



JOINT COMMITTEE – 9<sup>th</sup> SEPTEMBER 2011

AUDITED STATEMENT OF ACCOUNTS 2010/2011

REPORT OF THE TREASURER

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**1. PURPOSE OF REPORT**

- 1.1 To report the communications received from the External Auditors concerning the financial statements for 2010/2011.
- 1.2 To provide the Audited Statement of Accounts for 2010/2011 for approval by Members.

**2. DESCRIPTION OF THE DECISION**

Members are recommended to:

- 2.1 Note that the External Auditors, BDO LLP (Chartered Accountants) have issued an unqualified audited Annual Return (Appendix 1).
- 2.2 Approve the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March 2011 (Appendix 2).

**3. BACKGROUND**

- 3.1 Smaller relevant bodies in England must complete an annual return summarising their annual activities at the completion of each financial year in accordance with the Accounts and Audit Regulations 2011. Members are responsible for ensuring that financial management is adequate and effective and that the body has a sound system of internal control.
- 3.2 A smaller relevant body includes Joint Committees which now have gross income or gross expenditure levels below £6.5 million for the financial year in question (2010/2011) as well as either of the two immediately preceding years (2008/2009 and 2009/2010). This regime applies to the Joint Committee.

3.3 The Audit Commission was replaced by BDO LLP (Chartered Accountants) from 1st April 2010, as the Joint Committee's external auditors, and they are required to report on the final accounts by 30th September of each year. The Joint Committee has received an unqualified audit report.

#### 4. KEY MESSAGES

4.1 The Auditor's communication (Smaller Bodies in England Annual Return for the year ended 31<sup>st</sup> March 2011) is included with this report, shown as part of Appendix 1. In summary, the communication shows that:

- The External Auditors have issued an unqualified audit opinion. See Section 3 of the Smaller Bodies Annual Return
- There were no changes required to the Statement of Accounts and Annual Return and there were no misstatements identified
- The External Auditor has not identified any issues in relation to the qualitative aspects of the Joint Committee's accounting practices and financial reporting
- The External Auditor has identified the following matters which are not considered material but have been raised in order to draw items to the attention of the Joint Committee:
  - a) The Joint Committee submitted minutes for audit purposes which were not maintained in accordance with schedule 12, paragraph 41(2) of the Local Government Act 1972 as the pages were not initialled by the person signing the minutes. The External Auditor has recommended that the Joint Committee should ensure with immediate effect that if a loose leaf minute book is maintained the loose leaf pages are consecutively numbered and initialled by the person signing the minutes.
  - b) The internal auditor has noted a number of weaknesses in the financial systems of the Joint Committee and made relevant recommendations. The Joint Committee must implement the recommendations made by the internal auditor before the end of the current financial year. This should improve internal controls which will help to prevent and detect error and fraud and assist the Joint Committee to operate in an efficient and effective manner.

Malcolm Page  
Treasurer