

**Bus Lane Adjudication Service
Joint Committee Executive Sub
Committee**

Agenda

Date: Tuesday 11th October 2022
Time: 11.30 am or on the rise of the PATROL Joint Committee Executive Sub Committee
Venue: Park Plaza London, Waterloo, SE1 7DP

1. **Apologies for Absence**
To receive apologies for absence (enclosed).
2. **Declarations of Interest**
To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests and for Members to declare if they have pre-determined any item on the agenda.
3. **Minutes of the Previous Meeting**
To approve the minutes of the BLASJC Adjudication Joint Committee Executive Sub Committee held 26th January 2022 as a correct record (enclosed).
4. **Chair's Update (verbal)**
To provide the Joint Committee with a general update since the last meeting.
5. **Chief Adjudicator's Update (General Progress report)**
To receive an update from the Chief Adjudicator.
6. **Audit Commission Small Bodies Annual Return for the Year Ended 31 March 2022**
To note the completion of the external audit of accounts 2021/2022 (enclosed).
7. **Review of Income and Expenditure and Reserves for 2022/23**
To note income and expenditure, reserves and the basis for defraying expenses in 2022/23 (enclosed).

Items common to PATROL and Bus Lane Adjudication Service Joint Committee

8. **Risk Management Framework**

To note the latest review of the Risk Register.

9. **Report of the PATROL and BLASJC Resources Working Group**

To report on the PATROL and BLASJC Resources Working Group which met on 22 September 2022.

10. **Public Affairs Report**

To note the Public Affairs report during 2021/22.

11. **Date of next meeting**

To note the date of the next meeting as follows:-

Tuesday 24th January 2023 in Birmingham.

For requests for further information or to submit apologies please contact: Sarah Baxter, Democratic Services and Policy Manager Tel: 01625 445576 E-Mail: sbaxter@patrol-uk.info

For further information on any of the reports contained within the agenda, please contact Laura Padden, Director of PATROL, email: info@patrol-uk.info

ITEM 1

BLASJC Apologies

Bradford MBC - Cllr Carol Thirkill

Durham CC - Cllr John Shuttleworth

Hertfordshire CC - Cllr Phil Bibby

Somerset CC - Cllr John Cook-Woodman

Stockton BC - Cllr Mike Smith

Officers

Jo Abbott - Advisory Board

Stephen Knapp - TPT

Minutes of a meeting of the **Bus Lane Adjudication Service Joint Committee**

held on 25 January 2022 at The Park Plaza County Hall, London, SE1 7RY

PRESENT

Councillor Tony Page (Reading Borough Council) in the Chair.

Cheshire East Council – Councillor Laura Crane

Hampshire County Council – Councillor Graham Burgess (BLASJC Vice Chair)

Hertfordshire County Council – Councillor Phil Bibby

Reading Borough Council – Councillor Tony Page

Somerset County Council – Councillor John Woodman

Sarah Baxter - Cheshire East Council

Andy Diamond - PATROL

Laura Padden - Director of PATROL

Caroline Sheppard OBE - Traffic Penalty Tribunal

Graham Addicott OBE – Advisory Board

1 Apologies for Absence

Apologies for absence were reported as follows:-

Councillor Manda Rigby - BATHNES

Councillor Carol Thirkill - Bradford City Council

Councillor Steve Davis - Brighton & Hove City Council

Councillor Tim Rippington - Bristol City Council

Councillor Abdul Khan/Patricia Heatherton - Coventry City Council

Councillor John Shuttleworth - Durham County Council

Councillor Rosemary Healy - Nottingham City Council

Councillor Warren Bray - Tameside County Council

Councillor Vera Waters - Walsall Metropolitan Council

Councillor Andy D'Agorne - York City Council

In addition apologies were received from:-

Jo Abbot - Advisory Board

Michael Clarke - Stoke City Council

Erica Maslen - PATROL

Marc Samways - Hampshire County Council/Advisory Board

Iain Worrall - PATROL

2 Declarations of Interest

There were no declarations of interest.

3 Minutes of the meeting held 26 October 2021

RESOLVED

That the minutes of the meeting held on 26 October 2021 be approved as a correct record subject to the insertion of the list of following Councillors who were missed from the list of those present:-

4 Chair's Update (Verbal)

The Chair gave a verbal update in respect of the following matters:-

- Moving Traffic Powers;
- Contact details provided to the DfT;
- Thanks to Caroline Sheppard, OBE for the work she had undertaken in her role as Chief Adjudicator over the years.

RESOLVED

That the update be noted.

