

Accounts and Regulatory Committee

**Town Hall, Colchester
24 July 2012 at 6.00pm**

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

Information for Members of the Public

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

Have Your Say!

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

Private Sessions

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

Mobile phones, pagers, cameras, audio recorders

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

Access

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

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**COLCHESTER BOROUGH COUNCIL
ACCOUNTS AND REGULATORY COMMITTEE
24 July 2012 at 6:00pm**

Members

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

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

Agenda - Part A

(open to the public including the media)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief.

Pages

1. Welcome and Announcements

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

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

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

2. Substitutions

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

3. Urgent Items

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

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any interests

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

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

5. Minutes

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To confirm as a correct record the minutes of the meeting held on 26 June 2012.

6. Have Your Say!

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

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

7. Draft Annual Statement of Accounts 2011/12

4 - 6

See report from the Head of Resource Management.

8. Exclusion of the public

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

ACCOUNTS AND REGULATORY COMMITTEE

26 JUNE 2012

Present :- Councillor Dennis Willetts (Chairman)
Councillors Ray Gamble, Glenn Granger,
Scott Greenhill, Marcus Harrington, Julia Havis and
Gerard Oxford

Substitute Members :- Councillor Lesley Scott-Boutell
for Councillor Theresa Higgins
Councillor Michael Lilley for Councillor Cyril Liddy
Councillor Nick Cope for Councillor Jon Manning

Also in Attendance :- Councillor Paul Smith

3. Minutes

The minutes of the meetings held on 24 January 2012 and 23 May 2012 were both confirmed as a correct record.

Councillor Scott Greenhill (in respect of his membership of Myland Community Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

4. Community Governance Review - Myland Community Council

Mrs. Amanda Chidgey, Democratic Services Manager presented the report on the Community Governance Review (CGR) for Myland Parish.

Mrs. Chidgey explained that the CGR report was about the outcome of the public consultation concerning a review of the Myland parish boundary. The review followed a request from Myland Community Council supporting a petition to conduct a CGR to change the boundary of Myland Parish by incorporating the area of New Braiswick Park and the unparished part of Bergholt Road.

The proposal was that the Myland parish boundary should include the defined unparished area identified on the map included in the agenda papers. If the Accounts and Regulatory Committee agree to the draft recommendations, Mrs. Chidgey explained that there will be a second period of consultation from which the proposal will seek final approval from the Committee at the September meeting. The reorganisation would then take effect from 1 April 2013.

Following an enquiry from Councillor Willetts with regards to why the Myland Parish boundary did not align with the A12 road, but reflected the field layout, Mrs. Chidgey indicated that she was unaware of any request to address this anomaly within the current proposals but would check the situation and confirm this detail with the Committee members.

Councillor Greenhill said the three Mile End Ward Councillors all supported the

recommendations within the CGR report.

RESOLVED that

- (i) The outcome of the initial consultation on the proposal that the Myland Parish boundary be amended to include the defined unparished area identified on the map at Appendix A(ii) be noted;
- (ii) In accordance with the appropriate Guidance, a further period of consultation be commenced and the outcome be reported to this Committee at its meeting on 25 September 2012.

5. Honorary Alderman

Mrs. Chidgey presented the report on the Appointment of Honorary Aldermen that requested the Committee to consider a proposition that former Councillors John Bouckley, Christopher Garnett and Henry Spyvee be appointed Honorary Aldermen.

Councillor Willetts said the three former Councillors are absolutely worthy of the honour. Councillor Harrington concurred, saying it was in recognition of their long length of public service. Councillors G. Oxford and Gamble also agreed with the previous speakers, saying they all thoroughly deserved the honour.

In response to Councillor Willetts and in respect of the Honorary Aldermen robes, Mrs. Chidgey said there are currently 20 Honorary Aldermen, five of whom are very unlikely to attend most civic events. In usual circumstances this will mean that the current stock of 16 robes held in the Town Hall would suffice. It was envisaged however, that most of the Honorary Aldermen would attend the special meeting of the Council.

