

# COLCHESTER & IPSWICH JOINT MUSEUMS COMMITTEE

## STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

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## SUMMARY OF FINANCIAL STATEMENTS

### **Statement of Accounting Policies (page 4)**

This explains how the figures are calculated.

### **Income and Expenditure Account and Statement of Movement on General Fund Balance (pages 10-11)**

This shows the cost of the major functions for which we are responsible. It compares this with the money raised from charges and from Central Government.

### **Statement of Total Recognised Gains and Losses (page 12)**

This brings together all recognised gains and losses for the year and shows the total increase in net worth.

### **Balance Sheet (page 13)**

This shows the balances available to the Joint Museums Committee and its net current assets. This information is essential for understanding our year-end financial position.

### **Cash Flow Statement (page 14)**

This summarises the cashflows for capital and revenue spending, and the cashflows used to pay for these.

# FOREWORD

## Introduction

The Colchester and Ipswich Joint Museums Committee ('Joint Museums Committee') was formed by Colchester Borough Council and Ipswich Borough Council on 1 April 2007. As the Joint Museums Committee was established under Sections 101 and 102 of the Local Government Act 1972, it is required to produce accounts annually and have them subjected to external audit. These accounts set out the results of the Joint Museums Committee activities for the year ended 31 March 2009 and its financial position as at 31 March 2009.

The accounts have been drawn up in keeping with the revised Code of Practice on Local Authority Accounting in the United Kingdom (2008): A Statement of Recommended Practice. This is recognised by law as representing proper accounting practices under the Local Government Act 2003.

## Results for 2008/09

**Revenue spending** is generally on items used during the year. During this year the net General Fund spending was £1.879 million, met by contributions from partner authorities. This can be broken down as follows:

	2008/09	2007/08
	£	£
Employees	2,075,837	1,847,480
Premises Related Expenditure	234,364	183,456
Transport Related Expenditure	21,912	23,231
Supplies & Services	680,852	795,557
Third Party Payments	18,276	18,445
Government Grant	(837,182)	(806,327)
Other Grants & Reimbursements	(70,985)	(63,075)
Customer & Client Receipts	(662,187)	(530,049)
Support Services	420,665	201,186
Income - Internal Fees & Charges	(2,375)	(4,354)
<b>Net Expenditure</b>	<b>1,879,177</b>	<b>1,665,550</b>

Expenditure for the year was £27,923 lower than each partners' budgeted contribution to the Joint Museums Committee. The General Fund balance for the service now stands at £54,573.

## Preparations for the Introduction of Economic & Monetary Union (Euro)

Given the uncertainty of when and if the Euro will be introduced into the United Kingdom, the Joint Museums Committee has not made any budgetary provision in either 2008/09 or 2009/10 for its introduction.

Further action will be taken as necessary.

## Reporting Requirements

Reporting requirements under the Accounts and Audit regulations 2003 required that the accounts for 2008/09 were to be prepared and reported to Members by 30 June. An extension to this deadline was agreed by our auditor as accounts for both 2007/08 and 2008/09 were being prepared.

## Outlook

The service operates within a framework provided by the 'Joint Committee Agreement 2007/2018'. The agreement sets out the service level, the specific responsibilities of each partner, financial mechanisms, governance arrangements, the constitution of the Joint Committee, and the arrangements in the event the Joint Committee was to be dissolved.

In terms of more strategic development the service operates through a three year rolling development plan and a one year action plan that is agreed as part of the annual budget setting process. In addition as a partner in the East of England Museum Hub it operates under an additional two year planning arrangement. These in turn link through to the local key strategic documents (e.g. corporate plans, Local Cultural Strategies, Local

Development Frameworks, and Local Strategic Partnerships) and relevant sub-regional (Haven Gateway) and regional (East of England) strategies.

The service operates on the basis of a funding agreement that includes significant efficiency savings. In addition to the core funding provided by both parent bodies the joint service also levers in a significant amount of external funding in the form of grants and commercial income. The grant income in particular has been growing in successive years and in 2009/10 is set to exceed the direct net contribution of either the individual parent body's contributions. In particular the funding received through the Renaissance in the Regions scheme is expected to rise by over 11% (to £1.6m) for 2010/12 compared to the figure for the preceding two years.

There has also been a significant growth in commercial income but this is now beginning to come under pressure. It is still too early to fully assess the effects of the recession but it is certainly beginning to have an adverse impact on some parts of the market, such as schools.