5 Chief Adjudicator's Update (Verbal)

There was no further update to what had been reported at the PATROL meeting.

6 Budget Monitoring 2021/22

Consideration was given to a report on the review of income and expenditure and reserves for 2021/22 for BLASJC.

RESOLVED

That the Reserves position at end of September 2021 against the budget and the forecast Reserves position for the year 2021/22 at the meeting of the Executive Sb Committee held on 25 January 2022 be noted.

7 Revenue Budget for 2022/23

Consideration was given to a report requesting the Committee to adopt the budget estimates for 2022/23.

RESOLVED

That the revenue budget estimates as detailed in the report be adopted.

8 Reserves Policy Statement

Consideration was given to a report on the Reserves Policy Statement for the Joint Committee for 2022/23.

RESOLVED

1. That the Reserves Policy Statement for 2022/23 and the total approved reserve level for 2022/23 of £347,330 be approved. This represented 50.0% of the overall annual bus lane budgeted costs and compared to £338,899 for 2021/22.

2. That the balances of any surplus from 2021/22 being carried forward to 2022/23 be approved.

3. That the delegation of authority to the Chair and Vice Chair for authorising the withdrawal of funds from general reserves to meet budgetary deficits be approved.

9 Defraying the expenses of the Joint Committee 2021/22

Consideration was given to a report which established for those participating in the Joint Committee to contribute to its expenses during 2022/23.

RESOLVED

1. That the rate of 30 pence per PCN be maintained and reviewed at the meeting on October in the light of the six-months income and expenditure information.

2. That there be no annual charge per case payable.

3. That invoicing be undertaken based on monthly submissions from authorities as in 2021/22.

Items common to PATROL and Bus Lane Adjudication Service Joint Committees

10 Delayed Decisions Report

Consideration was given on correspondence received from solicitors acting for Halton Borough Council concerning outstanding cases at the Traffic Penalty Tribunal.

RESOLVED

That the progress of the cases described in the report be noted.

11 PATROL and BLASJC Resources Working Group and Sub Committee

The Committee considered reports of the PATROL and BLASJC Working Group meetings since the Executive Sub Committee held in October 2021.

RESOLVED

1. That the matters discussed at the meetings since the last Executive Sub Committee be noted.

2. That approval be given to the Resources Sub Committee and Working Group overseeing matters highlighted in the report and reporting back to the next meeting of the Joint Committees or their Executive Sub Committees.

12 Risk Management Framework

Consideration was given to a report on the Risk Register.

RESOLVED

That the current assessment of risk be noted.

13 Annual Investment Strategy

Consideration was given to a report outlining the investments during 2021/22.

RESOLVED

That the Annual Investment Strategy be approved.

14 Appointment of External Auditor

Consideration was given to a report on the appointment of External Auditors for the periods 2021/22 to 2023/24.

RESOLVED

That BDO LLP be approved as External Auditors for the periods 2021/22 to 2023/24.

15 Traffic Penalty Tribunal General Progress Report

Consideration was given to the General Progress report for the period 1 December 2021.

RESOLVED

That the progress report be noted.

16 Public Affairs Overview

Consideration was given to the Public Affairs Overview.

RESOLVED

That the report be noted.

17 Date of Next Meeting

It was noted that the date of the next meeting would be Tuesday 12 July 2022.

The meeting commenced at 11.39am and concluded at 11.45am.

Councillor Tony Page (Chair)

BLASJC Executive Sub Committee

Date of Meeting: 11 October 2022

Report Title: Audit Commission Small Bodies Annual Return for the Year ended 31 March 2022

Report of: The Director on behalf of the Resources Working Group

1. Purpose of Report

1.1. To report the findings of the External and Internal Auditors for the year 2021/22.

2. Recommendations

2.1. That the findings of the External Audit Report for 2021/22 in the enclosed report (Appendix 1) be noted.

2.2. That the findings of the Internal Audit Report for 2021/22 as reported to PATROL and BLASJC Sub Committee at their meetings on 12 July 2022 (appendix 2) be noted.

3. Reasons for Recommendations

3.1 Compliance with financial regulations.

4. Background

4.1 The Joint Committee approved the appointment of BDO LLP to audit the annual returns for the period 2021/22 at its meeting in January 2022. BDO LLP have provided the external audit function in accordance with the Small Bodies Annual Return which is utilised for bodies with an annual turnover of less than £6.5 million.

4.2 The final audited return is shown at Appendix 1. The external audits have found no issues.

4.3 The Internal Audit Report is shown at Appendix 2. The Internal Auditors gave a GOOD assurance on controls within the organisation reporting two LOW issues which have already been addressed.

