

# COLCHESTER & IPSWICH JOINT MUSEUMS COMMITTEE

## STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

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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 11-12)**

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 13)**

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

### **Balance Sheet (page 14)**

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 15)**

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's activities for the year ended 31 March 2010 and its financial position as at 31 March 2010.

The accounts have been drawn up in keeping with the revised Code of Practice on Local Authority Accounting in the United Kingdom (2009): A Statement of Recommended Practice. This is recognised by law as representing proper accounting practices under the Local Government Act 2003.

## Results for 2009/10

**Revenue spending** is generally on items used during the year. During this year the net General Fund spending was £1.908 million, met by contributions from partner authorities. This can be broken down as follows:

	2009/10	2008/09
	£	£
Employees	2,079,858	2,075,837
Premises Related Expenditure	229,402	234,364
Transport Related Expenditure	24,833	21,912
Supplies & Services	552,450	680,852
Third Party Payments	15,308	18,276
Government Grant	(886,446)	(837,182)
Other Grants & Reimbursements	(27,240)	(70,985)
Customer & Client Receipts	(533,315)	(662,187)
Support Services	453,586	420,665
Income - Internal Fees & Charges	(780)	(2,375)
<b>Net Expenditure</b>	<b>1,907,656</b>	<b>1,879,177</b>

Expenditure for the year was £6,921 lower than each partners' budgeted contribution to the Joint Museums Committee. The General Fund balance for the service now stands at £34,844.

## 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 2009/10 or 2010/11 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 2009/10 were to be prepared and reported to Members by 30 June.

## 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 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 each successive year since the creation of the joint service. In 2006/07 the amount of grant income received by both partner Local Authorities, through their separate museum services, totalled £473,000 in 2009/10 the total achieved by the combined service was £911,000.

In the first two years of the joint service there has also been a significant growth in commercial income but this has not been continued through into 2009/10. In particular there was a significant downturn during July and August in relation to Colchester Castle admissions and retail income and it is clear that the recession was a factor here. A range of steps, particularly in the short term through marketing and in the longer term the redevelopments plan for Colchester Castle, are however being taken to address this issue.

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 (2010): A Statement of Recommended Practice that will apply to the 2010/11 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: [Financial.Accounting@colchester.gov.uk](mailto:Financial.Accounting@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 (2009): 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:

- Under the 2009 Statement of Recommended Practice (SORP) Councils are considered to act as an agent, collecting Council Tax on behalf of the major preceptors, as well as collecting National Non-Domestic Rates (NDR) on behalf of Central Government.
- The short term portions of long term borrowing and investments are now classified within current liabilities and current assets on the Balance Sheet.

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

The 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.

## 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 is 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 2010.

## **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 2010. 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. This calculation was not required in 2008/2009 as HM Revenue and Customs, pending a review, had implemented a moratorium. However, the calculation was again required to be made from 1 April 2009.

The standard rate of VAT was increased by the Government from 15.0% to 17.5% on 1 January 2010.

# **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010**

## **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 29 June 2010.

Signed on behalf of Colchester & Ipswich  
Museum Service  
Councillor N. Barlow  
Chair of meeting approving the accounts:  
Date: 29 June 2010

## **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 of Practice

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 19 give a true and fair view of the financial position of the Joint Museums Committee as at 31 March 2010 and the income and expenditure for the year then ended.

Charles Warboys  
Treasurer to the Joint Museums Committee  
28 September 2010



# COLCHESTER & IPSWICH JOINT MUSEUM SERVICE ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

## Scope of responsibility

Colchester and Ipswich Museum Service is a partnership between Ipswich Borough Council and Colchester Borough Council. Colchester Borough Council, as lead authority in terms of finance and administration 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 at [www.colchester.gov.uk](http://www.colchester.gov.uk) (detailed in the constitution, which can be found in the 'Council and Democracy' area) or can be obtained from Colchester Borough Council, P.O.Box 884, Town Hall, High Street, Colchester, CO1 1FR.

