park & Ride.** Currently there is a one Lorry Park in Colchester Town Centre. Provision of freight servicing facilities in the right place can help keep the "right vehicles on the right roads"

There are some large areas of surface car parking in Colchester that are unattractive, exacerbate traffic, and make inefficient use of land. Redeveloping surface car parking to provide more shopping, employment, housing, and community facilities at these accessible locations can regenerate important parts of Colchester. The necessary parking can still be accommodated under ground, under deck and behind building frontages.

**The Council has influence over the provision of public car parking through the management and pricing structure of its car parks and through working with the operator of alternative car parks.** However there are also a large number of private non-residential parking spaces in the town centre. The provision of these spaces

encourages traffic to enter the Town Centre, where perhaps the journey could be made by alternative modes. Users of these car parks could benefit from company travel plans where all aspects of staff and visitor travel is explored.

**Car parking should be minimised in accessible locations where high quality alternatives are available.** Car free and low car development will be supported in the Town Centre, in coordination with public transport improvements. Car clubs provide another alternative that can help reduce car traffic. Members of the Car club will have access to a car for their journeys where alternatives are not an option. Cars supplied to members of the scheme would have priority parking spaces to help make the scheme attractive.

<p>Focus development at accessible locations which support public transport, walking and cycling, and reduce the need to travel. Provide excellent public transportation, walking and cycling connections between centres, communities and their needs.</p> <p>Develop Colchester as a Regional Transport Node, improving transport connections and gateways within the Borough and to the wider region.</p> <p>Improve the strategic road network and manage traffic and parking demand.</p>	<p>Comparison of long and short stay car parking demand and duration in public car parks in the Town Centre</p>	<p>Reduce the proportion of long stay in comparison with short stay parking (local indicator)</p>



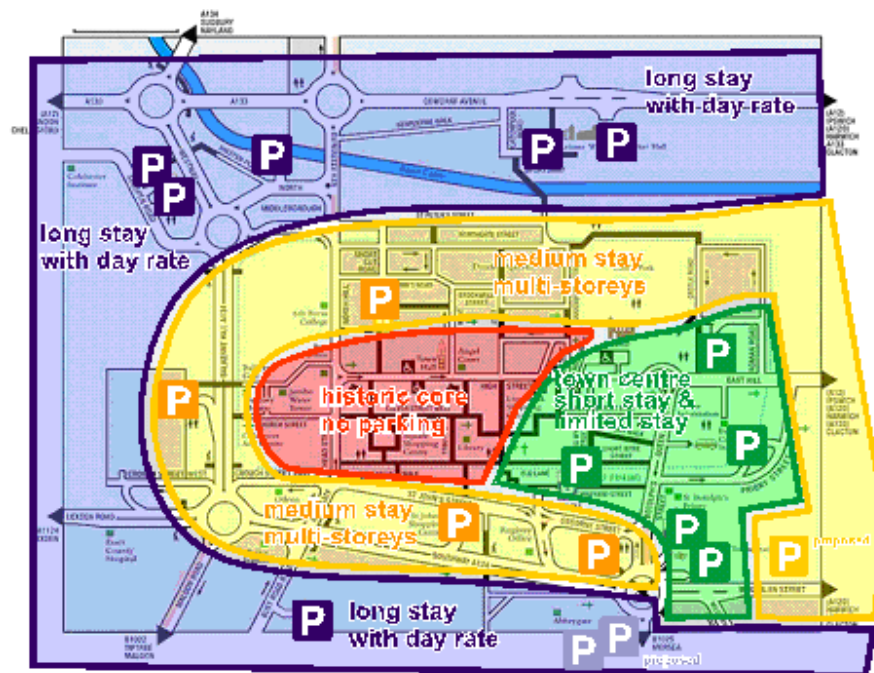
## Appendix B

### Plan of Spatial Parking-type Split

Parking types according to policy are split with different zones in existence for:

- short stays (principally of-peak) for shopping/visiting town centres; and
- long stay principally day rate/season ticket workers/commuters parking and mixed uses.

As an example of the spatial separation of Long Stay and Short Stay provision split, the details for Colchester are given diagrammatically, below:



## Appendix C

# Comparative parking charges (Jan 2009)

	Chelmsford	Peterboro'	Colchester 2008-09 (previous)	Ipswich Crown	Norwich	Ipswich P&D	Colchester existing	Colchester North Stn (NCP/ National Express)	Colchester Nunns Rd (NCP)	Colchester Osbourne St (NCP)	Cambridge Weekday	Cambridge Sat
30 min	0.90	1.00	0.50	0.80	1.40	n/a	0.90	Day rate and seasons only	n/a	n/a	n/a	n/a
1 hour	0.90	1.00	n/a	1.40	1.40	1.60	1.90 (new)		1.70	1.70	1.50- 1.60	1.60- 1.80
<b>2 hours</b>	<b>1.40</b>	<b>2.00</b>	<b>2.70</b>	<b>2.60</b>	<b>2.80</b>	<b>2.90</b>	<b>2.90</b> 2.70- 3.30		<b>2.80</b>	<b>2.80</b>	<b>3.00- 3.20</b>	<b>3.20- 3.60</b>
3 hours	2.20	3.00	n/a	3.80	4.20	4.40	n/a		5.50	3.40	4.50- 4.80	4.80- 5.40
4 hours	4.00	3.50	3.60	5.20	5.60	Maximum 3 hrs	3.90		5.50	3.40	7.50- 8.00	8.00- 8.80
5 hours	5.50	4.50	n/a	7.00	8.00		n/a		8.00	5.50	14.00- 14.50	15.00- 16.50
6 hours	6.50	5.00	6.10	12.00	15.00		6.90		9.00	5.50	19.00- 21.00	19.00- 21.00
9 hours	Maximum 6 hrs	Maximum 6 hrs	9.00	12.00	15.00		9.90		9.00	8.50	19.00- 21.00	19.00- 21.00
day			15.00	12.00	15.00		15.90		9.00	8.50	19.00- 21.00	19.00- 21.00
Long stay day	3.70	4.00	4.60	n/a	Not checked	4.40	4.90	5.50	9.00		Not checked	Not checked