The specific functions provided as a joint museum service are to:

- Provide the necessary key management functions appropriate to the nature and scale of operations
- Maintain and operate a headquarters building (the Museum Resource Centre, Ryegate Road, Colchester) and appropriate storage facilities including Heckworth Close, Severalls Industrial Estate, Colchester
- Provide a Conservation Service to meet in-house needs and a commercial service
- Develop and implement a rolling programme of three year Development Plans
- Represent the joint service as appropriate at County; Sub-regional; Regional; National; and International level
- Continue to be a partner in the East of England Hub and: implement all the service specific actions in the current Hub business plan
- Give advice and support to the wider museum community, in accordance with the requirements of a Hub museum

The specific services provided at Ipswich are to:

- Directly manage and operate the following museums: Christchurch Mansion; the High Street Museum; and one room in the Town Hall
- Provide life long learning service
- Provide inclusive opportunities for both formal education visits and family learning activities and special events.
- Develop and provide a Community Outreach programme
- Care for, manage and make accessible the museum collections
- Interpret the collections and museum buildings

The specific services provided at Colchester are to:

- Directly manage and operate four buildings as public museums: Colchester Castle; Hollytrees; Natural History Museum; and Tymperleys
- Provide life long learning service
- Provide inclusive opportunities for both formal education visits and family learning activities and special events.
- Provide a Community Outreach programme
- Care, manage and make accessible the museum collections
- Interpret the collections, museum buildings, the history of Colchester
- Directly manage certain key heritage assets
- Maintain and develop the Colchester Urban Archaeology Database and provide the archaeological advice as part of the planning process

Consultations have taken place on the revised Code of Practice on Local Authority Accounting in the United Kingdom (2009): A Statement of Recommended Practice that will apply to the 2009/10 accounts. There are a number of issues that have already been identified as potentially having an impact on the future presentation in the accounts. A further consideration is the significant implications of the adoption of International Financial Reporting Standards (IFRSs) with effect from 2010/11.

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## **Other Information**

### **Our Fairness Policy**

We are committed to promoting equity and equal opportunities for access and participation for everyone, whatever their personal circumstances. This includes the use of all the services and facilities which we provide. We are committed to ensuring that everyone is treated with dignity and respect, and to eliminating all forms of harassment.

We will allocate and spend money on services as fairly as possible according to the needs of local people.

**For more information about these accounts, please contact:**  
**Steve Heath, Resource Management, PO Box 886, Town Hall, High Street, Colchester CO1 1FP**  
**Telephone: Colchester (01206) 282389**  
**E-mail: [steve.heath@colchester.gov.uk](mailto:steve.heath@colchester.gov.uk)**

# STATEMENT OF ACCOUNTING POLICIES

## 1. General

The accounts have been drawn up in keeping with the revised Code of Practice on Local Authority Accounting in the United Kingdom (2008): A Statement of Recommended Practice. This is recognised by law as representing proper accounting practices under the Local Government Act 2003. The revised Statement of Recommended Practice has amended the following accounting policies:

- The amendment to FRS 17, *Retirement benefits*. As a result, quoted securities held as assets in pension schemes are now valued at bid price rather than at the mid-market value.
- There has been a naming convention change. Expenditure which may be capitalised under statutory provisions, but which does not result in the creation of fixed assets is now classified as 'Revenue expenditure funded from capital under statute'. This expenditure was previously classified as 'Deferred charges'.

These changes are not applicable to the Joint Museums Committee's accounts, and do not impact on the results for the year or affect our financial standing within the outside world.

Our accounting policies have been set so that they follow the recommended accounting principles and practices as specified in the Code of Practice on Local Authority Accounting. The accounting convention adopted is historical cost, modified by the revaluation of certain categories of tangible fixed assets.

## 2. Estimation Techniques

There are methods adopted to arrive at estimates where there is uncertainty over the actual figure. All estimates are the best assessment made on the information available at the time the accounts are closed. When actual figures are determined any difference from the estimate used for closure are accounted for in the year the actual figure is determined.

## 3. Pension Costs

Employees of the Joint Museums Committee are employed by Colchester Borough Council. As part of the terms and conditions of employment of its officers and other employees, Colchester Borough Council offers retirement benefits. It participates in the Local Government Pensions Scheme (LGPS) administered by Essex County Council. This is a funded defined benefit final salary scheme, meaning that the Council and its employees pay contributions into a fund, calculated at a level estimated to balance the pensions' liabilities with investment assets.

