

# **Accounts and Regulatory Committee**

**Town Hall, Colchester  
25 September 2012 at 6.00pm**

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

# Information for Members of the Public

## Access to information and meetings

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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.

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**COLCHESTER BOROUGH COUNCIL**  
**ACCOUNTS AND REGULATORY COMMITTEE**  
**25 September 2012 at 6:00pm**

**Members**

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

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

**Agenda - Part A**

(open to the public including the media)

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

**Pages**

**1. Welcome and Announcements**

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

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

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

**2. Substitutions**

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

**3. Urgent Items**

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

**4. Declarations of Interest**

The Chairman to invite Councillors to declare individually any interests

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

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

## **5. Minutes**

**1**

To confirm as a correct record the minutes of the meeting held on 24 July 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. Results of consultation on proposal to change the name of Harbour Ward** **2 - 13**

See report from the Monitoring Officer.

**8. Annual Statement of Accounts** **14 - 16**

See report from the Head of Resource Management.

**a. Annual Governance Statement** **17 - 39**

See report from the Audit Commission.

Ms. Debbie Hanson, Officer of the Audit Commission will attend the meeting and present the Annual Governance Statement.

**9. Work Programme** **40 - 41**

See report from the Head of Corporate Management.

**10. 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

## 24 JULY 2012

*Present :-* Councillor Dennis Willetts (Chairman)  
Councillors Ray Gamble, Glenn Granger,  
Scott Greenhill, Julia Havis, Cyril Liddy and  
Jon Manning

*Substitute Members :-* Councillor Sonia Lewis for Councillor Marcus  
Harrington  
Councillor Nick Cope for Councillor Theresa Higgins

*Also in Attendance :-* Councillor Will Quince  
Councillor Paul Smith

### 7. Minutes

The minutes of the meeting held on **24 June 2012** was confirmed as a correct record.

### 8. Draft Annual Statement of Accounts 2011/12

Mr. Steve Heath, Finance Manager, presented the Draft Annual Statement of Accounts 2011/12, which provided an update on the current situation. Mr. Heath said there was no longer a need for the Committee to approve the draft accounts, though the Committee will be requested to approve the audited accounts in September.

Mr. Heath confirmed that following adverts in the local press in June the public inspection period had commenced and will continue until Friday 17 August.

Mr. Heath said a briefing session for all members on the audited accounts, will take place on 20 September, before the Committee approve the audited accounts on the 25 September.

*RESOLVED* that Committee:

- i) Considered the Draft Annual Statement of Accounts for 2011/12.
- ii) Noted the internal briefing session for the Committee and other members on 20 September 2012, and the deadline for approval of the audited accounts on 30 September 2012.



# Accounts and Regulatory Committee

Item  
**7**

25 September 2012

Report of	Monitoring Officer	Author	Andrew Weavers ☎ 282213
Title	Results of consultation on proposal to change the name of Harbour Ward		
Wards affected	Harbour		

**This report informs the committee of the results of the consultation on the proposal to rename Harbour ward**

## 1. Decision(s) Required

- 1.1 To note that the majority of respondents to the public consultation on the proposal to rename Harbour ward Old Heath ward were in favour of the name being changed.
- 1.2 To recommend to full council that it determines in the light of the results of the consultation with the residents of Harbour ward that it be renamed Old Heath ward.

## 2. Background

- 2.1 The Committee as part of its delegated authority from full council has the responsibility of making recommendations to Council on certain electoral matters. A proposal to change the name of a ward comes within this delegated authority.
- 2.3 At the meeting of the full council on 21 March 2012 the following motion was approved (min 60):

“That this Council:

  - (i) agrees to carry out a consultation with local residents to rename Harbour ward as Old Heath ward;
  - (ii) believes that giving this area its historic name would be in the interests of the Borough and in line with local public opinion;
  - (iii) agrees to carry out the consultation in a cost-effective and timely fashion.”
- 2.4 Section 59 of the Local Government & Public Involvement in Health Act 2007 enables the full council by resolution, to change the name of any of the authority's electoral areas. The Act requires the Council to take reasonable steps to consult such persons as it considers appropriate on the proposed name. Any resolution to change a ward name must be passed at a meeting specially convened for the purpose of deciding the resolution and the resolution must be passed by a majority of at least two thirds of the members voting on it.
- 2.5 The Act also requires that as soon as practicable after a resolution is passed, the Council must give notice of the change of name to all of the following:
  - (a) the Electoral Commission;
  - (b) the Boundary Commission for England;



- (c) the Office of National Statistics;
- (d) the Director General of the Ordnance Survey;
- (e) Essex County Council.

The change of name does not take effect until the Electoral Commission have been given notice of the change.

### 3. Consultation results

- 3.1 Following consultations with all Group Leaders it was agreed that the public consultation would take place after the Borough elections which were due to be held on 3 May 2012. In addition, due to the Police Commissioner elections being held in November 2012 the Council was required to bring forward the canvas of the electoral register to June.
- 3.2 In order to minimise costs it was agreed that the canvassers along with delivering the canvass forms to each household as part of the annual canvas, would at the same time deliver the consultation document. A return envelope was provided for both documents or residents were able to hand the consultation response in at the office. A web based consultation was considered but it was concluded that since the consultation was to be targeted to residents of Harbour ward, a hand delivered document was the most cost effective method.
- 3.3 The Consultation document attached to this report at Appendix 1 was delivered to all properties in Harbour ward in June 2012. The closing date for the consultation was 27 July 2012.
- 3.4 There are 2857 properties in Harbour ward. All responses were verified to ensure that the person returning the consultation document lived in the ward.

There were 504 responses received which amounts to a 18% return.

In favour of changing the name to Old Heath ward	In favour of retaining the name Harbour ward
392	111

There was one spoilt response.

- 3.5 The results indicate that 77% of those residents who responded were in favour of changing the name of Harbour ward to Old Heath ward. Comments received are detailed at Appendix 2.

### 4. Proposal

- 4.1 In view of the fact that there is already a special meeting scheduled for the full council meeting on 17 October 2012, it is proposed that this matter be determined by a special council meeting convened on the same day as on the scheduled meeting on 6 December 2012.
- 4.2 If the change is agreed the change of name would be included in the next version of the electoral register. Due to the introduction of individual registration the register is not likely to be published again until 2014.

## **5. Strategic Plan References**

- 5.1 The Council's commitment to listen and respond to our communities underpins the Council's Strategic Plan vision.

## **6. Financial Considerations**

- 6.1 The cost of the consultation amounted to £536.73. This comprised £195.81 printing costs and £340.92 delivery costs. The cost has been met from the electoral registration budget.

