

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	18 June 2012

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Financial & Assurance Shared Services Annual Return 2011-12	N/A	S Guinness	

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report presents the Annual Return for 2011/12 to Joint Committee for approval and sign off by the Chair prior to it being submitted to the external auditor by the deadline of 20th July 2012.

The Shared Services Partnership is seen as a key project by both Chorley and South Ribble Councils and makes a direct and extensive contribution to the following strategic objectives:

“Ensuring that **Chorley** Council is a consistently top performing organisation.”

“**South Ribble** is an efficient, effective and exceptional council.”

RECOMMENDATIONS

- (1) The Joint Committee approves and signs off the 2011/12 Annual Return for the Financial and Assurance Shared Services Partnership.
- (2) The Joint Committee discusses and responds to the Audit Commission’s consultation letter dated 10th May 2012 regarding the proposal to re-appoint the current auditor, BDO LLP, to audit the annual return.

DETAILS AND REASONING

In 2009/10 the Joint Committee was required to compile and approve a Statement of Accounts. The revised accounts and audit regulations came into affect from 31st March 2011 whereby the threshold set to qualify as a smaller relevant body was increased from £1 million to £6.5 million. As a result the Joint Committee is now classed as a smaller relevant body and is now required to produce simplified accounts in the form of the attached Annual Return. The return has been subject to the limited assurance audit regime since 2010/11.

In addition to the above, written consultation has been received from the Audit Commission with regard to the appointment of BDO LLP to audit the annual return for all small bodies in Lancashire, Greater Manchester and Merseyside. The appointment is proposed to comply with section 3 of the Audit Commission Act 1998. The appointment is for a five year period commencing with the accounts for year ending 31st March 2012. Also on the agenda is a copy of the letter received from the Audit Commission which also sets out the scale of charges.

With regard to the cost of external audit the amount paid in 2011/12 was £3,500. The scale of audit fees in the recent consultation letter shows that this amount has reduced to £2,000 being a reduction of 42.9%. This is due to the overall cost reduction in external audit fees charges and also because the Joint Committee’s total out-turn costs have reduced to under £2.0m which is the threshold to qualify for a lower fee bracket.

There is also a legal requirement to enable interested parties and local electors to exercise their rights with regard to the annual accounts. As part of this process we are required to provide the electors with the opportunity to inspect the accounts and other documents before the audit and this must be advertised by means of a notice displayed for 14 days prior to the availability period. This notice will be displayed at Chorley and South Ribble from 11th June 2012 to 24th June 2012 and the accounts and other documents will then be available for 20 working days between 25th June 2012 and 20th July 2012.

WIDER IMPLICATIONS

FINANCIAL	The annual return section 1 provides a summary of the financial out-turn for the Partnership as at the end of the 2011/12 financial year. Please note that the Annual Return includes internal recharges and therefore cannot be cross referenced with the Budget Out-turn in the Annual Report which contains cash budgets only.
LEGAL	<p>External Auditor appointed under Section 3 of the Audit Commission Act 1998.</p> <p>The Annual Return is completed to comply with Statutory Instruments – 2011 No. 817, The Accounts and Audit (England) Regulations 2011 came into effect from 31st March 2011 whereby the Joint Committee is classed as a Smaller Relevant Body.</p> <p>The Shared Services Joint Committee was established under Section 101 of the Local Government Act 1972 and provides the overall governance for the Shared Services Partnership.</p> <p>The terms of the Partnership are set out in an Administrative Collaborative Agreement which has been signed by both sponsoring Councils. The Collaborative Agreement in turn incorporates a Service Level Agreement which sets out the key outputs required of the Partnership and the individual performance measures against which it will be judged.</p>
RISK	A dedicated Risk Register was established at the Partnership's inception and this has been updated to take account of the extensive progress that has now been made to mitigate the inherent risks that were faced at the outset, and to take account of any emerging risks now facing the Partnership. The updated Risk Register is set out in the Partnership Business Improvement Plan for 2012/13.
OTHER (see below)	

<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

1. Partnership Business Improvement Plans 2011/12 and 2012/13.