In the Statement of Recommended Practice (SORP), CIPFA require that the cost of services should bear the current service cost of employees. However, as the Joint Museums Committee's employees are employed by the lead authority, Colchester Borough Council, the current service cost is borne by Colchester Borough Council and disclosed in Colchester Borough Council's accounts.

Further information can be found in Essex County Council's Pension Fund's Annual Report which is available upon request from Essex County Council, Investment Team, P.O. Box 11, County Hall, Chelmsford, CM1 1LX.

## 4. Fixed Assets

The reports to the Cabinet of each member authority proposing the creation of the Joint Museums Committee stated that ownership of the collections and buildings would remain with the respective Local Authorities. Furthermore the Joint Museums Committee Agreement states that all acquisitions or additions to the collections of the Joint Museums Service shall be acquired in the name of Colchester or Ipswich (paragraph 2.5.1). It is for this reason that the Income and Expenditure Account excludes any Capital charges or deferred charges, and the Balance Sheet does not include any fixed assets. This approach was agreed at the meeting of the Joint Museums Committee on 16 June 2009.

## **5. Insurance**

The Joint Museums Committee Agreement (paragraph 3.3.2) states 'in relation to buildings insurance and collections insurance it is the responsibility of both Councils separately to ensure that the insurance cover that they feel is appropriate is provided. Consequently the insurance cost for buildings and collections shall not be charged to the Joint Museums Account'. It is for this reason that no charges for buildings and collections insurance costs have been made to the Income and Expenditure Account.

## **6. Reserves**

The Joint Museums Committee has no specific or earmarked reserves. The surplus/deficit for the year is taken to the General Fund balance held by Colchester Borough Council on behalf of the Joint Museums Committee.

## **7. Government Grants**

Grants and subsidies have been credited to the appropriate revenue accounts and accruals have been made for balances known to be receivable for the year to 31 March 2009.

## **8. Fair Value**

This is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price. In most cases, this amount will be the transaction price e.g. the amount of a loan received or investment made.

## **9. Debtors and Creditors at Year End**

The accounts have been completed on the basis of income and expenditure, taking account of known debtors and creditors as at 31 March 2009. Estimates have been used where actual figures were not available.

## **10. Stocks and Work in Progress**

Stocks are included in the Balance Sheet at the lower of cost and net realisable value (e.g. sale price). Work in progress on uncompleted jobs is valued at cost and includes an allocation of overheads.

## **11. Overheads and Support Services**

These expenses have been collected and charged to services through the use of Service Level Agreements. These agreements act like internal contracts between support service providers and their customers. Charges are made according to the agreements using a number of bases including actual staff time spent, unit costs and fixed retainers. There is a full recharge to service accounts in accordance with the Best Value Accounting Code of Practice (BVACOP).

## **12. Value Added Tax (VAT)**

VAT is included in the accounts only to the extent that it is irrecoverable from HM Revenue & Customs. The Service is allowed to recover VAT incurred on expenses where income from the activity is exempt provided it is 'insignificant'. The current test for insignificance is that the VAT incurred and recovered on exempt activities is less than 5% of the total VAT that is incurred on all activities. If the amount exceeds the limit then none of the tax may be recovered. HM Revenues and Customs have raised no objection to our method of calculation which shows we are within the limit. This calculation was not required in 2008/2009 as HM Revenue and Customs, pending a review, had implemented a moratorium. However, the calculation will again be required from 1 April 2009.

The standard rate of VAT was reduced by the Government from 17.5% to 15.0% on 1 December 2008. It will revert to 17.5% on 1 January 2010.

# **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009**

## **The Joint Museums Committee's Responsibilities**

### **The Joint Museums Committee must:**

- Make arrangements for the proper administration of its financial affairs and make one of its officers responsible for the administration of those affairs. In this body, that officer is the Treasurer to the Joint Museums Committee.
- Manage its affairs to bring about economic, efficient and effective use of resources and to safeguard its assets.
- Approve the Statement of Accounts.

I confirm that these accounts were approved by the Joint Museums Committee at the meeting held on 30 July 2009.

