

**CITY OF PLYMOUTH
MOUNT EDGCUMBE JOINT COMMITTEE**

Joint Chairs: Councillor D Reynolds, Plymouth City Council/
(to be confirmed) Cornwall Council

SMT Members: Director for Community Services
Director for Corporate Resources

Cornwall Council Officer: Head of Environment

Subject: Revenue and Capital Outturn 2008/09
incorporating Statement of Accounts 2008/09

Committee: Mount Edgumbe Joint Committee

Date: 31 July 2009

Author: Ian Berry, Park Manager

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Ref: ME

Part: I

Executive Summary:

The Mount Edgumbe Joint Committee revenue and capital accounts for 2008/09 have now been finalised subject to final audit. This report presents the outturn for this Joint Committee and compares this with the latest forecast.

Corporate Plan 2009-2012 - Plymouth City Council:

Corporate Improvement Priority 6: widening cultural and leisure opportunities
Corporate Improvement Priority 14: value for money/effective long term budget/asset management.

Cornwall Council: (to be confirmed)

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The overall effect of the variations against the revenue budget listed in the report has identified an additional funding requirement of £128,000 in 2008/09. An increase of £22,000 from that previously reported on 6th March 2009 that has mainly arisen through lower income than previously forecast together with additional backdated costs through job evaluation and equipment costs to support the operation of the new facilities.

The funding shortfall for 2008/09 was met from reserves and additional constituent authority financial support. Additional costs as a result of job evaluation and the soft launch of new and expanded trading operation will continue through this current financial year, funding options to address budget shortfalls are being investigated by officers of the Constituent Authorities. The level of reserves will also affect the level of funding available in future years and therefore, also the implications for the medium Term Financial Plan.

Other Implications: eg Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

None.

Recommendations and Reasons for Recommended action:

1. It is recommended that:
 - (a) The report be noted.
 - (b) The statement of accounts be approved.
 - (c) Annual governance statement be approved.

Alternative Options Considered & reasons for recommended action:

N/A.

Background Papers: Mount Edgumbe Revenue Budget Financial update – 1st February, 20th June, 1st August, 21st November 2008, 14th January 2009 and 6th March 2009.

Sign Off

Fin		Leg		HR		AM		IT	
Originating SMT Member									

MOUNT EDGCUMBE JOINT COMMITTEE

Mount Edgumbe Joint Committee – 31 July 2009

REVENUE AND CAPITAL BUDGET OUTTURN

1. INTRODUCTION

- 1.1. The Mount Edgumbe revenue and capital accounts for 2008/09 have been finalised, subject to audit and this report compares the outturn position with the Joint Committees final estimate as approved in March.

2. 2008/09 REVENUE PROVISIONAL OUTTURN – JOINT COMMITTEE

- 2.1. The Joint Committee's revenue provisional outturn position for 2008/09 is presented in Appendix A and can be summarised as follows:-

	£
General Expenditure	821,196
Less: Income	309,102
Contribution from constituent authorities	<u>384,000</u>
Deficit 2008/09	128,094
	=====
Funded by:	
Transfer from reserves	48,252
Additional Contribution from constituent authorities	<u>79,842</u>
Funding	128,094
	=====

3. 2008/09 REVENUE BUDGET

- 3.1. As reported to previous Joint Committees the forecast budget for 2008/09 anticipated a budget shortfall mainly through additional costs arising from Job evaluation.
- 3.2. Further costs came through from general maintenance and repair to the house and park assets which include 56 listed buildings, and increases to energy costs through higher tariffs.
- 3.3. Income generation was consistent with previous years in general trading areas; however income from rentals and licence fees was lower as a result on new agreements, and one flat remaining unoccupied.

