

AUDIT COMMITTEE

24 MARCH 2009

SOUTH THAMES GATEWAY BUILDING CONTROL – REPORT OF THE AUDITOR

Author: Mick Hayward, Chief Finance Officer and Section 151 Officer
for the South Thames Gateway Building Control Joint
Committee

Summary

This report presents a report from the auditor concerning the South Thames Gateway Building Control Partnership.

1. Budget and Policy Framework

1.1 The receipt of the auditor's report is a matter for the South Thames Gateway Building Control Joint Committee. It is however being submitted to the Audit Committee for information.

2. Background

2.1 The South Thames Gateway Building Control Partnership went live in 2007. It is a joint venture between three of the Thames Gateway councils, namely Gravesham, Medway and Swale, providing a cohesive building control service.

2.2 The South Thames Gateway Building Control Memorandum of Agreement requires that an auditor, appointed by the Audit Commission, shall audit the accounts of the Partnership. This accords with Section 2 of the Audit Commission Act 1998, which requires the Commission to appoint an external auditor for a joint committee of two or more authorities.

2.3 At the September 2008 meeting the Joint Committee approved the 2007/2008 Statement of Accounts (SoA) and the appointment of PKF as the auditor to the Joint Committee.

2.4 The auditor has reviewed the SoA and is reporting back its findings to the Joint Committee on 17 March 2009. It can be seen from the auditor's report (Appendix 1) that there were no issues raised as a

result of the audit. A recommendation has been made that future Joint Committee accounts be prepared in accordance with SORP requirements.

- 2.5 Further to the recommendation from the auditors, the Joint Committee accounts from 2009/10 onwards will be fully SORP compliant.

3. South Thames Gateway Building Control Joint Committee

- 3.1 The Joint Committee on 17 March 2009 is being asked to note the report as attached. Members will be advised of any issues arising from the Joint Committee verbally.

4. Financial Implications and Legal Implications

- 4.1 There are no direct financial or legal implications arising from this report.

5. Recommendations

- 5.1 Members are asked to note the attached auditor's report on the South Thames Gateway Building Control Partnership.

Lead officer contact

Mick Hayward, S151 Officer, South Thames Gateway Building Control Partnership, Compass Centre, Chatham Maritime, Kent, ME4 4YH
Tel: 01634 332220

Background papers

Appointment of Auditor and Statement of Accounts 2007-2008 report to STG Building Control Joint Committee – 25 September 2008. Copies are available on the Council's website: www.medway.gov.uk or via request to the Cabinet Office (01634) 332008.

Members of South Thames Gateway Joint Committee
Medway Council
Gun Wharf
Dock Road
Chatham
Kent
ME4 4TR

Our ref:

25 February 2009

Dear Members

Limited assurance audit of South Thames Gateway Joint Committee 2007/08

We are writing to you in respect of the completion of the above work.

We can confirm that we have completed our review and on the basis of our work would note that:

- the information that is contained in the annual return is in accordance with the Audit Commission's requirements
- we have not identified any errors that require amendment within the annual return
- no matters have come to our attention that give cause for concern that relevant legislation and regulatory requirements have not been met.

In order to complete the audit we now require the preparation of a letter of representation (a draft of which is attached as Appendix 2 to this letter) and receipt of the final signed Annual Return.

There is one matter which I would like to draw the attention of members to, the future preparation of Joint Committee accounts in line with SORP requirements. As noted in our issues arising in Appendix 1, while the Joint Committee is able to prepare an annual return for the next two years, we would recommend that it considers the early adoption and preparation of full SORP compliant accounts.

We would like to thank officers for their assistance in completing the audit.

Yours sincerely

PKF (UK) LLP
London

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Management recommendations arising

Preparation of SORP compliant accounts

Issue arising

The Joint committee has, in 2007/08, incurred gross expenditure of less than £1 million and therefore met the definition of a 'smaller relevant body' in Regulation 2 (1) of the Accounts and Audit Regulations 2003 as amended. In accordance with the Regulations the Joint Committee has produced the required Annual Return.

The Regulations also allow a smaller relevant body to continue to prepare annual returns where they have gross income or expenditure of less than £1 million in either of two immediately preceding years to that being accounted for. This confirms that the Joint Committee can complete an annual return for the next two years (2008/09 and 2009/10), even though gross expenditure is likely to be in excess of £1 million. SORP compliant accounts will only be required in 2010/11, although comparatives for 2009/10 will be necessary.

Recommendation

Although the Joint Committee meets the Regulations, we would recommend that it prepare full SORP compliant accounts at an earlier stage, for either the 2008/09 or 2009/10 accounts, particularly in light of the gross expenditure being in excess of £1 million.

Management response

To be completed

Draft letter of representation

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

XX March 2009

Dear Sirs

Annual return of South Thames Gateway Joint Committee for the year ended 31 March 2008

1 Representations of the Chief Finance Officer

I confirm to the best of my knowledge and belief, and having made appropriate enquiries of other officers and Members, the following representations given to you in connection with your audit of the Annual Return.

2 Responsibility for the Annual Return

I acknowledge as the Chief Finance Officer and S151 Officer my responsibilities for the Annual return.

3 Completeness of information

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Joint Committee have been properly reflected and recorded in the accounting records. All other records and related information have been made available to you.

4 Internal control

I acknowledge my responsibility for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Annual Return that are free from misstatement, whether arising from fraud or error.

5 Compliance with law and regulations

I am not aware of any possible or actual instances of non-compliance with laws or regulations which are central to the Joint Committee's ability to carry on business or which would otherwise have a potentially material effect on the Annual Return.

6 Uncorrected misstatements

You have not brought to my attention any uncorrected misstatements in the Annual Return.

7 Subsequent events

There have been no events since the balance sheet date which necessitate revision of the figures included in the Annual report.

Yours faithfully

Mick Hayward
Chief Finance Officer