Signed on behalf of Colchester & Ipswich  
Museum Service  
Councillor D.J. Terry  
Chair of meeting approving the accounts:  
Date: 30 July 2009

## **The Treasurer to the Joint Museums Committee's Responsibilities**

The Treasurer to the Joint Museums Committee is responsible for preparing the statement of accounts under the proper practices set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this Statement of Accounts, the Treasurer to the Joint Museums Committee has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code

The Treasurer to the Joint Museums Committee has also:

- kept proper accounting records which were up to date
- taken reasonable steps to prevent and detect fraud and other irregularities

### **Treasurer to the Joint Museums Committee's Certificate**

I certify that the accounts set out on pages 1 to 18 present fairly the financial position of the Joint Museums Committee as at 31 March 2009 and the income and expenditure for the year then ended.

Charles Warboys  
Treasurer to the Joint Museums Committee  
30 July 2009

# COLCHESTER & IPSWICH JOINT MUSEUMS COMMITTEE

## ANNUAL GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2009

#### Scope of responsibility

Colchester Borough Council, as lead authority for the Joint Museum Service, is responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Colchester Borough Council is responsible for putting in place proper arrangements for the governance of the Joint Museum Service affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Colchester Borough Council, for itself, has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at [www.colchester.gov.uk](http://www.colchester.gov.uk) (detailed in the constitution, which can be found in the 'Your Council' area) or can be obtained from Colchester Borough Council, P.O.Box 884, Town Hall, High Street, Colchester, CO1 1FR.

Colchester Borough Council will apply the principles of its approach to corporate governance when regulating the affairs of the Joint Museum Service. This statement explains how the Joint Museum Service has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

#### DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT:

##### The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority and its joint committee are directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority and the joint committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Colchester Borough Council's and the Joint Museum Service's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Colchester Borough Council for the year ended 31 March 2009 and up to the date of approval of the annual accounts. A detailed description of the comprehensive processes that make up the framework can be found in the 2008/09 Annual Governance Statement for Colchester Borough Council, which is available from the address above.

##### The Principles of the Governance Framework

The Colchester Borough Council governance framework derives from six core principles identified in a 2004 publication entitled *The Good Governance Standard for Public Services*. This was produced by the Independent Commission on Good Governance in Public Services – a commission set up by the Chartered Institute Of Public Finance and Accountancy (CIPFA), and the Office for Public Management. The commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA/SOLACE (2001). These principles were adapted for application to local authorities and published by CIPFA in 2007. The six core principles are:

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective; and
- Engaging with local people and other stakeholders to ensure robust public accountability.

Colchester Borough Council will apply these six principles, where appropriate, in regulating the affairs of the Joint Museum Service.

## **DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT:**

### **Review of effectiveness**

Colchester Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit annual report and also by comments made by the external auditors and other review agencies and inspectorates.

The Joint Museum Service is governed by a Joint Committee that consists of 4 members, (two for each partner authority) who are members of the partner authorities Executive. The Joint Committee meets at least four times a year and has the delegated power to govern the service. The governance arrangements of the Joint Museum Service are primarily set out in the Joint Committee agreement which came into effect on 1 April 2007. The agreement covers the following key regulatory areas:

- Strategic vision and values
- Specification of specific services for each authority
- Specific Limits and Requirements
- Funding and Accounting / Budget processes
- Governance arrangements
- Constitution of the joint committee
- Decision making process
- Monitoring and Assessment
- Scrutiny
- Conduct of members
- Liability of the authorities and members
- Dissolution arrangements

It is Colchester Borough Council's role as lead authority to ensure that the Joint Museum Service's activities comply with the governance framework. The Joint Museum Service is subject to internal monitoring by Colchester Borough Council's Internal Auditors and Scrutiny committees.

The Joint Committee is responsible for ensuring that the strategic vision of the service is achieved:

- *Acts as a source of pride, inspiration and fun for all the diverse peoples of Colchester and Ipswich, the east of England, and more widely*
- *Is recognised as one of the best in the country and a role model for others both inside and outside the museum sector.*

The vision is underpinned by a set of values that incorporate good governance principles including defining the services purpose, customer service, financial management, performance management, staff development and engaging with all sectors of the community.

Officers of the Joint Museum Service provide updates to each of the Joint Committee's meetings regarding the progress of the service and its effectiveness.

