



Partnership Management Board
27th June 2012

Annual Return 2011/12
Report of the Head of Partnership

Introduction

- 1). The North Yorkshire Audit Partnership was created and took effect from 1st Feb 1999. It is a partnership of the councils, Ryedale, Scarborough, Selby, Hambleton, and Richmondshire. It was created using powers in the 1972 Local Government Act. Specifically, it is a Joint Committee arrangement (the Partnership Management Board is the Joint Committee) whereby one council becomes the host council (Ryedale DC), providing the essential infrastructure. The partnership provides the designated services, in this case Internal Audit to the partner councils.
- 2). All councils are required by the Accounts & Audit Regulations 2011 to have a system of Internal Control and Internal Audit. The form is not specified. This requirement also extends to all specified 'bodies', which includes the Audit Partnership as a Joint Committee.
- 3). In respect of the requirement to have a system of internal control and internal audit, the system of internal control is largely covered by the very fact that all our systems are council systems, predominantly those of Ryedale DC. Anything beyond those systems, e.g. any specific systems were covered by either the annual 'external audit review' or the tri-ennial review of internal audit by the Audit Commission.
- 4). On that basis the requirements of the Accounts & Audit Regulations are met.
- 5). The Partnership is also subject to External Audit.
- 6). The Regulations were revised and introduced a definition of 'smaller relevant body' being one whose gross income or expenditure is less than £1m. The Audit Partnership is therefore now classified as a smaller relevant body.
- 7). The firm Mazars have now been appointed by the Audit Commission as the appointed auditors to the Partnership and we now have the standard Annual Return for such smaller bodies to the Partnership for completion, and return to Mazars Ltd. of Southampton. This firm are, in fact, the appointed external auditors for a large number of Parish and Town Councils.
- 8). The deadline date for the return is 30th June, and to fit with the timetable for our Partnership Board meetings this Annual Return must be approved and signed at this June meeting.

- 9). The effect of the Regulations and the requirements of the Annual Return are threefold.
- 10). Firstly the accountancy requirements have been reduced so that only an Income and Expenditure account is required. As the Partnership's accounts are produced integrally with the accounts of the host council, and routines have been well established this is no real gain. Therefore the existing accounting arrangements have continued.
- 11). Section 1 of the return, the Statement of Accounts, has been completed by the accountancy support provided by the host council. It has to be approved and signed by the Responsible Financial Officer and the Chairman.
- 12). Secondly an Annual Governance Statement (AGS) (section 2 of the return) must be completed and signed off. This form requires yes/no answers to be made to specific questions and then signed by the Chairman, and Clerk. This requirement of clerk is because the form has been designed with local councils in mind, rather than bodies such as the Partnership.
- 13). Therefore this will be completed, and signed together with the AGS included in the financial accounts by the Chairman; the Responsible Financial Officer (the Ryedale DC Corporate Director (s151)); and the Head of the Partnership as the most senior officer of the Partnership (using the AGS requirements as a guide).
- 14). There are requirements for the Internal Audit of the Partnership. We are now required to submit a completed Internal Audit return, similar to the ones used for local Councils.
- 15). We have appointed Veritau Ltd as the Partnership's internal auditors and those appointed internal auditors have completed section 4 of the return. Once completed the Annual Return is despatched to Mazars who should sign off the external auditor certificate (section 3). It is then advertised as before to the electorate affected and this will be done by an advertisement in the Yorkshire Post newspaper.
- 16). The Partnership Agreement terminated on 31st March 2012, and therefore this Annual Return for 2011/12 is the final return for the Audit Partnership.

Recommendations

It is recommended that: -

- (i) The report be received, noted and the relevant sections of the Annual Return be completed.
- (ii) That the Partnership Board formally approves and signs the return.