



# **Parking and Traffic Regulations Outside London Adjudication Joint Committee**

Audit of Accounts 2009-10  
Annual Report to those Charged with Governance

10 September 2010

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# 1 Executive Summary

ISA 260 requires communication of:

- relationships that have a bearing on the independence of the audit firm and the objectivity of the engagement team
- nature and scope of the audit work
- the form of reports expected.

## *Purpose of the report*

- 1.1 This report has been prepared for the benefit of discussion between Grant Thornton UK LLP and the Parking and Traffic Regulations Outside London (PATROL) Adjudication Joint Committee (the Joint Committee). The purpose of this report is to highlight the key issues arising from the audit of the Joint Committee's financial statements for the year ending 31 March 2010.
- 1.2 This report meets the mandatory requirements of International Standard on Auditing 260 (ISA 260) to report the outcome of the audit to 'those charged with governance', designated as the Joint Committee. The requirements of ISA260, and how we have discharged them, are set out in more detail at Appendix A.
- 1.3 The Joint Committee is responsible for the preparation of financial statements which record its financial position as at 31 March 2010, and its income and expenditure for the year then ended. We are responsible for undertaking an audit and reporting whether, in our opinion, the Joint Committee's financial statements present a true and fair view of the financial position.
- 1.4 Under the Audit Commission's Code of Audit Practice we are also required to reach a formal conclusion on whether the Joint Committee has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. To reach this conclusion we have carried out work prescribed by the Audit Commission.

## *Audit conclusions*

### **Financial Statements Opinion**

- 1.5 The draft financial statements were approved by the Joint Committee on 29 June 2010 and we were presented with draft financial statements and accompanying working papers on 30 June 2010 in line with the deadline date. As in previous years, the working papers were of a good standard.
- 1.6 The key messages arising from our review of the Joint Committee's financial statements are that:
  - the accounts have been prepared to a good standard and our audit identified only a small number of minor adjustments
  - effective working arrangements between the lead authority's accounting staff and finance team at the Joint Committee have been established
  - the Joint Committee has responded positively to the recommendations we raised in 2008/09 and arrangements have been improved in a number of areas.

- 1.7 We confirm no elector questions or objections were raised on the accounts during the course of our audit.
- 1.8 We anticipate providing an unqualified opinion on the Joint Committee's financial statements, following approval of the accounts by the Joint Committee on 21 September 2010.
- 1.9 Further details of the outcome of our financial statements audit are given in Section Two and Appendix B (adjustments to the financial statements).

#### **Value for Money Conclusion**

- 1.10 In providing our opinion on the financial statements we are required to reach a conclusion on the adequacy of the Joint Committee's arrangements for ensuring economy, efficiency and effectiveness in its use of resources (the Value for Money conclusion).
- 1.11 Our Value for Money conclusion is formed by assessing the Joint Committee against criteria specified by the Audit Commission. We are pleased to report that the Joint Committee has met the requirements and we therefore propose to give a positive conclusion.
- 1.12 The key recommendation arising from our review of the Joint Committee's value for money arrangements is that a review of the Joint Committee's risk register should be undertaken to ensure that recorded risks remain appropriate and any emerging risks are identified. Mitigating actions to manage risks should be recorded and progress against these actions should be routinely reported to Joint Committee members.
- 1.13 Further information on the outcome of our Value for Money audit is contained in Section Two.

#### *The way forward*

- 1.14 Matters arising from the audit have been discussed with the Head of Service. We have made a number of recommendations, which are set out in the action plan at Appendix C and D. These have been agreed with the Head of Service.

#### *Use of this report*

- 1.15 This report has been prepared solely for use by the Joint Committee to discharge our responsibilities under ISA260, and should not be used for any other purpose. We assume no responsibility to any other person. This report should be read in conjunction with the Statement of Responsibilities and the Joint Committee 's Letter of Representation.