An internal audit of the Museum Service was carried out in March 2008. This highlighted several areas for improvement and as result achieved a limited assurance level. All of the recommendations were considered as issues for local management attention and related to items such as procedures, cash sheets and stock records. A follow-up of the audit was carried out in the 2008/09 financial year and the majority of recommendations had been implemented. A further audit is due to take place in 2009/10 and annually thereafter.

From the work undertaken in 2008/09, Internal Audit has provided satisfactory assurance that the system of internal control that has been in place at Colchester Borough Council for the year ended 31 March 2009 accords with proper practice. This is excepting any details of significant internal control issues as documented in Colchester Borough Council's Annual Governance Statement, none of which related to the Joint Museum Service. It is also the opinion of Internal Audit that the Council's corporate governance framework complies with the best practice guidance on corporate governance issued by CIPFA/SOLACE.

**Significant Governance Issues**

The review of the effectiveness of the governance and internal control arrangements for the Joint Museum Service has identified some areas where actions are required to ensure that the service continues to provide appropriate and cost effective services.

No.	Issue	Action
1	<u>Risk Management</u> The need to develop a risk register for the Joint Museum Service was highlighted in the action plan for 2007/08 and remains outstanding	The Risk & Resilience Manager at Colchester Borough Council will be ensuring that a comprehensive register is compiled for the service.
2	<u>Reporting to Partners</u> During the course of the review it was noted that whilst the Joint Committee was appropriately managed, information regarding the meetings such as minutes and actions were not always reported to Colchester Borough Council. The Joint Committee is serviced by Ipswich Borough Council and a defined process for reporting to Colchester Borough Council needs to be implemented.	A robust mechanism for ensuring that all records of the Joint Committee are shared with both partners will be implemented with immediate effect.
3	<u>Review of the Joint Museum Service Agreement</u> The service has now been operating for two years and it would be appropriate to review the terms of the original agreement to ensure that it is still effective and reflects the vision of the service delivery.	A review of the agreement will be carried out in the 2009/10 financial year.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework.

**Signed:**

.....  
 Chairperson Colchester & Ipswich  
 Joint Museums Committee

.....  
 Colchester & Ipswich Museum Manager

.....  
 Treasurer to the Joint Museums Committee

On behalf of Colchester & Ipswich Joint Museum Committee

## THE CORE FINANCIAL STATEMENTS

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

This account summarises the income and expenditure used in providing services and managing the Joint Museums Committee during the last year. It includes all day-to-day expenses and related income on an accruals basis.

Expenditure on Services 2008/09 (Note 1)	2008/09 Gross Expenditure £	2008/09 Gross Income £	2008/09 Net Expenditure £	2007/08 Net Expenditure £
<b>CULTURAL, ENVIRONMENTAL &amp; PLANNING SERVICES</b>				
Cultural and Related Services				
Culture and Heritage	3,451,906	(1,572,729)	1,879,177	1,665,550
<b>Total for Cultural, Environmental &amp; Planning Services</b>	<b>3,451,906</b>	<b>(1,572,729)</b>	<b>1,879,177</b>	<b>1,665,550</b>
<b>Net Cost of Services</b>	<b>3,451,906</b>	<b>(1,572,729)</b>	<b>1,879,177</b>	<b>1,665,550</b>
<b>Net Operating Expenditure</b>			<b>1,879,177</b>	<b>1,665,550</b>
Partner Contributions:				
- Colchester Borough Council			(1,127,000)	(877,300)
- Ipswich Borough Council			(780,100)	(814,900)
<b>Deficit/(Surplus) for the Year</b>			<b>(27,923)</b>	<b>(26,650)</b>

## STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

The Income and Expenditure Account shows the Joint Museums Committee's actual financial performance for the year, measured in terms of income receivable and expenditure due in operating the Service for the year.

This reconciliation statement summarises the differences between the result on the Income and Expenditure Account and the General Fund Balance.

	Notes	2008/2009 Net Expenditure £	2007/2008 Net Expenditure £
<b>Deficit/(Surplus) for the year on the Income and Expenditure Account</b>	Page 10	(27,923)	(26,650)
Net additional amount required by statute and non-statutory proper practices to be debited or (credited) to the General Fund Balance for the year		-	-
<b>(Increase)/Decrease in the General fund Balance for the Year</b>		(27,923)	(26,650)
General Fund Balance Brought Forward		(26,650)	-
<b>General Fund Balance carried forward</b>		(54,573)	(26,650)

## NOTE OF RECONCILING ITEMS FOR THE STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

The net amount required to be credited to the General Fund balance for the year is made up of the following:

	Notes	2008/2009 Net Expenditure £	2007/2008 Net Expenditure £
<b>Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year</b>		-	-
<b>Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year</b>		-	-
<b>Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year</b>		-	-
<b>Net additional amount required to be credited to the General Fund balance for the year</b>		-	-

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

This Statement brings together all the gains and losses of the Joint Museums Committee for the year and shows the total change in its net worth.