On behalf of both partners, 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 both 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 2010 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 2009/10 Annual Governance Statement for Colchester Borough Council, which is available from the address above.

### The Principles of the Governance Framework

The governance framework derives from six core principles identified in a 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.

These six principles have been applied, 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, on behalf of both partners, 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.

From the work undertaken in 2009/10, 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 2010 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.

### Specific Findings

An internal audit of the Colchester Museum processes was carried out in May 2009. This followed on from an internal audit of both Colchester and Ipswich sites in March 2008. The 2008 report gave a limited assurance level with several recommendations for improvement. The majority of these were agreed by management and were due to be implemented by the end of the 2008/09 financial year. However the 2009 audit also gave a limited assurance level with several of the recommendations being the same as the previous report. This is due to be followed-up by internal audit in June 2010.

A further internal audit was carried out in March 2010 that focused on the partnership management arrangements as opposed to operational issues. However this report has not been finalised and therefore the results have not been included in this review.

It was noted during the review that whilst the audit reports are presented to the Scrutiny Committee of Colchester Borough Council they are not formally reported to the Joint Committee.

The Audit Commission issued an Annual Governance Report of the Museum Service in October 2009. This related to the 2008/09 financial year and gave a qualified opinion due to weak risk management arrangements, which had been highlighted on previous annual governance statements. Specific risk management processes were introduced in 2009/10 and a strategy and register were developed with officers. This is due to be presented to the Joint Committee for approval in July 2010.

In its role in providing the Clerk to the Joint Committee, as set out in the Joint Committee Agreement, Ipswich Borough Council has ensured that all agendas, reports and minutes of the Joint Committee are published via the Ipswich Borough Council website. However, the AGS for 2008/09 highlighted the need for information relating to committee meetings to also be published by Colchester Borough Council. Whilst the minutes of the meetings are now available on the Colchester website the agendas and reports are not published by Colchester.

### 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	<p><u>Internal Audit Recommendations</u> The recommendations contained within the internal audit report of May 2009 should be implemented, where they have not already done so, and the results of the follow-up audit are reported to the Joint Committee when they are available.</p>	<p>While still awaiting full confirmation in a final report from a follow up Audit all or most of the outstanding items have now been fully implemented. Also see Action 2 below.</p>
2	<p><u>Internal Audit Reports</u> All internal audit reports relating to the Museum function, produced by either Colchester or Ipswich Borough Councils, should be formally reported to the Joint Committee (after they have been through the Authority's own scrutiny process). Audit reports must be responded to by management within the prescribed time of two weeks, unless there is good reason for not doing so.</p>	<p>An Audit protocol is due to be presented for approval at the June 2010/2011 Joint Committee meeting which should fully address this issue.</p>

3	<u>Publishing Committee Documents</u> The Joint Committee is serviced by Ipswich Borough Council and a defined process for publishing documents by Colchester Borough Council needs to be implemented.	This will be fully implemented following the June 2010/2011 meeting of the Joint Committee.
4	<u>Regularising use of the Premises</u> There is no formal agreement allowing Colchester Borough Council to use the Ipswich properties or vice versa. Also a franchisee using any of the properties, such as a provider of refreshments, would need to have a formal agreement from the Joint Service. Therefore it is recommended that a review of use/tenancy arrangements is carried out and use of the premises is regularised wherever necessary.	A review of the agreement will be carried out in the 2010/11 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      Colchester & Ipswich Museum Manager  
Joint Museum Committee