*Acknowledgements*

- 1.16 We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Joint Committee's staff.

**Grant Thornton UK LLP**

**10 September 2010**

## 2 Detailed Findings

### *Financial Statements Audit*

- 2.1 The draft financial statements were approved by the Joint Committee on 29 June 2010 and we were presented with draft financial statements and accompanying working papers on 30 June 2010 in line with the deadline date.
- 2.2 For 2009/10, the lead authority's external clients accountancy team assumed responsibility for preparing the financial statements which was a change in arrangements from the previous year. The financial statements are prepared based upon the financial information recorded on the Joint Committee's ledger.
- 2.3 Effective working arrangements have been established between the lead authority's accounting staff and the finance team at the Joint Committee. This has included the development of a good practice accounts closedown plan which facilitated timely completion of the accounts and supporting work papers.
- 2.4 This section provides a summary of findings arising from our audit of the financial statements. This includes matters arising from our evaluation of key controls and comment on the Joint Committee's overall financial position.

### *Status of the audit*

- 2.5 We carried out our audit in accordance with the audit plan issued to the Head of Service on 18 December 2009. Our audit is substantially complete, subject to the following finalisation procedures:
  - review of the final version of the financial statements
  - obtaining and reviewing the Joint Committee's Letter of Representation
  - updating our post balance sheet events review, to the date of signing the accounts.

*Key risks*

- 2.6 Our 2009/10 audit plan set out the key risks relating to the audit of the financial statements. As part of our audit, we considered the risks identified and have set out in Exhibit One below, the outcome of the work completed. Our review of the risks facing the Joint Committee has not identified any additional risk areas.

**Exhibit One: 2009/10 Key risks**

| Key risk                                                                                                                                                                                                                                                                                                                                                                             | Work completed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk 1</b>                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>At 1 April 2009, the Joint Committee transferred its accounting arrangements from the ledger at the Lead Authority, Manchester City Council, to a Quickbook ledger accounting system, which is maintained by Joint Committee staff.</p> <p>A new bank account for the Joint Committee was opened, separating the Joint Committee's balances from those of the Lead Authority.</p> | <p>During 2009/10, the Joint Committee agreed the opening balances position and input these onto the Quickbook ledger. We reviewed the working papers supporting this exercise and agreed the opening balances to the closing balances as per the audited 2008/09 accounts. The opening bank balance stated in the accounts was correctly separated from the balances of the Lead Authority.</p> <p>We concluded that the opening balances were stated correctly, with no exceptions noted.</p> |
| <b>Risk 2</b>                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| <p>Expenses of the Joint Committee are recovered from member Councils in proportion to the number of penalty charge notices (PCNs) issued. Member Councils are required to submit quarterly estimates of the number of PCNs they expect to issue. Invoices are raised by the Joint Committee based on these estimates and subsequently adjusted to reflect the actual number of PCNs issued.</p> <p>The Joint Committee has historically validated the accuracy of the actual number of PCNs issued by sending a statement to each Council listing the actual figures provided in the year and asking the parking manager at each Council to sign the statement to confirm its accuracy. There is a risk that the figures used to produce the accounts may not be stated accurately.</p> | <p>The Joint Committee has responded positively to the recommendations we made in 2008/09 and has improved techniques for validating the accuracy of figures submitted by member Councils. The two main improvements are:</p> <ul style="list-style-type: none"><li>• adding the Chief Financial Officer as an additional signatory on member Council returns to provide additional assurance over the figures</li><li>• comparing the PCN figures stated in the returns to those included in annual returns provided by Councils to the Department for Transport. Where differences are noted, explanations are sought from the Council.</li></ul> <p>Our audit procedures concluded that the income recorded in the Joint Committee's financial statements is materially accurate.</p> |
| <p><b>Risk 3</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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| <p>Following completion of additional audit work in response to a potential objection to the 2008/09 Joint Committee accounts, we suggested several improvements to arrangements including:</p> <ul style="list-style-type: none"> <li>• reviewing the wording of invoices raised to constituent authorities, to state the basis of expense apportionment</li> <li>• reviewing wording of the statutory notice of audit and arrangements for placing of the advert, in particular, considering wider advertising through use of member Council websites</li> <li>• reviewing arrangements for advertising completion of the audit.</li> </ul> | <p>The Joint Committee has responded positively to the recommendations we made in 2008/09, taking actions to improve arrangements, including:</p> <ul style="list-style-type: none"> <li>• revising the wording of invoices to member Councils to clarify the basis of expense apportionment, based on the number of PCNs issued</li> <li>• agreeing wording of the statutory notice of audit with us prior to placing the advertisement</li> <li>• providing a link to the statutory notice of audit on the PATROL website to all member Councils and requesting they make this available on their websites</li> <li>• posting the advert on the PATROL website, alongside the approved draft financial statements, in addition to placing the advert in the London Gazette</li> </ul> <p>We will liaise with the Joint Committee to discuss arrangements for advertising the completion of the audit following the approval of the audited accounts.</p> |
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- 2.7 The Joint Committee should confirm that it is not aware of any additional material risk areas facing the Joint Committee, including significant fraud risks.