4.4 There is no requirement for the Joint Committee to publish accounts from 2015/16 onwards however at the Joint Committee meeting in June 2015, it was determined that this would continue for the purposes of transparency.

5. Implications

5.1. Finance

5.1.1 As set out in the report.

6.1 Risk Management

6.1.1 Internal and External Audit findings provide assurance to the Joint Committee on Financial Management.

APPENDIX 1:



Tel: +44 (0)23 8088 1700
Fax: +44 (0)23 8088 1701
www.bdo.co.uk

Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

Private and Confidential

Ms L Padden
Bus Lane Adjudication Service Joint Committee
PO Box 471
Merlin House
8 Grove Avenue
WILMSLOW
Cheshire
SK9 0HJ

28 September 2022

Our ref: 2022//BUSL01/LC

Direct line: 023 8088 621911
E-mail: councilaudits@bdo.co.uk

Dear Ms Hutchinson

Annual Review of the return for the year ended 31 March 2022

We are pleased to advise that we have now completed the review of the return for the year ended 31 March 2022 based on agreed upon procedures.

Please find enclosed the following documents:

- Fee Note to follow in due course
- Return for the financial year ended 31 March 2022

The enclosed return should be presented to the committee now that the work is complete and a minute should be made to show that the return including our certificate has been approved and accepted by the smaller authority.

If you have any questions please contact Louise Caplen in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Angel', written in a cursive style.

Martin Angel
For and on behalf of BDO LLP

Enc.

Joint Committees

Return for the financial year ended 31 March 2022

The return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the Joint Committee
- Section 3 is completed by BDO LLP as the reviewer appointed by the Joint Committee.
- Section 4 is completed by the Joint Committee's internal audit provider.

Completing your return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the return. Also our extranet contains useful advice for you to refer to, see below.

Complete all sections highlighted in red. Do not leave any red box blank. Incomplete or incorrect returns require additional work and so may incur additional costs.

Send the return, together with your bank reconciliation as at 31 March 2022, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to us, BDO LLP, by the due date.

We will identify and ask for any additional documents needed for our work. Therefore, unless requested, do not send any original financial records.

Once we have completed our work, the completed return will be returned to the Joint Committee.

It should not be necessary for you to contact us for guidance.

Section 1 – Governance statement 2021/22

We acknowledge as the members of

Enter name of reporting body here: **BUS LANE ADJUDICATION 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 2022, that:

	Agreed		Yes Means that the body
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the guidance notes within this Return.	✓		Prepared its accounting statements and approved them.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances and have reported our financial results to our host authority for inclusion in their accounts.	✓		Has only done what it has the legal power to do and has complied with general accepted good practice
4 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		Considered the financial and other risks it faces and has dealt with them properly.
5 We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems	✓		Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body.
6 We took appropriated action on all matters raised during the year in reports from internal audit and external reviews.	✓		Responded to matters brought to its attention by internal and external reviewers.
7 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	✓		Disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

The governance statement is approved by the Joint Committee and recorded as minute reference

8

Date

20/07/22

Signed by:

Chair



Signed by:

Clerk



*Note: Please provide explanations on a separate sheet for each 'No' response. Describe how the joint committee will address the weaknesses identified.

Enter name of reporting body here:

**BUS LANE ADJUDICATION SERVICE
JOINT COMMITTEE**

	Year ending		Notes and guidance
	31 March 2021	31 March 2022	
	£	£	
1 Balances brought forward	574,566	488,794	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	-	-	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body. Excluding any grants received.
3 (+) Total other receipts	323,121	627,546	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	-	-	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan Interest/capital repayments	-	-	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) All other payments	408,893	515,781	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	488,794	600,559	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6)
8 Total cash and short term investments	519,329	537,336	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 plus other long term investments and assets	-	-	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March
10 Total borrowings	-	-	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB)

I certify that for the year ended 31 March 2022 the accounting statements in the return present fairly the financial position of the Joint Committee and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

Date **24/06/2022**

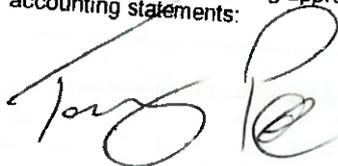
I confirm that these accounting statements were approved by the Joint Committee on:

12/07/22

and recorded as minute reference:

8

Signed by Chair of meeting approving these accounting statements:



Section 3 – External Report 2021/22 Certificate

We present the findings from our review of the return for the year ended 31 March 2022 in respect of:

Enter name of reporting body here:

BUS LANE ADJUDICATION SERVICE JOINT COMMITTEE

Respective responsibilities of the Joint Committee and the reviewer

The Joint Committee has taken on the responsibility of ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The Joint Committee prepares a return which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on various governance matters in accordance with generally accepted good practice

This report has been produced in accordance with the terms of our engagement letter dated 12/07/2016 ("the Engagement Letter") and in accordance with the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements as published by IAASB.