.....  
Treasurer to the Joint Museums Committee

on behalf of Colchester & Ipswich Museum Service

## THE CORE FINANCIAL STATEMENTS

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

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 (Note 2)	2009/10 Gross Expenditure	2009/10 Gross Income	2009/10 Net Expenditure	2008/09 Net Expenditure Restated
	£	£	£	£
<b>CULTURAL, ENVIRONMENTAL &amp; PLANNING SERVICES</b>				
Cultural and Related Services				
Culture and Heritage	3,355,437	(1,447,781)	1,907,656	1,879,177
<b>Total for Cultural, Environmental &amp; Planning Services</b>	<b>3,355,437</b>	<b>(1,447,781)</b>	<b>1,907,656</b>	<b>1,879,177</b>
<b>Net Cost of Services</b>	<b>3,355,437</b>	<b>(1,447,781)</b>	<b>1,907,656</b>	<b>1,879,177</b>
(Surpluses)/Deficit on trading activities not included in the Net Cost of Services			-	-
<b>Net Operating Expenditure</b>			<b>1,907,656</b>	<b>1,879,177</b>
Partner Contributions:				
- Colchester Borough Council			(1,113,439)	(1,100,350)
- Ipswich Borough Council			(801,138)	(780,100)
<b>Deficit/(Surplus) for the Year</b>			<b>(6,921)</b>	<b>(1,273)</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	2009/2010 Net Expenditure £	2008/2009 Net Expenditure Restated £
<b>Deficit/(Surplus) for the year on the Income and Expenditure Account</b>	Page 11	(6,921)	(1,273)
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>		<b>(6,921)</b>	<b>(1,273)</b>
General Fund Balance Brought Forward		(27,923)	(26,650)
<b>General Fund Balance carried forward</b>		<b>(34,844)</b>	<b>(27,923)</b>

## 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	2009/2010 Net Expenditure £	2008/2009 Net Expenditure Restated £
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		-	-
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		-	-
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>Net additional amount required to be credited to the General Fund balance for the year</b>		<b>-</b>	<b>-</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	2009/2010 Net Expenditure £	2008/2009 Net Expenditure Restated £
Deficit/(Surplus) for the year on the Income and Expenditure Account	Page 11	(6,921)	(1,273)
<b>Total recognised (gains)/loss for the year</b>		<b>(6,921)</b>	<b>(1,273)</b>
<b>Total recognised (gains)/loss</b>		<b>(6,921)</b>	<b>(1,273)</b>

## BALANCE SHEET AS AT 31 MARCH 2010

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

	Notes	31 March 2010 £	31 March 2009 Restated £
<b>Current Assets</b>			
Stock	9	56,901	63,035
Debtors	10	296,740	30,666
Cash Imprest		1,976	1,976
Cash at Bank		-	96,399
<b>Total Current Assets</b>		<b>355,617</b>	<b>192,076</b>
<b>Current Liabilities</b>			
Cash Overdrawn		(259,420)	-
Creditors	11	(61,353)	(164,153)
<b>Total Current Liabilities</b>		<b>(320,773)</b>	<b>(164,153)</b>
<b>Net Current Assets</b>		<b>34,844</b>	<b>27,923</b>
<b>Total Net Assets</b>		<b>34,844</b>	<b>27,923</b>
Represented by:			
Revenue Balances	13	34,844	27,923
<b>Total Net Worth</b>		<b>34,844</b>	<b>27,923</b>



## THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

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	2009/2010 £	2008/2009 Restated £
<b>Revenue Activities</b>			
Cash outflows			
Cash paid to and on behalf of Employees		2,078,158	2,075,837
Other Operating Cash Payments		1,290,297	1,373,460
<b>Total Cash outflows</b>		<b>3,368,455</b>	<b>3,449,297</b>
Cash inflows			
Government Grants	17	(537,359)	(875,907)
Other Grants		(39,366)	(20,385)
Cash Received from Goods and Services		(521,334)	(674,955)
Other Operating Cash Receipts		(1,914,577)	(1,880,450)
<b>Total Cash inflows</b>		<b>(3,012,636)</b>	<b>(3,451,697)</b>
<b>Net Cash (Inflow)/Outflow from Revenue Activities</b>	<b>18</b>	<b>355,819</b>	<b>(2,400)</b>
<b>Decrease/(Increase) in Cash</b>		<b>355,819</b>	<b>(2,400)</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 1. Prior Period Adjustments

Adjustments have been made to the 2008/09 comparatives on all of the core statements to more accurately reflect the level of funding carried forward by the Joint Committee. The methodology used in 2008/09 did not take into account that the 2007/08 carry forward figure formed part of the budget for 2008/09. This led to the cumulative surpluses being reported, which was not representative of the carry forward figure. Prior period adjustments have been made to the 2008/09 figures to ensure that the value of the balance sheet was consistent with the level of budget carry forward at the end of the year. This has reduced the surplus for 2008/09 and the balance of the reserves carried forward by £26,650.