*Audit conclusion and matters arising*

- 2.8 We anticipate providing an unqualified opinion on the Joint Committee's financial statements, following approval of the accounts by the Joint Committee on 21 September 2010.
- 2.9 A small number of issues arose during the course of the audit which, whilst not considered material to the reported financial performance, should be considered by the Joint Committee. These are set out below and recommendations are summarised in Appendix C.

**Journal entries**

- 2.10 We noted from our review of journal entries that in a number of instances journals are both prepared and posted by one member of accounting staff, without any documented review procedures in place.
- 2.11 We recommend that one member of the finance team posts the journals, with another checking and approving the journal postings to provide assurance that these are accurate.

### **Adjusted misstatements**

2.12 Our audit identified three adjustments to the accounts in relation to:

- removing items recorded in error on the bank reconciliation which were identified following completion of the year end bank reconciliation exercise
- removing debtor balances from the creditors balance recorded in the accounts
- an over accrual for the amount owed at year end for credit card payments.

2.13 The adjustments have been processed by management and are included at Appendix B. The overall effect of the adjustments is to increase the Joint Committee's surplus for the year by £12,586 from £206,514 to £219,100.

### **Unadjusted misstatements**

2.14 We did not identify any misstatements within the draft accounts which the Joint Committee has not agreed to amend.

### **Other accounts issues arising**

2.15 In addition to the matters raised above, there were a number of other minor presentational changes that arose during the course of our audit and these have been made to the accounts.

### *Financial performance*

2.16 The Joint Committee's financial position continues to be healthy, underpinned by robust budget setting and monitoring procedures. The Joint Committee has developed a three year financial plan, based on income and expenditure trends and projections. This plan is used to inform the setting of contributions from Councils.

2.17 The Joint Committee defrays its expenses through sharing these between member authorities in proportion to the number of PCNs issued. During the year, the Joint Committee's income was £248k higher than budgeted due to the number of PCNs being higher than forecast. Whilst an increased number of appeals increased the costs of holding adjudications, the impact was an overall surplus against budget of £184k. The general fund balance of £729k puts the Joint Committee in a healthy financial position and from our review of financial plans we consider it appropriate for the Joint Committee to continue to account on a going concern basis.

### *Annual Governance Statement (AGS)*

2.18 We have examined the Joint Committee's arrangements and processes for compiling the AGS. In addition, we read the AGS and considered whether the statement is in accordance with our knowledge of the Joint Committee.

2.19 We reviewed the draft AGS and noted a small number of presentational issues that required updating in the final AGS. We discussed our comments with the Head of Service and are satisfied that the revised AGS complies with guidance and is in accordance with our knowledge of the Joint Committee.