	Notes	2008/2009 Net Expenditure £	2007/2008 Net Expenditure £
Deficit/(Surplus) for the year on the Income and Expenditure Account	Page 10	(27,923)	(26,650)
<b>Total recognised (gains)/loss for the year</b>		<b>(27,923)</b>	<b>(26,650)</b>
<b>Total recognised (gains)/loss</b>		<b>(27,923)</b>	<b>(26,650)</b>

## BALANCE SHEET AS AT 31 MARCH 2009

This statement shows the financial position of the Joint Museums Committee as a whole and summarises its assets and liabilities.

	Notes	31 March 2009 £	31 March 2008 £
<b>Current Assets</b>			
Stock	10	63,035	54,647
Debtors	11	30,666	56,633
Cash Imprest		1,976	1,959
Cash at Bank		123,049	94,015
<b>Total Current Assets</b>		<b>218,726</b>	<b>207,254</b>
<b>Current Liabilities</b>			
Creditors	12	164,153	180,604
<b>Total Current Liabilities</b>		<b>164,153</b>	<b>180,604</b>
<b>Net Current Assets</b>		<b>54,573</b>	<b>26,650</b>
<b>Total Net Assets</b>		<b>54,573</b>	<b>26,650</b>
Represented by:			
Revenue Balances	14	54,573	26,650
<b>Total Net Worth</b>		<b>54,573</b>	<b>26,650</b>

## THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

This statement has been drawn up to show where the Joint Museums Committee receives cash from and what this cash has been spent on.

	Notes	2008/2009 £	2007/2008 £
<b>Revenue Activities</b>			
Cash outflows			
Cash paid to and on behalf of Employees		2,075,837	1,847,480
Other Operating Cash Payments		1,373,460	1,240,560
<b>Total Cash outflows</b>		<b>3,449,297</b>	<b>3,088,040</b>
Cash inflows			
Government Grants	18	(875,907)	(880,323)
Other Grants		(20,385)	(87,825)
Cash Received from Goods and Services		(674,955)	(523,666)
Other Operating Cash Receipts		(1,907,100)	(1,692,200)
<b>Total Cash inflows</b>		<b>(3,478,347)</b>	<b>(3,184,014)</b>
<b>Net Cash (Inflow)/Outflow from Revenue Activities</b>	19	<b>(29,050)</b>	<b>(95,974)</b>
<b>Decrease/(Increase) in Cash</b>		<b>(29,050)</b>	<b>(95,974)</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 1. Income and Expenditure Account

The services shown follow groupings, under national Best Value guidance, to help comparison between different Local Authorities.

### 2. Pensions Costs

Pension payments for the Joint Museums Committee are made by the Lead Authority, Colchester Borough Council, who employs the Joint Museums Committee's staff on its behalf. Details of costs that are directly attributable to the Joint Museums Committee are shown below.

	2008/09 £	2007/08 £
Ordinary employers contributions (payable to the Essex County Council Pension Fund)	187,788	136,151
Percentage of pensionable pay	11.9%	9.48%
Number of employees in scheme	72	71

### 3. Section 137 Expenditure

Following amendments under the Local Government Act 2000 we are only obliged to publish grants made to charities in the UK, not-for-profit bodies and mayoral appeals.

We have made no such contributions in this financial year.

### 4. Expenditure on Publicity

Section 5 of the Local Government Act, 1986 (Part II) requires the Joint Museums Committee to account separately for expenditure on publicity. The following account draws together in one place the net expenditure on general publicity during the year.

	2008/09 £	2007/08 £
Staff Recruitment	25,729	17,274
Tourism	97,775	89,266
Miscellaneous Advertising & Publications	2,466	4,755
<b>Total Net Expenditure on Publicity</b>	<b>125,970</b>	<b>111,295</b>

### 5. Local Authority (Goods and Services) Act 1970

Under the Local Authority (Goods and Services) Act 1970, the Joint Museums Committee can enter into agreements with local authorities and other prescribed bodies, to supply goods and materials, provide administrative, professional or technical services, provide vehicles, plant or apparatus and carry out maintenance works on land and buildings.