## **7. Equality, Diversity and Human Rights Implications**

- 7.1 No particular implications.

## **8. Publicity Considerations**

- 8.1 The change of name will be published on the Council's website and the necessary bodies informed as mentioned in the report.

## **9. Consultation Implications**

- 9.1 None other than included in this report.

## **10. Community Safety Implications**

- 10.1 None

## **11. Health and Safety Implications**

- 11.1 None

## **12. Risk Management Implications**

- 12.1 None.

## Colchester Borough Council

### Public Consultation with residents of Harbour Ward

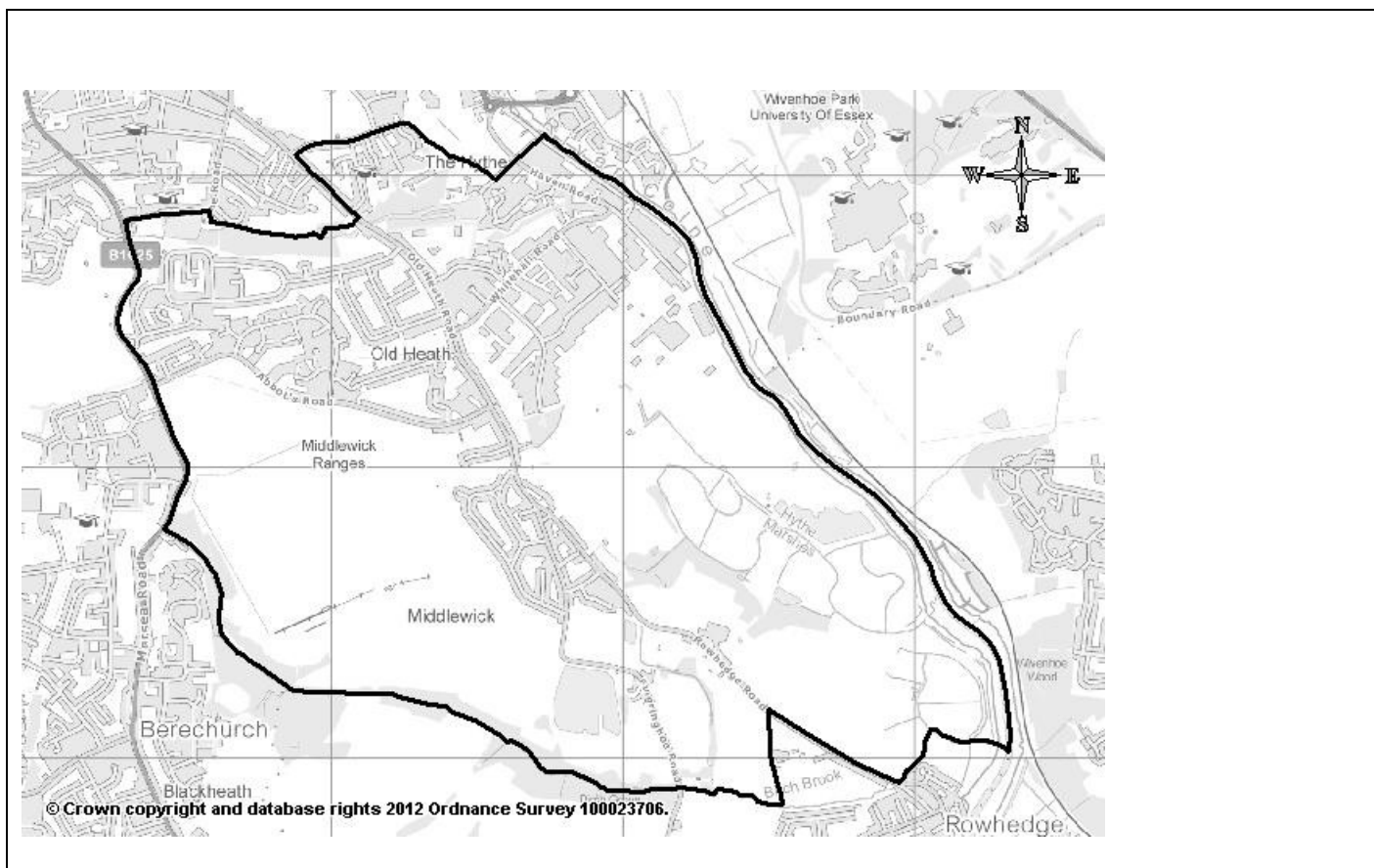
#### Background

At a meeting of the full council on 23 March 2012 the Council agreed that it would carry out a consultation with residents living in Harbour Ward to see if they were in favour of renaming the ward Old Heath Ward.

The reason for this proposed change is that the Council believes that giving this area its historic name would be in the interests of the Borough and in line with local public opinion.

The map below shows Harbour ward and as a resident, the Council would like to hear your views on this proposal.

To make your views known please complete and return this form in the either with your canvass form in the prepaid envelope provided or hand it in to the Council offices by **27 July 2012**.



#### What happens next?

The results of the consultation will be analysed and will be initially presented to the Council's Accounts and Regulatory Committee. The final decision will be taken at a full Council meeting in October 2012 where in order for the change to be agreed the proposal must be passed by a majority of at least two-thirds of councillors present and voting.



## Public Consultation with residents of Harbour Ward

Should the ward name be changed?

Current Ward Name: **HARBOUR**

Proposed Ward Name: **OLD HEATH**

Please return this form, or complete online at: [www.colchester.gov.uk/](http://www.colchester.gov.uk/)

	<b>Yes</b>	<b>No</b>
Harbour Ward <b>name should be changed</b>		
Comments/ suggestions		
Name:		
Address:		

Please return this form by 27 July 2012.