We have performed the following work in respect of the return prepared by the Joint Committee:

- agreed to bank reconciliation to the annual return and the bank statements
- agreed the Annual return figures back to the trial balance
- ensured the trial balance and accounting statements adds up
- agreed the precept to the funding body
- agreed any loans to the PWLB or whoever the loan is with
- checked the comparative figures to the prior year accounts
- undertake an analytical review of the figures and investigated any variances in excess of 10%
- agree that the accounting statements and annual governance statement have been signed and dated as required.
- investigated any NO answers to the Annual Governance Statement
- investigated any NO answers in the internal auditor report

[No exceptions were found / Apart from the following exceptions, noted below, no exceptions were found.]

We have not subject the information contained in our report to checking or verification procedures except to the extent expressly stated above and this engagement does not constitute an audit or a review and, as such, no assurance is expressed. Had we performed additional procedures, an audit or a review, other matters might have come to light that would have been reported.

You were responsible for determining whether the agreed upon procedures we performed were sufficient for your purposes and we cannot, and do not, make any representations regarding the sufficiency of these procedures for your purposes.

Our report is prepared solely for the confidential use of the joint committee. Our report must not be used for any purpose other than for which it was prepared or be reproduced or referred to in any other document or made available to any third party without the written permission of BDO LLP.

We accept no liability to any other party who is shown or gains access to this report.

DocuSigned by:
Reviewer signature **BDO LLP**
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BDO LLP

Section 4 – Annual internal audit report 2021/22 to

Enter name of reporting body here:

BUS LANE ADJUDICATION SERVICE JOINT COMMITTEE

The Joint Committee's internal audit service provider, 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 2022.

Internal audit has been carried out in accordance with the Joint Committee'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 Joint Committee.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. The Joint Committee's financial regulations have been met, payments were approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. The Joint Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The annual taxation or levy or funding requirements resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Salaries to employees and allowances to members were paid in accordance with the body approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For any other risk areas identified by the Joint committee (list and other risk areas below or on separate sheets if needed) adequate controls existed.

Name of person who carried out the internal audit: Josie Griffiths

Signature of person who carried out the internal audit:  Date: 23/06/2022

*Note: If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Guidance notes on completing the 2021/2022 return

1. Make sure that your return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the body, properly initialled and an explanation provided to us. Returns containing unapproved or unexplained amendments will be returned and may incur additional costs.
2. Use the checklist provided below. Use a second pair of eyes, perhaps a member of the committee or the Chair, to review your return for completeness before sending it to us.
3. Do not send us any information not specifically asked for. Doing so is not helpful. However, you must notify us of any change of Clerk, Responsible Financial Officer or Chair.
4. Make sure that the copy of the bank reconciliation or letter confirming the balance held on your behalf which you send with the return covers all your bank balances. If the joint committee holds any short-term investments, note their value on the bank reconciliation. We must be able to agree your bank reconciliation to Box 8 on the Accounting statements. You must provide an explanation for any difference between Box 7 and Box 8.
5. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. We want to know that you understand the reasons for all variances. Include a complete analysis to support your explanation.
6. If we have to review unsolicited information, or receive an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which we will make a charge.
7. Make sure that your accounting statements add up the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
8. Do not complete section 3. We will complete it at the conclusion of our work.

Completion checklist – No answers mean you may not have met requirements		Done?
All sections	All red boxed have been completed?	✓
Section 1	All information has been sent with this return?	✓
Section 1	For any statement to which the response is 'no', an explanation is provided?	✓
Section 2	Approval by the body confirmed by the signature of Chair of meeting approving the accounting standards?	✓
Section 2	An explanation of significant variations from last year to this year is provided?	✓
Section 2	Bank reconciliation as at 31 March 2022 agrees to Box 8?	✓
Section 4	An explanation of any difference between Box 7 and Box 8 is provided?	✓
Section 4	All red boxed completed by internal audit and explanations provided?	✓

Appendix 2:

Internal Audit – Assurance Report PATROL (Parking and Traffic Regulations Outside London) 2021/22

Report Status: Final
Report Date: 16th June 2022
Prepared by: Lucy Nelson

Draft reports should not be shared with anyone outside of the distribution list below without prior approval from the Audit Manager.