The accounts include the following income from other local authorities and other prescribed bodies:

	2008/09 £	2007/08 £
Heritage and conservation	1,431	9,610
	<b>1,431</b>	<b>9,610</b>

The charges levied by the Joint Museums Committee reflect the full cost of providing the services and supplies to local authorities and other prescribed bodies.

## 6. Members and Employees

No member allowances or expenses were paid by Joint Museums Committee to its members (None paid in 2007/08).

To provide the services the following number of full-time and part-time staff were employed by the Joint Museums Committee as at the end of March.

	2008/2009	2007/2008
Cultural & related services	78	74
	<b>78</b>	<b>74</b>

Within the total number of employees there were no employees whose remuneration, excluding pension contributions but including termination payments, was £50,000 or more.

## 7. Audit Costs

The accounts include the following accrued fees payable to the Audit Commission relating to external audit and inspection costs in respect of the 2007/08 and 2008/09 accounts:

	2008/2009	2007/2008
	£	£
Core external audit services 2007/08	15,062	-
Core external audit services 2008/09	12,415	-
	<b>27,477</b>	<b>-</b>

## 8. Overheads and Support Services

Colchester Borough Council as the 'lead' authority provides the Joint Museums Committee with support services principally in the areas of accountancy, ICT, human resources, democratic services and legal services. These charges are allocated on the basis of Service Level Agreements.

## 9. Related Party Transactions

During the year material transactions with related parties, which are not fully disclosed elsewhere in the Statement of Accounts, arose as follows:

	2008/2009		2007/2008	
	Income £	Expenditure £	Income £	Expenditure £
<b>Central Government:</b>				
Arts Council	-	-	160	-
Department for Culture, Media and Sport	2,378	-	-	-
Department for Communities and Local Government	-	-	50,000	-
English Heritage	28,319	-	23,460	-
Museums, Libraries and Archives Council	814,606	-	732,188	-
National Heritage Memorial Fund	-	8,121	-	-
Other	-	-	519	-
<b>Other Grants and Contributions:</b>				
Essex County Council	25,717	-	6,153	-
Friends of Ipswich Museums	-	-	7,970	-
National Lottery Fund	30,946	-	-	-
Norfolk County Council	3,500	-	280	-
Norfolk Museums and Archaeology Service	6,500	-	202	-
Taylor Wimpey plc	4,021	-	20,500	-
University of Leicester	-	-	25,040	-
Other	301	-	2,930	-

## 10. Stocks and Work in Progress

	Value as at 31 March 2009 £	Value as at 31 March 2008 £
Stocks	63,035	54,647
Less Provision for Obsolete Stock	-	-
<b>Total Stocks</b>	<b>63,035</b>	<b>54,647</b>

### Work in progress

There is no work in progress at the end of 2008/2009 (None at the year end of 2007/08).

## 11. Debtors

	Value as at 31 March 2009 £	Value as at 31 March 2008 £
<b>Sums falling due within One Year</b>		
General Debtors	30,666	56,633
<b>Total Due within One Year</b>	<b>30,666</b>	<b>56,633</b>
<b>Sums falling due after One Year:</b>		
General Debtors	-	-
<b>Total Due after One Year</b>	<b>-</b>	<b>-</b>
Gross Debtors	30,666	56,633
Less Provision for Doubtful Debts	-	-
<b>Total Debtors</b>	<b>30,666</b>	<b>56,633</b>

## 12. Creditors

	Value as at 31 March 2009 £	Value as at 31 March 2008 £
General Creditors	40,231	31,608
General Receipts in Advance	123,922	148,996
<b>Total Creditors</b>	<b>164,153</b>	<b>180,604</b>

## 13. Fair Value of assets and liabilities carried at amortised cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. The fair value of trade debtors and creditors is taken to be the invoiced or billed amount. These are as follows:

	31 March 2009		31 March 2008	
	Carrying amount £	Fair value £	Carrying amount £	Fair value £
Creditors	164,153	164,153	180,604	180,604
<b>Total financial liabilities</b>	<b>164,153</b>	<b>164,153</b>	<b>180,604</b>	<b>180,604</b>
Debtors	30,666	30,666	56,633	56,633
<b>Total financial assets</b>	<b>30,666</b>	<b>30,666</b>	<b>56,633</b>	<b>56,633</b>

## 14. Revenue Balances

	Balance at 1 April 2008 £	Additions To Balances £	Withdrawal from Balances £	Balance at 31 March 2009 £
General Fund	26,650	27,923	-	54,573
<b>Total Revenue Balances</b>	<b>26,650</b>	<b>27,923</b>	<b>-</b>	<b>54,573</b>

## 15. Analysis of Net Assets Employed

The net assets employed represent the 'equity' in the Joint Museums Committee, these are analysed between the main functions of the Joint Museums Committee in the table below.