Colchester Borough Council, Rowan House 33 Sheepen Road, Colchester CO3 3WG

**Responses to Consultation on proposal to change the name of Harbour Ward**

<p>1) 'Old Heath' only brings negatives. 2) I am appalled that in present economic climate you are giving this idea any credence - the cost to undertake consultation etc as well as resultant costs to anyone o/s changing reference eg Police etc would be better. This is a ridiculous thing to have even started when money would be better spent elsewhere (my money/others money) eg come look at the pavement o/s my house - been like that for +6 years!! Surely you have better things to do with your time and taxpayers money? Leave it alone - making theme more appealing. I would have emailed in better format but assumed that would be ignored esp. as no email given. But I do my registration by phone/internet. This was not enclosed!</p>
<p>3 votes for change as 3 persons resident at this address.</p>
<p>A possible alternative could be 'Abbots Heath' (not original) Was mentioned in paperwork when we purchase our house.</p>
<p>A very good idea - what meaning did "Harbour" ever have?</p>
<p>A waste of money</p>
<p>A we live in Old Heath it should be called Old Heath. There is already a sign saying Welcome to Old Heath on Abbots Road.</p>
<p>A1 - should be Old Heath</p>
<p>After living here over 20 years it will always be Old Heath. I have never called it Harbour Ward, and never will.</p>
<p>Although I have no objection to the choice of name, I feel it is a large waste of resources to renew signs, letter headings, and official paperwork. Especially in these economic times.</p>
<p>Always known as Old Heath why change.</p>
<p>Always refer to the area as Old Heath.</p>
<p>Always referred to where I live as 'Old Heath'.</p>
<p>As much as I prefer it to be called Harbour Ward, I believe the younger generation might take more interest if called Old Heath, as they don't remember this area as a Harbour.</p>
<p>As residents on Barn Hall, we feel Old Heath is a separate area to us. Barn Hall is the forgotten estate.</p>
<p>As Scarletts Road has been in Harbour Ward ever since I have been a resident (ie 75 years) I see no reason to change this to Old Heath Ward. Perhaps someone could explain the reason for the change.</p>
<p>As the main area is in the catchment area of the main artery of the area (ie Old Heath Road) and the greater percentage is Heathland and marshes I believe this is the best name for the ward and most appropriate.</p>
<p>As the name suggests, Old Heath is built on the Old Heath and is not part of the Harbour as claimed on the sign at entrance to Abbots Road!</p>
<p>As this area is Old Heath it should have the correct name.</p>
<p>As we have no recognised Harbour can't see the point of calling it that.</p>

Changing name would cause confusion and waste time and money. Leave it as it is.
Colchester port has disappeared. Now you want to take the name associated with it away too. Harbour is historic so why not change Old Heath to Harbour Ward.
Complete waste of our money to change. Every person I've discussed this with in Harbour/Barn Hall area does not want to be in Old Heath, which is a distinct area.
Don't mind either way
Don't waste money on this type of consultation again.
Everybody knows Old Heath, and Harbour makes you think of coastline, we are not on any coastline.
Everyone knows the area as Old Heath. We have Old Heath School, Old Heath Post Office. Harbour means nothing to us now.
Everyone knows this area as Old Heath - nobody says they live in "Harbour" except Councillors. Well done.
Excellent idea so long as there is little or no cost in name change.
Fist thought - Speedwell Road, and 'The Bell' Public House is Old Heath. Many years ago. All that area. My view not necessary or essential to change.
area should be changed.
Good idea.
Harbour , I should imagine, originates to when we had an active Harbour for boats. The Romans did very well with the water, today our powers that be have decided it was to be non-active - just an old night-ship (static).
Harbour could be more for 'The Hythe'. Old Heath is Old Heath and the new proposed name would be ok. It would not confuse people
Harbour sounds like a fishing port, but it's not.
Harbour ward reflects the history of the area.
Harbour was possibly because of the Hythe and boats. No boats now so why not Old Heath!!! P.S. No pre-paid envelope enclosed in Voter Registration form envelope!!!
Has always been known as Old Heath to us.
Have lived here 16 years and have never understood the HARBOUR thing! I always use Old Heath, there's a sign stating that as you turn into Abbots Road.
HYTHE means safe harbour and HARBOUR WARD includes both HYTHE and OLD HEATH. It would be a pity to forget the harbour here now it is no longer registered as a port - 40 years ago Whaley Road, Bridgefield Gardens and Greenstead Road voted at Easterwall School - all in Harbour Ward.
I always call the area I live in as Old Heath.
I am closer to Old Heath than any Harbour.
I do not favour this proposed change, because it seems to me that only the central part of the ward, along Old Heath Road, is really 'Old Heath'. If a change is really necessary, why not use the parish name, St Barnabas, as the church is right in the middle?

I full heartedly support this change - I love this part of the town and it's history.

I have always known this area to be Old Heath.

I have lived in Harbour Ward for 53 years:- therefore if the name were changed I think this would be confusing to the electorate, who have always known it as HARBOUR WARD.

I have lived in Old Heath for many years, and have always called it Old Heath. Harbour sees a strange thing to call it, and I would never call it that.

I have lived in Old Heath for over 33 years, as Old Heath is a large area as has a number of amenities ie shops, grocers, P/Office, school etc

I have lived in this area for only a year and half and have always referred to where I live as Old Heath never Harbour.

I like Old Heath

I think it should be left as it is. We are near the Harbour so leave it as it is.

I think it would be a waste of money. I always say I live in Old Heath anyway, so a change would be irrelevant.

I think it's a waste of money. There must be many more uses for the money spent on asking what people think - we are in a recession!

I think people know where Old Heath is and see a difference between Mersea Road and Old Heath. Living just off Abbots Road I always think of myself living "off Mersea Road" - not in Old Heath.

I think that originally the correct name of the area was "Old Hythe" .

I thought it was already called Old Heath?!? That's what most people refer to it as, so yes good idea - change it.

I was born in Old Heath Road and could never understand why it was never called Old Heath.

I would like it to be Old Heath

I'd rather use the money spent on this pointless exercise on more important things! Police, NHS etc - what a waste of my tax!!

If changed to 'Old Heath Ward' it would be easily confused with the name of the other neighbourhood Old Heath. But if Old Heath is part of Old Heath Ward, then the name should be changed perhaps a ??? No confusion would exist in this case.

I'm 86 - cannot see a harbour here? Enough said.

I'm not sure how much difference a name change will make and wonder how much this consultation is costing the taxpayer.

I'm on the boundary of New Town by one window in my flat.

In view of current economic climate I think money should be spent on something more needed!! Not very resourceful at present!

Indicates area more effectively as new name.

It do not matter what it is called. What a waste of money this is.

It has always been known as Old Heath.

It is more like to oldest recorded town. Historical value must be honoured.

It is the name everyone knows the area and makes sense.

It makes more sense

It makes sense as the area is know as Old Heath.