The report explained that the Mayoralty Task and Finish Group recommended in December 2010 that in respect of future Honorary Aldermen ceremonies, that new Aldermen would meet the cost of any new robes, later confirmed by Mrs. Chidgey to be in the region of £1000 each. Councillor G. Oxford a member of the Task and Finish Group explained that this decision had been a cross party decision. Mrs. Chidgey confirmed that the Civic Fund Budget does not have sufficient funds to provide new robes, and this had been explained to the former councillors.

Councillor Harrington said he felt this was not in keeping with the honour given the long service of the former councillors. Councillor Smith, Portfolio Holder for Business and Resources said the Cabinet could consider funding the purchase of new robes in the future, but at present and given the financial pressures on public spending this was not currently possible and would send the wrong message to local people.

Mrs. Chidgey confirmed to Councillor Willetts that no charge was made to Honorary Aldermen for parking in the Town Hall car park.

RECOMMENDED that –

i) A special meeting of the Council be convened for the purpose of passing the following resolution:

“That in pursuance of the provisions of Section 249 of the Local Government Act 1972, this Council confers the title of “Honorary Alderman” on former Councillors John Gordon Bouckley, John Christopher Garnett and William Henry Forester Spyvee in recognition of their loyal and eminent service as Members of the Council and its constituent authority.”

(ii) An illuminated transcript of the resolution be given to each former Councillor concerned.

6. Governance Framework and Draft Annual Governance Statement

Ms. Hayley McGrath, Risk and Resilience Manager presented the Governance Framework and Draft Annual Governance Statement.

Ms. McGrath said the report was presented to the Committee, complying with the Accounts and Audit Regulations 2011, and the purpose of the review was of the system of internal control that assesses the Council’s compliance with the six principals of good corporate governance.

Ms. McGrath said the review had highlighted four areas of significant Governance risk, Vehicle Workshop, Contract Register, Parking Services and Corporate Debt. Ms. McGrath said appendix 2 of the report provided an Action Plan for 2012/13 for addressing the identified risks.

Ms. McGrath confirmed to Councillor Willetts that the Finance and Audit Scrutiny Panel would be provided with an update on the issues identified within the Statement, at the November meeting.

Mrs. Ann Hedges, Executive Director explained to the Committee the issues identified with the Vehicle Workshop could not be discussed at present due to an ongoing Police Investigation, that will shortly be heard by the Crown Prosecution Service. Details of the outcomes would be reported to the Committee at a later date. Mrs. Hedges said the report has highlighted the value and effectiveness of the Governance and auditing process, and senior officers continue to look at the lessons that can be learnt from the process.

RESOLVED that the Committee;

i) Considered and noted the review of the Council’s compliance with the six principles of good governance.

ii) Approved the Annual Governance Statement for 2011-12.



Accounts and Regulatory Committee

Item

7

24 July 2012

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

This report presents the Draft Statement of Accounts for 2011/2012

1. Decisions Required

- 1.1 To consider this report and supporting information relating to the pre-audit Statement of Accounts for 2011/12.
- 1.2 To note the internal briefing session for the Committee, and the deadline for approval of the audited accounts on 30 September 2012.

2. Procedure

- 2.1 The draft accounts were certified by the responsible financial officer on 30 June in accordance with the statutory deadline. The Accounts and Regulatory Committee are no longer required to approve the draft accounts. Instead this now happens when Members are aware of the findings of the audit and can make a better informed decision. However, it is suggested good practice to publish the draft Statement of Accounts on the Council's website, which would be in line with the Government's policy of increased transparency.
- 2.2 An internal briefing session for Members will take place prior to the Committee where Members are asked to approve the certified accounts. This has been arranged for 18:00 on 20 September 2012. This session will seek to explain the purpose of the main statements, and provide a broader understanding of the contents of the accounts. This, in turn, should enable Members approving the accounts to be satisfied that the presentation appears appropriate, and that the accounts are consistent with other financial information provided. Members are requested to advise of any particular areas of concern prior to this date so they can be addressed within the session.
- 2.3 The final accounts audit is due to commence at the end of July, and the External Auditor will report to the meeting of this Committee on 25 September. The report will address any matters arising out of the final accounts audit and comment on the proposed opinion on the accounts. The responsible financial officer must re-certify the presentation of the annual accounts before Member approval is given.
- 2.4 The Council needs to have secured approval and published the accounts with the audit opinion and certificate by the statutory deadline of 30 September 2012. The published statement, including the auditor's opinion, will then be reported to the meeting of the Committee on 16 October 2012.