*Value for Money Audit*

- 2.20 Our Value for Money conclusion is assessed by reviewing the Joint Committee's arrangements against criteria determined by the Audit Commission to assess whether it has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources. Our assessment for the Joint Committee is summarised below.

**Exhibit Two: 2010 Value for Money assessment**

| Criteria                                       | Judgement |
|------------------------------------------------|-----------|
| Understanding costs and achieving efficiencies | Yes       |
| Financial reporting                            | Yes       |
| Good governance                                | Yes       |
| Risk management and internal control           | Yes       |

Assessment:  
Yes - Adequate arrangements in place to secure VFM  
No - Inadequate arrangements in place to secure VFM

- 2.21 To reach our judgement against each criteria, we have reviewed key documentation including policies, procedures and minutes of Committee meetings. We have set out a summary of our findings in Exhibit Three overleaf.

**Exhibit Three: Summary - Value for Money assessment**

| Criteria                                                                                                                                    | Audit Assessment | Summary of Findings                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.2 Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?               | Adequate         | The Joint Committee has demonstrated the achievement of value for money and reduced costs in 2009/10 in a number of areas, including improving the efficiency of the arrangements for holding adjudication hearings and reducing travel costs. Undertaking more financial management duties in house has also reduced the value of the Service Level Agreement with the Lead Authority. |
| 1.3 Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people? | Adequate         | The Joint Committee's budget monitoring and forecasting arrangements are reliable and Joint Committee members receive regular budget summary reports from the Head of Service. An annual report is produced, which clearly communicates relevant performance information to stakeholders. The accounts produced by the Joint Committee are of a good standard and contained only a      |

| Criteria                                                                                        | Audit Assessment | Summary of Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                 |                  | small number of minor misstatements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2.3 Does the organisation promote and demonstrate the principles and values of good governance? | Adequate         | <p>The Joint Committee has appropriate procedural documentation and guidance in place to promote good governance throughout the organisation.</p> <p>The PATROL agreement sets out the functions of the Joint Committee, standing orders and financial management arrangements, as well as expected behavioural standards. To support the agreement, a briefing pack is provided to all new members of the Joint Committee.</p> <p>In June 2009, the Joint Committee approved a new Code of Corporate Governance.</p> |
| 2.4 Does the organisation manage its risks and maintain a sound system of internal control?     | Adequate         | <p>We have commented in more detail on risk management arrangements in Exhibit Four.</p> <p>We are satisfied from our review of internal controls that there are no material weaknesses.</p> <p>An internal audit function is performed by the Lead Authority's internal audit department. During the year they raised several recommendations to improve financial procedures and we are aware that the Head of Service has already put in place actions to address these.</p>                                       |

2.22 In our 2009-10 audit plan we identified two areas for specific focus to support our Use of Resources conclusion. The findings of our work are shown in Exhibit Four overleaf.

**Exhibit Four: 2009/10 VFM risks and audit response**

| Key risks identified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Work undertaken to address the risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Performance Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>In 2008/09, the Joint Committee produced a Performance Framework, setting out high level performance management arrangements. Internal audit undertook a review of the framework in 2008/09 and noted several areas of good practice. However, they also made several recommendations to ensure arrangements become embedded, including:</p> <ul style="list-style-type: none"> <li>• developing a formal performance management strategy</li> <li>• focusing performance management resource on areas critical to the delivery of the Joint Committee's objectives</li> <li>• clarifying reporting arrangements</li> <li>• developing mechanisms to address areas of under-performance.</li> </ul> | <p>We reviewed how the Joint Committee has responded to the internal audit report and have concluded that appropriate steps have been taken to address the points raised. As noted by internal audit in 2008/09, the Joint Committee already had in place a performance framework which showed several areas of good practice. These arrangements have been strengthened with the approval of a formal performance management strategy in September 2009. The strategy clearly:</p> <ul style="list-style-type: none"> <li>• sets out the key objectives of the Joint Committee</li> <li>• allocates accountability for overseeing the effective operation of performance management</li> <li>• identifies the key performance indicators for key objectives, showing how these will be measured and reported</li> <li>• sets expectations for performance reporting and methods for additional reporting should concerns arise.</li> </ul> |