It makes sense at the end of Abbots Road. It says Old Heath in big words.
It seems to make sense to change the name to Old Heath Ward.
It will cost us rate payers:- Don't mend it's not broken. I suggest you put this idea to bed forever.
It would be appropriate to be called Old Heath, more in with the times no-one knows when called Harbour.
I've always lived in Old Heath.
Jordan Newell's campaign has been great! He's my local hero.
Just another political nonsense.
Leave Harbour Ward as Harbour Ward because Barnhall is not part of Old Heath.
Leave it as Harbour it has been know as this for years and it is a waste of time and money to change it.
Leave it as it is.
Like to the same.
Makes sense, there is no Harbour now.
Most of the area is away from the Harbour which is much unused.
Moved to Colchester in September, proud to be living in Old Heath.
No need.
Not really. Because it could confuse me as I know it now.
Old Heath has always been known as Old Heath to most residents so it should have it's old name back.
Old Heath
Old Heath
Old Heath
Old Heath
Old Heath is fine
Old Heath is good.
Old Heath is how Colchester thinks of this area.
Old Heath is only part of this ward - the ward extends from almost the outskirts of Rowhedge to the recreation ground. Harbour is historic and covers the whole area.
Old Heath' is the logical name as there is no longer a 'Harbour'!
Old Heath' is what we've always known it al and would like to continue to do so.
Old Heath please
Old Heath sounds better and is probably more relevant. What costs would be involved in changing name, though?
Old Heath sounds better than Harbour.
Old Heath sounds better.



Old Heath the right name.
Old Heath Ward is the appropriate name for the area.
Old Heath Ward. Do not know why called Harbour Ward.
Old Heath was originally "Old Hythe".
Old Heath was the name from c1311 until it's change to Harbour in ??? 20 21 century. We are simply putting it back to it's original name!
Old name has never really been relevant to most ward residents.
Or Old Heath Harbour Ward
Our history and traditions are very important even more so to a historical town like Colchester.
Please do not allow my address to be sold on to other people.
Prefer it as it is Mersea Road not Old Heath.
Probably a better description of the area now we have no harbour! It would be nice to have had the work 'Hythe' in it though.
Proposed ward name Old Heath
Providing there is little cost involved.
Perhaps they could be split into two separate wards? I have always known this area as Old Heath.
Really have no views regarding changing the ward name but always refer to where I live as Old Heath.
Seems sensible as the area is Old Heath.
Should be named to say a reflection on the Garrison.
Since there are now 'Welcome to Old Heath' signs, why not re-name it?
Smelly Ward/Pothole Ward/Sewage Farm Ward/Middlewick Ward/Bypass Ward/Derelict Ward/Dilapidated Ward/Roadflood Ward
The area is known as old Heath to all the locals.
The area should be called Old Heath!!
The current name is descriptive and relevant.
The harbour has also been important to the town and nearby areas in Colchester history and fee it's importance should be maintained for the area.
The money it will cost to do this change should be spent elsewhere ie on worthwhile causes and also dredging the river at the Hythe and making the area a better place to live. It's a pointless needless exercise.
The name "Old Heath Ward" more nearly represents the character of the area.
The name of the ward must be come from name of the place.
The name OLD HEATH conjures up community and warmth - which we have experienced since moving here in 2001. Whereas when we asked what area Harbour Ward covered - no one knew!
The name would be more representative of the area.
The sign's put up state we are in Old Heath area.

The tenancy should have it said.
The ward area is comprised of Old Heath and it seems somewhat arbitrary to have named it anything else.
This has been Harbour Ward all the years we have lived in it (50 plus) and we have never heard anyone object to that name. Costs will have been involved in the voting and further costs if there is any change. We would much prefer this money to be spent on filling potholes in the ward and stopping the floodings in Haven Road.
This is a pointless exercise and all it will do is cost money.
This is no longer a Harbour as such so it should be named after the main area.
This is not the time to spend taxpayer's money on irrelevancies.
This would be a gross misuse of public money. The ward is by the 'ancient port' and describes the historical basis perfectly accurately. Besides surely 'Harbour' is the best name if ever the boundary were to deviate again away from Old Heath?
To keep something in Colchester with it's historical name, to many are losing the history.
To Old Heath
To Old Heath
To us it has always been Old Heath.
Try also consulting us on the more important issues, like housing and proposed changes to the Town Centre. There should not be another situation such as the VAF debacle.
Two people living at this address. Two ticks!
We have lived in Old Heath for 30 years and for most of this time the area has been Harbour Ward why change now.
We have lived over 30 years in the area and the community know "Old Heath" as always and will do with legal change of name or not. Please stop wasting our Council Tax. Use it to improve the present bus station in town and reopen the café in waiting room.
We live in Old Heath therefore we should be called Old Heath ward.
We should stay with the historic name of Harbour Ward.
We still have a Harbour of sorts so why change
We think this is a much nicer name than just Harbour.
We think this is good idea.
What a complete waste of time, money and resources that will make no difference whatsoever. In a time of recession throughout Europe stop wasting time and money on pointless drivel and do something with your time that matters.
When people ask you where you live we don't say Harbour Ward it's Old Heath always has been and it always should be. I have lived here since 1962 and I'm proud to be known as an Old Heath resident.
Why bother!
Why change for the sake of change?
Why change the name of an area for Voting?

Why doesn't Tim Young change his ward's name and keep out of HARBOUR
Why not change it to Old Heath Harbour
Why waste time and money change a name?
Why? The cost of changing all the stationery, letterheads, IT, software etc etc alone make it questionable.
Will the name change alleviate the traffic chaos or the flooding and putrid smell in Haven Road? Stop wasting Council Tax Payers money on things of no real benefit to those of us who live in the ward!
William Jolliffe wants new name Old Heath. Annie Marie wants Harbour.
Yes for a more interested name.



## Accounts and Regulatory Committee

Item

8

25 September 2012

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

**This report provides comments on the Auditors' report on the Statement of Accounts for 2011/12.**

### 1. Decisions Required

#### 1.1 To:-

- Accept the Auditors' report,
- Note the comments in this covering report,
- Approve the letter of representation, and
- Approve the audited Statement of Accounts.

### 2. Auditors' Annual Governance Report

2.1 The pre-audit Statement of Accounts (SOA) was certified by the responsible financial officer on 29 June in accordance with the statutory deadline. A report was presented to this Committee on 24 July highlighting the availability of the draft accounts, summarising the main changes in the Code of Practice on Local Authority Accounting in the United Kingdom 2011/12, and explaining the key financial statements.

2.2 The time allowed for members of the public to inspect the accounts has now ended and the final accounts audit is nearly complete. The issues raised during the audit have been discussed with the District Auditor and dealt with, and the Statement of Accounts is being agreed. The presentation of the Auditors' report to those charged with governance is the final stage in the process to approve the Council's Statement of Accounts.