NB - Colchester also has limited time off-peak offers:

"shop" 10am – 3pm £2; "enjoy" 3pm – late £2; "work" £2.90 daily, in certain car parks

2 hours is the most popular tariff

## Appendix D

# Summary of improvements from the Strategy Document

The Strategy Document outlines a programme of improvements to present better information in car parks.

A further sixteen individual improvements were made during 2008/09, and many further improvements are programmed.



**1: Signage, before and after:** Previously there was a clutter of jumbled signage without any clear usage information, simply a tariff list and a list of regulations.



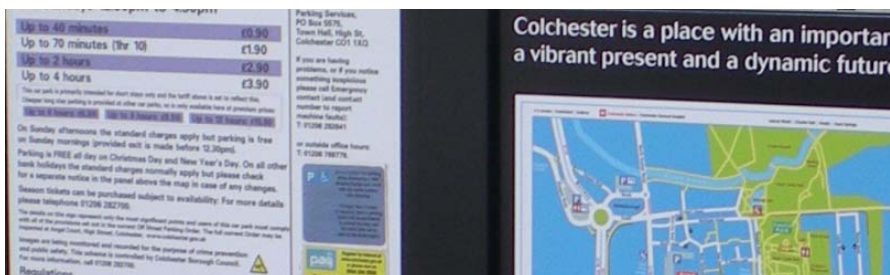
Now we welcome people to Colchester, tell customers about the town, inform them about the location and different car parks, and direct them towards points of interest. All this from a level access "Welcome Mat".

This was designed after consultation with mobility group Mobilise. The information is presented at a height that wheelchair-users can read.

Up to 40 minutes	£0.90
Up to 70 minutes (1hr 10)	£1.90
Up to 2 hours	£2.90
Up to 4 hours	£3.90
Up to 6 hours	£6.90
Up to 12 hours	£15.00

On Sunday afternoons the standard charges apply but parking is free on Sunday mornings (provided exit is made before 12.30pm).

**2: Tariff boards, before and after:** in short stay car parks there are two ways of limiting the maximum stay: either by capping the time available to purchase (say, to three hours) or to offer a full tariff, but place a penalty fee on longer stays.



The tariff board used to list all the tariffs available in a single column, but it was realised that

this may be affecting the perception of the price of parking (where people looked down the list and saw £15 at the end).

The fees beyond 4 hours in these car parks (stays which are not desired for the car park policy) are now in a separate section, which describes the parking type and where alternatives can be found. The map alongside gives more details. In addition, text explaining the use is given on the board. The new text reads: "*This car park is primarily intended for short stays only and the tariff above is set to reflect this. Cheaper long stay parking is provided at other car parks, so is only available here at premium prices.*"



## Finance and Audit Scrutiny Panel

Item  
**15**

22 September 2009

<b>Report of</b>	<b>Scrutiny Officer</b>	<b>Author</b>	<b>Robert Judd</b>
<b>Title</b>	<b>Work Programme 2009-10</b>		<b>Tel. 282274</b>
<b>Wards affected</b>	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. Alternative Options

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

### 4. Standard References

4.1 There are no policy plan references or financial, human rights, community safety and 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.

## Finance and Audit Scrutiny Panel

Incorporating Accounts and Regulatory Committee (A&R)

### **WORK PROGRAMME 2009-10** (last updated 3 September 2009)

#### **To be scheduled / amendments to WP**

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. Progress report on the Free Freighter Service – date to be arranged in 2010
4. Office of High Steward (A&R) – Added to meeting of 22 September 2009
5. Annual Governance Audit Report (A&R) deferred to 20 October, from 22 September.

#### **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 Revenue Expenditure, 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
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. Annual Governance Audit Report (A&R)
3. Risk Management period April to September
4. Annual Business Continuity Progress report
5. Grounds Maintenance Contract(s) tbc

#### **17 November 2009**

1. 2009-10 Internal Audit Monitor, period April to September
2. 2009-10 Revenue Expenditure, period April to September
3. 2009-10 Capital Monitor
4. 2009-10 Treasury Management Monitor

## **26 January 2010**

1. 2010-11 Budget Strategy
2. Treasury Management - Investment Strategy

## **23 February 2010**

1. Risk Management, period April to December
2. 2009-10 Revenue Expenditure, period April to December
3. 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. Use of resources statement 2009