### 2. Income and Expenditure Account

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

### 3. 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.

	2009/10 £	2008/09 £
Ordinary employers contributions (payable to the Essex County Council Pension Fund)	195,601	187,788
Percentage of pensionable pay	11.9%	11.9%
Number of employees in scheme	72	72

### 4. Members and Employees

No member allowances or expenses were paid by Joint Museums Committee to its members (None paid in 2008/09).

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.

	2009/2010	2008/2009
Cultural & related services	84	78
	<b>84</b>	<b>78</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.

### 5. 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, 2008/09 and 2009/10 accounts:

	2009/10 £	2008/2009 £
Core external audit services 2007/08	-	15,062
Core external audit services 2008/09	-	12,415
Core external audit services 2009/10	12,000	-
Other services	-	-

## 6. 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.

## 7. External Trading Activities

External trading undertakings are services funded mainly by sales or rechargeable works. This means that at least 50% of their gross expenditure is covered by such income. The Net Surplus shown is included within the Culture and Heritage line of the Income and Expenditure Account.

	2009/10			2008/09		
	Expenditure	Income	Net (Surplus)/ Deficit	Expenditure	Income	Net (Surplus)/ Deficit
	£	£	£	£	£	£
Colchester Retail	96,380	(103,590)	(7,210)	98,258	(142,123)	(43,865)
Ipswich Retail	45,271	(44,571)	700	45,697	(43,048)	2,649
Ipswich Catering	623	(12,840)	(12,217)	17,625	(12,714)	4,911
	<b>142,274</b>	<b>(161,001)</b>	<b>(18,727)</b>	<b>161,580</b>	<b>(197,885)</b>	<b>(36,305)</b>

## 8. 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:

	2009/2010		2008/2009	
	Income	Expenditure	Income	Expenditure
	£	£	£	£
<b>Central Government:</b>				
Department for Culture, Media and Sport	11,901	-	2,378	-
English Heritage	89,011	-	28,319	-
Future Jobs Fund	10,650	-	-	-
Museums, Libraries and Archives Council	761,481	-	814,606	-
National Heritage Memorial Fund	-	-	-	8,121
The British Museum	13,403	-	-	-
<b>Other Grants and Contributions:</b>				
Colchester Garrison Redevelopment	19,000	-	-	-
Essex County Council	1,469	-	25,717	-
Headley Trust Internship	6,769	-	-	-
National Lottery Fund	-	-	30,946	-
Norfolk County Council	-	-	3,500	-
Norfolk Museums and Archaeology Service	-	-	6,500	-
Taylor Wimpey plc	-	-	4,021	-
Other	2	-	301	-

## 9. Stocks and Work in Progress

	Value as at 31 March 2010 £	Value as at 31 March 2009 £
Stocks	56,901	63,035
Less Provision for Obsolete Stock	-	-
<b>Total Stocks</b>	<b>56,901</b>	<b>63,035</b>

## Work in progress

There is no work in progress at the end of 2009/10 (None at the year end of 2008/09).