3. Statement of Accounts 2011/12

- 3.1 The Statement of Accounts for 2011/12 has been prepared using the IFRS based Code of Practice on Local Authority Accounting in the United Kingdom 2011/12, and

the Service Reporting Code of Practice 2011/12. The 2011/12 code required councils to account for tangible and intangible heritage assets, which are those assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held, maintained and preserved principally for their contribution to knowledge and culture. The heritage assets which the Council holds are its collections of civic regalia, works of art, museum exhibits and Colchester Castle.

- 3.2 The following paragraphs explain the key areas of the Statement of Accounts, including the main financial statements:

Movement in Reserves Statement

- 3.3 This statement is a summary of the movements in the different reserves held by the Council. The reserves are analysed into usable reserves and unusable reserves. Usable reserves are those that can be applied to fund expenditure or reduce local taxation. Unusable reserves include reserves set-up to hold unrealised gains/losses and adjustment accounts that absorb the difference between the outcome of applying proper accounting practices and the requirements of statutory arrangements for funding expenditure.

Comprehensive Income and Expenditure Account

- 3.4 This statement consolidates all the gains and losses experienced by the Council during the financial year, and shows the increase/decrease in net worth of the Council as a result of incurring expenditure on its major functions, and generating income from the Collection Fund and from Central Government.

Balance Sheet

- 3.5 This statement summarises the Council's financial position at the year end. It shows assets and liabilities that the Council holds or has accrued with other parties. These are matched by the reserves available to the Council, which fall into two categories – usable and unusable.

Cash Flow Statement

- 3.6 This statement summarises the cash flows that have taken place into and out of the Council's bank accounts over the financial year. It separates the flows that have occurred as a result of the Council's operations, those flows arising from investing activities and those flows attributable to financing decisions made by the Council.

Housing Revenue Account Income and Expenditure Statement

- 3.7 This statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

Collection Fund Accounts

- 3.8 These accounts show the amounts involved in the collection and distribution of Council Tax and National Non-Domestic Rates. There is no Collection Fund Balance Sheet as balances are distributed across the Balance Sheets of the Billing authority, Government and Precepting authorities in accordance with the IFRS Code.

Group Accounts

- 3.9 These accounts bring together the financial position of the Council and its interest in Colchester Borough Homes Limited and Colchester Community Stadium Limited, together with the Port Health Authority and the various Trust Funds.

4. Strategic Plan References

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

5. Publicity Considerations

- 5.1 The accounts will be open for public inspection from Monday 23 July to Friday 17 August to meet our legal duties. The dates were advertised in the local press on 29 June and are shown on the Council's website.

- 5.2 Staff will be available to provide information and respond to questions during this period. The local press usually take the opportunity to view the accounts and information will be provided as appropriate.

6. Financial Implications

- 6.1 The approval of the Statement of Accounts meets a statutory requirement for financial reporting and is an important part of the process to demonstrate accountability in the use of public funds.

- 6.2 The Finance and Audit Scrutiny Panel receive periodic financial reports during the course of the financial year and an outturn report at year end. The pre-audit revenue and capital outturn results for the financial year 2011/12 were considered by the Panel on 26 June 2012.

7. Other Standard References

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

Background Papers

Available in the Members' Room, on the Hub, and on the Colchester Borough Council Website:

Draft Statement of Accounts 2011/12

