

**BUS LANE ADJUDICATION SERVICE
JOINT COMMITTEE
28TH JUNE 2011
Item 9 Appendix 1**

Internal Audit Report

**Bus Lane Adjudication Service Joint Committee (BLASJC)
Assurance Statement 2010/11**

**Tom Powell
Corporate Services**

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Report Status

Activity	Date
Fieldwork Commenced	3 June 2011
Draft Report Issued	15 June 2011
Final Report Issued	15 June 2011

1 Internal Audit Function

- 1.1 As Lead Authority, Manchester City Council has delivered the Bus Lane Adjudication Service Joint Committee (BLASJC) and PATROL Adjudication Joint Committee (PATROL AJC)'s internal audit service since 2007 and provides an independent opinion on the adequacy and effectiveness of internal control systems. The Council's Head of Internal Audit and Risk Management agrees the annual audit plan with, and reports to, the Joint Committee and its Head of Service, and has access to all officers and Members.
- 1.2 The purpose of this assurance statement is to explain the work of Internal Audit in examining, evaluating and reporting on the BLASJC's internal controls and represents Internal Audit's opinion on their overall adequacy.
- 1.3 In assessing the level of assurance Internal Audit took into account the planned and agreed audit activity for the financial period 1 April 2010 to 31 March 2011.
- 1.4 Whilst we fully acknowledge that there is a separate Joint Committee for Bus Lanes it does share a number of systems and processes with PATROL. As a consequence we consider that Internal Audit work relating to PATROL can be used as a reasonable source of assurance.

2 Overview of Audit Activity

- 2.1 Internal Audit's activity in relation to the BLASJC for the year to 31 March 2011 included an audit of the bus lane recharge mechanism.
- 2.2 Internal Audit has also reviewed the adequacy and effectiveness of the financial controls, risk management arrangements and management information to inform Section 4 of the Audit Commission Small Bodies in England Annual Return for the year ended 31 March 2011.
- 2.3 Other sources of audit assurance for 2010/11 related to the planned activity completed for PATROL AJC, namely:
 - Core Financial Systems;
 - Risk Management Framework (Follow Up of External Audit work); and
 - Follow Up Audit.

3 Statement of Assurance

- 3.1 On the basis of the audit activity conducted Internal Audit can provide the following assurance in respect of the audits carried out.
- 3.2 *Bus Lane Recharge Mechanism*
We provided substantial assurance over the recharge mechanism in place. We were satisfied that sufficient records had been retained to

document the decision making process and an audit trail was in place to evidence the basis of apportionment.

3.3 *Section 4 Small Bodies in England Annual Return*

In our opinion the BLASJC has achieved a satisfactory standard with regard to all nine control objectives examined. Our work did not include a review of the accounting statements and related records supporting the final accounts under control objective J. We did not consider this to be a key risk or indeed a function that should be discharged through Internal Audit. An opinion on the year end accounts is provided by the appointed external auditor and we consider that any detailed testing of the accounts to support this opinion remains their responsibility.

3.4 *PATROL - Core Financial Systems*

Overall we were able to provide moderate assurance over the effectiveness of controls and management arrangements in place in relation to the budget setting, monitoring and processing of payroll.

3.5 *PATROL - Risk Management Framework (Follow up of External Audit work)*

We were satisfied developments had been made to address the recommendations made by External Audit and work has continued into 2011/12 to embed risk management within the Tribunal Service.

3.6 *PATROL - Follow Up Audit*

In January 2011 we reported management had taken positive action to fully address three and partially address the remaining three recommendations from the Financial Management System audit completed during 2009/10. As a result of this we provided a moderate assurance opinion. Work towards full implementation has continued into 2011/12 and this area will be examined again later in the year.

3.7 *Annual Governance Statement*

Based on the evidence provided and audit activity undertaken during the year together with the work undertaken to inform Section 4 of the Audit Commission Small Bodies in England Annual Return we supported the disclosures and assertion made in the BLASJC annual governance statement.

4 Planned Audit Activity

4.1 The initial plan for 2011/12 replicates that for 2010/11 in respect of an allocation of 8 days to complete Section 4 the Audit Commission's Small Bodies in England Annual Return.

4.2 The audit opinion will continue to be reported to the Head of Service and BLASJC Members by the Head of Internal Audit and Risk Management.