Distribution List – Draft Report:

- Laura Padden – PATROL, Director
- Erica Maslen – PATROL, Central Services Manager

Final reports should not be shared with anyone outside of the distribution list without prior approval from the Audit Manager and Final Report Owner.

Distribution List – Final Report:

- Laura Padden – PATROL, Director
- Erica Maslen – PATROL, Central Services Manager

Final Report Owner:

- Laura Padden – PATROL, Director

Version Control

Version Number	Date	Changes
1.0	07/06/22	Draft report prepared
1.1	14/06/22	Draft report reviewed and approved for issue
1.2	15/06/22	Draft report comments received from PATROL and amendments noted.
1.3	16/06/22	Final Report agreed and issued

Galileo Reference	EXT001.0008
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Executive Summary

1. Background

- 1.1 PATROL (Parking and Traffic Regulations Outside London) has been established to enable Councils undertaking civil parking enforcement in England and Wales and civil bus lane and moving traffic enforcement in Wales to exercise their functions under:
- Section 81 of the Traffic Management Act 2004 (TMA) and Regulations 17 and 18 of The Civil Enforcement of Parking Contraventions (England) General Regulations 2007 (the English General Regulations);
 - Section 81 of the TMA and Regulations 16 and 17 of the Civil Enforcement of Road Traffic Contraventions (General Provisions) Wales Regulations 2013 (the Welsh General Provisions Regulations);
 - Regulations 12 and 13 of The Road User Charging (RUCA) Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013 (the Road User Charging Regulations);
 - Regulation 18 of The Littering from Vehicles Outside London (Keepers: Civil Penalties) Regulations 2018.
- 1.2 These functions are exercised through PATROL in accordance with Regulation 16 of the English General Regulations and Regulation 15 of the Welsh General Provisions Regulations.

- 1.3 The Bus Lane Adjudication Service Joint Committee (BLASJC) has been established to enable councils in England undertaking civil enforcement of bus lanes to exercise their functions under Regulation 11 of The Bus Lane Contraventions (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2005 (the Bus Lane Regulations).
- 1.4 These functions are exercised through BLASJC in accordance with Regulation 12 of the Bus Lane Regulations.
- 1.5 Under the above legislation and regulations, Councils operating civil traffic enforcement functions are responsible for funding the provision of adjudication. The Councils carry out this function through a Joint Committee. The PATROL and Bus Lanes Adjudication Joint Committees perform this function in accordance with legislation and regulations and the constituent authorities of each Joint Committee defray expenses in such a proportion as the Joint Committees decide.
- 1.6 The Traffic Penalty Tribunal also provides adjudication in respect of penalties issued for failure to pay the road user charge at the Dartford-Thurrock River Crossing, the Mersey Gateway Bridge and the Durham Road User Charge Zone and in relation to Clean Air Zones, Moving Traffic offences and Littering from Vehicles penalty notices.
- 1.7 PATROL is classed as a small relevant body in accordance with the Accounts and Audit Regulations 2015, and prior to 2015/16 had to complete a Small Bodies Annual Return

Executive Summary

(SBAR) summarising their annual activities at the end of each financial year. This requirement was removed for 2015/16 by the Accounts and Audit Regulations 2015; however, the Body has decided to still complete the SBAR on an annual basis as good practice and in the spirit of openness and transparency.

- 1.8 Cheshire East Council was appointed as the Host Authority to the PATROL Adjudication Joint Committee and Bus Lane Adjudication Joint Committee on 1st January 2013. As part of this role, the Council has delivered the Body's Internal Audit service.
- 1.9 Where reference is made to policies and procedures in this report, these are PATROL's, not Cheshire East Council's unless specified otherwise.

2. Scope of Review and Risks Covered

- 2.1. Due to the Covid-19 pandemic and following a period of consultation, PATROL staff have moved to Home Based contracts with staff operating under home working agreements. As such, Internal Audit has followed the programme of testing and carried out physical testing where required but has also placed reliance on information being supplied electronically.
- 2.2. In order to complete Section 4 of the 2021/22 SBAR, we had to determine whether the ten stated internal control objectives have been achieved throughout the 2021/22 financial year to a standard adequate to meet the needs of the Body. The control objectives are:

- A. Appropriate accounting records have been kept properly throughout the year.
- B. The body's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT appropriately accounted for.
- C. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage this.
- 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.
- E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.
- F. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.
- G. Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.
- H. Asset and investment registers were complete and accurate and properly maintained.
- I. Periodic and year-end bank account reconciliations were properly carried out.
- 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, debtors and creditors properly recorded.