#### Financial Statements

2.3 The District Auditor anticipates being able to issue an unqualified Opinion that the accounts give a true and fair view of the Council's financial position as at 31 March 2012 (Draft independent auditor's report, Appendix 1) by the statutory deadline of 30 September. In keeping with the usual practice the published statement, including the Auditor's opinion, will be submitted to the Committee following conclusion of the audit.

2.4 The Audit Plan identified four specific significant risks that are shown on pages 6 and 7. The Auditors' testing has not identified any significant issues, and does not raise any concerns over our accounting treatment of these areas. The report also states that the audit has not identified any weaknesses in internal control that might result in a material error in the financial statements.

2.5 The audit identified a small number of disclosure and consistency errors within the accounts that have all been amended. No material errors were identified, and there were no errors identified during the audit that have not been adjusted.

- 2.6 There was one amendment to the draft accounts that were certified in June 2012 that is mentioned in the Auditors' report and letter of representation. As a result of accounting for donated Property, Plant and Equipment assets retrospectively in the 2010/11 comparatives, the Council is required to disclose a Balance Sheet at the start of the earliest comparative period (ie 1st April 2010) to comply with the requirements of the Code of Practice and International Accounting Standards. The accounts have been amended to include a third balance sheet, and notes have been updated where necessary to include additional information on the opening balances.
- 2.7 In line with International Standards of Auditing, the Audit Commission requests a general letter of representation in support of the SOA. This provides assurance about the information within the SOA and any issues that could arise between the end of the financial year and the conclusion of the audit. A draft of the letter required is set out in Appendix 2 to the report, which will be signed by the Section 151 Officer.

### **Value for Money**

- 2.8 The Auditor proposes issuing an unqualified value for money conclusion prior to the statutory deadline of 30 September. The conclusions against each of the relevant Value for Money criteria are shown on pages 9 to 11 of the report.

### **3. Joint Committees**

- 3.1 The Colchester and Ipswich Museum Service Joint Committee (JMC) was formed with Ipswich Borough Council on 1 April 2007, and the North Essex Parking Partnership (NEPP) replaced the previous parking partnership on 1 April 2011 to provide both on and off-street parking services for a number of authorities within Essex.
- 3.2 Colchester Borough Council is the lead authority for both Joint Committees and all financial transactions are recorded in our accounts. However, as the Joint Committees were established under Sections 101 and 102 of the Local Government Act 1972, they are required to produce annual returns that are subject to a limited assurance audit. The draft accounts for 2011/12 were submitted to both Joint Committees for approval prior to the statutory deadline of 30 June. The audited returns will be reported to future meetings of the Joint Committees.

### **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 were open for public inspection from Monday 23 July to Friday 17 August to meet our legal duties. This had been advertised in the local press, on the Council's website and through social media.

### **6. Financial Implications**

- 6.1 The approval of the audited 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.

## **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**

#### **Attached to this report:**

Annual Governance Report

#### **Available on the Council's website:**

Draft Statement of Accounts 2011/12 (updated)

Annual Statement of Accounts – Report to Accounts and Regulatory Committee on 24 July 2012.

# Annual governance report

Colchester Borough Council

Audit 2011/12



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# Key messages

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**This report summarises the findings from the 2011/12 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.**

## Financial statements

My audit of the 2011/12 financial statements is substantially complete. Following member approval of the final version of the financial statements and receipt of the letter of representation, I propose to issue an unqualified opinion.

- The Council has produced a good quality and timely set of IFRS-compliant accounts. The working papers supporting the accounts were of good quality, as in previous years.
- A prior period adjustment in respect of donated assets required a third balance sheet under the Code of Practice and International Accounting Standards. The Council have now included this in the final version of the financial statements.
- A small number of other amendments were made to the accounts as a result of my audit. There is no impact upon the level of general fund reserves as a result of these changes.

## Value for money (VFM)

I have concluded the Council has put in place adequate arrangements to secure financial resilience and secure economy, efficiency and effectiveness in its use of resources. I therefore plan to issue an unqualified VFM conclusion.

# Before I give my opinion and conclusion

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**My report includes only matters of governance interest that have come to my attention in performing my audit. I have not designed my audit to identify all matters that might be relevant to you.**

## **Independence**

I can confirm that I have complied with the Auditing Practices Board's ethical standards for auditors, including ES 1 (revised) - Integrity, Objectivity and Independence.

I am not aware of any relationships that may affect the independence and objectivity of the Audit Commission, the audit team or me, that I am required by auditing and ethical standards to report to you.

The Audit Commission's Audit Practice has not undertaken any non-audit work for the Authority during 2011/12.

## **I ask the Audit Committee to:**

- take note of the adjustments to the financial statements included in this report (page 5); and
- approve the letter of representation (appendix 2), on behalf of the Council before I issue my opinion and conclusion.

# Financial statements

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**The Council's financial statements and annual governance statement are important means by which the Council accounts for its stewardship of public funds. As elected Members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.**

## **Opinion on the financial statements**

Subject to satisfactory clearance of outstanding matters, I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.

The finance team have been very helpful and timely in answering audit queries and I would like to thank the Council for their help throughout the audit.

## **Corrected errors**

I identified a few errors in the financial statements (other than those of a trivial nature) and reported these to management. No material errors were identified and the errors that were identified mainly related to text in the disclosure notes.

The accounts were also amended to include a third balance sheet as at 1 April 2010. This change was required because the Council had made a prior period adjustment (totalling £2,468k) to the property, plant and equipment balance in the accounts. Where material prior period adjustments are made, the Code of Practice and International Accounting Standards require a third balance sheet to be included. The accounts and respective notes have been updated to include this information.

Management have corrected for all errors. None of the errors identified had any impact on the level of general fund reserve.

## **Significant risks and my findings**

In planning my audit, and reported to you in my Audit Plan, I identified specific risks and areas of judgement that I have considered as part of my audit. These are set out below.

