Section 4 – Annual internal audit report to

BUS LANE ASSOCIATION SERVICE 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 2011.

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 alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the body.

<table>
<thead>
<tr>
<th>Internal control objective</th>
<th>Achieved?</th>
<th>Please choose one of the following:</th>
<th>Yes/No/Not covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>A  Appropriate accounting records have been kept properly throughout the year.</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B  The body’s financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C  The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage those.</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E  Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F  Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G  Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H  Asset and investments registers were complete and accurate and properly maintained.</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I  Periodic and year-end bank account reconciliations were properly carried out.</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J  Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or Income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, deeds and creditors were properly recorded.</td>
<td>Not Covered</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

See attached Audit Report which explains the Area Not Covered and Areas for Improvement.

Name of person who carried out the internal audit: Tom Russell - Head of Audit Risk Management

Signature of person who carried out the internal audit: [Signature] Date: 02/06/2011

Section 1 – Accounting statements for:

BUS LANE ASSOCIATION SERVICE JOINT COMMITTEE

Year ending 31 March 2010 £ 2011 £

1. Balance brought forward 29,915 65,582

2. (4) Income from local taxation and/or levy
   - NIL
   - NIL

3. (4) Total other receipts 123,657 230,341

4. (-) Staff costs
   - NIL
   - NIL

5. (5) Loan interest/capital repayments
   - NIL
   - NIL

6. (3) All other payments 85,190 (47,470)

7. (6) Balances carried forward 65,582 121,453

8. Total cash and short term investments 31,440 240,050

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
   - NIL
   - NIL

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
    - NIL
    - NIL

The outstanding capital balance as at 31 March of all loans from third parties (including P&LDR).

I certify that for the year ended 31 March 2011 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer: [Signature] Date: 19/06/2011

I confirm that these accounting statements were approved by the body on: 25/06/2011 and recorded as minute reference: BLAS/01/11 Signed by Chair of meeting approving these accounting statements: [Signature] Date: 25/06/2011
Section 2 – Annual governance statement

We acknowledge as the members of the Small Unregulated Service Joint Committee our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2011, that:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td></td>
<td>Complied its accounting statements in the way preserved by law.</td>
</tr>
<tr>
<td>2</td>
<td>Yes</td>
<td></td>
<td>Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</td>
</tr>
<tr>
<td>3</td>
<td>Yes</td>
<td></td>
<td>Has only done things that it has the legal power to do and has informed to codes of practice and standards in the way it has done so.</td>
</tr>
<tr>
<td>4</td>
<td>Yes</td>
<td></td>
<td>During the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.</td>
</tr>
<tr>
<td>5</td>
<td>Yes</td>
<td></td>
<td>Considered the financial and other risks it faces and has dealt with them properly.</td>
</tr>
<tr>
<td>6</td>
<td>Yes</td>
<td></td>
<td>Arranged for a competent person, independent of the financial control and procedures, to give an objective view on whether internal controls meet the needs of the body.</td>
</tr>
<tr>
<td>7</td>
<td>Yes</td>
<td></td>
<td>Responded to matters brought to its attention by its internal and external audit.</td>
</tr>
<tr>
<td>8</td>
<td>Yes</td>
<td></td>
<td>Disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.</td>
</tr>
</tbody>
</table>

This annual governance statement is approved by the body and recorded as minute reference number 8.03.11.

Signed by: [Signature]
Chair
Dated: 26/06/2011

Signed by: [Signature]
Clerk
Dated: 26/06/2011

*Note: Please provide explanations to the auditor on a separate sheet for each. No response has been given and describe what action is being taken to address the weaknesses identified.

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 2011 of

[Name of the body]

Respectful responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2011; 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 as the matters reported below] on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices 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:

Please see enclosed report

BDH LLP Southampton
United Kingdom

(continue on a separate sheet if required)

External auditor's signature
[Signature]
BDH LLP Southampton
United Kingdom

Date: 21/04/2011

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled Statement of Responsibilities of Auditors of Audited Small Bodies.