Executive Summary

2.3. In order to satisfy the above control objectives, we carried out a programme of audit testing on the following areas:

- Assets
- Banking and Cheques
- Budgetary Control
- Income
- Payroll
- Procurement
- Purchase Cards
- Petty Cash
- Risk Management

2.4. PATROL introduced a petty cash system during 2019/20 with a balance limit of £50 and there are also six purchase cards linked to the bank account. As such, and as per testing carried out in previous years, a review of processes and controls in operation in relation to the cards was also undertaken.

2.5. The separate Joint Committees for PATROL Adjudication Service and Bus Lanes Adjudication Service share the same systems and processes. Therefore, where appropriate, audit work focussed on PATROL and assurance can be drawn from this for Bus Lanes.

2.6. Where sample testing was undertaken, sampling was proportionate to the volume of transactions in relation to the PATROL, Bus Lanes, RUCA moving traffic and littering. Furthermore, the samples selected included transactions completed throughout the whole of 2021/22 in order to ensure that the findings are as comprehensive and reliable

as possible and also capture an accurate reflection of the practices in place. Although reasonable assurance can be drawn from these findings it is never possible to give complete assurance that all issues have been uncovered, as we are unable to test every transaction.

2.7. We have previously issued a draft report to present our key findings and actions, (reported on an exception basis), to confirm the factual accuracy of the findings and to agree recommended actions. This final report is issued now that the recommended actions, along with responsibilities and timescales have been agreed.

3. Key Findings and Recommended Actions

3.1. A total of 88 controls have been tested covering all areas detailed in the control objectives on the SBAR. This draft report is intended to highlight the areas where improvements are required, either in the control itself or to improve compliance with the controls.

3.2. As a result of the testing, 2 recommended actions have been raised in this report and can be found at **Appendix A**. The actions raised relate to non-compliance with the controls the Body has established in its processes and procedures.

3.3. The areas identified for improvement are as follows:

Control Objective F

- There were no transactions recorded through Petty Cash during 2020/21 and 2021/22 with the minor

Executive Summary

items of expenditure that the system was intended for being purchased using other methods.

Control Objective H

- Although other checks have been in place, the IT Asset Register has not been fully independently reviewed in line with PATROL's Financial Regulations.

4. Conclusion and Opinion

- 4.1. The audit concluded that on the whole the 10 control objectives detailed on the 2021/22 SBAR are effectively managed for both PATROL and Bus Lane Adjudication Joint Committees. **Appendix B** confirms the results of the audit work as it will be entered on the SBAR.
- 4.2. The review concluded that the steps taken to address compliance with the controls the Body has established in its processes and procedures are operating satisfactorily.
- 4.3. Internal Audit use a formal opinion system, details of which are given in **Appendix C**. Based upon the findings and actions raised, a "Good Assurance" opinion has been given.

Good Assurance

Controls are in place to mitigate against the risks identified in the Terms of Reference. Testing has shown that controls are working effectively and consistently to ensure that key risks are well managed.

- 4.4. In line with our Audit Charter, the agreed action plan will be subject to a follow up review to provide assurance that recommended actions have been implemented.

Appendix A – Action Plan

F - Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for				
	Finding	Implication	Recommended Action	Priority
1	<p>A petty cash system was introduced in 2019/20, with a balance limit of £50.</p> <p>A review of the records and physical cash held confirmed a current balance on 19th May 2022 of £21.92, with no transactions during 2021-22 and 2020-21. Petty cash was introduced to purchase minor items, for example, stamps and refreshments for meetings, however these items are reimbursed through staff expenses or purchased using a staff purchase card.</p>	<p>Petty cash facilities are not effectively managed and at an increased risk of misappropriation.</p>	<p>PATROL should review the requirement for a petty cash system and consider closing the fund if there is no longer a business need.</p>	<p>Low</p>
Management Response				
<p>Agreed: Petty cash is kept in the safe with restricted access, however there is no longer a requirement for this facility. Facility has been removed</p> <p>Responsibility: Central Services Manager</p> <p>Target Date: Completed</p>				