Table 1: Risks and findings

Risk	Finding
<p><b>Heritage Assets</b></p> <p>The 2011/12 Code adopts the requirements of FRS 30 Heritage Assets. There is a risk that the Council may be unable to identify and account for all heritage assets in accordance with the requirements of FRS30 and the Code.</p> <p>A heritage asset is a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. For Colchester Borough Council, this is likely to include your Civic Regalia, Castle Museum and the Museum Artefacts.</p>	<p>I evaluated the management controls you have in place to recognise and value heritage assets and undertook testing to ensure heritage assets are disclosed in accordance with FRS 30 and the Code, and the financial statements are materially accurate.</p> <p>My testing has not identified any significant issues to bring to your attention.</p>
<p><b>New IT system</b></p> <p>The new e-procurement module came into effect in late 2010/11 and as a result was immaterial to warrant detailed systems testing as part of our 2010/11 audit.</p> <p>2011/12 represents the first full year of operation of the new system, which integrates with the ledger and purchase ledger modules.</p>	<p>I have documented and walked through the system, assessed management controls and performed detailed controls testing, relying on the work performed by Internal Audit where this was possible.</p> <p>My testing has not identified any significant issues to bring to your attention.</p>
<p><b>HRA reform</b></p> <p>The government plans to reform local Council housing finance by adopting a self-financing model from 1 April 2012. This will be through a one-off settlement payment to or from central government on or before 28 March 2012. This will adjust the HRA debt of the Council. Payments from government will in most cases be used to redeem an equal percentage of all PWLB debt held by the Council. Due to the complexity, magnitude and timing of the HRA reform there is risk that the financial statements will be materially misstated.</p>	<p>I have evaluated the transactions required in the accounts and have agreed the settlement payment to the DCLG notification.</p> <p>My testing has not identified any significant issues to bring to your attention.</p>

## Risk

### FirstSite : Visual Arts Facility (VAF)

The VAF was opened to the public in September 2011 and will be leased out to the FirstSite organisation over a period of 40 years. This is likely to result in a material lease arrangement, and presents a risk that the financial statements will be materially misstated.

## Finding

I evaluated the management controls in place to recognise leases and undertook testing to ensure leases are disclosed in accordance with accounting standards and the Code, and the financial statements are materially accurate.

My testing has not identified any significant issues to bring to your attention.

## Significant weaknesses in internal control

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. My responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

I have tested the controls of the Council only to the extent necessary for me to complete my audit. I am not expressing an opinion on the overall effectiveness of internal control. I have reviewed the Annual Governance Statement and can confirm that:

- it complies with the requirements of CIPFA/SOLACE Delivering Good Governance in Local Government Framework; and
- it is consistent with other information that I am aware of from my audit of the financial statements.

I have not identified any weaknesses in the design or operation of an internal control that might result in a material error in your financial statements of which you are not aware. I have not provided a comprehensive statement of all weakness which may exist in internal control, nor of all improvements which may be made. I have addressed only those matters which have come to my attention because of audit procedures I have performed.

## Other matters

I am required to communicate to you significant findings from the audit and other matters that are significant to your oversight of the Authority's financial reporting process including the following.

- Qualitative aspects of your accounting practices
- Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions.
- Other audit matters of governance interest

I have no matters I wish to report.

## Whole of Government Accounts

Alongside my work on the financial statements, I also review and report to the National Audit Office on your Whole of Government Accounts return. As at 11 September 2012 I have not completed the procedures specified by the National Audit Office. I expect to complete my report by 30 September 2012.



# Value for money

**I am required to conclude whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is the value for money conclusion.**

I assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against the two criteria specified by the Commission. My conclusion on each of the two areas is set out in the table below.

Overall, the Council's arrangements are sound and, although the current financial position is finely balanced, this continues to be proactively managed. The Council continually challenges spending on delivery of services, identifying areas where effective action can be taken and ensuring they provide best value for money, and has a good track record of delivering savings through Fundamental Service Reviews and other initiatives.

I intend to issue an unqualified conclusion stating that the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of its resources. I include my draft conclusion in appendix 1.

Table 2: Value for money conclusion criteria and my findings

Criteria	Findings
<p><b>1. Financial resilience</b></p> <p>The organisation has proper arrangements in place to secure financial resilience.</p> <p>Focus for 2012/13:</p> <p>The organisation has robust systems and processes to manage effectively the financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</p>	<p>The Performance Management Board and member scrutiny panels continue to provide the framework for making and reviewing financial decisions. The budget is a standing item on the Leadership Team's monthly agenda, and is considered in more detail at the quarterly Budget Group meetings. The Group provides the opportunity to explore issues in more detail including linkages with the strategic plan and other areas of work. There is good understanding and routine challenge of financial assumptions and performance.</p> <p>Cabinet are provided with a clear budget strategy, Medium Term Financial Forecast (MTFF) and financial monitoring reports on a regular basis. There is a clear budget timetable which involves all necessary groups.</p>

Good systems, processes and controls are in place, including and effective risk management systems. The budget and MTFF are underpinned by the Strategic Plan priorities and seek to preserve and shift resources where needed to these priorities. The Council has a good track record of achieving financial balance through robust monitoring and challenge of overspends on budgets or non-delivery on agreed savings as well as through delivering savings using Fundamental Service Reviews (FSRs) and other initiatives. Management continue to closely monitor budgets to identify actions to reduce the areas of overspend as well as identify areas for further savings.

For 2011/12, there was a clear savings and efficiency plan to deliver the budget, which included almost £3.6 million of savings or additional income. These savings have either been delivered or other compensating savings or additional income has been achieved. The final out-turn position for 2011/12 shows a net underspend of £196k and the Council's general fund balance at the end of 2011/12 was £300k above the minimum £1.5 million recommended by the Section 151 officer (after adjusting for £3.1m to support the 2012/13 budget). The 2012/13 budget is based on making savings or increased income of £1.7 million and the Council is currently projecting an underspend of £74k. The forecasted underspend mostly reflects lower costs of borrowing due to timing of capital schemes, funding decisions and the current strategy. These underspends offset the forecasted overspend in service budgets.

The Council continues to face significant financial pressures from cuts in government funding and the continuing difficult economic climate. Work on the detail of the 2013/14 budget has already started and further potential savings have been identified. The Council is considering options to respond to the proposed welfare reform changes, including the localisation of council tax support, as well as changes in business rates, both of which could also impact on the Council's financial position.

## 2. Securing economy efficiency and effectiveness

The Council continually monitors performance, and challenges spending on delivery of services, identifying areas where effective action can be taken and



## Criteria

The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

Focus for 2012/13:

The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

## Findings

ensuring best value for money is being achieved. In recent years, this has been done through the FSR process and detailed consideration of the MTFF. The FSR process analyses why and how a service is provided, identifies the scope for making efficiencies and then tracks how these are achieved. Recent FSRs have included:

- Street services – additional savings of £276k planned for 2012/13;
- Revenues and benefits – additional savings of £132k planned for 2012/13; and
- Sports and leisure – savings of £201k planned for 2012/13.

In all cases, further savings are anticipated beyond 2012/13, and will be actively monitored by the Council as part of the continuous monitoring of budget and progress against the MTFF.