4. RESERVES

- 4.1. Reserves and capital receipts currently stood at the start of the financial year at £117,000 (allowing for the £124,676 of the £152,803 contribution to the capital project that had not been spent at that time). A further £36,000 was approved at the 1st August Joint Committee to support the appointment of a Commercial Manager to assist with developing commercial opportunities, against which £15,394 has been spent to date with further commitments planned through the recruitment of a new Commercial Manager. A further £48,252 was used in 2008/09 to offset part of the trading deficit which has left an uncommitted reserve balance of £36,409 as at 31st March 2009 to support upcoming commercial developments within the park, subject to funding demands to the current year deficit. The analysis of reserves and capital funds is presented in Appendices B and C.

5. 2008/09 CAPITAL PROJECT

- 5.1. A further contribution was made to the outbuilding project by the Joint Committee of £56,665 as part of the previously agreed commitment of £152,803.

6. ANNUAL RETURN FOR THE YEAR ENDED 31 MARCH 2009

- 6.1. Approval is required to the above statement which is attached in appendix D for submission to external audit by auditors appointed by the Audit Commission.
- 6.2. Members approval is required to Section 2 Annual Governance Statement and a 'YES' response to the eight statements made. The Internal Audit has identified sound operational review of risks takes place which has been documented within progress reports regularly reported to the Joint Committee.

7. RECOMMENDATIONS

- 7.1. It is recommended that:
- (d) The report be noted.
 - (e) The statement of accounts be approved.
 - (f) Annual governance statement be approved.

MOUNT EDGCUMBE Provisional Outturn 2008/09

Base Budget 2008/09	DESCRIPTION	Provisional Outturn	Previously reported Forecast 2008/09	Variance
£		£	£	£
	<u>Employees</u>			
467,000	Salaries	513,298	508,850	4,448
6,500	Other Employee Costs	5,843	6,365	(522)
	<u>Premises & Park</u>			
55,505	General Maintenance	81,850	86,000	(4,150)
18,000	Energy Costs	27,173	31,200	(4,027)
10,430	NNDR, Water, Env chgs	23,471	21,310	2,161
5,000	Cleaning	4,200	4,350	(150)
3,500	Insurances	3,421	3,421	(0)
	<u>Gardens</u>			
25,000	Grounds Maintenance Ad Hoc	20,578	25,000	(4,422)
	<u>Transport</u>			
11,800	Vehicle running costs	9,515	10,292	(777)
22,000	Vehicle Renewal /purchase	16,500	16,500	0
1,700	Travel Allowances	4,430	4,176	254
3,750	Insurances	4,018	3,977	41
	<u>Supplies and services</u>			
11,640	Equipment	15,199	11,640	3,559
2,000	Clothing	985	1,500	(515)
10,700	Office Running Expenses	14,400	10,700	3,700
2,200	Subsistence/ Entertainment	1,480	1,200	280
6,000	Collection Management	6,135	6,000	135
10,500	Loan repayment ~ Lift replacement	7,506	7,506	0
12,000	Consultants ~ Option appraisal	10,375	12,000	(1,625)
0	Commercial Manager	15,394	0	15,394
0	Consultants ~ other	1,633	258	1,375
0	HLF Tapestry restoration	5,105	5,597	(492)
3,000	Insurances	2,175	2,175	0
17,000	Advertising and Interpretation	15,172	14,000	1,172
8,775	Special Events expenses	11,341	9,085	2,256
702,000	Gross Expenditure	821,196	803,102	18,094
	<u>INCOME</u>			
(4,000)	Other Grants	(9,800)	(10,716)	916
(23,000)	Recharge MDO	(24,229)	(17,824)	(6,405)
(5,000)	Sales	(4,596)	(7,379)	2,783
0	Sale of Vehicle	(1,183)	(1,128)	(55)
(33,000)	Admissions	(32,041)	(32,078)	37
(30,000)	Wedding & function Income	(33,963)	(37,138)	3,175
(6,000)	Special Events	(12,871)	(10,139)	(2,732)
(41,000)	Rent of Land	(28,234)	(37,000)	8,766
(55,000)	Treninow Chalets	(55,680)	(55,000)	(680)
(23,500)	Orangery Licence	(18,602)	(25,500)	6,898
(45,000)	Car parking income	(43,051)	(46,200)	3,149
(2,500)	Income From Donations	(19,085)	(21,000)	1,915
0	Commercial Manager (Reserves)	(15,394)	0	(15,394)
(12,000)	Additional Constituent Authority support ~ options appraisal	(10,375)	(12,000)	1,625
(384,000)	Agreed contribution from Constituent Authorities	(384,000)	(384,000)	0
(652,000)	Total Income	(693,102)	(697,102)	4,000
50,000	DEFICIT/(SURPLUS)	128,094	106,000	22,094
	Funded by ~			
	2008/09 Deficit (Reserves)	(48,252)		
	Additional Constituent Authority Support	(79,842)		
		0		