H – Asset and investment registers were complete and accurate and properly maintained				
	Finding	Implication	Recommended Action	Priority
2	<p>Financial Regulations 21-22 sets out that IT equipment will be physically verified annually by the Finance and Central Services Manager.</p> <p>Although PATROL maintain an IT Asset Register there is no evidence to support when the IT Asset Register was last subject to an annual independent review.</p> <p>Previous audit records confirmed that a review took place in April / May 2019 and the review for</p>	<p>An increased risk that assets are not safeguarded against theft or identified for insurance purposes in the event of a claim.</p>	<p>The asset register should be formally reviewed on an annual basis and evidenced as such in line with the Financial Regulations 21-22.</p> <p>This should be in addition to the other controls in place.</p>	<p>Low</p>

OFFICIAL

Appendix A – Action Plan

20/21 did not take place due to remote working through the Covid-19 outbreak.			
Management Response			
Agreed: To return to a full check each year. However, there have been checks completed but not as a single exercise: <ul style="list-style-type: none">• A full check was completed in March 2022 by the Central Services Manager of equipment held by Adjudicators.• All equipment issued to staff is signed for. When replacement equipment is issued the form is updated and resigned. This form shows all equipment held and the control here is that any irregularities would be raised at this point.• All equipment in the office was recorded at the point of the move – Feb 2021. Responsibility: Central Services Manager Target Date: March 2023			

Appendix B – Summary of Results for the Small Bodies Annual Return

Section	Objective	Agreed		
		Yes	No	Not Covered
A	Appropriate accounting records have been kept properly throughout the year	✓		
B	The body's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT appropriately accounted for	✓		
C	The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage this	✓		
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	✓		
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	✓		
F	Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for	✓ *		
G	Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied	✓		
H	Asset and investment registers were complete and accurate and properly maintained	✓		
I	Periodic and year-end bank account reconciliations were properly carried out	✓		
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, debtors and creditors properly recorded	✓		

* There are six purchase cards linked to the bank account, therefore, a review of processes and controls in operation in relation to the cards was also undertaken.

Audit Opinion

An overall opinion on the control environment will be given on completion of the audit work. This opinion relates **only** to those risks identified or systems tested. Where the audit opinion given is either limited or no assurance, consideration will be given to including those areas in the Annual Governance Statement.

There are four possible opinions: good assurance, satisfactory assurance, limited assurance, and no assurance.

The following table explains the various assurance levels in terms of the controls in place and how testing has shown them to be operating. It also gives an indication as to the priority rating of recommendations you might expect at each assurance level, although please note this is for guidance only as the final opinion lies at the discretion of the Auditor.

Assurance Level	Explanation
Good Assurance	Controls are in place to mitigate against the risks identified in the terms of Reference. Testing has shown that controls are working effectively and consistently to ensure that key risks are well managed. No high level recommendations have been made although there may be a small number at medium level. Some changes in the control environment may be beneficial to enhance performance and realise best practice.
Satisfactory Assurance	Controls are adequate to address the risks identified in the terms of reference. Testing has shown that there are some inconsistencies in the application of the controls, and attention is needed to improve the effectiveness of these controls. Recommendations will normally be no higher than medium level.
Limited Assurance	Controls are either not designed to mitigate the risks identified in the terms of reference, or testing has shown there to be significant non-application of controls. There are likely to be a number of high priority recommendations and/or a large number at the medium level. Attention is needed to improve the quality and effectiveness of the control environment in order to ensure key risks can be managed well.
No Assurance	There is an absence of controls to mitigate against the risks identified in the terms of reference. The majority of recommendations made are high priority, and key risks are not being properly managed. Urgent attention is required by management to improve the control environment. This area may be considered for inclusion in the organisation's Annual Governance Statement. It may also be appropriate for this area to be included in the sections/directorate Risk Register, and for the action plan to address these fundamental weaknesses to become part of the Service Delivery Plan.

Priority Rating for Individual Findings

Every audit finding and supporting recommendation will be rated in line with the criteria shown below. Timescales for necessary actions will be discussed with service managers, but the broad expectations for consideration and implementation are outlined below.