The next planned FSR is the Universal Customer Contact (UCC), which will focus on three core areas, namely:

- Customers (i.e. front of house interaction with the public)
- Community (i.e. service delivery)
- Commercial (i.e. making the most of assets, taking advantage of income streams)

Given the comprehensiveness of the FSRs completed to date, the Council may find it more difficult to identify the same levels of savings in future FSRs without significant investment to realise the longer term benefits and planned efficiencies.

The procurement strategy stresses partnership and collaboration, local trade, equality and diversity and sustainability. The Council is a member of the Essex procurement hub, which enables them to access specialist support and knowledge and increased buying powers. Several procurement exercises achieved savings in 2011/12, with the largest being the ICT partnership with Braintree, Rochford and Castle Point which resulted in savings of £450k for Colchester in the first year, rising to potentially £600k by year five.

# Fees

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## I reported my planned audit fee in the 2011/12 Audit Plan.

I will complete the audit within the planned fee.

Table 3: Fees

	Planned fee 2011/12 (£)	Expected fee 2011/12 (£)
Audit	132,573	132,573
Claims and returns	55,174	55,174
Non-audit work	0	0
<b>Total</b>	<b>187,747</b>	<b>187,747</b>

The Audit Commission has paid a rebate of £10,606 to reflect attaining internal efficiency savings, reducing the actual net amount payable to the Audit Commission to £121,967.

# Appendix 1 – Draft independent auditor’s report

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## INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF COLCHESTER BOROUGH COUNCIL

### Opinion on the financial statements

I have audited the financial statements of Colchester Borough Council for the year ended 31 March 2012 under the Audit Commission Act 1998. The financial statements comprise the Authority and Group Movement in Reserves Statement, the Authority and Group Comprehensive Income and Expenditure Statement, the Authority and Group Balance Sheet, the Authority and Group Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

This report is made solely to the members of Colchester Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

### Respective responsibilities of the Chief Financial Officer and auditor

As explained more fully in the Statement of the Chief Financial Officer’s Responsibilities, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority and Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the financial position of Colchester Borough Council as at 31 March 2012 and of its expenditure and income for the year then ended;
- give a true and fair view of the financial position of the Group as at 31 March 2012 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

### **Opinion on other matters**

In my opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

I report to you if:

- in my opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- I issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- I designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- I exercise any other special powers of the auditor under the Audit Commission Act 1998.

I have nothing to report in these respects

## **Conclusion on Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources**

### **Respective responsibilities of the Authority and the auditor**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

I am required under Section 5 of the Audit Commission Act 1998 to satisfy myself that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

I report if significant matters have come to my attention which prevent me from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. I am not required to consider, nor have I considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

### **Basis of conclusion**

I have undertaken my audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2011, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for me to consider under the Code of Audit Practice in satisfying myself whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

I planned my work in accordance with the Code of Audit Practice. Based on my risk assessment, I undertook such work as I considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

### **Conclusion**

On the basis of my work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2011, I am satisfied that, in all significant respects, Colchester Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

### **Certificate**

I certify that I have completed the audit of the Authority and Group accounts of Colchester Borough Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Debbie Hanson  
Officer of the Audit Commission

3<sup>rd</sup> Floor  
Eastbrook  
Shaftesbury Road  
Cambridge  
CB2 8BF

30 September 2012

# Appendix 2 – Draft letter of management representation

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## Colchester Borough Council - Audit for the year ended 31 March 2012

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Colchester Borough Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2012.

### **Compliance with the statutory authorities**

I have fulfilled my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice on Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position and financial performance of the Authority, for the completeness of the information provided to you, and for making accurate representations to you.

### **Supporting records**

I have made available all relevant information and access to persons within the entity for the purpose of your audit. I have properly reflected and recorded in the financial statements all the transactions undertaken by the Council.

### **Irregularities**

I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud or error. I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements;
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others; and



- the results of our assessment of the risk the financial statements may be materially misstated as a result of fraud.

### **Law, regulations, contractual arrangements and codes of practice**

I have disclosed to you all known instances of non-compliance, or suspected non-compliance with laws, regulations and codes of practice, whose effects should be considered when preparing financial statements.

Transactions and events have been carried out in accordance with law, regulation or other authority. The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance.

All known actual or possible litigation and claims, whose effects should be considered when preparing the financial statements, have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

### **Accounting estimates including fair values**

I confirm the reasonableness of the significant assumptions used in making the accounting estimates, including those measured at fair value.

For financial asset and liability accounting estimates, I confirm:

- the appropriateness of the measurement method, including related assumptions and models, and the consistency in application of the method;
- the assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the Council, where relevant to the accounting estimates and disclosures;
- the disclosures relating to the accounting estimate are complete and appropriate under the Code; and
- that no subsequent event requires the Authority to adjust the accounting estimate and related disclosures included in the financial statements.

### **Contingent liabilities and provisions**

There are no other contingent liabilities and provisions, other than those that have been properly disclosed and recorded in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.



### **Interest in Companies**

I confirm that I have disclosed details to you of all companies the Council either owned, or owned a share of, between 1 April 2011 and the current date. I have appropriately accounted for and disclosed such companies and the associated transactions in accordance with the requirements of the Code.

### **Completeness of asset register**

I confirm that all assets that pertain to the Council are included in the fixed assets register and appropriately accounted for within Property Plant and Equipment in accordance with the requirements of the Code.

### **Related party transactions**

I confirm that I have disclosed the identity of Colchester Borough Council's related parties and all the related party relationships and transactions of which I am aware. I have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the Code.

### **Subsequent events**

I have adjusted for or disclosed in the financial statements all relevant events subsequent to the date of the financial statements.

### **Comparative financial statements**

A restatement of £2,468k was made to correct a misstatement in the prior period financial statements. This affects the comparative information in the 2011/12 financial statements for Property Plant and Equipment and Unusable Reserves. Written representations previously made in respect of the prior period remain appropriate.

Signed on behalf of Colchester Borough Council

I confirm that the this letter has been discussed and agreed by the Accounts Regulatory Committee on 25 September 2012

Signed

Sean Plummer

Chief Financial Officer

Date

# Appendix 3 – Glossary

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## **Annual Audit Letter**

Letter issued by the auditor to the Authority after the completion of the audit that summarises the audit work carried out in the period and significant issues arising from auditors' work.

## **Annual Governance Report**

The auditor's report on matters arising from the audit of the financial statements presented to those charged with governance before the auditor issues their opinion [and conclusion].

## **Annual Governance Statement**

The annual report on the Authority's systems of internal control that supports the achievement of the Authority's policies aims and objectives.