| <b>Risk Management</b>                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p>The Joint Committee introduced a risk register in January 2008, based upon the framework of the lead authority. The risk register documents existing risks and controls and allocates a lead officer to the management of each risk.</p> <p>There is a risk that the register is not updated frequently and mitigating controls are not monitored.</p> | <p>We have reviewed the Joint Committee's risk register to determine whether risks are being updated on a regular basis and that mitigating controls are being reviewed for effectiveness.</p> <p>The Committee's risk register is based upon the Lead Authority's template and records a numerical risk rating based on a weighted assessment of consequence and likelihood for all identified risks. Our review has shown that key risks have officer responsibility allocated to them, have been assessed and updated during 2009/10 and are routinely reported to Joint Committee members. The risks are regularly reviewed through business continuity planning meetings.</p> <p>We have noted that the key risks, whilst being assessed on a regular basis, are the same as those originally recorded in 2008. We would therefore recommend that a complete review of the risks is undertaken to ensure that these remain appropriate and any emerging risks are identified and recorded.</p> <p>The risk register documents the controls that are currently in place to prevent risks occurring. However, we recommend that further mitigating actions to manage risks are recorded on the risk register and progress against these actions is routinely reported to Joint Committee members.</p> |

- 2.23 Based on the UoR assessment above, we propose to give an unqualified Use of Resources conclusion.

*Next steps*

- 2.24 The Joint Committee is required to approve the financial statements for the year ended 2009-10. In forming its conclusions, the Joint Committee's attention is drawn to the adjustments to the accounts and the required Letter of Representation.

## A Reporting requirements of ISA 260

The principal purpose of the ISA 260 report is:

To reach a mutual understanding of the scope of the audit and the respective responsibilities of the auditor and those charged with governance.

To share information to assist both the auditor and those charged with governance fulfil their respective responsibilities.

To provide to those charged with governance constructive observations arising from the audit process.

| ISA260 reporting requirement | Key messages                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Independence</b>          | <p>We are able to confirm our independence and objectivity as auditors and draw attention to the following points:</p> <ul style="list-style-type: none"> <li>• We are independently appointed by the Audit Commission.</li> <li>• The firm has been assessed by the Audit Commission as complying with its required quality standards.</li> <li>• The appointed auditor and client service manager are subject to rotation in line with the Audit Commission's requirements.</li> <li>• We comply with the Auditing Practices Board's Ethical Standards.</li> <li>• We have not provided any non audit services in 2009-10.</li> </ul> |
| <b>Audit Approach</b>        | <p>Our approach to the audit was set out in our 2009-10 audit plan. We have planned our audit in accordance with auditing standards and the Audit Commission's Code of Audit Practice.</p> <p>We consider the materiality of items in the financial statements in determining the audit approach and in determining the impact of any errors.</p>                                                                                                                                                                                                                                                                                       |