Favourable variances are shown in (brackets)

MOUNT EDGUMBE 2008/09
RESERVES AND PROVISIONS

RESERVES

	<u>Balance</u> <u>31-Mar</u> <u>2008</u> £	<u>Received</u> <u>in year</u> £	<u>Interest</u> £	<u>Spend in year</u> £	<u>Balance</u> <u>31-Mar</u> <u>2009</u> £
General	167,076	0	0	120,312	46,764
Total Reserves	167,076	0	0	120,312	46,764

<u>Commitments to Reserves/Capital funds</u>	<u>Agreed</u> <u>Contributions</u> £	<u>Prior</u> <u>year spend</u> £	<u>Spend in year</u> £	<u>Balance</u> <u>31-Mar</u> <u>2009</u> £
Outbuilding Project	152,803	28,127	56,665	68,011
Commerical Manager	36,000	0	15,394	20,606
Uncommitted balance				36,409
Total	188,803	28,127	72,059	125,026

MOUNT EDGCUMBE 2008/09

RINGFENCED CAPITAL ACCOUNT

	<u>Balance</u> <u>31-Mar</u> <u>2008</u> £	<u>Received</u> <u>in year</u> £	<u>Interest</u> £	<u>Spend/</u> <u>Transfer</u> <u>in year</u> £	<u>Balance</u> <u>31-Mar</u> <u>2009</u> £
Penlee Point	12,612		462		13,075
Rame View Café	21,736		1,827		23,564
Trenninow Hut sale	40,152		1,472		41,624
Total receipts	74,501	0	3,761	0	78,262

CAPITAL PROGRAMME

<u>PROJECT</u>	<u>Actual as at</u> <u>31-Mar</u> <u>2009</u> £	<u>Funding</u>	
		<u>Unsupported</u> <u>Borrowing</u> £	<u>Grants &</u> <u>Contributions</u> £
Outbuilding Restoration	56,665	0	56,665
Total Spend	56,665	0	56,665



Mrs Wendy Eldridge
Senior Accountant
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DEVON AUDIT PARTNERSHIP

C/o Department for Corporate Support
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Date: 26 June 2009

cc. Adam Broome, Director for Corporate Support
Carol Burgoyne, Director for Community Services
Jane Suter, Assistant Head of Finance

When calling or telephoning please ask for: **Paula Sanderson**

My Ref: 80 14 07 2008/09



Dear Wendy

Audit Opinion
Mount Edgumbe Joint Committee, Small bodies return

Please find enclosed copy of Mount Edgumbe Small bodies return for the year ended 2008/09.

1. We have examined the Small bodies annual return for the year ended 31 March 2009 submitted by Mount Edgumbe Joint Committee. We have examined the records of Mount Edgumbe Joint Committee as necessary and obtained such explanations and carried out such tests as we consider necessary.
2. We have completed section 4 of the return, however,
 - i) We have not provided assurance with regard to petty cash transactions (control objective F) as we consider the balance too small to warrant detailed review.
 - ii) Mount Edgumbe does not have their own bank account and therefore, we have not undertaken work against control objective I.

Please also note that in addition to submitting your return to the Audit Commission you are required to submit:

- i) An explanation of significant variances, with figures, in the statement of accounts. A significant variance is where this year's figure differs from the previous years by more than 15% in Section 1 lines 3, 4, 5, 6, 9 and 10.