## **Audit of the accounts**

The audit of the accounts of an audited body comprises all work carried out by an auditor under the Code to meet their statutory responsibilities under the Audit Commission Act 1998.

## **Audited body**

A body to which the Audit Commission is responsible for appointing the external auditor.

## **Auditing Practices Board (APB)**

The body responsible in the UK for issuing auditing standards, ethical standards and associated guidance to auditors. Its objectives are to establish high standards of auditing that meet the developing needs of users of financial information and to ensure public confidence in the auditing process.

## **Auditing standards**

Pronouncements of the APB that contain basic principles and essential procedures with which auditors must comply, except where otherwise stated in the auditing standard concerned.

**Auditor(s)**

Auditors appointed by the Audit Commission.

**Code (the)**

The Code of Audit Practice for local government bodies issued by the Audit Commission and approved by Parliament.

**Commission (the)**

The Audit Commission for Local Authorities and the National Health Service in England.

**Ethical Standards**

Pronouncements of the APB that contain basic principles relating to independence, integrity and objectivity that apply to the conduct of audits and with which auditors must comply, except where otherwise stated in the standard concerned.

**Financial statements**

The annual statement of accounts that the Authority is required to prepare, which report the financial performance and financial position of the Authority in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice on Local Authority Accounting in the United Kingdom.

**Group accounts**

Consolidated financial statements of an Authority and its subsidiaries, associates and jointly controlled entities.

**Internal control**

The whole system of controls, financial and otherwise, that the Authority establishes to provide reasonable assurance of effective and efficient operations, internal financial control and compliance with laws and regulations.

**Materiality**

The APB defines this concept as 'an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. A matter is material if its omission would reasonably influence the decisions of an addressee of the auditor's report; likewise a misstatement is material if it would have a similar influence. Materiality may also be considered in the context of any individual primary statement

within the financial statements or of individual items included in them. Materiality is not capable of general mathematical definition, as it has both qualitative and quantitative aspects’.

The term ‘materiality’ applies only to the financial statements. Auditors appointed by the Commission have responsibilities and duties under statute, as well as their responsibility to give an opinion on the financial statements, which do not necessarily affect their opinion on the financial statements.

### **Significance**

The concept of ‘significance’ applies to these wider responsibilities and auditors adopt a level of significance that may differ from the materiality level applied to their audit of the financial statements. Significance has both qualitative and quantitative aspects.

### **Those charged with governance**

Those entrusted with the supervision, control and direction of the Authority. This term includes the members of the Authority and its Audit Committee.

### **Whole of Government Accounts**

A project leading to a set of consolidated accounts for the entire UK public sector on commercial accounting principles. The Authority must submit a consolidation pack to the department for Communities and Local Government which is based on, but separate from, its financial statements.

If you require a copy of this document in an alternative format or in a language other than English, please call:  
**0844 798 7070**

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2012

September



# Accounts and Regulatory Committee

Item  
**9**

25 September 2012

Report of	Head of Corporate Management	Author	Robert Judd Tel. 282274
Title	Work Programme 2012-13		
Wards affected	Not applicable		

**This report sets out the 2012-13 work programme for the Accounts and Regulatory Committee and Finance and Audit Scrutiny Panel**

## 1. Decision Required

1.1 The Committee is asked to consider and note the 2012-13 work programme.

## 2. Reason for Decision

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

## 3. Outstanding items, with review dates if confirmed

### i) The financial impact of a new Park and Ride Scheme

This review is in hand, with a review date to be agreed.

### ii) firstsite

Members will be notified once a future review date is agreed.

### iii) Waste Collection and Recycling

This review has been scheduled for the meeting on 16 October 2012.

### iv) Service Level Agreement to manage the Abbots Centre

Follows on from November 2011 review of decision COM-004-11 Activity Centres.

This item is deferred from 25-Sept-12 pending further consultation, date tbc.

## 4. Work Programme

### 4.1 26 June 2012

1. Honorary Alderman (A&R)
2. Myland Community Governance Review (A&R)
3. Annual review of the Governance Framework and 2011-12 Statement (A&R)
4. 2011-12 Revenue Expenditure Monitoring Report
5. 2011-12 Capital Expenditure Monitoring Report

### 4.2 24 July 2012

1. Draft Annual Statement of Accounts (A&R)
2. 2011-12 Internal Audit Report
3. Annual Report on Treasury Management
4. 2011-12 Risk Management Summary & Strategy Review

### 4.3 21 August 2012

1. 2012-13 Revenue Expenditure Monitoring Report, period April to June
2. 2012-13 Capital Expenditure Monitoring Report, period April to June

### 4.4 25 September 2012

1. Annual Statement of Accounts (A&R)  
Briefing, 6pm Thursday 20 September 2012
2. Annual Governance Report (AC)
3. Audit Commission Progress report (AC)

**4.5 16 October 2012**

1. Report Publication of Audited Statement of Accounts (A&R)
2. Annual Audit Letter (AC)
3. Annual Business Continuity Year-end
4. Review of Waste Collection and Recycling
5. CGR

**4.6 20 November 2012**

1. 2012-13 Risk Management, period April to September
2. 2012-13 Revenue Expenditure Monitoring Report, period April to September
3. 2012-13 Capital Expenditure Monitoring Report, period April to September
4. Treasury Management – 6-monthly update
5. Interim Annual Governance Statement review (A&R)
6. 2012-13 Internal Audit Monitor, period April to September

**4.7 22 January 2013**

1. Audit Opinion Plan (AC)
2. Audit Commission Progress report (AC)
3. 2013-14 Revenue Budget
4. Treasury Management - Investment Strategy
5. Housing Revenue Account Estimates and Housing Investment Programme

**4.8 26 February 2013**

1. 2012-13 Revenue Expenditure Monitoring Report, period April to December
2. 2012-13 Capital Expenditure Monitoring Report, period April to December

**4.9 26 March 2013**

1. Annual Governance Statement Process
2. Certificate of Claims and Returns (AC)

**4.10 2013-14**

To consider updated information on income and expenditure for the High Woods Country Park in June 2013.

**5. Standard and Strategic Plan References**

- 5.1 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self governance provides a clear and demonstrable lead. Effective governance, of which scrutiny is a part, underpins the implementation and application of all aspects of the Council's work.
- 5.2 Scrutiny is a key function to ensure decisions have been subject to full appraisal and that they are in line with the Council's strategic aims. The role of scrutiny is also an important part of the Council's risk management and audit process, helping to check that risks are identified and challenged.
- 5.3 There is no publicity, equality and diversity, human rights, community safety, health and safety, risk management or financial implications in this matter.

