



**ISSUES ARISING REPORT FOR
Bus Lane Adjudication Service Joint Committee
Audit for the year ended 31 March 2014**

Introduction

The following matters have been raised to draw items to the attention of Bus Lane Adjudication Service Joint Committee. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2014.

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;

- Fidelity Guarantee
 - Minor issues
 - Internal auditor's recommendations endorsed
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The following issue(s) have been raised as there are minor errors on the annual return which we wish to draw to the attention of the body so they do not occur again in future years.

Minor issues

What is the issue?

The following issues have been raised as minor issues or omissions have been identified in the current year's Annual Return:

The annual return does not add up by £1.

Why has this issue been raised?

This is to draw these minor errors to the attention of the body.

What do we recommend you do?

The body should ensure in future years that the above minor errors or omissions are not included in the Statement of Accounts.

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.

Fidelity Guarantee

What is the issue?

The body has fidelity guarantee cover, however this appears to be insufficient in light of the bank balances held at 31 March 2014.

Why has this issue been raised?

A body, under S114 of the Local Government Act 1972, must take security as it considers sufficient in the case of any of its officers likely to handle its money. The body may decide that insurance is not 'sufficient' for them, but in order to come to this opinion it must have reviewed the requirement annually and have objective grounds for such a conclusion.

What do we recommend you do?

The body should consider the level of insurance cover and set it to a level that will protect the body against potential loss. The body should review the level of cover at least annually as circumstances may change throughout the year.

The amount should be sufficient to cover the maximum amount of money the body holds at any one time during the year. A body does not have to have fidelity guarantee insurance if it considers that no security is 'sufficient' but there must be objective grounds for such a conclusion.

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

Local Council Administration, 8th Edition, Charles Arnold-Baker, Chapter 9.8
Governance and Accountability in Local Councils in England - A Practitioners Guide, NALC/SLCC

Internal auditor's recommendations endorsed

What is the issue?

The internal auditor has noted a few issues 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

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 17 September 2014
