

REPORT FOR RESOLUTION

SUBJECT: External Audit

REPORT OF: The Lead Authority
On behalf of the Advisory Board

PURPOSE OF REPORT

To update Members on further responses to the Annual Report to those Charged with Governance for 2008/09 and to seek approval in relation to the appointment of the external auditor to the PATROL Adjudication Joint Committee for four years commencing with the accounts for the year ending 31 March 2009.

RECOMMENDATIONS

It is recommended that the Joint Committee:

- [i] Notes the updated position in relation to the recommendations contained within the Annual Report to those Charged with Governance for 2008/09.
- [ii] Approves the proposals from the Audit Commission to appoint Grant Thornton for a period of four years from 2008/09 to 2011/12.
- [iii] Notes that the Head of Service will ensure that all new member councils are notified of the audit arrangements.

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET

The costs associated with external audit are budgeted each year.

CONTACT OFFICER

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1. INTRODUCTION

This report provides information on further responses to the Annual Report to those Charged with Governance for 2008/09 and seeks approval of the proposal for the appointment of the external auditor to the PATROL Adjudication Joint Committee for four years commencing with the accounts for the year ending 31 March 2009.

2. EXTERNAL AUDIT RECOMMENDATIONS 2008/09

- 2.1 The Annual Report to those Charged with Governance 2008/09 made a number of recommendations in relation to the validation of Audit Returns to the Joint Committee from Member Councils. The recommendation in relation to obtaining additional assurance from the authority's Chief Financial Officer (or delegated officer) has been implemented as part of the annual audit of returns for 2009/10. In addition, work is in progress to corroborate Audit returns with local authority returns to the Department for Transport. It was agreed at the meeting in January 2010 that the remaining options for consideration which included spot checks and obtaining underlying system information will be discussed further with the Advisory Board at its meeting in May 2010 and its recommendations will be presented to the Joint Committee meeting in June 2010.
- 2.2 Following consideration by the Advisory Board of the remaining options for validating Audit Returns to the Joint Committee, the view is that the Joint Committee does not have sufficient staff resources to undertake spot checks. The option for obtaining underlying system information will be considered in the light of findings from the review of data against third party information.
- 2.3 The Annual Report to those Charged with Governance made recommendations in relation to finalising the closing and opening balances in respect of the new Joint Committee Bank Account. Since the January meeting, the responsibility for the preparation of the Joint Committee's accounts has transferred to the External Clients Department of the Lead Authority whose staff have taken the necessary steps to finalise the closing balance and the opening balance on the new PATROL bank account. This exercise is now complete.

3. EXTERNAL AUDIT CONSULTATION

- 3.1 The Audit Commission proposes to appoint the same auditor as for the Joint Committee's Lead Authority as the Lead Authority prepares the Joint Committee's accounts. The proposal is for Grant Thornton (UK) LLP to be appointed for four years starting with the accounts for the year ending 31 March 2009 i.e. for the financial year ending 31 March 2009 to year ending 2012. This will ensure that the audit of the PATROL Adjudication Joint Committee accounts is in line with that of the Lead Authority.
- 3.2 The Audit Commission has stated that they wish to consult on the appointment of an external auditor to audit the accounts of the PATROL Adjudication Joint Committee. This report forms part of that consultation.
- 3.3 In addition, the Audit Commission has asked that new council members of the PATROL Adjudication Joint Committee is notified of audit arrangements.

4. RECOMMENDATIONS

It is recommended that the Joint Committee:

- [i] Notes the updated position in relation to the recommendations contained within the Annual Report to those Charged with Governance for 2008/09.
- [ii] Approves the proposals from the Audit Commission to appoint Grant Thornton for a period of four years from 2008/09 to 2011/12.
- [iii] Notes that the Head of Service will ensure that all new member councils are notified of the audit arrangements.