

## Small Bodies in England Electronic annual return Year ended 31 March 2012

Small relevant bodies in England with an annual turnover of £6.5 million or less must complete an annual return summarising their activities at the end of each financial year.

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

- Sections 1 and 2 are completed by the person nominated by the body.
- Section 3 is completed by the external auditor.
- Section 4 is completed by the body's internal audit provider.

The body must approve this annual return no later than 30 June 2012.

### Completing your electronic annual return (eAR)

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return. For further information on eAR go to <http://www.audit-commission.gov.uk/audit-regime/support-guidance/Pages/Annualreturn.aspx>

Once downloaded you are able to complete certain sections of this e-annual return. You must then print the e-annual return to complete the remainder of the information required before approval by the body. The sections available for completion electronically are:

- the name of your body in sections 1, 2 and 4 on pages 2, 3 and 5
- boxes 1 to 10 in Section 1 on page 2; and
- the responses in boxes 1 to 8 in Section 2 on page 3.

You cannot save the e-annual return or send it electronically. You may only print it.

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

Send the annual return, together with your bank reconciliation as at 31 March 2012, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your appointed external auditor by the due date.

Your auditor will identify and ask for any documents needed for audit. Therefore, unless requested do not send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the body for publication or public display of sections 1, 2 and 3. You must publish or display the audited annual return by 30 September 2012.

It should not be necessary for you to contact the external auditor or the Audit Commission directly for guidance.

More guidance on completing this annual return may be found in the Practitioners' Guides for either local councils or internal drainage boards. These publications may be downloaded from the National Association of Local Councils (NALC) or Society of Local Council Clerks (SLCC) websites ([www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk)) or from the members area of the Association of Drainage Authorities website ([www.ada.org.uk](http://www.ada.org.uk)).

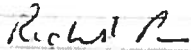
## Section 1 – Accounting statements for:

Bus Lane Adjudication Joint Committee

	Year ending		Notes and guidance
	31 March 2011 £	31 March 2012 £	
1 Balances brought forward	65,582	121,453	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	0	0	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body.
3 (+) Total other receipts	230,341	335,010	Total income or receipts as recorded in the cashbook less income from taxation and/or levy (box 2). Include any grants received here.
4 (-) Staff costs	0	0	Total expenditure or payments made to and on behalf of all body employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) All other payments	174,470	362,603	Total expenditure or payments as recorded in the cashbook less staff costs (box 4) and loan interest/capital repayments (box 5).
7 (=) Balances carried forward	121,453	93,860	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	280,050	192,415	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	0	0	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	0	0	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 2012 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:



Date 15/6/12

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

26 06 2012

and recorded as minute reference:

Signed by Chair of meeting approving these accounting statements:



Date 26 6 2012.

## Section 2 – Annual governance statement

We acknowledge as the members of:

**Bus Lane Adjudication 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 2012, that:

		Agreed – Yes	No	'Yes' means that the body:
1	We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	<input checked="" type="radio"/>	<input type="radio"/>	prepared its accounting statements in the way prescribed by law
2	We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness	<input checked="" type="radio"/>	<input type="radio"/>	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 laws, regulations and codes of practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances.	<input checked="" type="radio"/>	<input type="radio"/>	has only done things it has the legal power to do and conformed to codes of practice and standards in the way it has done so
4	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<input checked="" type="radio"/>	<input type="radio"/>	during the year gave all persons interested the opportunity to inspect and ask questions about the body's accounts
5	We assessed the risks facing the body and taken appropriate steps to manage those risks, including the introduction of internal controls and external insurance cover where required.	<input checked="" type="radio"/>	<input type="radio"/>	considered the financial and other risks it faces and dealt with them properly.
6	We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.	<input checked="" type="radio"/>	<input type="radio"/>	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.
7	We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="radio"/>	<input type="radio"/>	responded to matters brought to its attention by internal and external audit.
8	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 included them in the accounting statements.	<input checked="" type="radio"/>	<input type="radio"/>	disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

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

[Signature]

dated 26 06 2012

Signed by:

Chair P. Dickens

dated 26.6.2012

Signed by:

Clerk [Signature]

dated 26 06 2012

**\*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the body will 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 2012 of

BUS LANE ADJUDICATION SERVICE JC

#### Respective 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 2012; 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 for 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

BDO LLP Southampton  
United Kingdom

(continue on a separate sheet if required)

External auditor's signature

External auditor's name  Date

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

## Section 4 – Annual internal audit report to

### BUS LANE ADJUDICATION 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 2012.

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.

Internal control objective	Agreed? Please choose from one of the following		
	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 was appropriately accounted for.	✓		
C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual tax on 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 investments 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 were properly recorded.			✓

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 AREAS 'NOT COVERED' AND AREAS FOR IMPROVEMENT

Name of person who carried out the internal audit: Tom Powell - Head of Audit & Risk Mgmt

Signature of person who carried out the internal audit: [Signature] Date: 14/06/2012

\*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).

**Bus Lane Adjudication Service Joint Committee**  
**21st November 2012**  
**Item 7 Appendix 2**

**ISSUES ARISING REPORT FOR**  
**Bus Lane Adjudication Service Joint Committee**  
**Audit for the year ended 31 March 2012**

**BDO**

## 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 2012.

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;

- Minute reference
  - Internal auditor's recommendations
-

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.

**Minute reference**

*What is the issue?*

A minute reference has not been entered in Section 1 and Section 2.

The statements were approved and the minute reference should be BLAS/12/18.

*Why has this issue been raised?*

The approval of the sections have not been fully disclosed in accordance with the requirements.

*What do we recommend you do?*

The body must ensure that the annual return approval is adequately disclosed.

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

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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

**No other matters came to our attention.**

For and on behalf of  
BDO LLP

Date: 14 September 2012

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