



**ISSUES ARISING REPORT FOR
Parking & Traffic Regulations Outside London
Adjudication Joint Committee
Audit for the year ended 31 March 2011**

Introduction

The following matters have been raised to draw items to the attention of Parking & Traffic Regulations Outside London Adjudication Joint Committee. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2011.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Internal auditor's recommendations
 - Section 1 of the annual return approved at a sub committee not by the full body.
 - Minutes
 - Risk Assessment - approved at a sub committee
 - Asset Valuation
-

The following issue(s) have resulted in the annual return being qualified. They indicate a weakness in the body's procedures and require the body to take immediate action.

Section 1 of the annual return approved at a sub committee not by the full body.

What is the issue?

Section 1 of the annual return has been approved at a sub committee of the body.

Why has this issue been raised?

This is a breach of regulation 13, paragraph 3a of the Accounts and Audit (England) Regulations 2011 which states the accounting statements shall be approved by 'the members meeting as a whole'.

What do we recommend you do?

The body must ensure in future years that the Annual Return is approved by members of the body in accordance with the regulations.

Further guidance on this matter can be obtained from the following source(s):

Accounts and Audit (England) Regulations 2011 - Office of Public Sector Information website
Local Council Administration, 7th Edition, Charles Arnold Baker, Chapter 7

The following issue(s) have been raised to assist the body in improving its internal controls or working practices. The body is recommended to consider these but is under no statutory obligation to act upon them.

Asset Valuation

What is the issue?

The body have not included the value of all fixed assets on the annual return. There are assets on the asset register which have not been included on the return.

Why has this issue been raised?

The value of fixed assets could therefore be understated.

What do we recommend you do?

The body must include all fixed assets owned by the body in Section 1 of the Annual Return. This should be the value of all fixed assets recorded in the fixed assets register, measured at cost value. Assets comprise of land, buildings, plant and equipment, vehicles, etc property that will be of economic benefit to the body over a period substantially longer than one financial year.

The book value of assets is not expected to change unless an asset is ever disposed of or scrapped.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England - A Practitioners Guide, NALC/SLCC

The following issue(s) have been raised to assist the body. The body is recommended to take action on the following issue(s) to ensure that the body acts within its statutory and regulatory framework.

Internal auditor's recommendations

What is the issue?

The internal auditor has noted a number of weaknesses in the financial systems of the body.

Why has this issue been raised?

The body is exposed to the risks associated with these weaknesses.

What do we recommend you do?

The body must implement the recommendations made by the internal auditor to improve the financial systems of the body as soon as possible or in any event before the end of the current financial year.

If the body addresses all the issues raised by the internal auditor the body should improve internal controls which will help to prevent and detect error and fraud and assist the body to operate in an effective and efficient manner.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England - A Practitioners Guide, NALC/SLCC

Minutes

What is the issue?

The body produced printed minutes, which were submitted for audit purposes. The pages were not initialled by the person signing the minutes.

Why has this issue been raised?

This body submitted minutes for audit purposes which were not maintained in accordance with schedule 12, paragraph 41(2) of the Local Government Act 1972.

What do we recommend you do?

The body should ensure with immediate effect that if a loose leaf minute book is maintained the loose leaf pages are consecutively numbered and initialled by the person signing the minutes.

Minutes must be maintained in accordance with the Local Government Act 1972. Loose leaf minute books are lawful but the loose leaf pages must be consecutively numbered and each page must be initialled by the person signing the minutes.

Further guidance on this matter can be obtained from the following source(s):

Local Council Administration, 7th Edition, Charles Arnold-Baker, Chapter 7

Risk Assessment - approved at a sub committee

What is the issue?

The body have minuted its review of the risk assessment during the year ended 31 March 2011 at a

sub committee of the full body.

Why has this issue been raised?

The Accounts and Audit (England) Regulation 2011, which came into force on the 31 March 2011, require the approval of a risk assessment at a full body meeting and not at a sub committee of the body.

What do we recommend you do?

The body must ensure in future years that the risk assessment is reviewed by a full body meeting and not a sub committee.

Further guidance on this matter can be obtained from the following source(s):

The Accounts and Audit (England) Regulations 2011

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 21 September 2011