Priority	Explanation		
	Risk	Controls and Testing	Timescale
High	<p>Action is required to mitigate against a risk which is assessed as likely to arise, and having a high impact should it do so. A fundamental risk may involve failure to:</p> <ul style="list-style-type: none"> • Meet key business objectives • Meet statutory objectives • Adhere to Cheshire East policies • Prevent fraud or material error 	<p>Controls to mitigate risks identified in the terms of reference are either absent or poorly designed.</p> <p>Testing has shown that controls are significantly failing to work as intended.</p>	<p>This action needs immediate consideration by management.</p> <p>Implementation of necessary actions may take longer, but an action plan to address the issues should be developed immediately.</p>
Medium	<p>Action is required to mitigate against a risk which is assessed as being likely to arise OR having a significant impact if it should arise.</p>	<p>Controls to mitigate risks identified in the terms of reference are in place.</p> <p>Testing has shown that controls are working as intended, with some minor inconsistency.</p>	<p>This action needs to be considered by management within 3 months.</p> <p>Implementation of necessary actions may take longer, but an action plan to address the issues should be developed within 3 months.</p>
Low	<p>Action is required to mitigate against a risk which is assessed as having a low impact or being unlikely to arise.</p> <p>Implementation of these actions will further strengthen internal control and improve potential for achieving best practice.</p>	<p>Controls to mitigate risks identified in the terms of reference are in place.</p> <p>Testing has shown that the controls are being applied consistently and effectively.</p>	<p>This action needs to be considered by management within 6 months.</p> <p>Implementation of necessary actions may take longer, but an action plan to address the issues should be developed within 6 months.</p>

BLASJC Executive Sub Committee

Date of Meeting: 11 October 2022

Report Title: Review of Income and Expenditure and Reserves for 2022/23

Report of: Laura Padden, Director

1. Purpose of Report

- 1.1. To report the Income and Expenditure position at 31st July 2022 for the year 2022/23 in order to comply with the approved Financial Regulations.
- 1.2. To report the Reserves position at 31st July 2022 against the approved Reserves levels in order to comply with the approved Financial Regulations.

2. Recommendations

- 2.1. To note the Income and Expenditure position at 31st July 2022 for the year 2022/23.
- 2.2. To note the Reserves position at 31st July 2022 against the approved Reserves levels.
- 2.3. To approve the recommended charge of 30 pence per PCN issued for the remainder of 2022/23.

3. Reasons for Recommendations

- 3.1. Compliance with Financial Regulations.
- 3.2. To inform the Risk Register.

4. Background

- 4.1. Income and Expenditure

SUMMARY TO DATE				
	31/07/2022	31/07/2022	31/07/2022	31/03/2022
	Actual	Budget	Var to Budget	Prior Year Result
Income	224,324	207,283	17,041	627,546
Expenditure	156,550	231,553	75,003	515,781
Surplus / (Deficit)	67,773	-24,270	92,043	111,765

4.2. At 31st July 2022 Income is £17,041 over budget (positive variance). Expenditure under budget by £75,003 (positive variance). This is due to lower than anticipated costs recharged from PATROL. This results in a surplus to date of £67,773 against a budgeted deficit of £24,720 (a positive variance of £92,043).

4.3. Reserves to date are summarised as follows:

	To Date	Budget ytd	Var to Budget
Reserves b/f from 21/22	600,560	600,560	0
Surplus / (Deficit) for year 22/23 - YTD	67,773	-24,270	92,043
Closing Balance	668,333	576,290	0
<i>Approved Reserves</i>	347,342	347,342	0
FREE Reserves to Date	320,991	228,948	92,043

4.4. At 31st July 2022 there is a Reserves balance of £668,333 giving a Free Reserves balance of £320,991 (against a budgeted balance of £228,948).

	Reserves	Approved	Free Reserves	Movement
Opening Reserves 2020/21	574,567	332,214	242,353	
Reserves for year 2020/21	-85,772			
Drawdown in Year 2020/21	0			
Opening Reserves 2021/22	488,795	338,899	149,896	-92,457
Reserves for year 2021/22	111,765			
Opening Reserves 2022/23	600,560	347,342	253,218	103,322
Reserves for year 2022/23	67,773			
RESERVES TO END JULY 22	668,333	347,342	320,991	67,773
From start 2020/21 to date	93,766	15,128	78,638	78,638

- 4.5** This table demonstrates that Cash Reserves have increased by £93,766 from pre-Pandemic to date. This is partially offset by an increase in Approved Reserves of £15,128 combining to give an increase in Free Reserves of £78,638.
- 4.6** This shows that the losses suffered by the Pandemic effect on enforcement have been recovered.
- 4.7** The BLASJC budget and the resulting basis for defraying expenses was approved for the year 2022/23 at the meeting of the Executive Sub Committee held on 25th January 2022. This was approved at a rate of 30 pence per PCN issued, with a review part way through the year.
- 4.8** Based on the financial position at July 2022 and the continued improvements in financial stability it is recommended that this rate remains unchanged but that a fuller review is made as part of the budget setting process for 2023/24 to be approved at the January 2023 Executive Sub Committee.

5. Implications

5.1. Finance

- 5.1.1** Assurance of financial health and therefore limited financial risk.