| ISA260 reporting requirement | Key messages                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Accounting Policies</b>   | <p>The Joint Committee has adopted appropriate accounting policies in accordance with the 2009 SoRP.</p> <p>We are satisfied that the relevant financial information disclosed in the Explanatory Foreword is consistent with the accounts.</p> <p>The Joint Committee should confirm that it is satisfied that the accounting policies adopted are the most appropriate, as required by IAS 8.</p> <p>We have considered the Joint Committee's financial plans and consider it appropriate for the Joint Committee to continue to account on a going concern basis.</p>                    |
| <b>Material Risks</b>        | <p>The Joint Committee should confirm that it is not aware of any additional material risk areas facing the Joint Committee, including significant fraud risks.</p> <p>We have requested from the Joint Committee a Letter of Representation, to state that there are no additional material risks and exposures as at September 2010, which should be reflected in the financial statements.</p> <p>We will also perform our own audit procedures to ensure that all significant risks and exposures to the Joint Committee have been recognised in the accounts as at September 2010.</p> |
| <b>Audit Adjustments</b>     | <p>We have discussed with management the adjustments to the accounts, primarily to improve the fair presentation of the financial statements, as well as the clarity and presentation of disclosure notes.</p> <p>These adjustments are summarised at Appendix B.</p>                                                                                                                                                                                                                                                                                                                       |
| <b>Unadjusted Errors</b>     | <p>There were no unadjusted misstatements in the financial statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Other Matters</b>         | <p>We have made recommendations in respect of some areas for improvement. Recommendations and agreed action are listed in the Action Plan at Appendix C.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                |

## B Adjustments to the financial statements

The table below lists all significant audit adjustments which have been processed and agreed with the Head of Service.

### *Adjustment Type*

**Misstatement** - A change to the value of a balance presented in the financial statements.

**Classification** - The movement of a balance from one location in the accounts to another.

| Adjustment type | £     | Accounts balance   | Impact on financial statements                                                                                                                                                                                                                       |
|-----------------|-------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Misstatement    | 8,111 | Cash/ I+E          | The Joint Committee included items in the bank reconciliation in error which needed to be written back, including a cancelled cheque and an item which did not require payment.<br>The adjustment increases the Joint Committee's surplus by £8,111. |
| Classification  | 1,053 | Debtors/ Creditors | A number of debtor balances were included within the creditors figure in the financial statements.<br>This adjustment reclassifies the balances and has no impact on the Joint Committee's surplus.                                                  |
| Misstatement    | 4,475 | Creditors/ I+E     | The Joint Committee included an overstated accrual for expected credit card payments in the financial statements.<br>The adjustment increases the Joint Committee's surplus by £4,475.                                                               |

The overall effect of the above misstatements is to the Joint Committee's surplus for the year by £12,586 from £206,514 to £219,100.

## C Accounts Action Plan

| Rec. No. | Para Ref | Recommendation                                                                                                                                                                                                                                                                                                                                                                                  | Priority H/M/L | Joint Committee response                                 | Implementation date and responsibility                                                                |
|----------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| 1        | 2.11     | <p>We noted from our review of journal entries that in a number of instances journals are both prepared and posted by one member of accounting staff, without any documented review procedures in place.</p> <p>We recommend that one member of the finance team posts the journals, with another checking and approving the journal postings to provide assurance that these are accurate.</p> | H              | These recommendations have been implemented for 2010/11. | <p>April 2010<br/>The Finance Officer</p>                                                             |
| 2        | 2.13     | The Joint Committee should ensure that appropriate controls are in place to ensure that all items included in the bank reconciliation are accurate.                                                                                                                                                                                                                                             | M              | These recommendations have been implemented for 2010/11. | <p>May 2010<br/>The Finance Officer working with the Lead Authority's External Clients Department</p> |

## D Value for Money Action Plan

| Rec. No. | Para Ref | Recommendation                                                                                                                                                                                                                                                                                                                                                                     | Priority H/M/L | Joint Committee response                                                                                                                              | Implementation date and responsibility      |
|----------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| 1        | 2.19     | <p>The Joint Committee should undertake a complete review of the risks recorded in the risk register to ensure that these remain appropriate and any emerging risks are identified and recorded.</p> <p>Mitigating actions to manage risks should be recorded on the risk register and progress against these actions should be routinely reported to Joint Committee members.</p> | H              | <p>The findings of the complete review of the risk register will be presented to the PATROL Adjudication Joint Committee Executive Sub Committee.</p> | <p>January 2011<br/>The Head of Service</p> |



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