## 10. Debtors

	Value as at 31 March 2010 £	Value as at 31 March 2009 £
<b>Sums falling due within One Year</b>		
General Debtors	296,740	30,666
<b>Total Due within One Year</b>	<b>296,740</b>	<b>30,666</b>
<b>Sums falling due after One Year:</b>		
General Debtors	-	-
<b>Total Due after One Year</b>	<b>-</b>	<b>-</b>
Gross Debtors	296,740	30,666
Less Provision for Doubtful Debts	-	-
<b>Total Debtors</b>	<b>296,740</b>	<b>30,666</b>

## 11. Creditors

	Value as at 31 March 2010 £	Value as at 31 March 2009 £
General Creditors	20,298	40,231
General Receipts in Advance	41,055	123,922
<b>Total Creditors</b>	<b>61,353</b>	<b>164,153</b>

## 12. 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 2010		31 March 2009	
	Carrying amount £	Fair value £	Carrying amount £	Fair value £
Creditors	61,353	61,353	164,153	164,153
<b>Total financial liabilities</b>	<b>61,353</b>	<b>61,353</b>	<b>164,153</b>	<b>164,153</b>
Debtors	296,740	296,740	30,666	30,666
<b>Total financial assets</b>	<b>296,740</b>	<b>296,740</b>	<b>30,666</b>	<b>30,666</b>

## 13. Revenue Balances

	Balance at 1 April 2009 Restated £	Additions to Balances £	Withdrawal from Balances £	Balance at 31 March 2010 £
General Fund	27,923	6,921	-	34,844
<b>Total Revenue Balances</b>	<b>27,923</b>	<b>6,921</b>	<b>-</b>	<b>34,844</b>

## 14. 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 2010 £	31 March 2009 Restated £

General Fund	34,844	27,923
<b>Total Net Worth</b>	<b>34,844</b>	<b>27,923</b>

The change in net worth in the Balance sheet matches that shown in the Statement of Total Recognised Gains and Losses (Page 13).

## 15. Post Balance Sheet Events

These accounts were authorised for issue on 29 June 2010 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). This is the date to which events after the Balance Sheet date have been considered. There are no items which have arisen after the closure of the 2009/10 accounts which would materially affect these accounts.

## 16. Contingent Liabilities

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

## 17. Analysis of Government Grants

	2009/2010 £	2008/2009 £
Museums, Libraries and Archives	412,394	825,907
Department of Communities & Local Govt.	-	50,000
English Heritage	89,011	-
The British Museum	13,403	-
Department for Culture, Media and Sport	11,901	-
Future Jobs Fund	10,650	-
<b>Total Government Grants</b>	<b>537,359</b>	<b>875,907</b>

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

	Notes	2009/2010 £	2008/2009 Restated £
(Surplus)/Deficit per Statement of Movement on the General Fund Balance	Page 12	(6,921)	(1,273)
Net (Surplus)/Deficit		(6,921)	(1,273)
Items on an Accruals Basis:			
Increase/(Decrease) in Stock and Work in Progress		(6,134)	8,389
(Increase)/Decrease in Receipts in Advance		82,867	25,074
Increase/(Decrease) in Debtors		266,074	(25,967)
(Increase)/Decrease in Creditors		19,933	(8,623)
<b>Net Cash (Inflow)/Outflow from Revenue Activities</b>	Page 15	<b>355,819</b>	<b>(2,400)</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 Joint Museums Committee

### Opinion on the accounting statements

I have audited the accounting statements and related notes of Colchester and Ipswich Joint Museums Committee for the year ended 31 March 2010 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 published by the Audit Commission in April 2008.

### Respective responsibilities of the Head of Resource Management and the auditor

The Head of Resource Management's responsibilities for preparing the accounting statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the accounting 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 give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of 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 accounting 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.

### 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 accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of the financial position of the Joint Committee as at 31 March 2010 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 Authority 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 for other local government bodies specified by the Audit Commission and published in January 2009. 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.

## **Conclusion**

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for other local government bodies specified by the Audit Commission and published in January 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 ended 31 March 2010.

## **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.

**Debbie Hanson**  
**Officer of the Audit Commission**  
Audit Commission,  
Regus House,  
1010 Cambourne Business Park,  
Cambourne,  
Cambridge,  
CB23 6DP