- ii) A reconciliation between boxes 7 and 8 of the return.
- iii) A copy of Mount Edgumbe Business Plan including annexes which demonstrate the arrangements in place for the management of risk, including minutes of action taken (or to be taken) to address any risks identified.
- iv) Evidence that the Committee has declared the clerks salary to Inland Revenue.
- v) Copies of the fixed asset register.
- vi) A copy of this letter.

We would also like you to note that a delay in Cornwall's elections for leader and portfolio holder have meant that whilst we have audited Mount Edgumbe return, it will not be approved by the Joint Committee within the Audit Commissions deadline.

We understand that Cornwall County Council plan to approve the appointment of representatives to other outside bodies and joint committees on the 15th July 2009. Any meeting held prior to this appointment would not be quorate and so could not approve the accounts and annual return.

Officers at Plymouth City Council have liaised with the Audit Commission to keep them informed of this clearly unavoidable delay.

Yours sincerely



Martin Gould
Head of Partnership

Small bodies in England

Annual return for the year ended

31 March 2009

Small relevant bodies in England with an annual turnover of £1 million or less must complete an annual return summarising their annual activities at the end of each financial year.

The annual return on the following pages is made up of four sections:

- **Sections 1 and 2** are to be completed by the person nominated by the body.
- **Section 3** will be completed by the external auditor.
- **Section 4** is to be completed by the body's internal audit provider.

The body must ensure this annual return is approved no later than 30 June 2009.

Please complete all sections highlighted in red. Do **not** leave any red box blank. Incomplete or incorrect returns may require additional external audit work and incur additional costs.

Please send the annual return, together with any additional information requested, to your appointed external auditor.

If required, your auditor will identify and ask for any documents needed for audit. Unless requested, please do **not** send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the body for publication or public display of sections 1,2 and 3.

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

It should not be necessary for bodies to contact the external auditor or the Audit Commission directly for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides for either local councils or internal drainage boards. These publications may be downloaded from the National Association of Local Councils (NALC) or Society of Local Council Clerks (SLCC) websites (www.nalc.gov.uk or www.slcc.co.uk) or from the members area of the Association of Drainage Authorities website (www.ada.org.uk).

Section 1 – Statement of accounts for:

MOUNT EDGCOMBE JOINT COMMITTEE

In completing the boxes below please explain any significant variances on a separate sheet and send this to the external auditor together with a copy of your bank reconciliation as at 31 March 2009.

	Year ending		Notes and guidance
	31 March 2008 £	31 March 2009 £	
1 Balances brought forward	268,212	247,787	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from taxation and/or levy	384,000 0	485,329 0	Total amount of tax and/or levy received in the year including funding from a sponsoring body. -6
3 (+) Total other receipts	370,731 754,731	259,829 745,158	Total receipts or income as recorded in the cashbook less income from taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	456,980	508,028	Total expenditure or payments made to and on behalf of all body employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	7,506	7,506	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) Total other payments	310,670	352,379	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	247,787	125,026	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	294,807	125,020	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets and long term assets	2,207,358	2,584,014	The recorded book value at 31 March of all fixed assets owned by the body and any other long term assets e.g. loans to third parties and any long-term investments.
10 Total borrowings	52,167	46,371	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that the statement of accounts contained in this annual return presents fairly the financial position of the body and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2009.

Signed by Responsible Financial Officer:

W. Eldridge

Date

I confirm that these accounts were approved by the body and recorded as minute reference:

Date

Signed by Chair of meeting approving this statement of accounts:

Date

Section 2 – Annual governance statement

We acknowledge as the members of **MOUNT EDGCUMBE JOINT COMMITTEE** our responsibility for ensuring that there is a sound system of internal control, including the preparation of the statement of accounts. We confirm, to the best of our knowledge and belief, with respect to the body's statement of accounts for the year ended 31 March 2009, that:

	Agreed – Yes or No*	'Yes' means that the body:
1 we have approved the statement of accounts which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	YES	prepared its statement of accounts in the way prescribed by law.
2 we have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 we have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the body to conduct its business or on its finances.	YES	has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.
4 we have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES	during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.
5 we have carried out an assessment of the risks facing the body and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES	considered the financial and other risks it faces and has dealt with them properly.
6 we have maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems and carried out a review of its effectiveness.	YES	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body and reviewed the impact of this work.
7 we have taken appropriate action on all matters raised in reports from internal and external audit.	YES	responded to matters brought to its attention by internal and external audit.
8 we have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the statement of accounts.	YES	disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the body and recorded as minute reference

dated

Signed on behalf of **MOUNT EDGCUMBE JOINT COMMITTEE**

Signed by: Chair Date

Signed by: Clerk Date

Section 3 – External auditor’s certificate and opinion

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2009 of

Respective responsibilities of the body and the auditor

The body is responsible for the preparation of the accounts in accordance with the requirements of the Accounts and Audit Regulations and for the preparation of an annual return which:

- summarises the body’s accounting records for the year ended 31 March 2009; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External auditor’s report

(Except for the matters reported below)* on the basis of our review, in our opinion the information contained in the annual return is in accordance with the Audit Commission’s requirements and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the body:

(continue on a separate sheet if required)

External auditor’s signature

External auditor’s name

Date

Section 4 – Annual internal audit report to

MOUNT EDGCUMBE JOINT COMMITTEE

The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2009.

Internal audit has been carried out in accordance with the body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and, opposite, are the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the body.

Internal control objective	Agreed? Please choose from one of the following Yes/No*/Not covered**
A Appropriate books of account have been properly kept throughout the year.	YES
B The body's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	YES
C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	YES
D The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	YES
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	YES
F Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	NOT COVERED
G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.	YES
H Asset and investments registers were complete and accurate and properly maintained.	YES
I Periodic and year-end bank account reconciliations were properly carried out.	NOT COVERED
J Year-end accounts were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with cash book, were supported by an adequate audit trail from underlying records, and, where appropriate debtors and creditors were properly recorded.	YES

For any other risk areas identified by the body (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit:

SUE WATTS

Signature of person who carried out the internal audit:

Sue Watts

Date:

29/6/09

Guidance notes on completing the 2009 annual return

- 1 Please make sure that your annual return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are approved by the body, properly initialled and an explanation for them is provided to the auditor. Annual returns containing unapproved and/or unexplained amendments will be returned unaudited and may incur additional costs.
- 2 Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it off to the auditor.
- 3 Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
- 4 Make sure that the copy of the bank reconciliation which you send to your auditor with the annual return covers **all** your bank accounts. If your body holds any short-term investments, please note their value on the bank reconciliation. The auditor should be able to agree your bank reconciliation to Box 8 on the Statement of Accounts. **You must provide an explanation for any difference between Box 7 and Box 8.** More help on bank reconciliations is available in the *Practitioners' Guide**.
- 5 Please **explain fully** significant variances in the statement of accounts. Do not just send in a copy of your detailed financial statements instead of this explanation. The auditor wants to know that **you** understand the reasons for the change. Please include a complete analysis to support your explanation. There are a number of examples provided in the *Practitioners' Guide** to assist you.
- 6 If the auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
- 7 Please make sure that your statement of accounts adds up! Also please ensure that the balance carried forward from the previous year (Box 7 of 2008) equals the balance brought forward in the current year (Box 1 of 2009).
- 8 **Do not complete section 3.** This section is reserved for the external auditor who will complete it at the conclusion of their audit.
- 9 Use the *Practitioners' Guide** for guidance. This publication is regularly updated and contains everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines open should you wish to talk through any problem you may encounter.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All red boxes have been completed?	
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	
Section 1	Approval by the body confirmed by signature of Chair of meeting approving accounts?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2009 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Section 2	For any statement to which the response is 'no', an explanation is provided?	
Section 4	All red boxes completed by internal audit and explanations provided?	