	31 March 2009 £	31 March 2008 £
General Fund	54,573	26,650
<b>Total Net Worth</b>	<b>54,573</b>	<b>26,650</b>

The change in net worth in the Balance sheet matches that shown in the Statement of Total Recognised Gains and Losses (Page 12).

## 16. Post Balance Sheet Events

These accounts were authorised for issue on 30 July 2009 by the Colchester & Ipswich Joint Museums Committee and the Treasurer to the Joint Museums Committee, who is the Head of Resource Management for Colchester Borough Council (Page 6). There are no items which have arisen after the closure of the 2008/09 accounts which would materially affect these accounts.

## 17. Contingent Liabilities

A contingent liability can be defined as a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or a present obligation that arises from past events but is not recognised because it is not probable that a transfer of economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

No contingent liabilities have been identified which relate to the Joint Museums Committee.

### 18. Analysis of Government Grants

	2008/2009 £	2007/2008 £
Museums, Libraries and Archives	825,907	880,323
Other	50,000	-
<b>Total Government Grants</b>	<b>875,907</b>	<b>880,323</b>

### 19. Reconciliation of Income and Expenditure Account to Revenue Activities Cash Flow

	Notes	2008/2009 £	2007/2008 £
(Surplus)/Deficit per Statement of Movement on the General Fund Balance	Page 11	(27,923)	(26,650)
Net (Surplus)/Deficit		(27,923)	(26,650)
Items on an Accruals Basis:			
Increase/(Decrease) in Stock and Work in Progress		8,389	54,647
(Increase)/Decrease in Receipts in Advance		25,074	(148,996)
Increase/(Decrease) in Debtors		(25,967)	56,633
(Increase)/Decrease in Creditors		(8,623)	(31,608)
<b>Net Cash (Inflow)/Outflow from Revenue Activities</b>	Page 14	<b>(29,050)</b>	<b>(95,974)</b>

This reconciliation identifies items included within the revenue account which do not result in cash flows under the revenue activities in the statement.

# REPORT OF AUDITORS

## Independent auditor's report to the Members of the Colchester & Ipswich Joint Museums Committee

### Opinion on the financial statements

I have audited the accounting statements and related notes of Colchester and Ipswich Joint Museums Committee for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Colchester and Ipswich Joint Museums Committee in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

### Respective responsibilities of the Treasurer to the Joint Committee and the auditor

The Treasurer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Joint Committee and its income and expenditure for the year.

I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Joint Committee's corporate governance procedures or its risk and control procedures.

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information. I am not required to consider, nor have I considered, information regarding future projections included within the statement of accounts.

### Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Joint Committee in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Joint Committee's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

## **Opinion**

In my opinion the financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Joint Committee as at 31 March 2009 and its income and expenditure for the year then ended.

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

### **Joint Committee's Responsibilities**

The Joint Committee 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 regularly to review the adequacy and effectiveness of these arrangements.

### **Auditor's Responsibilities**

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Joint Committee 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 in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. I report if significant matters have come to my attention which prevent me from concluding that the Joint Committee has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Joint Committee's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

### **Qualified conclusion**

I have undertaken my audit in accordance with the Code of Audit Practice. In so doing, I was unable to obtain sufficient appropriate evidence that the Joint Committee had a detailed risk register for the service including risks and actions.

Having regard to the criteria for other local government bodies specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Colchester and Ipswich Joint Museums Committee made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009, except that it did not put in place adequate arrangements to manage risks and maintain a sound system of internal control.

### **Certificate**

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

**Paul King**  
**(Officer of the Audit Commission)**

Audit Commission, Atlantic Business Centre, Lyttleton House, 64 Broomfield Road, Chelmsford, Essex,  
CM1 1SW

12 November 2009